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Japan Communications Inc.
Naohisa Fukuda
Representative Director-President and CEO
4-1-28 Toranomon, Minato-ku, Tokyo
(TSE Code: 9424; TSE Prime Market)
For enquiries: Mitsuru Kodaira
Executive Officer and CFO
Tel: +81-3-5776-1700

Notice Regarding the Acquisition of the Company's Shares by Naohisa Fukuda, Representative Director-President and CEO and Loan of Funds in connection with Such Acquisition

Japan Communications Inc. (hereinafter referred to as "the Company") hereby announces that at the Written Resolution of the Board of Directors as of today (hereinafter referred to as the "Resolution of the Board of Directors"), the Company resolved to provide a loan of up to 200 million yen to Naohisa Fukuda, the Company's Representative Director-President and CEO (hereinafter referred to as "Mr. Fukuda"), as funds for acquiring the Company's shares on the open market (hereinafter referred to as the "Transaction").

Mr. Fukuda assumed the position of President and Representative Director of the Company in June 2015 and took over the position of CEO in June 2025 from Frank Seiji Sanda (hereinafter referred to as "Mr. Sanda"), the Company's founder and Representative Director-Chairman, who had served as CEO for 29 years since the Company's founding. Based on the belief that the CEO should hold a certain number of the Company's shares, the Company decided to proceed with this Transaction now that one year has passed since Mr. Fukuda assumed the position of CEO.

As of today, Mr. Fukuda holds 887,000 shares of the Company's stock (representing 0.52% of the total number of shares outstanding). However, following this Transaction, assuming that Mr. Fukuda completes his market purchase of the Company's shares using the maximum loan amount of 200 million yen at the closing price of 113 yen on August 24, 2026 (excluding fees charged by trust banks and securities firms), Mr. Fukuda's shareholding would increase to 2,656,911 shares (representing 1.58% of the total number of shares outstanding). Assuming the current shareholder composition remains unchanged, he is expected to be listed among the top 10 major shareholders in the Business Report and Securities Report, and would become the third-largest individual shareholder, following Mr. Sanda and Ms. Theresa S. Vonderschmitt (These figures for the number of shares held and the ownership percentage are estimates based on the closing price as of August 24, 2026, and are subject to change depending on the actual purchase price and other factors).

The Company believes that an increase in the management team’s holdings of the Company’s shares more clearly demonstrates their responsibility and commitment to enhancing the Company’s corporate value and shareholder value, and promotes alignment of interests with our shareholders.

In addition to this Transaction, Mr. Fukuda may acquire the Company’s shares with the Company’s involvement through the issuance of stock options by the Company to Mr. Fukuda, or the Company’s grant of the Company’s shares to Mr. Fukuda without consideration as compensation; however, each of these methods has disadvantages, such as requiring a long period of time to accumulate a certain number of the Company’s shares, necessitating renewed approval from the General Meeting of Shareholders, and requiring the Company to incur corresponding expenses. On the other hand, as the Company is currently in a growth phase, it is considered entirely feasible to recover the funds lent to Mr. Fukuda if the method outlined in this Transaction is adopted. After comprehensively considering these factors, the Company’s Board of Directors has determined that the method outlined in this Transaction is the best course of action.

This Transaction was deliberated and approved by the Board of Directors as a conflict-of-interest transaction as defined by the Companies Act, and will be implemented on the premise of interest rate terms based on market standards, the establishment of collateral on the acquired shares, and other debt security measures. Furthermore, prior to executing the loan, the Company conducted a thorough review of repayment capacity and the likelihood of recovery and has determined that this Transaction will not be detrimental to the Company.

Upon receiving approval from the Board of Directors regarding this Transaction, the Company will enter into a loan agreement with Mr. Fukuda, as outlined below.

<Outline of the Loan Agreement>

Loan Amount	Up to 200,000,000 yen.
Use of Funds	Limited to market purchase of the Company’s shares (including fees charged by trust banks and securities firms).
Loan Date	A date designated by the Company within one week of the date of the Resolution of the Board of Directors
Interest Rate	2.34% per annum (simple interest)
Repayment Due Date	Within 5 years from the loan date
Principal Repayment Method	Repay in a lump sum on the repayment date.
Interest Repayment Method	Interest accrues from the day following the loan date until the principal is fully repaid, and is paid once a year on the last day of the month in which the loan date falls.
Collateral	The Company will establish a pledge over its shares acquired through market purchases.

Furthermore, regarding the market purchase of the Company's shares by Mr. Fukuda in connection with this Transaction, prior to Mr. Fukuda's knowledge of the undisclosed material facts, he will enter into a share acquisition trust agreement with a trust bank that satisfies the exemption requirements for "pre-knowledge contracts or plans" under the Financial Instruments and Exchange Act and related ministerial ordinances. Based on this agreement, the trust bank is scheduled to conduct the market purchase without relying on Mr. Fukuda's subsequent discretion or instructions. Through these measures, The Company will take the necessary steps to ensure that Mr. Fukuda's market purchases of the Company's shares in connection with this Transaction do not violate insider trading regulations.

Frank Seiji Sanda, the Company's founder and Representative Director-Chairman, stated the following:
"In a company that started as a startup, passing the baton from the founder to the next generation is generally an extremely difficult undertaking. I had worked side by side with Fukuda to manage the Company for 10 years starting in 2015, and based on that, I handed over the position of CEO to Fukuda in June 2025. I believe that, as is common in Europe and the United States, it is essential for a person in the position of CEO to hold a certain number of the company's shares as a manager who respects shareholder interests. Since our founding, the Company have consistently maintained a Western-style governance structure, and this decision was made as part of that framework."

About Japan Communications Inc. (JCI)
Japan Communications Inc. (JCI), founded in 1996, is a pioneer who created the MVNO market and has brought innovation to the telecommunications industry. While JCI has established a stable profit model in their major business, simple and rational mobile communication services, JCI is aiming for further growth. JCI has strengths in patented technologies such as the mobile leased line "Closed SIM-to-SIM Communication" and the digital authentication technology "FPoS," and is focusing on providing mobile communication services and digital authentication infrastructure based on the authentication technology. The PCI DSS-certified mobile leased line is adopted by high-security sectors, such as police and bank. The FPoS supports security at the highest global standards and convenience. Under the mission of "carrying bit in safety and security," JCI is aiming for developing social infrastructure such as secure mobile environment beyond national borders and is working on sustainable growth and improving corporate value.