

November 1, 2021

Sojitz Corporation

Sojitz Enters the Rapidly Growing Telecommunications Tower Market in the Philippines
–Improving the Communications Environment and Contributing to Social Development
through the Establishment and Expansion of Telecom Infrastructure–

Sojitz Corporation (“Sojitz”) has announced it will underwrite approximately JPY 7 billion in shares of LBS Digital Infrastructure Corp. (“LBSD”), a tower operator*¹ newly established by a management team affiliated with the major Philippines’ telecom construction company LBS Technologies Asia Pacific Corporation. Additionally, Sojitz has now acquired the right to hold a controlling interest in LBSD. Through this investment, Sojitz will make its first foray into the Philippines’ telecommunications market, where the telecom tower business has entered a growth stage.



[A standard telecom tower in the Philippines]

The Philippines telecom market is expected to demonstrate significant growth and is regarded as one of the most promising markets in Asia in terms of the telecom tower business thanks to the entrance of a third mobile operator to the market and the government's endorsement of telecom tower sharing.*² By entering the tower business at this early stage of market liberalization, LBSD aims to secure its position as one of the Philippines' largest tower operators. LBSD's business expansion will leverage its access to abundant pre-identified potential tower sites in the Philippines and its established record of tower design and construction together with Sojitz's management resources.

With the global spread of smart phones and 5G, mobile carriers are shifting their means of differentiation from infrastructure to services and content. An expansion of telecom tower businesses will make it possible for mobile carriers to quickly and efficiently invest in infrastructure for building their own networks in order to offer mobile users an improved standard of living with extensive network offerings. Sojitz and LBSD will promote telecom tower sharing which will consolidate various telecom towers constructed by the country's mobile carriers in order to reduce capital investment costs and preserve the landscape.

The Philippines also has the highest daily internet usage in the world with an average of 10 hours a day, and the country shows a strong demand for data communications. However, the Philippines has a lower ratio of telecom towers relative to its population in comparison to neighboring countries, and the country currently faces delays in the establishment of telecommunication environments across its archipelago. Just starting full deployment of 5G, the Philippines is expected to see an even greater rise in demand for telecom towers and small poles moving forward. The Philippines Department of Information and Communications Technology (DICT) has enacted regulations to promote shared passive telecommunications infrastructure, which have provided momentum to speed development within the telecommunications sector throughout the country.

Under these circumstances, Sojitz will leverage its experience and know-how from previous businesses to establish telecom tower infrastructure in the Philippines that will improve the telecommunications environment and Filipinos' quality of life. At the same time, Sojitz aims to expand the telecom tower business to other regions and related business fields. Specifically, Sojitz will also provide added value to

LBSD's telecom tower business through installation of carbon fiber towers manufactured by the Sojitz Group company, IsoTruss. Damages caused by the frequent typhoons in the Philippines, such as the collapse of towers or deterioration from salt damage, can be resolved through installation of IsoTruss towers which are lightweight and resistant to corrosion.

*1: Telecom tower operator: An operator that constructs or leases towers to several mobile carriers, which provide the cell sites for installation of communications equipment such as antennas.

*2: Telecom tower sharing: Mobile carriers utilize shared telecom towers.

[Related Information]

[Company Overview – LBS Digital Infrastructure Corp.]

Established	April 26, 2021
Location	33 West Avenue, Nayong Kanluran, Quezon City, NCR, Second District, Philippines
Representative Director	Ramoncito S. Yu. III (lead) David D. Cabatay Bryan John S. Yu Ben Joseph M. Evangelista
Main Business	Telecom cell tower ownership and leasing business

[Related News Release]

“Sojitz Invests in IsoTruss Inc., a Manufacturer of Lattice Carbon Fiber Telecommunication Towers.” Sojitz Corp. Press Release, 13 October 2020.

<https://www.sojitz.com/en/news/2020/10/20201013.php>

[For questions regarding this press release, contact:]

Sojitz Corporation Public Relations Dept. +81-3-6871-3404