BroadBand Tower, Inc.
(Securities Code: 3776)

Financial Results Briefing

For the Second Quarter (Interim Period) of the Fiscal Year Ending December 31, 2026

Table of Contents

I. Overview of Second Quarter (Interim Period) Financial Results

Scope of Consolidation (as of July 2026)

Computer Platform business

BroadBand Tower, Inc. and TSS LINK, Inc.

5G Innovations

Data Center
Cloud
Storage

TSS LINK

Development and sales of internal fraud prevention solutions (security products)

Consolidated subsidiaries

GiTV
GiTV Fund I / GiTV Fund II

Investment

Media Solutions business

Japan CableCast, Inc. (JCC)

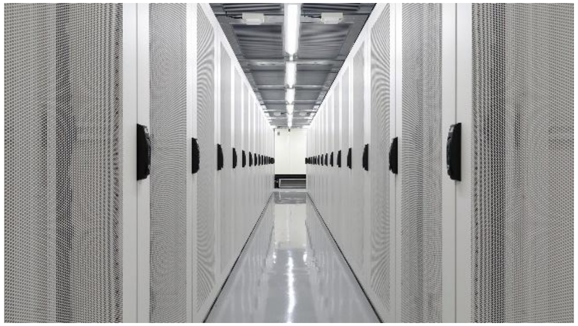
Subscription management for Cable TV premium channels
Regional disaster prevention DX services

***Three equity-method affiliates:**
CampusNavi TV Co., Ltd., Mobile Internet Capital, Inc., and Okinawa Cable Network, Inc.

Overview of BB Tower's Services

5G Innovations

Data centers



■ **Four locations within Tokyo's 23 wards, one in Osaka**

- Otemachi, Tokyo: Japan's internet hub

■ **On-premises connectivity with Japan's three major IX* operators and mega-cloud providers**

- Direct connection to IX* operators, which offer interconnection points for the internet, and to services such as Amazon (AWS) and Microsoft (Azure)

*IX: Internet exchange *Three major IX operators: JPIX, BBIX, JPNAP

Cloud solutions

c9

■ **c9, independently managed cloud service**

- Reliable support and a high-bandwidth backbone network

■ **Hybrid-cloud and multi-cloud solutions**

- c9: Distributed processing on the public cloud and web application utilization, with data centers as the core system

Data solutions

DELL Technologies
PLATINUM PARTNER

■ **Sales and support for Dell Technologies NAS products**

- Comprehensive support, backed by 20 years of experience

■ **Superna: ransomware solution**

- Compatible with Dell Technologies Isilon/PowerScale

Overview of JCC's Services

Content platform

■ JC-HITS: Multi-channel distribution service

- Distribution of content, including video, audio, and electronic program guides (EPG) sourced from program suppliers, to cable TV operators

■ Entele: Cable-only channel

- General entertainment channel that supports local communities and connects different regions via cable TV stations nationwide

Information platform

■ JC-data: Data broadcasting service

- Provision of data, such as weather and disaster-prevention information and lifestyle and entertainment information, to cable TV operators

■ JC-Smart: App for smartphones and tablets

- Provision of real-time disaster-prevention and daily living information during emergencies; serves as a portable disaster-prevention tool

■ Regional and Disaster Prevention DX Service: Distribution of disaster information to municipalities

- Full cloud migration of distribution facilities and system sharing with municipalities; distribution through various devices*

* Smartphones and tablets (JC-Smart), televisions and audio announcement terminals, and IP-based notification terminals

Main Business Topics for Growth Strategies

Computer Platform business

Data solutions won a mega project

- We have won a large-scale project for Dell PowerScale/Isilon from a leading company in action IP driving the esports industry.

Large-scale contract secured at the Ishikari Bay New Port Site, to take effect immediately after service launch

- At the Ishikari Bay New Port Site, a suburban data center scheduled to launch this autumn, we have secured a large-scale contract from a domestic internet-related company that takes effect immediately after service launch.

Collaboration on the operation of a green data center using a virtual PPA arrangement

- We have partnered with NCS RE Capital Co., Ltd., on the operation of a green data center based on a virtual PPA arrangement that draws on the environmental value of renewable energy.

Media Solutions business

Expanded regional and disaster prevention DX services

- In Kiyosato Town, Hokkaido, we launched “Anzen Anshin on Channel,” a municipal information distribution service that uses television. By combining terrestrial television data broadcasting with audio announcement terminals, the service enables rapid and reliable information delivery to residents.

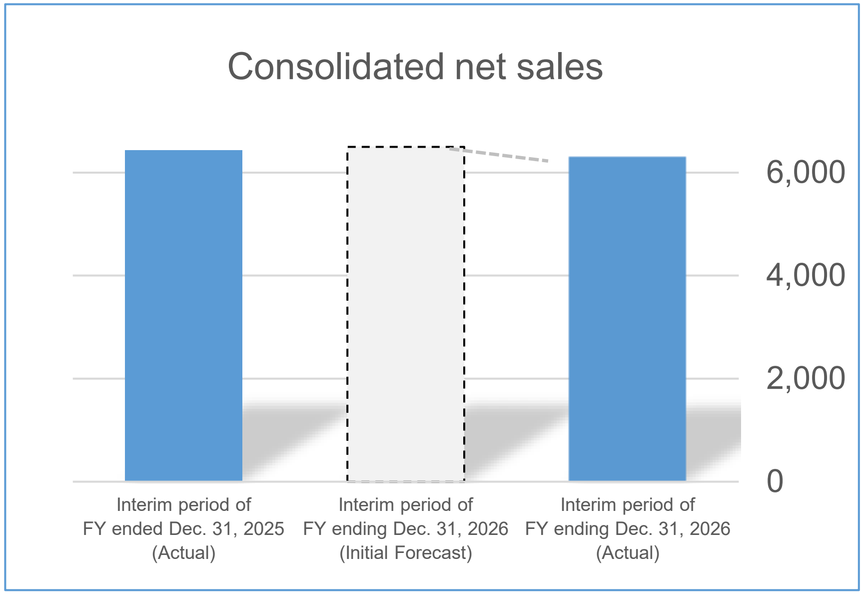
Data broadcasting service JC-data and other services introduced at ZTV, Cable One, and Tokyo Bay Network

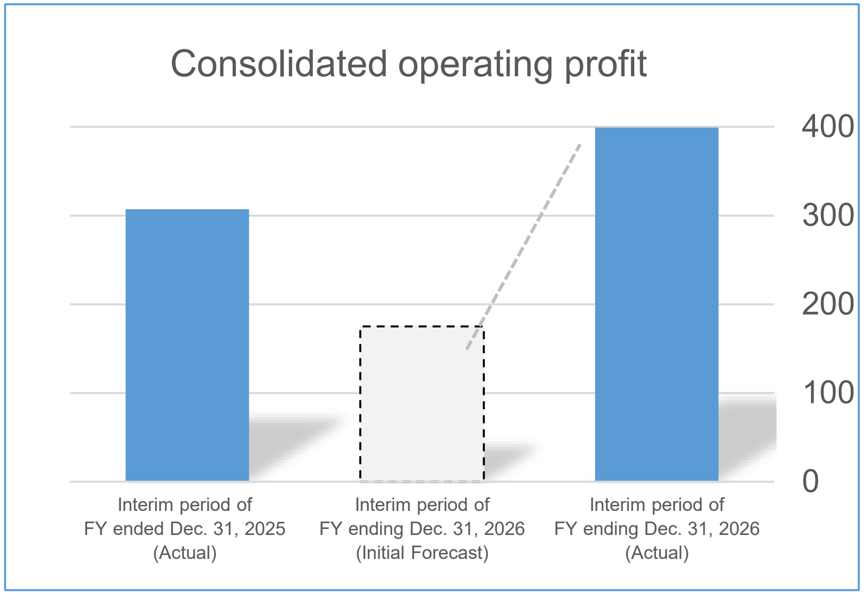
- We began providing JC-data to ZTV and both JC-data and JC-Smart to Cable One and Tokyo Bay Network, promoting information delivery tailored to each community’s needs in everyday situations and during disasters.

Performance Highlights
(Net Sales, Operating Profit / Year-on-Year and Versus Initial Forecast)

5G Innovations

Consolidated net sales: down 3.1% versus initial forecast; operating profit: up 128.3% versus initial forecast
Contract cancellations at data centers, together with longer lead times for the memory, SSDs, and other components incorporated in the products we sell in data solutions, among other factors, contributed to a decline in net sales.
Operating profit increased, driven by improvements in profitability across the Group as a whole and other factors.



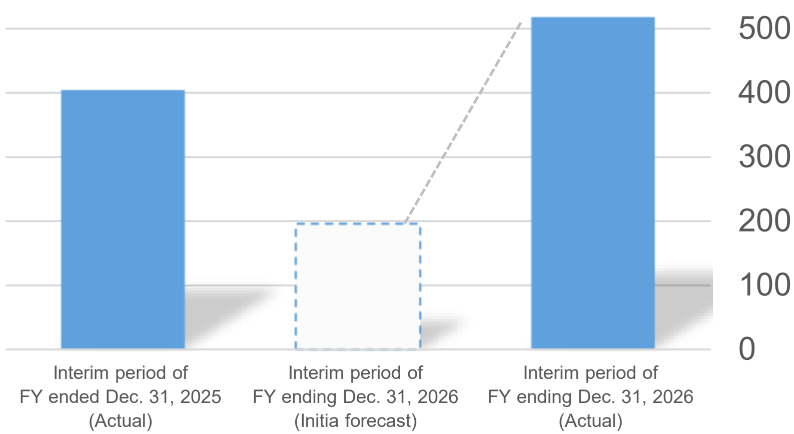


(Millions of yen)

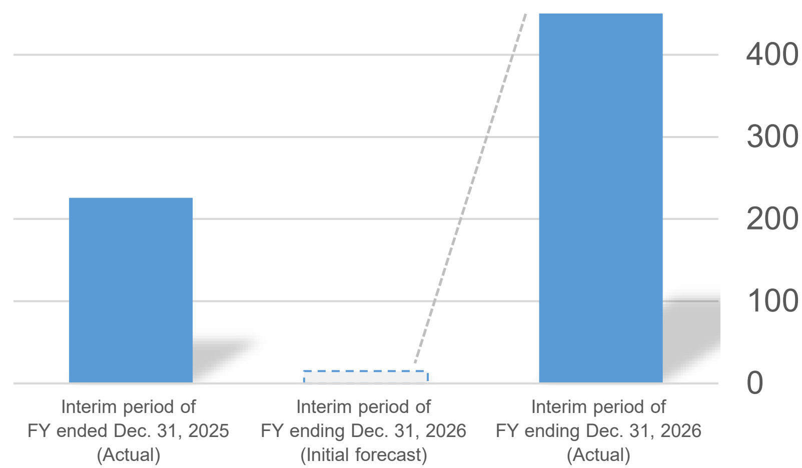
(Millions of yen)	Interim period of FY ended Dec. 31, 2025 (Actual)	Interim period of FY ending Dec. 31, 2026 (Initial Forecast)	Interim period of FY ending Dec. 31, 2026 (Actual)	Change	% (versus initial forecast)
Consolidated net sales	6,435	6,500	6,299	(201)	(3.1%)
Consolidated operating profit	307	175	399	224	128.3%

Consolidated ordinary profit: up 165.8% versus initial forecast; profit attributable to owners of parent: up 2,493.9% versus initial forecast
Ordinary profit increased, driven by the rise in operating profit as well as higher profit on equity-method investments and other factors.
Profit attributable to owners of parent increased as we recorded a gain on the transfer of the Minakami Solar Power Plant as extraordinary income.

Consolidated ordinary profit



Profit attributable to owners of parent



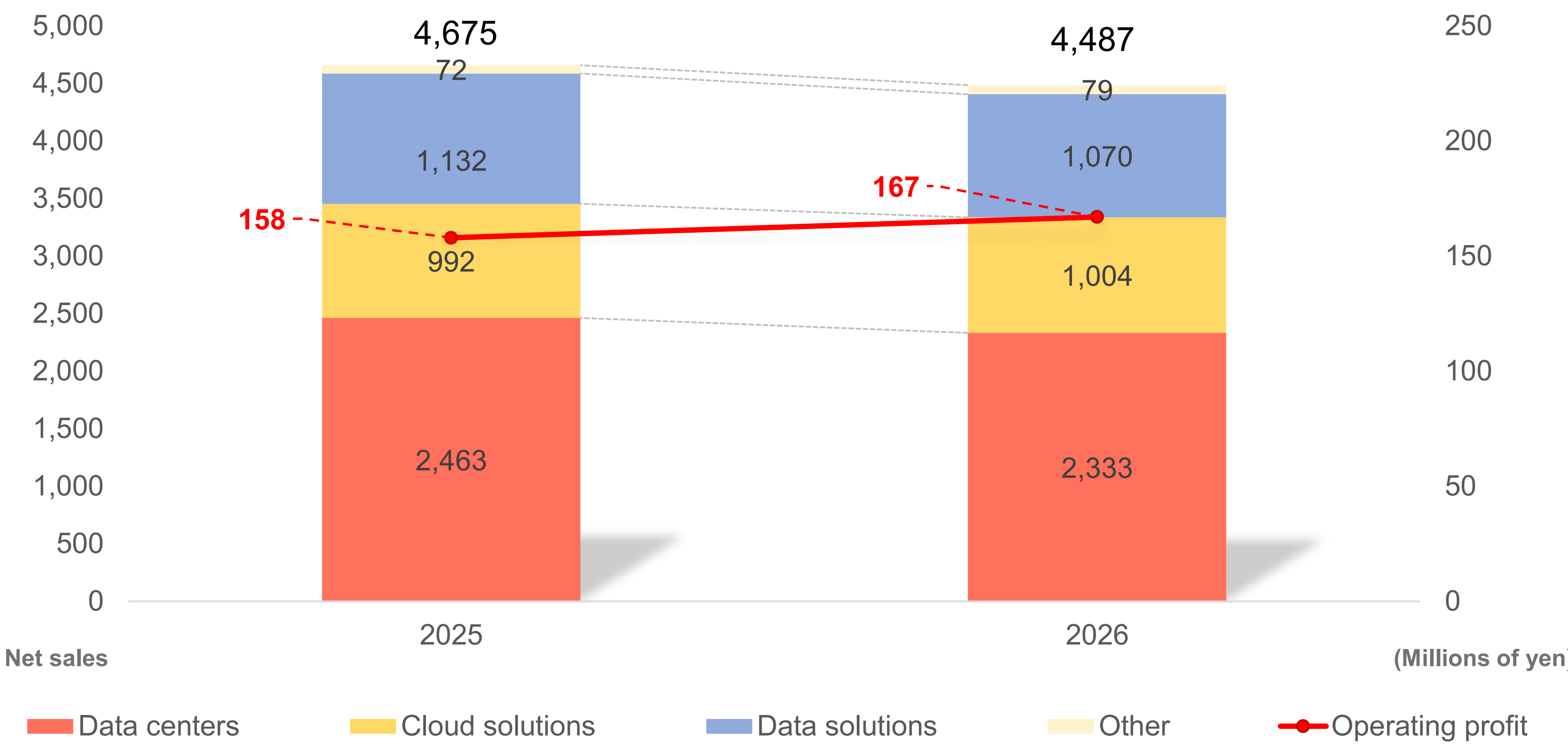
(Millions of yen)

(Millions of yen)	Interim period of FY ended Dec. 31, 2025 (Actual)	Interim period of FY ending Dec. 31, 2026 (Initial Forecast)	Interim period of FY ending Dec. 31, 2026 (Actual)	Change	% (versus initial forecast)
Consolidated ordinary profit	404	195	518	323	165.8%
Profit attributable to owners of parent	226	15	456	441	2943.9%

Computer Platform Business Segment (YoY)

Net sales decreased by 4.0%; Operating profit increased by 6.0%

Net sales decreased, as growth in cloud solutions was more than offset by the impact of contract cancellations at data centers and extended product lead times attributable to memory and SSD constraints in data solutions. Having secured large-scale projects, we aim to make up ground in the second half. Operating profit increased, driven by an increase in high-margin projects.

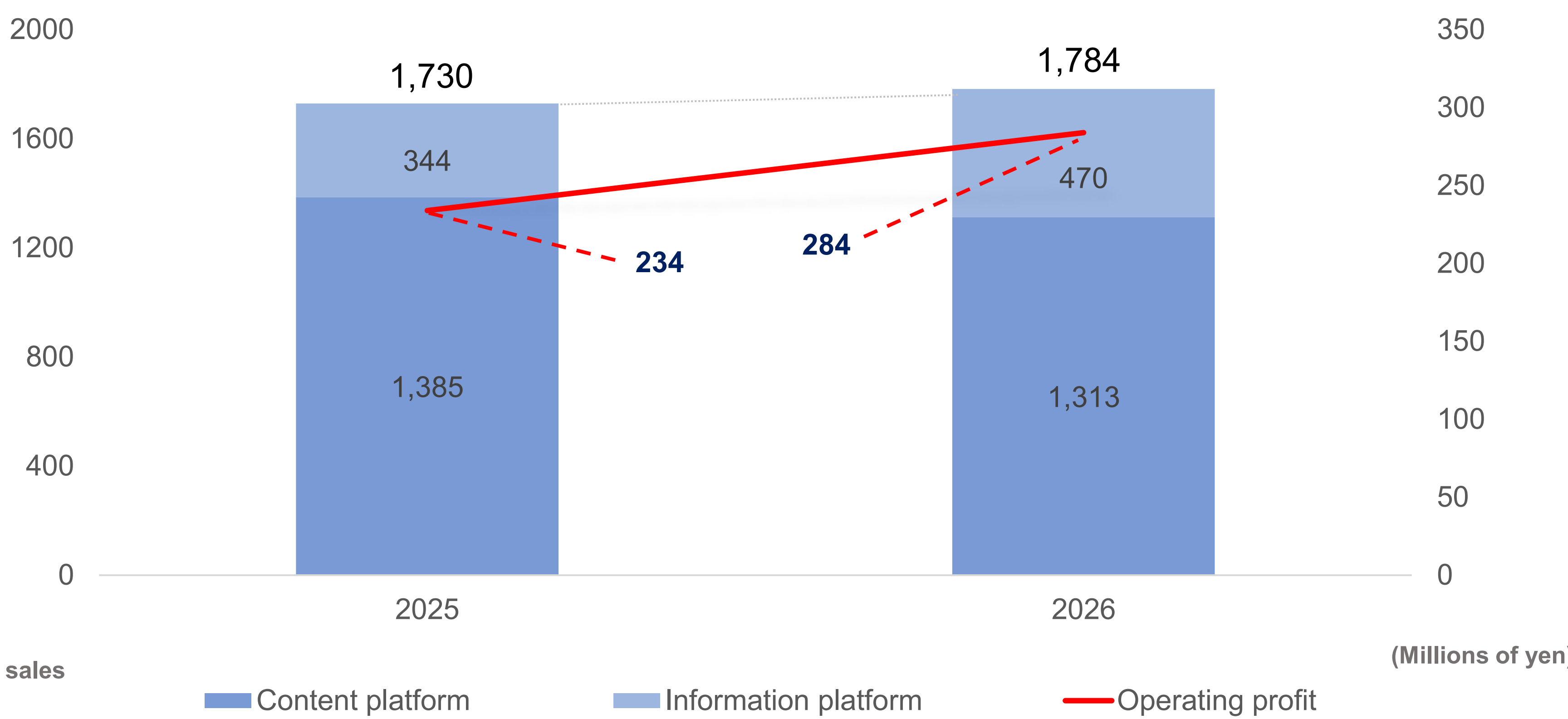


Media Solutions Business Segment (YoY)

Net sales increased by 3.1%; operating profit increased by 21.4%

Net sales increased due to higher orders for regional and disaster prevention DX services for the information platform.
Operating profit increased, driven by higher information platform sales and cost reductions for the content platform.

Number of implementations of regional DX by local governments: 13 (as of the end of June 2026)



Summary of the Consolidated Balance Sheet for the Second Quarter (Interim Period)

Total assets increased due to increases in cash and deposits and investment securities, among other factors, despite decreases in accounts receivable-trade and in property, plant and equipment and intangible assets due to depreciation, among other factors.

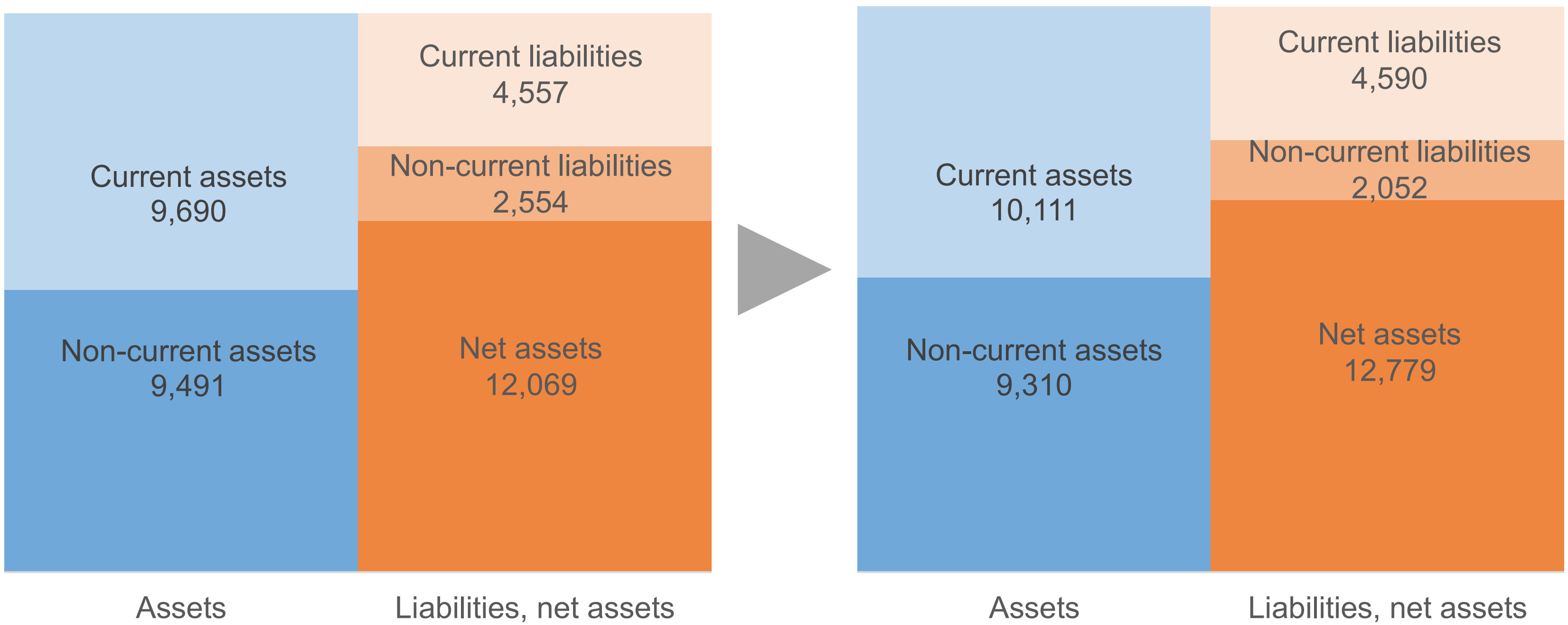
Total liabilities decreased due to a decrease in long-term borrowings, among other factors.

Total net assets increased due to an increase in retained earnings resulting from the recognition of profit attributable to owners of parent and an increase in non-controlling interests, among other factors.

The equity ratio increased to 47.1%.

(Millions of yen)

As of December 31, 2025 | As of June 30, 2026



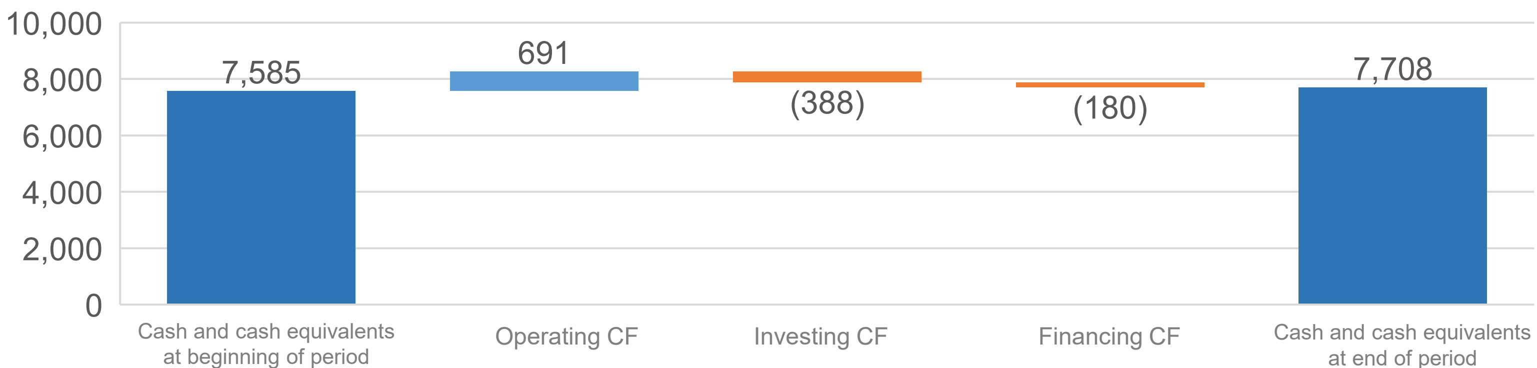
Equity ratio: 45.7% | Equity ratio: 47.1%

Summary of the Cash Flows for the Second Quarter (Interim Period)

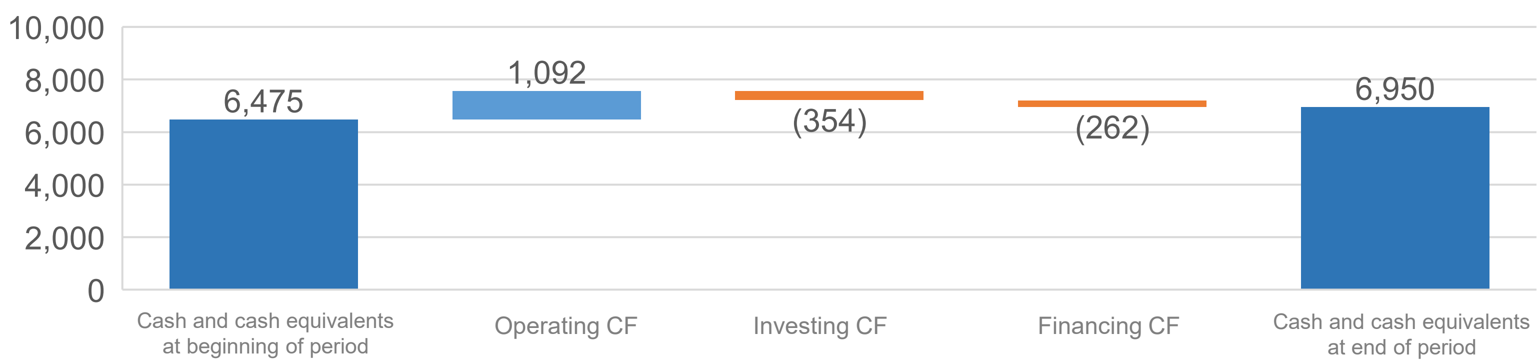
- **Cash flows from operating activities:** Inflows from the recognition of profit before income taxes, depreciation (non-cash expense), a decrease in accounts receivable-trade, etc.
- **Cash flows from investing activities:** Outflows due to the acquisition of property, plant and equipment, the acquisition of investment securities, etc.
- **Cash flows from financing activities:** Outflows due to the repayment of long-term borrowings, dividend payments, etc., despite inflows from payments by non-controlling shareholders

Interim period of FY ended Dec. 31, 2025

(Millions of yen)



Interim period of FY ended Dec. 31, 2026



II. Second Quarter (Interim Period) Business Results

Initiatives

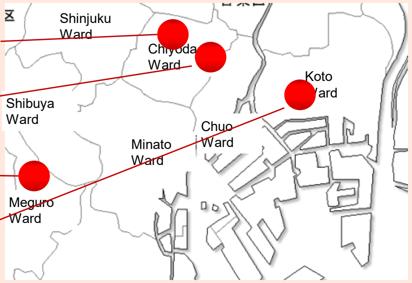
Becoming a data center operator equipped to support both network connectivity and power requirements

With Tokyo's Otemachi as the core of our operations, we will promote effective integration between electricity and communications (the "watt-bit" collaboration) to create new areas of growth

Urban data centers

Internet access hubs

With Tokyo's Otemachi, Japan's internet hub, as the core of our operations, we will have strong connectivity to destinations throughout Japan and around the world.



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Suburban data centers

Information processing and disaster recovery (DR) centers

We will implement various measures, such as AI training and information processing, distributed storage, data backup, and protection against ransomware, while minimizing environmental impact.

Ishikari Bay New Port Site

Opening in fall 2026

Interim Period Results

◯ Urban data centers:

Inquiries centered on the Otemachi area, engaged in sales activities toward the early recovery of earnings

◯ Ishikari Bay New Port Site:

Secured large contracts prior to opening of the site; highly praised for the high degree of flexibility regarding electricity

◯ IOWN® APC (All-Photonics Connect powered by IOWN®):

Collaborated with Ishikari Renewable Energy Data Center LLC No. 1. on the provision of connectivity services based on IOWN® APC

New site for BroadBand Tower deployed within the Ishikari Renewable Energy Data Center

Overview of Ishikari Bay New Port Site

Floor area: Approx. 570 m²

Rack count: 190 racks

(* The Ishikari Renewable Energy Data Center as a whole comprises 1,140 racks / 6 data halls; we provide facility-wide management services.)

Connectivity services to be provided:

○ High-quality internet connectivity*

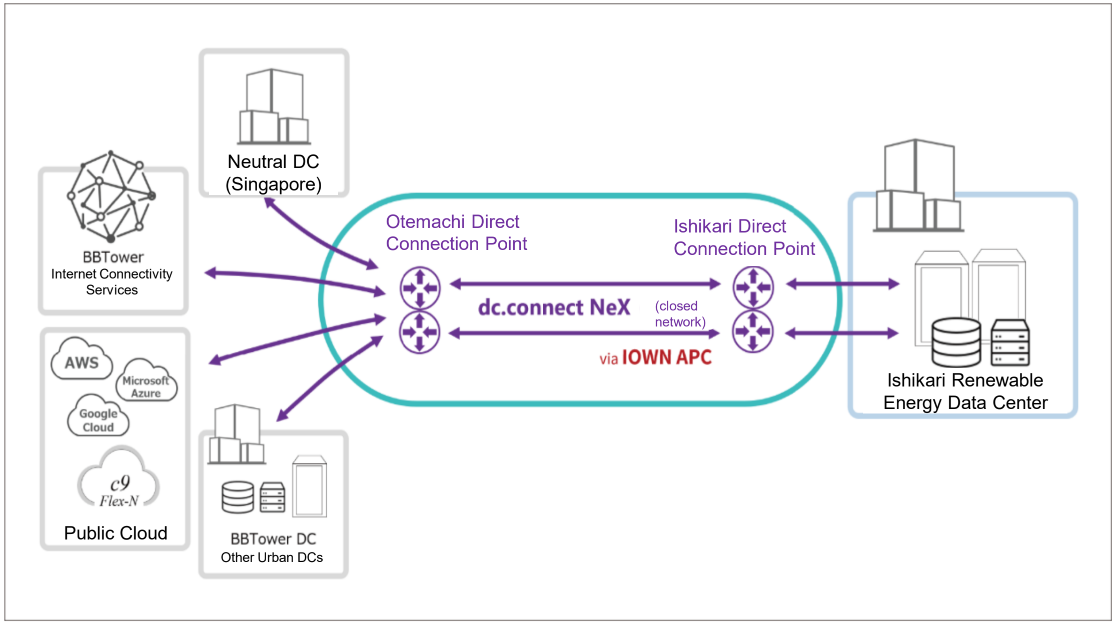
○ Connectivity to various cloud services

- Public cloud services:
  AWS, Microsoft Azure, Google Cloud, OCI, IBM Cloud, etc.
- Our cloud services
  c9 Flex service N series

We have been commissioned to provide management services for the entire Ishikari Renewable Energy Data Center and are scheduled to begin providing our services in one section of the facility from September.
We have already won a large-scale contract and secured a certain number of contracted racks prior to opening.

*Utilizes each carrier's fiber available for connection at BroadBand Tower's New Otemachi Site, DCI (Data Center Interconnection) services, etc.

Collaboration with Ishikari Renewable Energy Data Center LLC No. 1 in providing connectivity services based on IOWN® APC



Using All-Photonics Connect powered by IOWN® (APC)—a commercial service provided by NTT East toward realizing the IOWN® concept for next-generation communications infrastructure—we aim to achieve network quality and connectivity equivalent to that of urban data centers, despite the facility's regional location.

Seamlessly connecting Ishikari and Otemachi, we aim to realize a sustainable digital infrastructure that organically links major data centers both domestically and internationally.

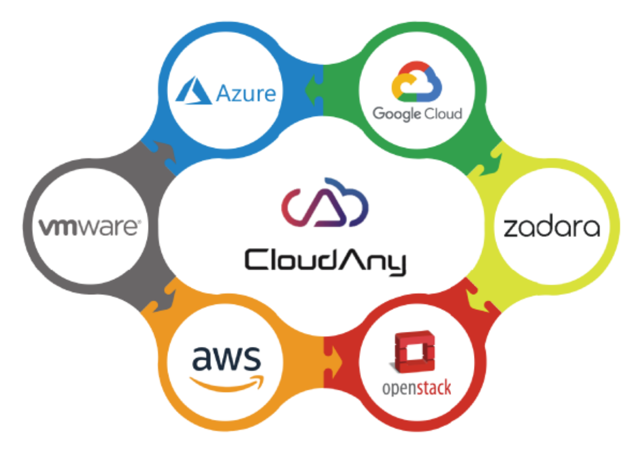
Cloud Solutions

Initiatives

<u>Developing high value-added solutions that meet the needs of the hybrid multi-cloud era</u>

Utilizing our insights into data center management and operations to <u>become a business that customers choose for its support</u>

- ○ **c9 Flex service N series**
  Leverages Zadara's platform to enable flexible service utilization
- ○ **Amazon/Microsoft partner**
  Enables one-stop contracts for AWS, Azure, and other services
- ○ **MSP monitoring and operation service**
  Provides 24/7 monitoring and operation
- ○ **CloudAny**
  Provides cloud migration tools, enabling seamless system migration between various cloud platforms



Interim Period Results

- ○ **Third-party cloud services such as AWS and Azure:**
  Captured corporate multi-cloud needs and performed strongly
- ○ **MSP monitoring and operations services:**
  Business expanded steadily, underpinned by needs for operations outsourcing accompanying the increasing complexity of cloud environments

Data Solutions

Initiatives

In addition to Dell PowerScale/Isilon and ransomware solutions, we will sell AI server products, offering a comprehensive proposal from generative AI utilization to data storage

We will propose solutions encompassing everything from data generation to accumulation, backed by our proven support capabilities

○ Dell PowerScale/Isilon

Our core business, reaching new heights with 20 years of proven results

○ Superna

Embedded at the API level in Dell PowerScale/Isilon

○ AI servers (Dell Technologies)

Turning the growing momentum for generative AI into real demand

Interim Period Results

○ Dell PowerScale/Isilon:

Secured a large-scale project from a leading company in action IP driving the esports industry

We recognize that this is underpinned by the technical capabilities and sales efforts we have cultivated

Initiatives

We will strengthen our expansion into the regional information and disaster prevention DX field while maintaining the earnings base of existing businesses.

○ Content Platform:

We are rolling out the multi-channel distribution service JC-HITS for cable TV operators. Response to the switch to a new CAS (ACAS) capable of safely distributing high-quality content, which is currently being carried out throughout the cable TV industry, is also underway.

○ Information Platform:

We are rolling out JC-data, which provides data broadcasting content to cable TV operators, and regional and disaster prevention DX, a cloud-based disaster information distribution system. Against the backdrop of growing use of grants, we are promoting business in partnership with individual municipalities.

[JC-data Screen Image] (Cable One Co., Ltd.)

Interim Period Results

○ Content Platform:

We are securing stable sales to existing customers, and the switch to ACAS is also progressing steadily.

○ Information Platform:

JC-data: adopted by 3 companies / Regional and disaster prevention DX: adopted by 1 municipality

A large-scale regional and disaster prevention DX project closed in Q1, contributing significantly to earnings growth

III. Full-Year Earnings Forecast for the Fiscal Year Ending December 31, 2026

Structural Characteristics of Large-Scale Projects and Policy Regarding Initial Performance Forecasts

5G Innovations

Structural Characteristics of the Business

- Digital infrastructure investment is driven by customers' equipment renewal plans and the timing of their investment decisions.
- The timing of investment decisions and project scale are subject to each customer's circumstances, making it difficult for us to control when they occur or on what scale.
- Large-scale projects involve significant per-project amounts relative to our business scale and have a substantial impact on our business performance.

Policy Regarding Initial Performance Forecasts

- **Performance forecasts are prepared with an emphasis on certainty, by aggregating projects already booked and projects with a high probability of being won.**
- **Because large-scale projects are the result of sales efforts and other factors, performance forecasts (including revisions) are prepared on the basis of orders won.**
- **If large-scale projects were incorporated into forecasts but ultimately not realized, this could lead to a downward revision. We therefore place emphasis on the certainty of our forecasts.**
- **When a large-scale project arises during the fiscal year, we will promptly revise and disclose our performance forecast after carefully assessing the impact on performance.**

Full-Year Non-Consolidated Earnings Forecast (Revised)

5G Innovations

Non-consolidated net sales and profit are expected to increase for the fiscal year ending December 31, 2026

- In the data solutions segment of the Computer Platform business, factors such as the acquisition of a large-scale project from a leading company in action IP that is driving the esports industry and customer acquisition at the newly established data center Ishikari Bay New Port Site are expected to contribute in the second half of the fiscal year, and net sales are expected to exceed the previously announced forecast
- In terms of profit, due to the increase in net sales and the increase in high-margin projects, operating profit and ordinary profit are also expected to significantly exceed the previously announced forecasts. In addition, because a gain on transfer of fixed assets was recorded as an extraordinary gain, profit attributable to owners of parent is also expected to significantly exceed the previously announced forecast

(Millions of yen)

	Fiscal year ended December 31, 2025	Fiscal year ending December 31, 2026 (Initial forecast)	Fiscal year ending December 31, 2026 (Forecast revised on July 22)	Change (versus initial forecast)
Net Sales	**11,760**	**9,800**	**10,400**	600
Ordinary profit	**587**	**185**	**480**	295
Profit for the period	**206**	**110**	**380**	270

Full-Year Consolidated Earnings Forecast (Revised)

Consolidated net sales and profit are expected to increase for the fiscal year ending December 31, 2026

- Net sales are expected to increase due to higher sales from the Computer Platform business
- In terms of profit, due to factors related to the Computer Platform business, both operating profit and ordinary profit are expected to increase significantly
- Because a gain on transfer of fixed assets was recorded as an extraordinary gain, profit attributable to owners of parent is also expected to significantly exceed the previously announced forecast

(Millions of yen)

	Fiscal year ended December 31, 2025	Fiscal year ending December 31, 2026 (Initial Forecast)	Fiscal year ending December 31, 2026 (Forecast revised on July 22)	Change (versus initial forecast)
Net Sales	**15,289**	**13,400**	**14,000**	600
Operating profit	**811**	**500**	**805**	305
Ordinary profit	**909**	**490**	**900**	410
Profit attributable to owners of parent for the period	**300**	**100**	**480**	380

Ⅳ. Shareholder Return Policy

5G Innovations

Sources of capital

(Operating CF, cash and deposits, interest-bearing debt, etc.)

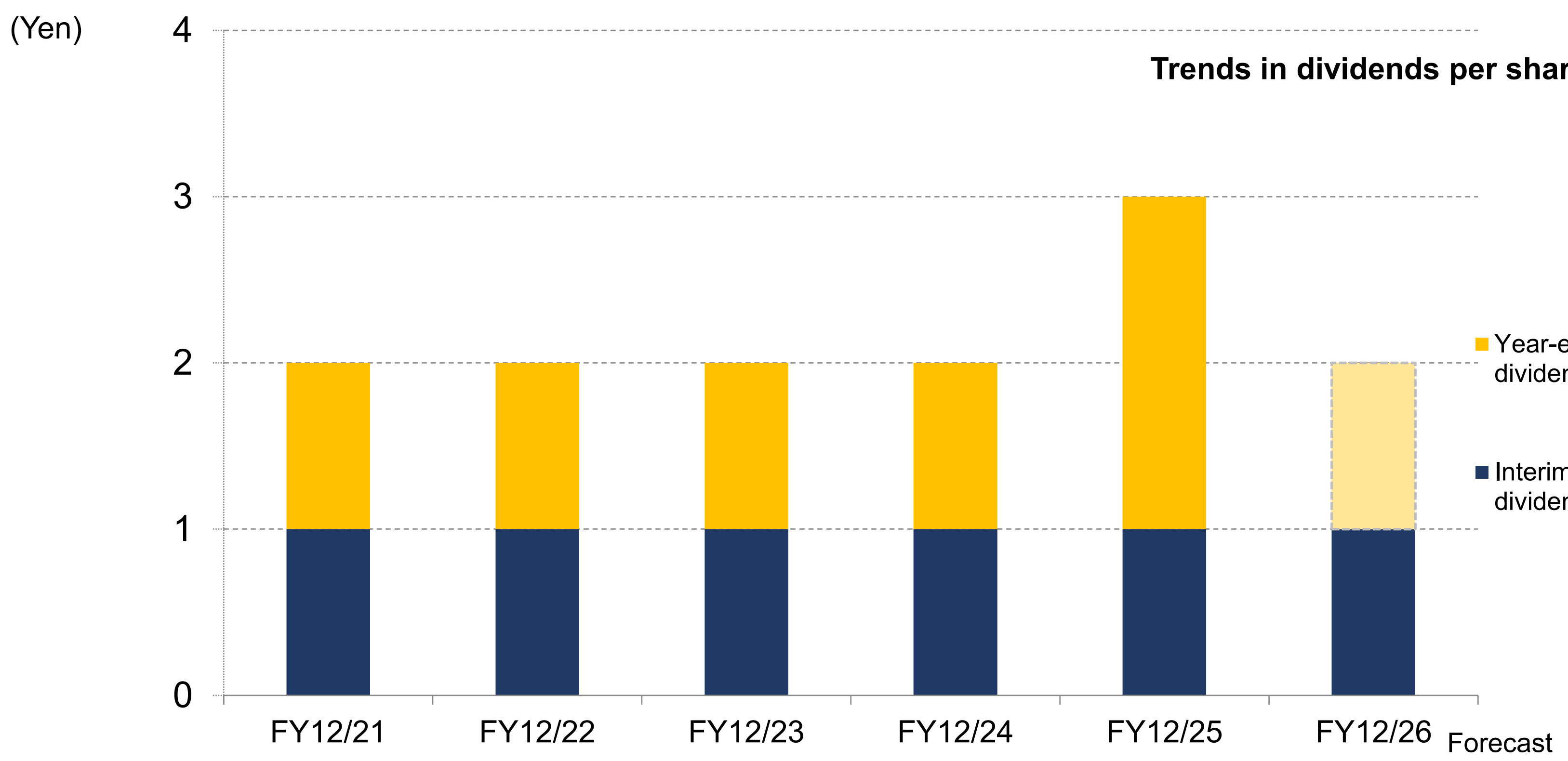
Capital allocation

Working capital	Financial soundness	Growth investment	Shareholder returns
• Business working capital • Equipment maintenance costs	• Appropriate liquidity on hand	• Data centers • IOWN • Storage • Regional DX, etc.	• Stable dividends • Flexible dividend increases

While securing the funds necessary for business operations and working to invest for future growth and maintain our financial base, we will continue to deliver stable shareholder returns.

Shareholder Returns

We will implement flexible shareholder returns in accordance with business performance, based on stable dividends, while ensuring the investments necessary for business growth and financial soundness.



Appendix

Company Overview

As of July 2026

Name	BroadBand Tower, Inc.
Incorporated	February 9, 2000
Head office	HIBIYA PARKFRONT, 2-1-6 Uchisaiwaicho, Chiyoda-ku, Tokyo
Capital	3,492 million JPY
Business segments	Computer platform business Media solutions business
Representatives	Hiroshi Fujiwara, Chairman, President & Chief Executive Officer Mieko Nakagawa, Senior Executive Director & Member of the Board, Legal & Accounting Group
Sales	15,289 million JPY (FY12/25 consolidated)
Stock Exchange	Tokyo Stock Exchange Standard: 3776

Corporate History

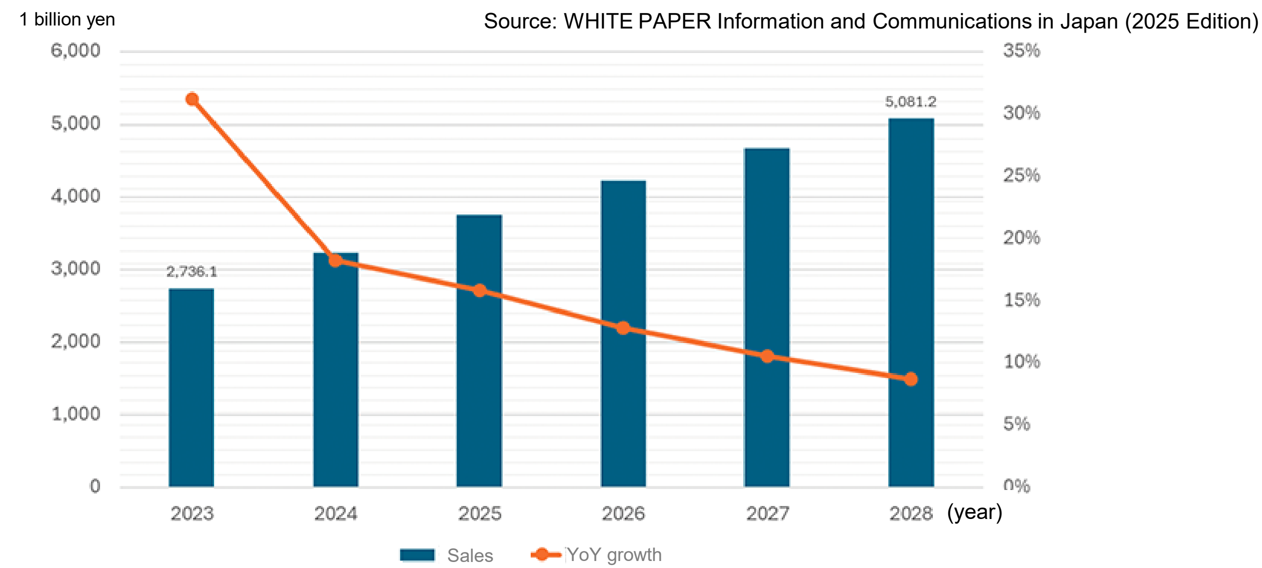
2000

- **2001**
- **2002** Company name changes to BroadBand Tower, Inc.
- **2003**
- **2004** Site 2 opens (Shinagawa Ward, Tokyo)
- **2005** Listed on the Hercules Market of the Osaka Securities Exchange
  Site 3 opens (Meguro Ward, Tokyo)
- **2006** Executes a distributorship agreement and begins sales for Isilon (now PowerScale), a product of Isilon Systems (now Dell Technologies)
- **2007** Launches managed hosting service FlexHosting (now c9 Flex)
  Nishiumeda Site opens (Fukushima Ward, Osaka City)
- **2008**
- **2009**
- **2010** Acquires the Preferred Partner Platinum status, the highest level (at the time) in the Isilon Partner Program
- **2011**
- **2012**
- **2013** Joined AWS Partner Network (APN)
- **2014** Becomes the first Japanese company to receive CSA STAR Certification for cloud security
- **2015** Site 5 opens (Koto Ward, Tokyo)
  Executes a distributorship agreement for Scality's Scality RING and begins sales
  Joins the Microsoft Azure Cloud Solution Provider (CSP) program
- **2016** Executes a Dell EMC Business Partner Program for Cloud Service Provider (CSP) agreement
  Establishes consolidated subsidiary Global IoT Technology Ventures, Inc. (now GiTV, Inc.)
- **2017** Receives the Partner Services Quality (PSQ) Award from Dell Technologies Inc. (USA)
  Japan CableCast Inc. becomes a consolidated subsidiary
- **2018** New Otemachi Site opens (Chiyoda Ward, Tokyo)
- **2019** TSS Link, Inc. becomes a consolidated subsidiary
- **2020** BroadBand Tower, Inc. marks its 20th anniversary
- **2021** Mobile Internet Capital, Inc. becomes an equity-method affiliate
- **2022** Changes listing to the Tokyo Stock Exchange Standard Market
- **2023** Signed a basic agreement with Ishikari Renewable Energy Data Center LLC No. 1 regarding the commercialization of Ishikari Renewable Energy Data Center
- **2024** c9 Flex V-series and N-series obtains the international cloud security standard ISO/IEC 27017 certification
- **2025** Signed a building lease agreement and a memorandum of understanding regarding renewable energy power supply with Ishikari Renewable Energy Data Center LLC No. 1

2026

5G Innovations

Japan’s data center market continues to expand



*The figures for 2023 are based on actual data; the figures for 2024 and later are forecasts

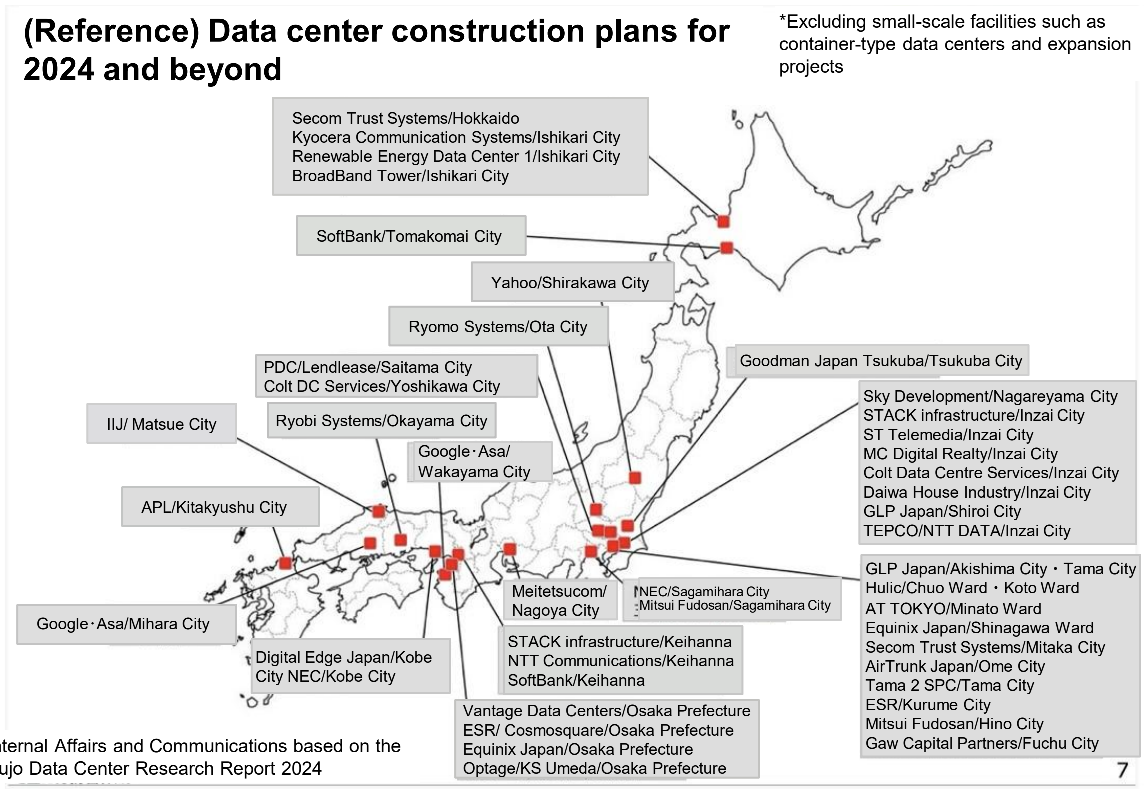
Trends and forecasts of the size of Japan’s data center services market (by sales)

⇒ **Expansion and rapid change in demand brought about by the widespread adoption of generative AI**

Increase in data traffic	Expanding rapidly even though video streaming, web browsing, and other activities still hold a large share
Urban DCs = Network hubs	Function as traffic-aggregation points and as central hubs for high-speed, low-latency connections
Increasing demand for suburban DCs	The need for large-scale power sources, vast land, and high-efficiency cooling drives large-scale development
Complementary functions through DC role differentiation	Urban DCs: low latency and high connectivity
	Suburban DCs: large-scale power sources and high-efficiency cooling

5G Innovations

Data center construction plans spreading across Japan

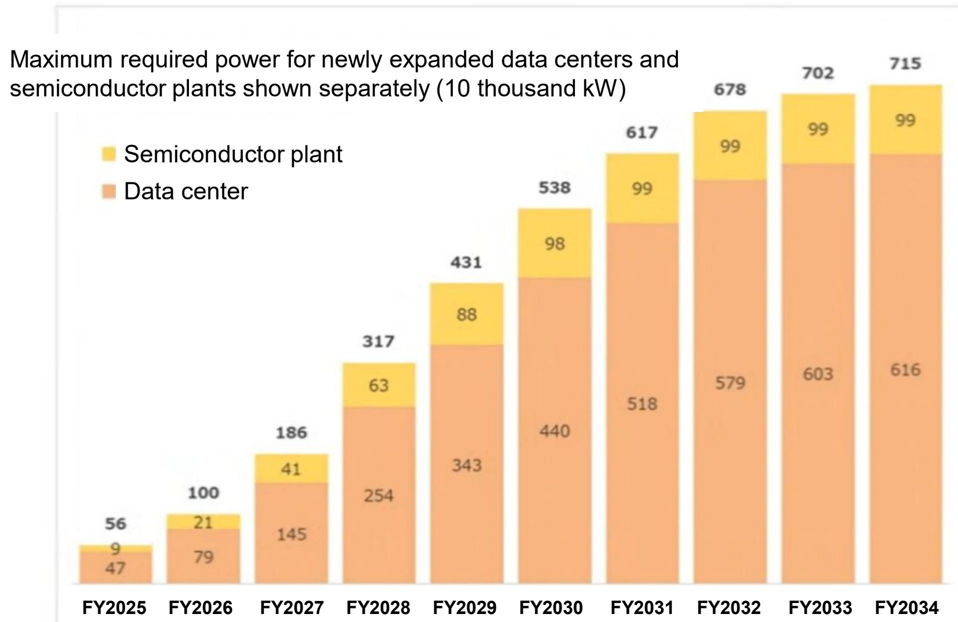


Source: Ministry of Internal Affairs and Communications based on the Impress Sogo Kenkyujo Data Center Research Report 2024

⇒ In addition to business continuity planning (BCP) and disaster recovery (DR) measures, tight electricity demand and nationwide digital transformation are driving regional dispersion

5G Innovations

Domestic electricity demand is increasing due to structural shifts associated with rising demand for data centers



Appendix figure 1-3: Demand shown separately (maximum required power: nationwide total)

Source: Organization for Cross-regional Coordination of Transmission Operators, JAPAN, *Zenkoku oyobi kyokyu kuiki goto no juyo sotei* [Demand forecasts for the entire country and for each supply area] (FY2025)

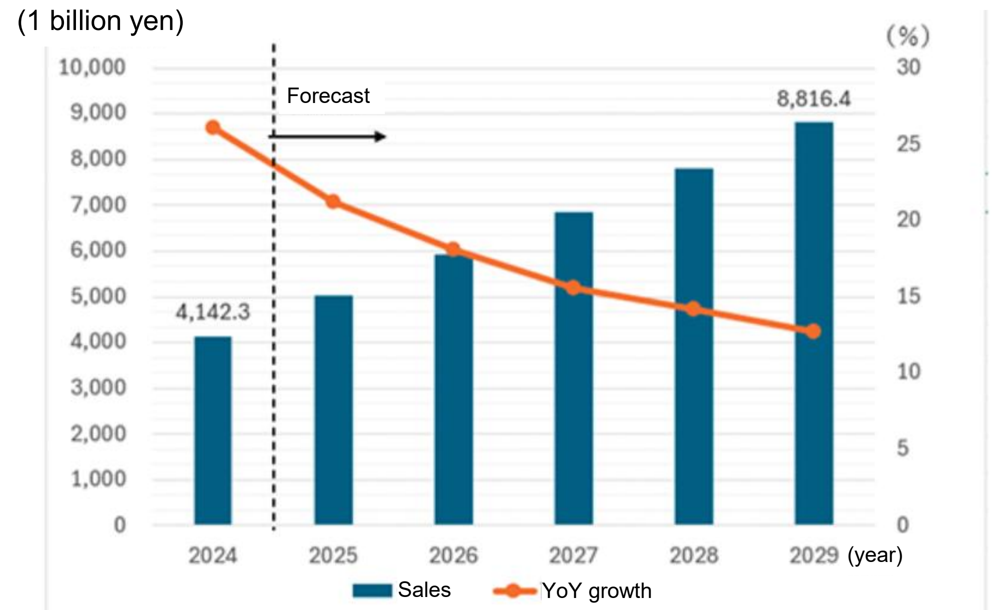
Electricity demand is surging

As ICT devices increase in performance and become compact, racks are becoming more densely packed. In particular, AI training applications require a large-scale power source and high-density electricity.
Power consumption related to data centers is expected to grow to approximately 2.5 times its current level over the next 10 years.

Securing power is key to growth

Capabilities to access power sources and procure renewable energy determine the competitiveness of DC operators.

As cloud adoption accelerates, the focus shifts to choosing the right support



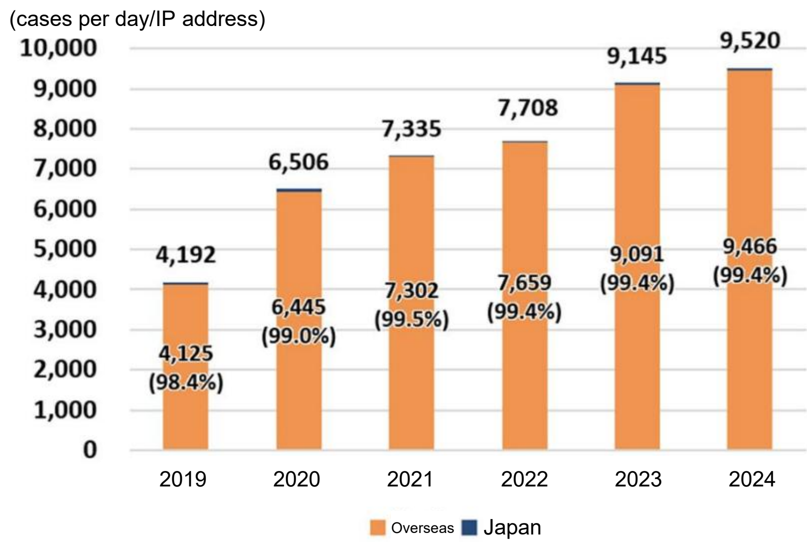
Source: IDC Japan, Japan Public IT Cloud Services Forecast, 2025–2029 (JPJ52152425), February 2025

System configurations are becoming complex With the advancement of DX and the adoption of AI, the scope of cloud usage is expanding further, making multi-cloud and hybrid configurations standard practice

Operational workload and costs are increasing Monitoring, backup, and security measures are becoming increasingly complex and costly, making monitoring and operational services essential

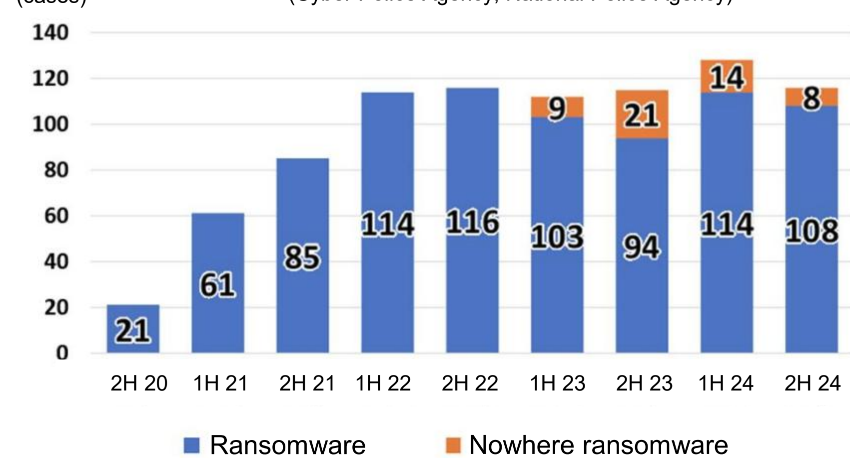
5G Innovations

Increasing cyberattacks and persistently high ransomware damage



Cyberattacks

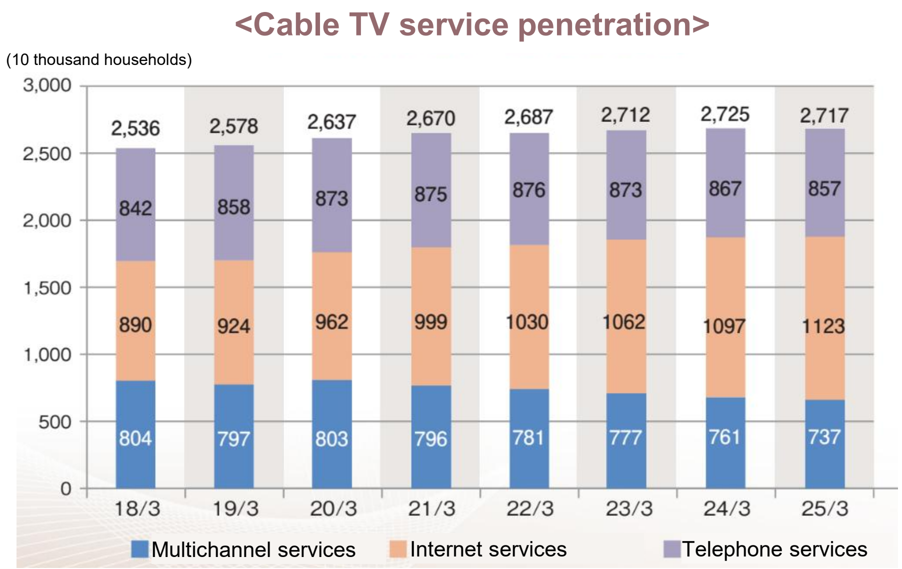
Source: *Reiwa 6 nen ni okeru saibaa kuukan o meguru kyoi no josei tou ni tsuite* [The state of cyber-related threats in 2024] (Cyber Police Agency, National Police Agency)

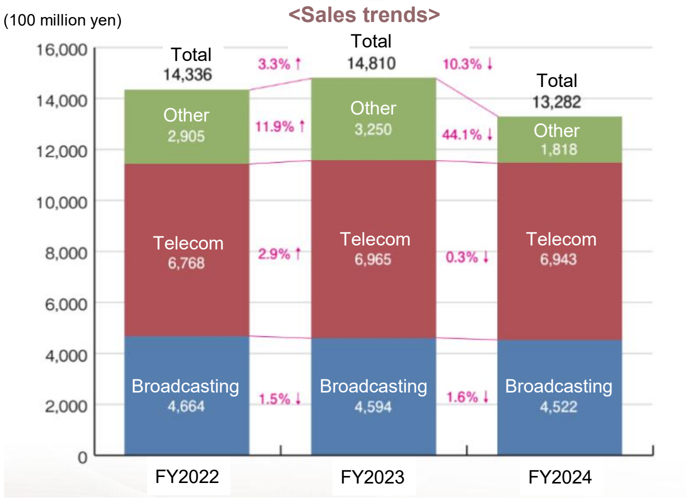


Ransomware attacks

(1) Corporate IT environments are shifting toward a hybrid model that combines on-premises systems with the cloud.
(2) The volume of data continues to grow due to factors such as the advancement of business systems and the increased use of video data. In particular, with rising demand for data backup associated with increased AI utilization, data analytics, and the growing impact of ransomware, investment in high-speed, high-reliability storage remains firm. Replacement demand is also steady.
(3) In the storage market, technological innovation is driving commoditization, making product differentiation increasingly difficult amid intensifying price competition. In this environment, differentiation through services such as operational support and maintenance is becoming increasingly important in winning orders.

Broadcasting: little changed; Telecom: trending upward





Source: Japan Cable and Telecommunications Association Industry Report 2025

(1) As video streaming services continue to expand, the number of end users for cable TV multichannel broadcasting has either changed little or slightly declined. Viewership continues to shift toward OTT services such as Netflix and Amazon, creating an environment where traditional broadcasting services find it difficult to achieve meaningful growth in end user numbers.
(2) The revenue structure of cable TV operators has shifted from broadcasting to communications (internet). Driven by growing demand for high-speed internet, their primary revenue sources are moving toward communication services such as ISP offerings and fiber-optic connections.
(3) Regional DX initiatives that make use of cable TV networks (disaster-prevention functions and cooperation with local governments) are expanding. With the distribution of disaster-prevention information, evacuation information, and daily-life information by municipalities, the value of cable TV networks as regional infrastructure is being re-evaluated.

Consolidated Profit and Loss Statement for the Second Quarter of the Fiscal Year Ending December 31, 2026

(Millions of yen)

	FY2025 Q2 (Interim Period)	FY2026 Q2 (Interim Period)	YoY	
			Amount	%
Net sales	6,435	6,299	△136	△2.1%
Cost of sales	4,877	4,677	△200	△4.1%
Gross profit (loss)	1,557	1,621	64	4.1%
SG&A expenses	1,250	1,222	△28	△2.2%
Operating profit (loss)	307	399	92	29.8%
Ordinary profit (loss)	404	518	114	28.2%
Profit (loss) attributable to owners of parent	226	456	230	101.2%

37

Consolidated Balance Sheet for the Second Quarter of the Fiscal Year Ending December 31, 2026

5G Innovations

(Millions of yen)

	End of December 2025	End of June 2026		End of December 2025	End of June 2026
Cash and deposits	6,975	7,450	Accounts payable – trade	933	909
Accounts receivable-trade	2,032	1,553	Short-term borrowings Current portion of long-term borrowings	1,213	1,213
Merchandise and finished goods	72	106	Income tax payable	222	173
Other	612	1,004	Other	2,188	2,295
Allowance for doubtful accounts	(2)	(2)	Total current liabilities	4,557	4,590
Total current assets	9,690	10,111	Long-term borrowings	1,151	785
			Other	1,403	1,267
			Total non-current liabilities	2,554	2,052
Property, plant and equipment	4,055	3,659	Total liabilities	7,112	6,643
Intangible assets	1,087	1,054	Total shareholders' equity	8,556	8,916
Investments and other assets	4,348	4,596	Accumulated other comprehensive income	211	227
Total non-current assets	9,491	9,310	Share acquisition rights	13	13
			Non-controlling interests	3,288	3,621
			Total net assets	12,069	12,779
Total assets	19,182	19,422	Total liabilities and net assets	19,182	19,422

Consolidated Cash Flow Statement for the Second Quarter of the Fiscal Year Ending December 31, 2026

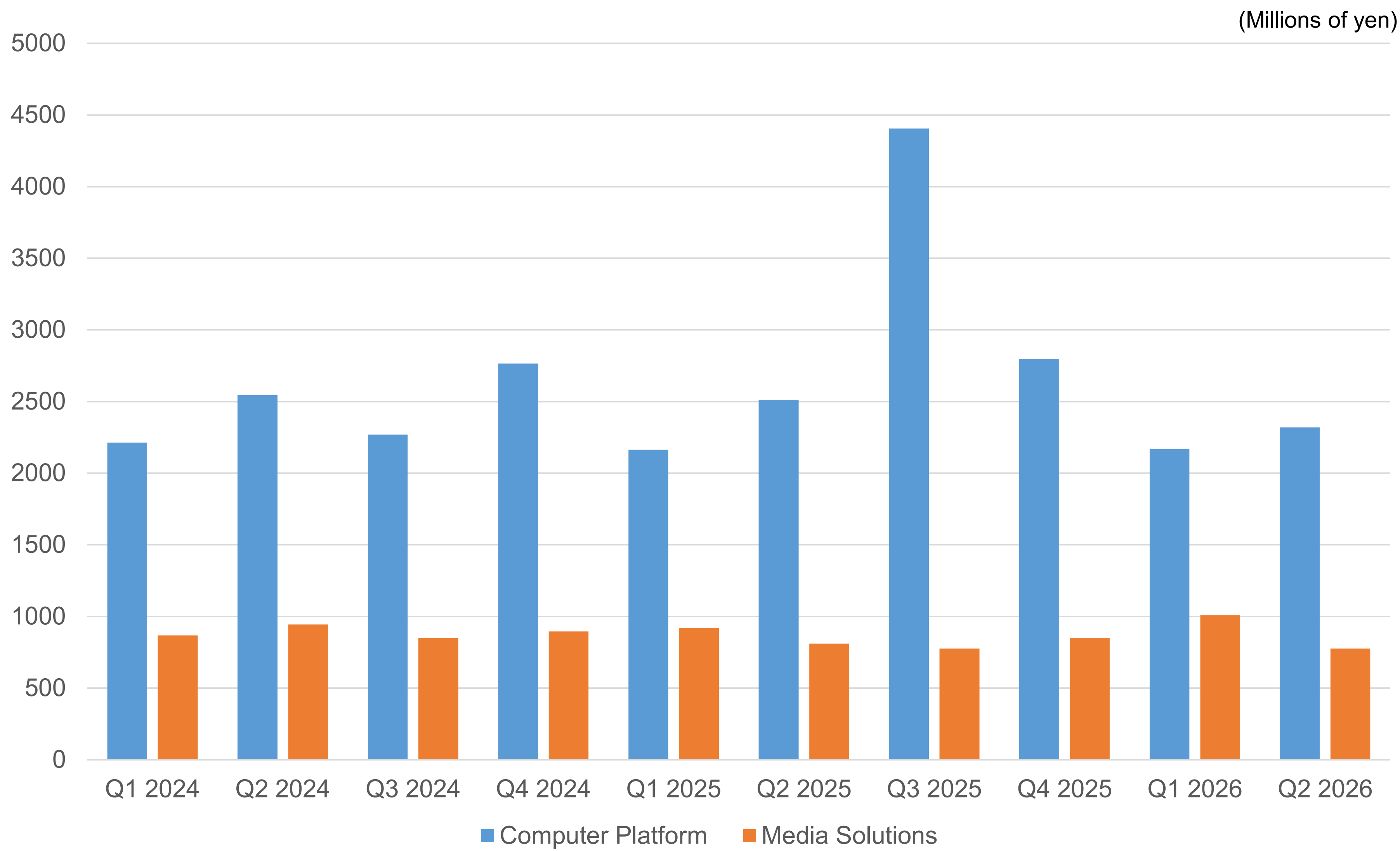
5G Innovations

(1,000 yen)

	Fiscal year ended December 31, 2025	Fiscal year ended December 31, 2026	Change
Cash and cash equivalents at beginning of period	**7,585,914**	**6,475,461**	(1,110,453)
Cash flows from operating activities	**691,752**	**1,092,665**	400,913
Cash flows from investing activities	**(388,859)**	**(354,813)**	34,046
Cash flows from financing activities	**(180,801)**	**(262,898)**	(82,097)
Increase in cash and cash equivalents	**122,091**	**474,954**	352,863
Cash and cash equivalents at end of period	**7,708,005**	**6,950,415**	(757,590)
Free cash flow	**302,893**	**737,862**	434,969

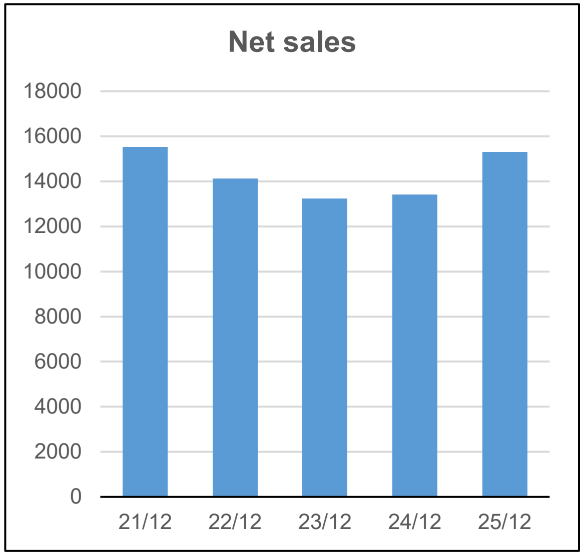
Sales trends by segment

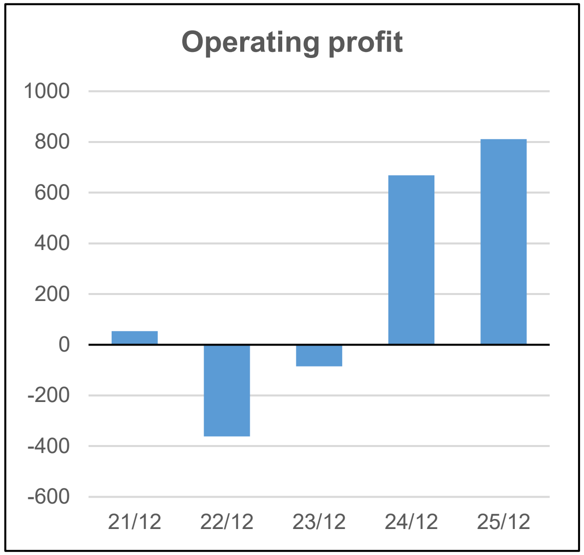
5G Innovations

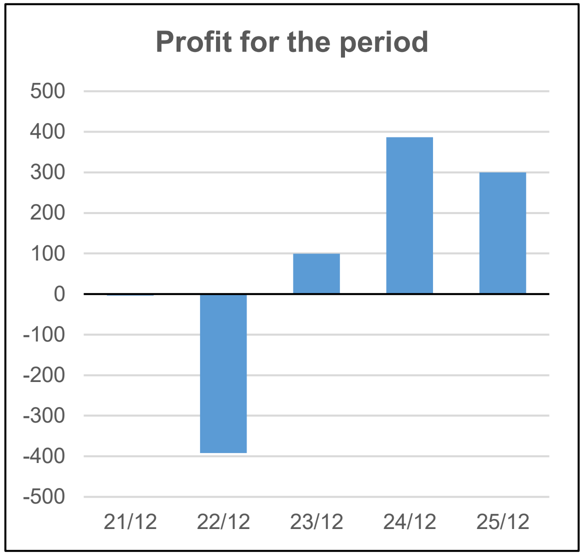


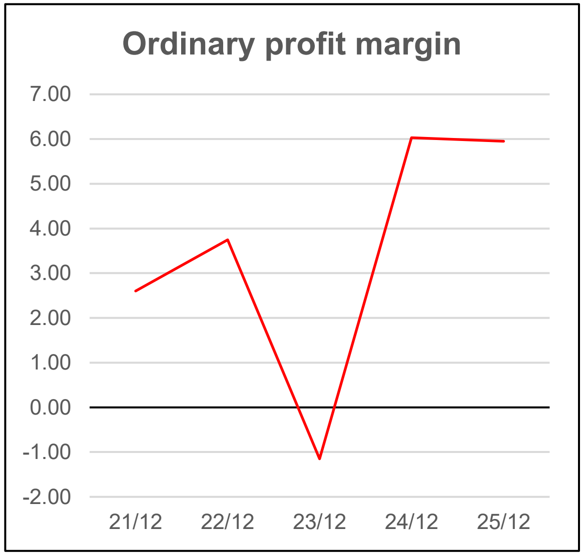
Key Management Indicators

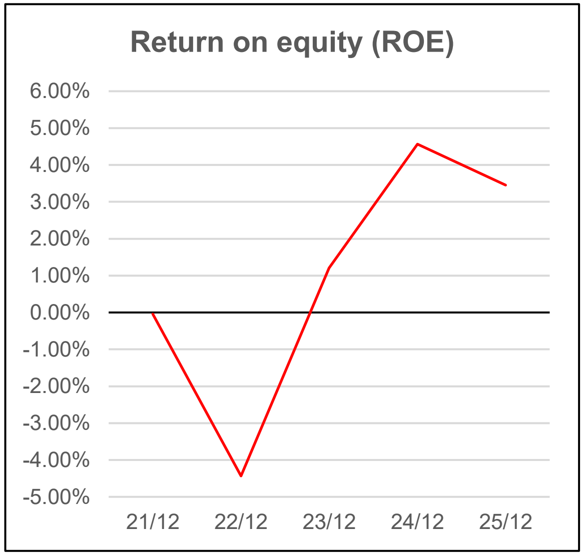
(Millions of yen)

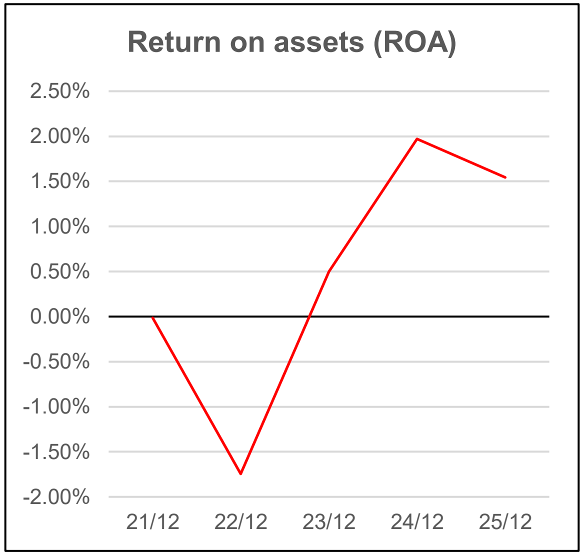












Sustainability Initiatives

Policies	Action items	ESG
1. Climate change measures and environmental preservation	• Promotion of energy-saving and resource-conservation measures in the data center business • Proactive adoption and expanded use of renewable energy • Continuous promotion of businesses that contribute to lower environmental impact, such as solar power generation projects	E
2. Information security	• Operation of an information security management system based on international standards • Acquisition and maintenance of advanced security certifications for cloud services • Enhancement of response to cyber risks, and continuation of internal training and education	G
3. Policy and strategy regarding human resource development and the improvement of the internal company environment	• Recruitment and promotion of talent regardless of gender, nationality, educational background, or any other such considerations • Development of systems that enable flexible working arrangements and provision of a comfortable office environment • Continuous human resource development and support for skill enhancement • Enhancement of performance through the introduction of activity-based workplaces (ABW)	S
4. Information disclosure and communication	• Improvement of business activities through dialogue with stakeholders • Understanding of the response to international initiatives • Compliance with laws, regulations, and other requirements, and risk management	S
5. Legal compliance and risk management	• Compliance with governance-related regulations • Understanding of, and appropriate response to, social-related laws and regulations • Understanding of, and appropriate response to, environmental laws and regulations • Compliance with laws and regulations related to information security, and continuous strengthening of security systems	G

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5G Innovations

(Note)
The statements regarding the future contained within this document are based on the information currently available to the Company Group and certain assumptions that have been determined to be reasonable. The Company Group does not guarantee the validity of such statements as actual performance and other factors can result in significant deviations.