



Corporate profile

Listing: Tokyo Stock Exchange Standard Market,
Sapporo Securities Exchange
Securities code: 9450



About us

Group Purpose

We contribute to the development of a prosperous society by establishing our business model as an on-premise infrastructure integrator and creating new economic value guided by the spirit of a triple win—benefiting sellers (ourselves), buyers (our customers), and society at large.



We will maximize the efficiency of communications and energy to establish our business model as an on-premise infrastructure integrator. By providing our customers with happiness in the form of convenience and comfort and stimulating economic activity together with our business partners, our group aims to build a triple-win structure and contribute to the development of a prosperous society.

Year	Event
2000	➤ Founded in Wakabayashi Ward, Sendai City for the purpose of handling subscriptions for domestic and international telephone services.
2003	<ul style="list-style-type: none"> ➤ Head office relocated to Chuo Ward, Sapporo City ➤ Building networks for companies with multiple locations and selling broadband lines over the Internet established as the company's main businesses
2004	➤ Residential Wi-Fi business launched
2005	➤ Wi-Fi broadband service launched
2006	➤ Free internet service for apartment complexes through private brand support launched
2009	➤ Free Wi-Fi service business launched
2013	➤ Established subsidiary NOIS, which handles computerware planning and development and provides Internet line agency services.
2014	<ul style="list-style-type: none"> ➤ Started sales business for telecom devices developed by the company (Wi-Fi product business) ➤ Launched Wi-Fi service for stores and commercial facilities through private brand support
2015	<ul style="list-style-type: none"> ➤ Acquired Telecommunications Contractor Authorization (Governor of Hokkaido Authorization) ➤ Established Fibergate Taiwan Inc. as a wholly owned subsidiary in Taiwan ➤ Obtained a license for telecommunications business under the Telecommunications Business Act
2018	➤ Listed on the Tokyo Stock Exchange Mothers Index
2019	<ul style="list-style-type: none"> ➤ Changed listing market to the First Section of the Tokyo Stock Exchange (currently the Prime Market) ➤ Listed on the Sapporo Securities Exchange
2020	➤ Established product development subsidiary FG-Lab
2021	<ul style="list-style-type: none"> ➤ Established subsidiary FG Smart Asset to operate real estate-related business ➤ Established subsidiary Off Grid Lab to operate renewable energy business
2022	➤ Acquired shares in TM Asset, a real estate trading and holding company
2023	➤ Renewable energy business began operations
2024	➤ Established Enepulse Inc., a joint venture company engaged in energy-related agency services
2025	<ul style="list-style-type: none"> ➤ Partnership with Sony Network Communications Inc. in Fiber-Optic Connection Service Business for apartment complexes ➤ Changed the market segment to the Tokyo Stock Exchange Standard Market

Solidifying the Company's Position as an On-premise Infrastructure Integrator

Toward becoming an on-premise infrastructure integrator (telecommunications × energy):

Enhancing the appeal of synergies between telecommunications and energy, and securing rapid construction capabilities

Solutions for providing economical living spaces



Free internet



SOLERIO

Low electricity costs

- Accelerating cross-selling of telecommunications and energy services through reorganization of the sales structure by region
- Promoting marketing of energy business
 - Enhancing awareness and strengthening partner companies through proactive promotion of services
- Enhancing the lineup of equipment and products related to telecommunications and energy
- Promoting differentiation through one-stop telecommunications and energy services
 - Targeting condominium developers with a focus on solutions that provide economical living spaces through the bundled provision of solar power, storage batteries, and internet services.
- Aim to acquire skills, considering reinforcement through M&A



Business Introduction

● Home-Use Business



We provide comprehensive internet connection services for residential buildings, including development, manufacturing, installation, and user support. Our services ensure that all tenants enjoy "unlimited free internet access." In addition to direct sales to property owners, we also offer our services under a private brand to real estate-related companies.



● Renewable Energy Business



We implement self-sufficient power systems with renewable energy, including solar panels and energy storage. This maximizes self-generated electricity, reduces reliance on external power, and enhances facility value, all while contributing to carbon offsetting and sustainability.



● Business-Use Business



We provide tailored network solutions for a wide range of sectors, including offices, public facilities, healthcare facilities, hotels, tourist attractions, shopping streets, and commercial establishments. Our services support digital transformation and offer optimized solutions for free Wi-Fi access and comprehensive network management.



● Real Estate Business



We promote IoT solutions based on Fibergate's Wi-Fi technology through the development and brokerage of smart apartments.



Providing the optimal communication environment for each user, with **no excess and no lack**



Small and medium-sized businesses/business owners unfamiliar with network creation



Shops



Local governments



Nursing homes



Lodging facilities



Entertainment facilities



Educational facilities



Medical facilities



Apartments/condominiums



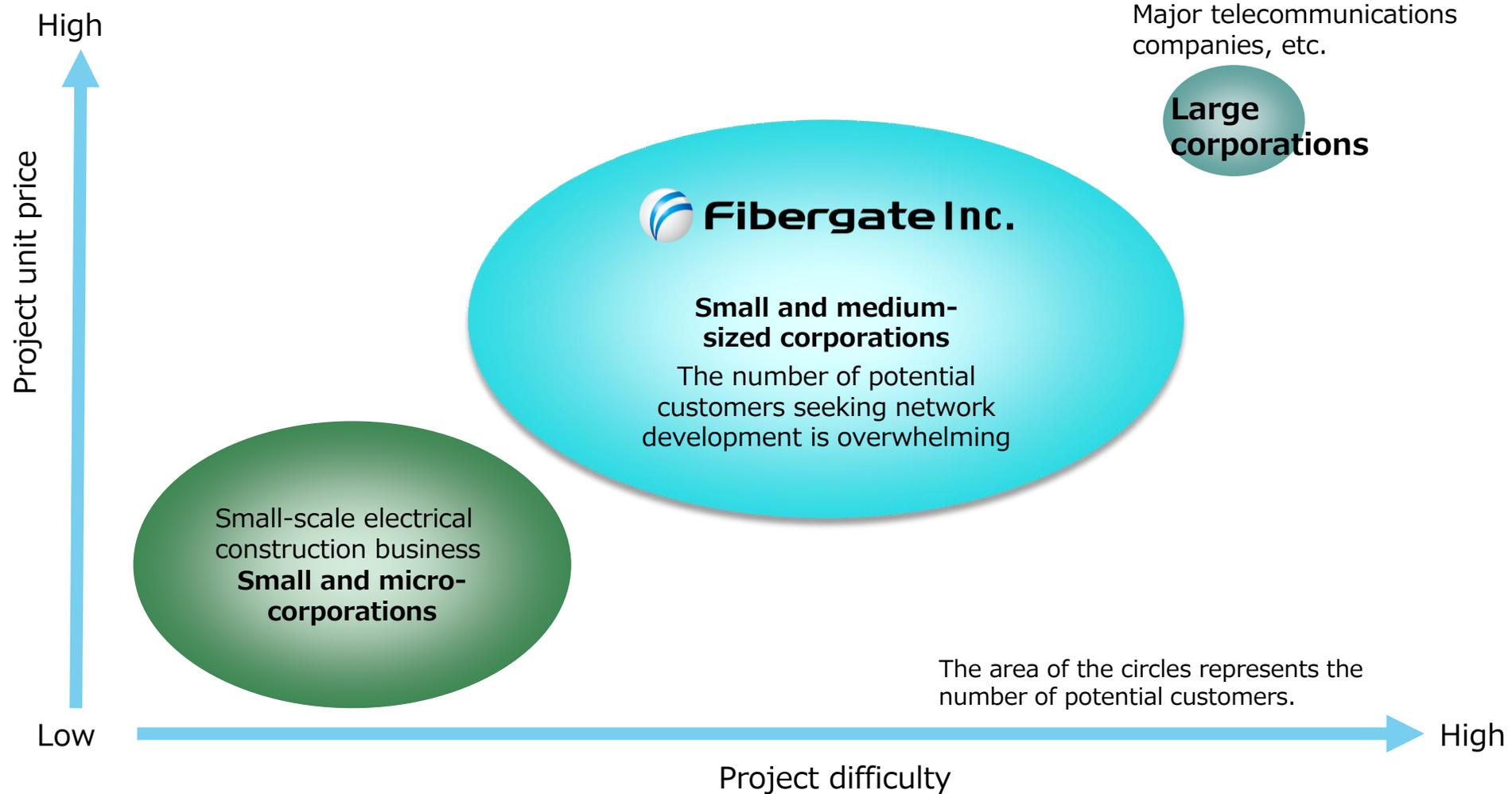
Transportation

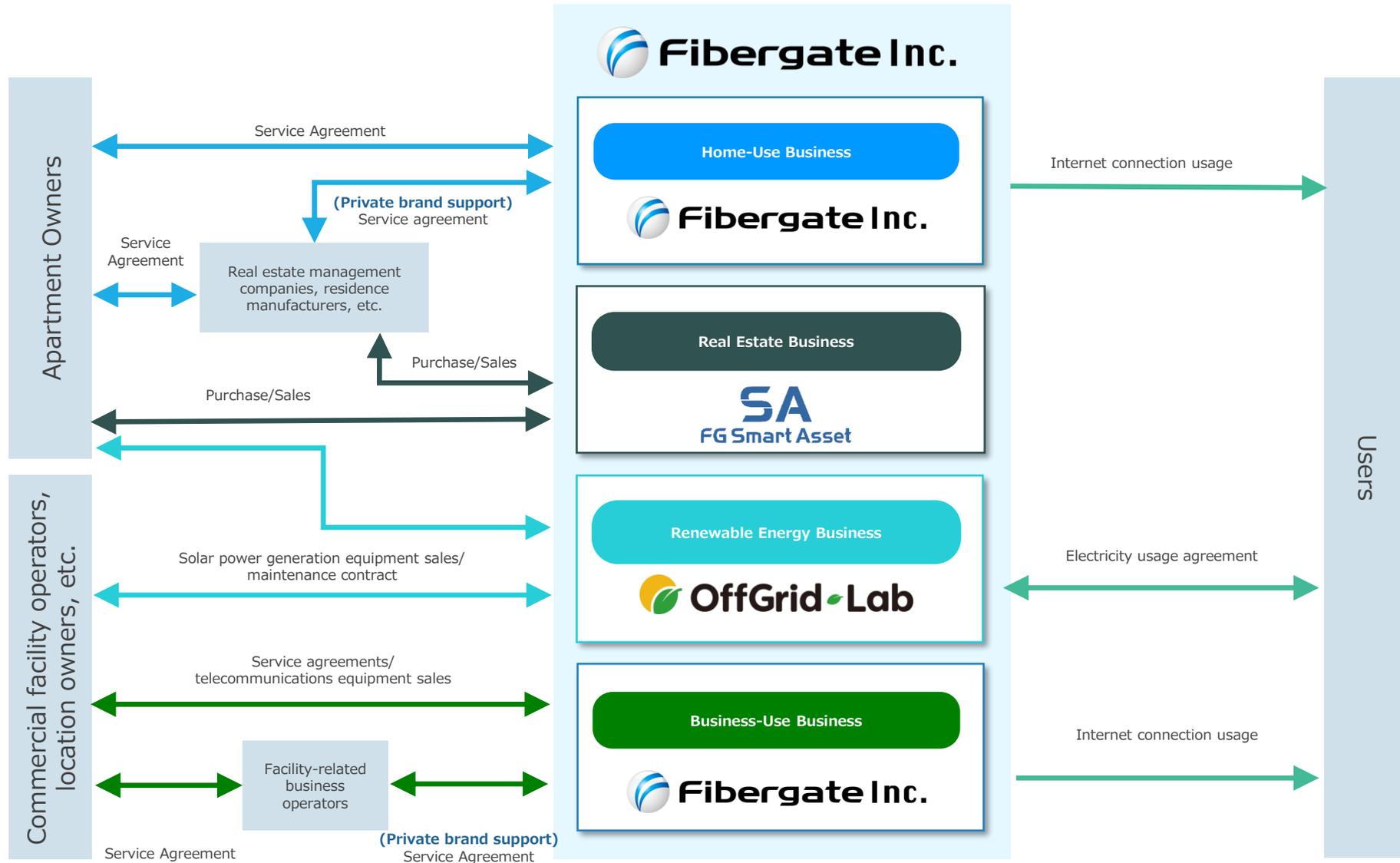
Concerns of small and medium-sized businesses/business owners

- Major vendors only supply unnecessarily high-spec specifications
- Proposals from small and medium-sized vendors often lack scalability and functionality

Target Market Position of the Company

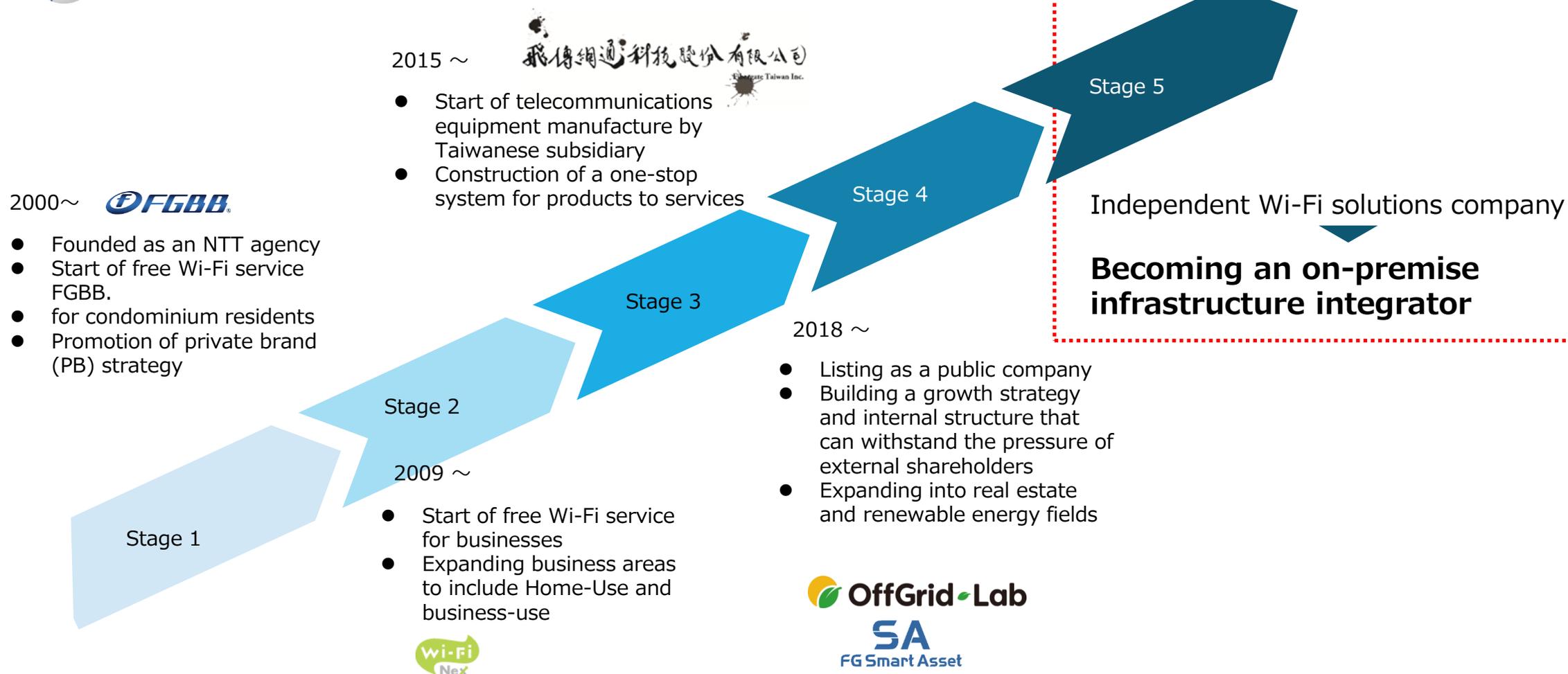
- Many small and medium-sized enterprises need to build their own infrastructure, but it is non-core and inefficient.
- The company can cover areas that are difficult for large companies to handle due to their scale.





Previous Stages and New Growth Stage

Fibergate Inc. Concept of growth stages of the company



Growth stage 5

Independent Wi-Fi solutions company

On-premise infrastructure integrator

Future growth stage

Comprehensive infrastructure integrator

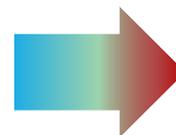
Medium-term Vision

Step1

“Wi-Fi anywhere”

Realizing our Alternative Carrier vision

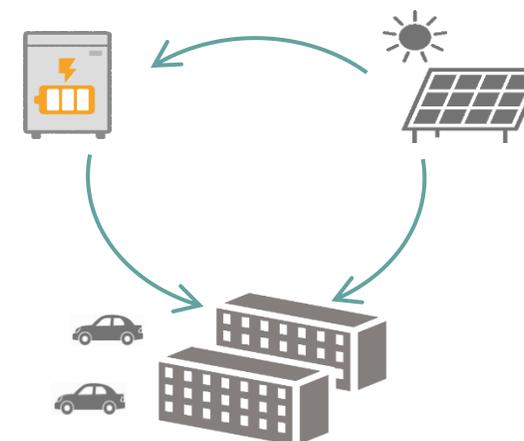
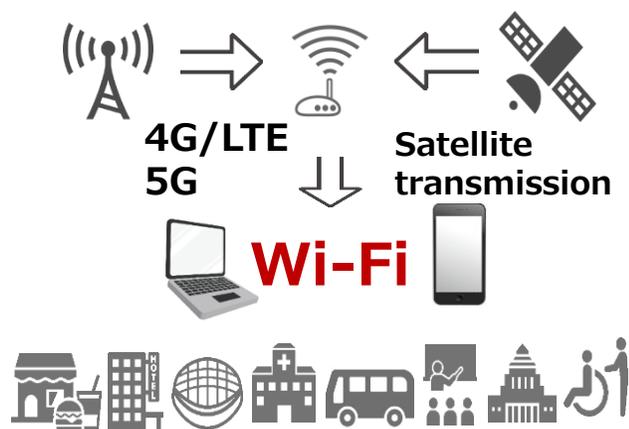
- Continued expansion of the Home-Use field
- Thorough strengthening of the Business-Use field



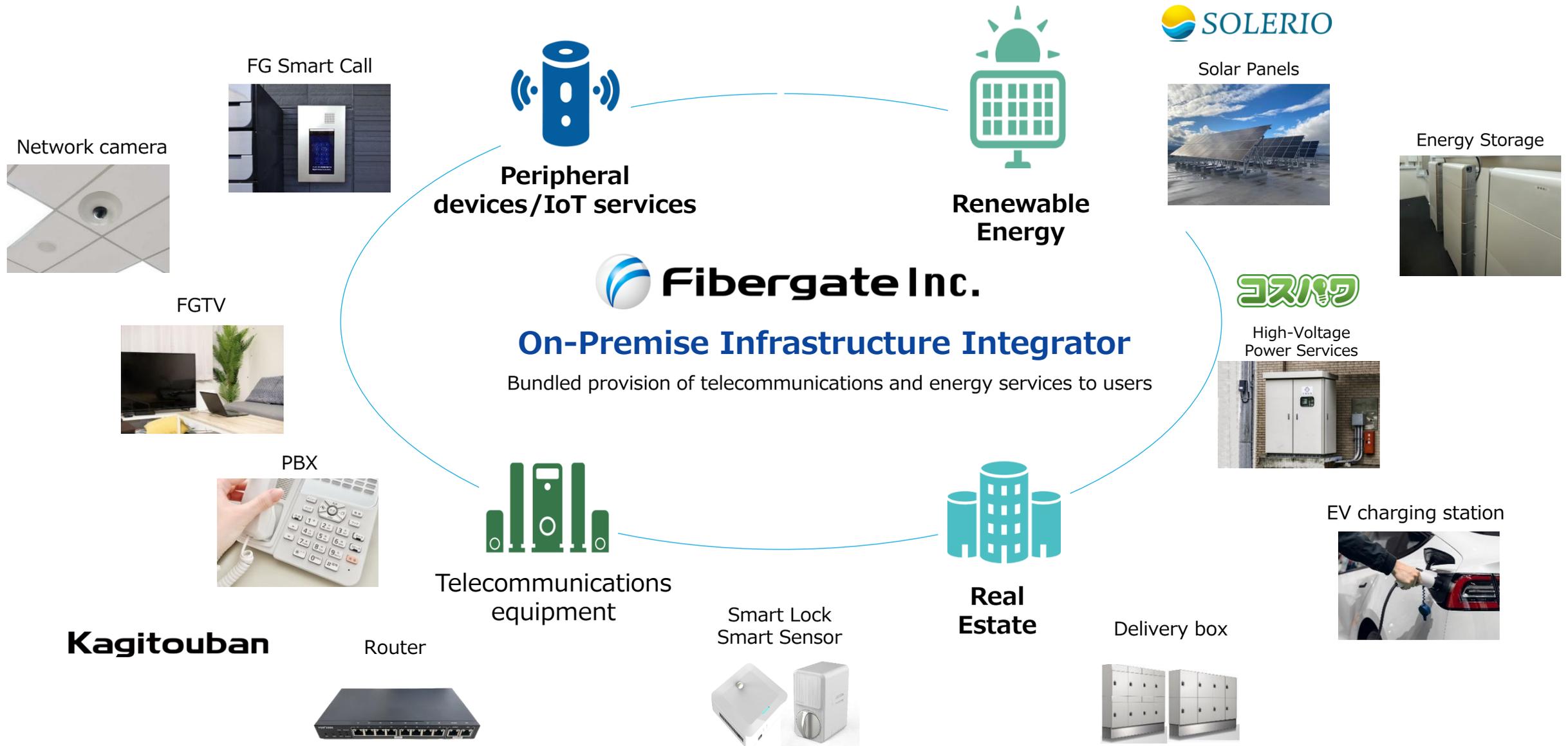
Step2

Realizing the future of infrastructure created by telecoms and renewable energy

- Progression of the Home-Use field
- Demonstration of synergies between businesses



On-Premise Infrastructure Integrator





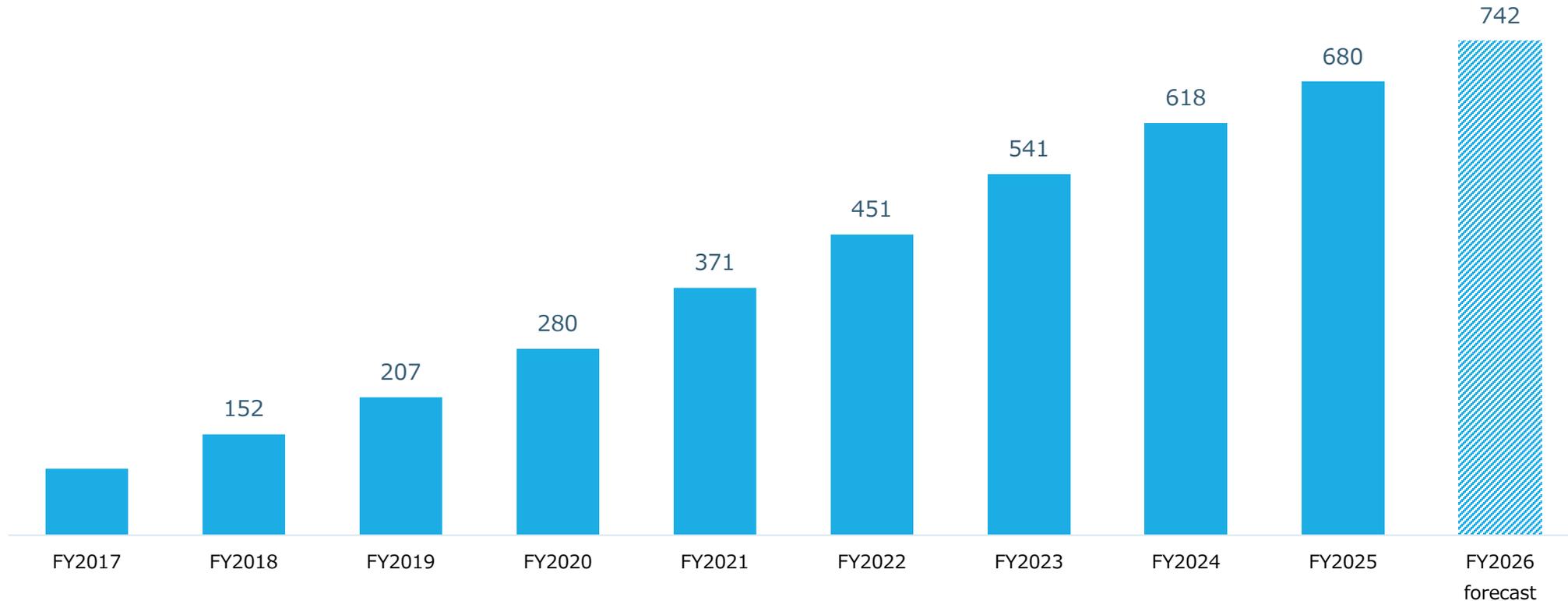
Home-Use Business

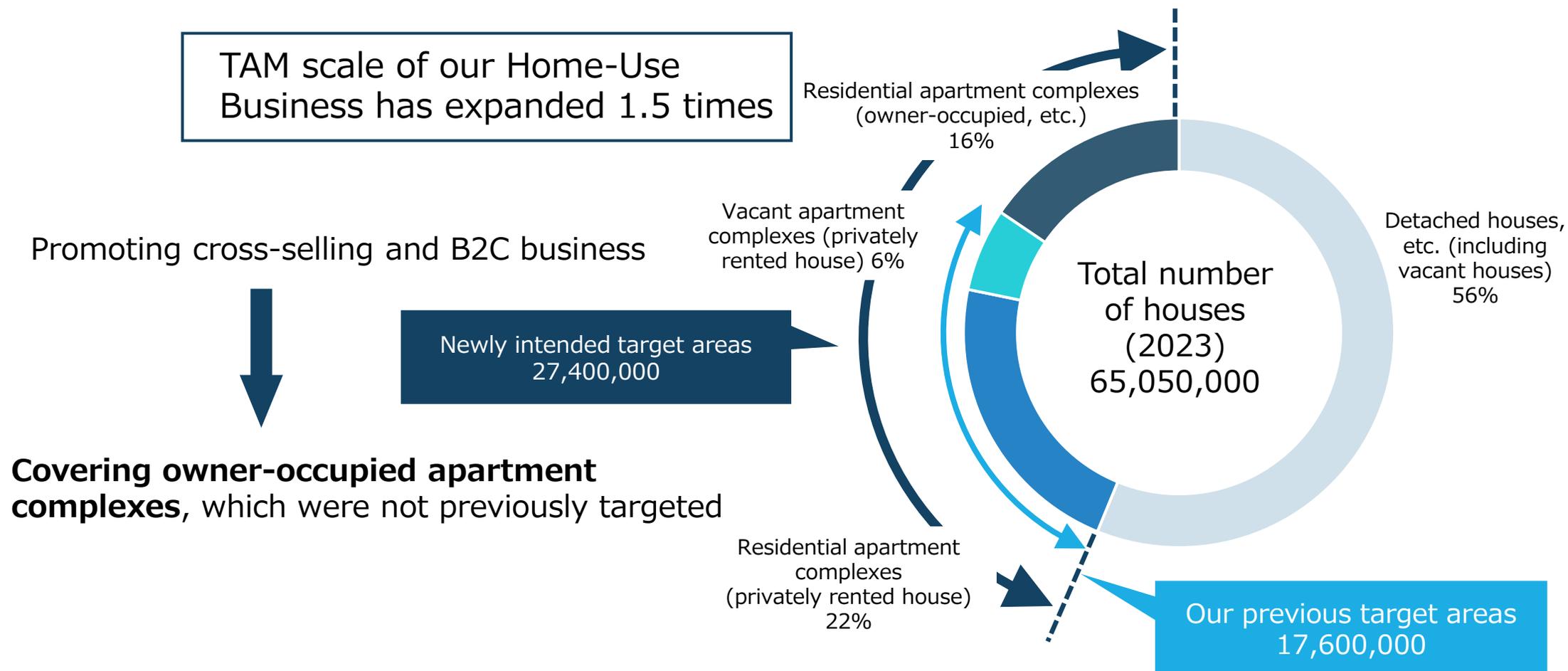
- The number of Residential Wi-Fi Service at the end of the fiscal year is expected to be 740,000. Although the pace of increase is expected to slow slightly to 60,000 per year, the company will accelerate the accumulation of existing construction projects.

Home-Use
Business

Trends in number of residences connected to the Residential Wi-Fi service

(thousands of houses)





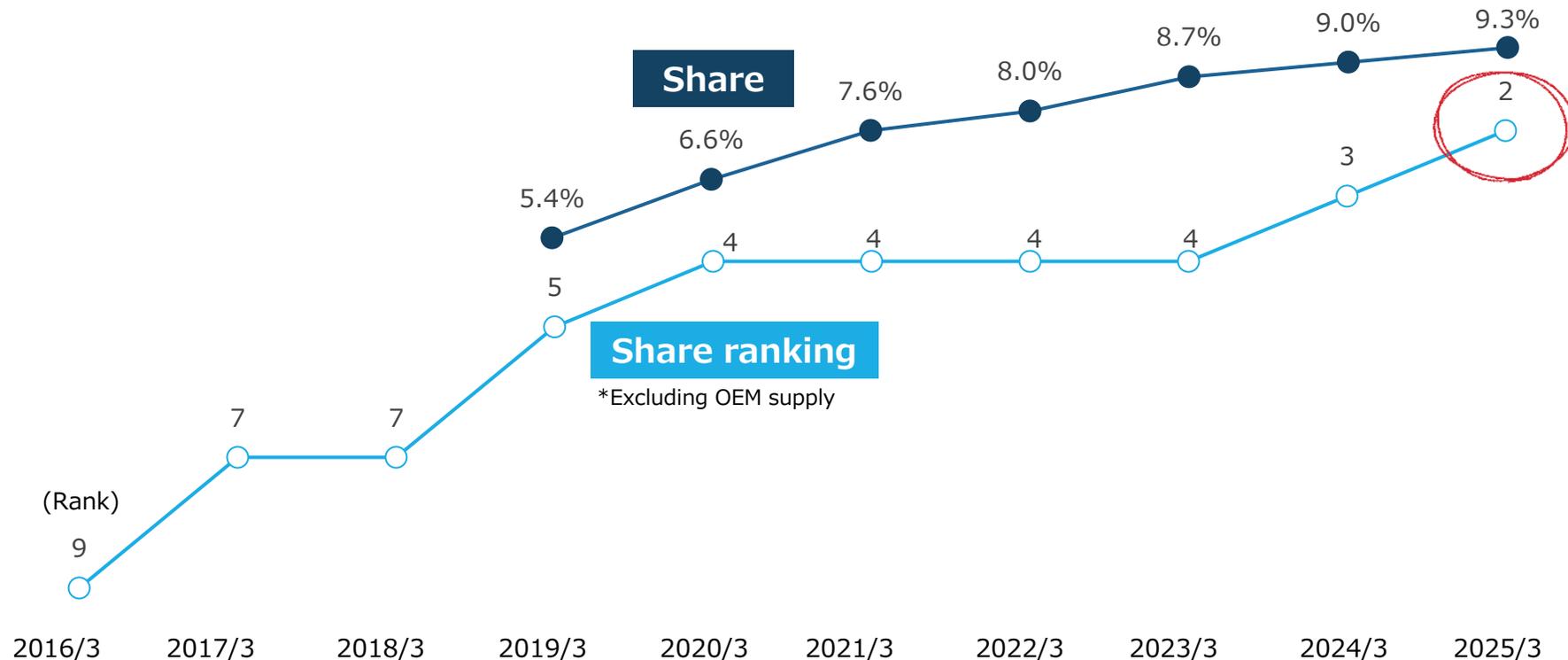
Source: Data from the Ministry of Land, Infrastructure, Transport and Tourism re-aggregated by the Company. As the sum of each category data does not equal the total, the breakdown ratios are based on the accumulated ratios.

<Reference> MM Research Institute Share Survey

Home-Use
Business

- According to MM Research Institute's survey of property-wide condominium ISP share, the most recent share of the company was 9.3%. The company also ranked second in terms of the net increase in units, and rose to second place in the share ranking.
- Over time, both the company's market share and ranking have reached record-high levels. Even within the industry, the presence of the company's Home-Use Business has further strengthened.

MM Research Institute's survey of property-wide condominium ISP share*

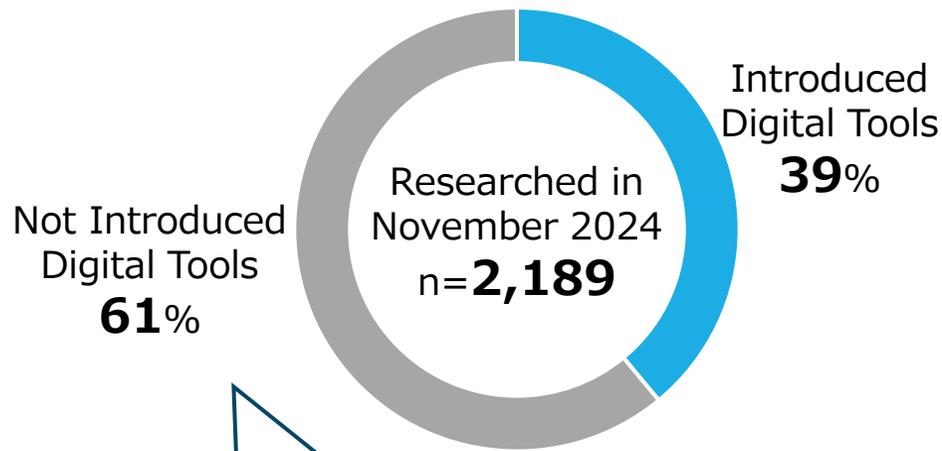


Source: [MM Research Institute, Ltd. "Survey of Property-wide Condominium ISP Share" at the End of March 2025](#)

<Reference> Digital Tools in Rental Properties

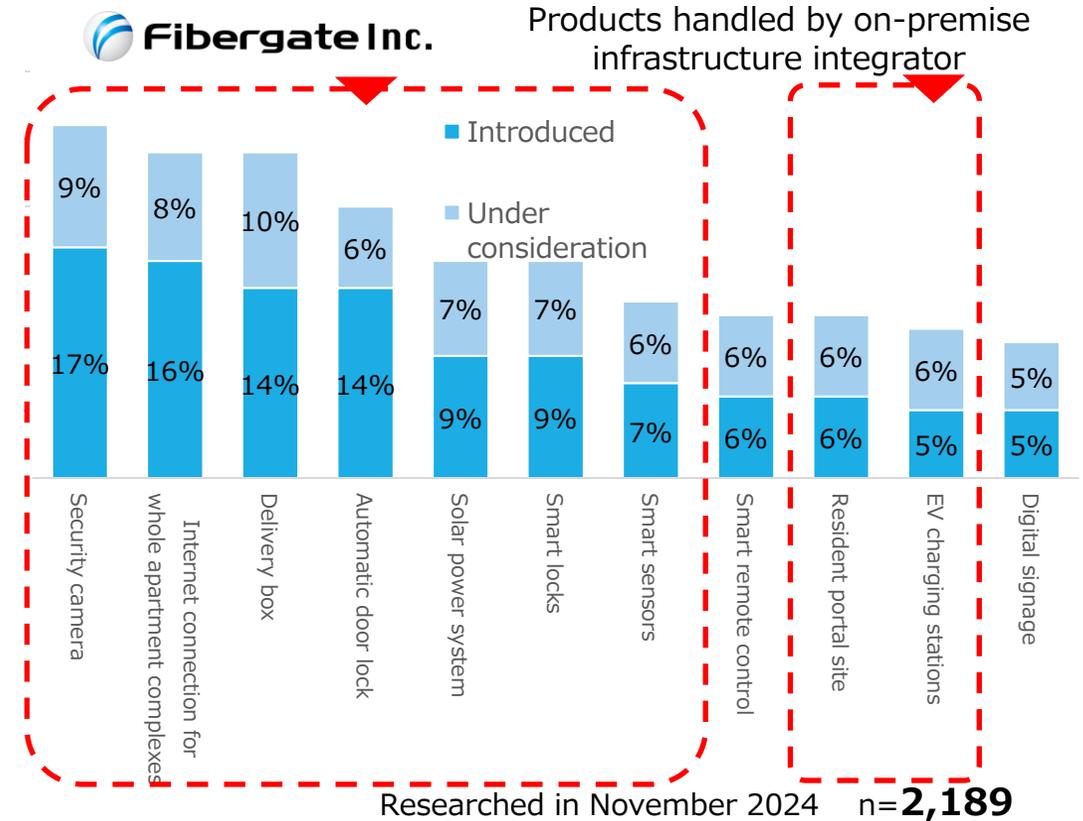
- According to MM Research Institute, about 40% of rental apartment complexes have introduced digital tools. The remaining 60% have not yet introduced them, and thus the potential market is still large.
- Among the digital tools that have already been introduced, security cameras and Internet services are now the mainstream. There are 11 digital tools that have been introduced or are under consideration to be introduced in more than 10% of rental apartment complexes, of which we handle 9 items as an on-premise infrastructure integrator.

Introduction Rate of Digital Tools in Rental Properties



Potential market is still large

Introduction Status of Digital Tools in Rental Properties



MM Research Institute: Disaster Prevention and Convenience of Rental Properties Led by Digitalization (January 28, 2025)

The needs of real estate owners, who are customers of Home-Use Business, are...

“Securing tenants for high rents”

Our Home-Use Business already offers a lineup of products that appeal to tenants.

Among them...

High expectation for “Free high-speed internet” service

- ✓ Demand is soaring
- ✓ The Company already provides high-speed services of over 1Gbps
- ✓ Planning to introduce B2C services for heavy users

Top 10 of “If these facilities are available, tenants will move in even if the rent is higher than the surrounding market price”

For single people

Rank 1	➡	Free high-speed internet *over 1Gbps
Rank 2	➡	Automatic door lock at the entrance
Rank 2	➡	Free internet
Rank 4	➡	Delivery box
Rank 5	➡	Separate wash basin
Rank 6	➡	Bathroom ventilation dryer
Rank 7	➡	Garage
Rank 8	new	24-hour garbage disposal area
Rank 9	new	City gas
Rank 10	new	Air conditioner

For family

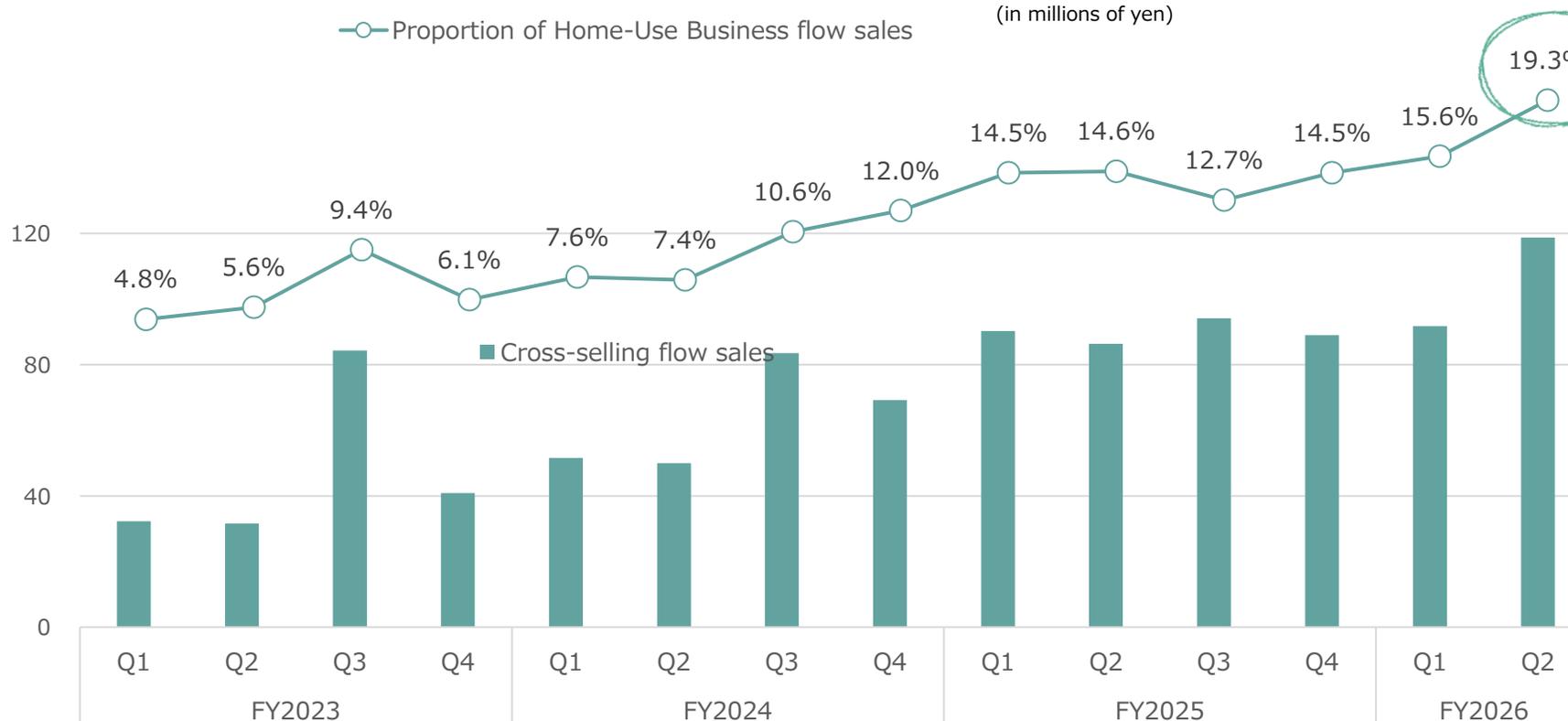
Rank 1	➡	Automatic door lock at the entrance
Rank 2	➡	Free high-speed internet *over 1Gbps
Rank 3	➡	Free internet
Rank 4	➡	Delivery box
Rank 5	➡	Reheating feature
Rank 6	➡	Built-in kitchen
Rank 7	➡	Garage
Rank 8	new	Air conditioner
Rank 9	new	City gas
Rank 10	new	24-hour garbage disposal area

Source: Zenkoku Chintai Jutaku Shimbun dated October 21, 2025

- Cross-selling, which is positioned as a growth driver for the Home-Use Business, generated flow sales (installation business), a leading indicator of the business, of 120 million yen in Q2. Since the company began focusing on cross-selling, sales exceeded 100 million yen for the first time in a single quarter. The adoption of webcams has seen a particularly sharp increase.
- Cross-selling ratio of flow sales in the Home-Use Business rose significantly to 19.3% in Q2. The penetration of cross-selling gained momentum.

Cross-selling flow sales trends

—○— Proportion of Home-Use Business flow sales (in millions of yen)



Network camera



FGTV



FG Smart Call



Delivery box

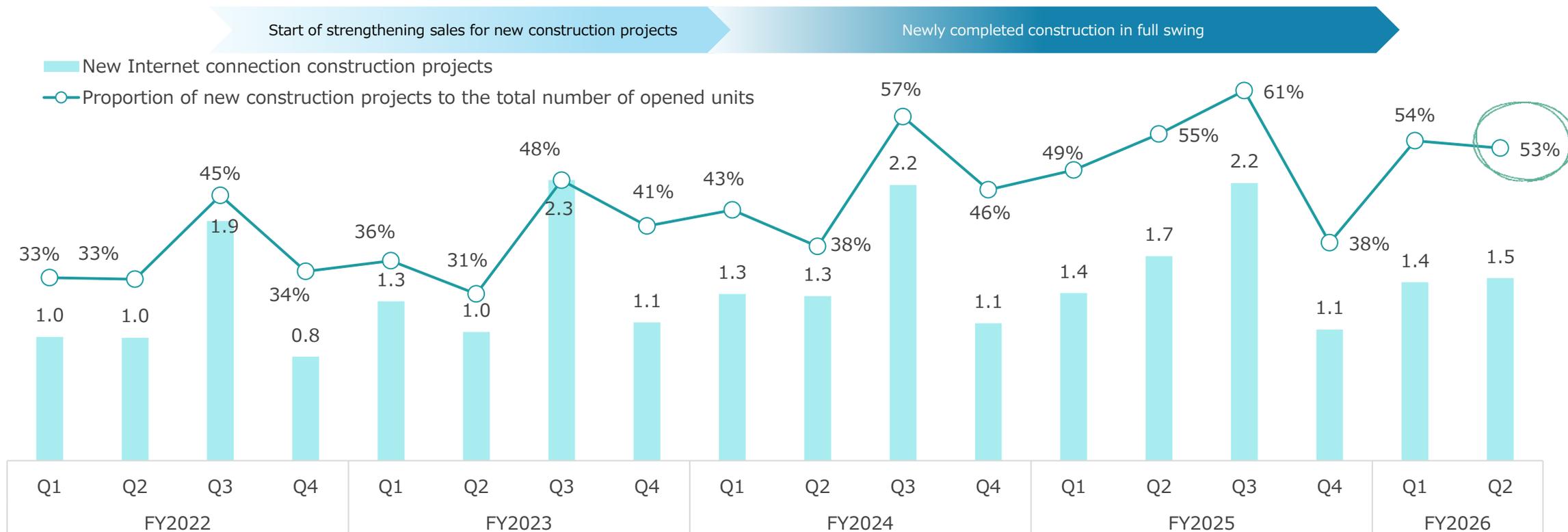


Home-Use Business: Number of Houses Opened

Home-Use
Business

- The number of houses opened for new construction projects in Q2 of fiscal year ending June 2026 decreased by 10% YoY. The ratio of new construction projects to the total number of opened units was 53%.
- While the company has been pursuing new construction projects, over the past two years, the ratio of houses opened for new construction projects and existing construction project to the total number of houses opened has remained nearly 1:1. While recognizing that new construction projects still hold upside potential, the amount of personnel available for long-term new construction projects appears to be constrained.

Home-Use Business Trends of the Number of New Internet Connection Construction Projects



※ Index showing the number of new internet connection construction projects in FY2022 Q1 set at 1

- On April 10, 2025, announced a business alliance with Sony Network Communications Inc.
- Building a B2C scheme to meet diversifying needs

■ Overview

By partnering with Sony Network Communications, which operates the high-speed fiber optic line "NURO," we will respond to the needs of residents of apartment complexes for high-speed, high-capacity communications.

A system in which residents of apartment complexes can use high-speed lines by paying an additional fee if they wish.

- Internet for whole apartment complexes has become a red ocean
- Prepare various menus from the user's perspective to meet diversifying needs
- One of the objectives is to create new value in the industry providing internet for whole apartment complexes

■ Sony Network Communications Inc.

Established in 1995 as an Internet service provider of the Sony Group. In addition to the telecommunications business, including the high-speed fiber optic line service "NURO Hikari," developing IoT business, AI business, and solution service business.

Location: 1-7-1 Konan, Minato-ku, Tokyo, 108-0075

Representative: Representative Director, President and Chief

Executive Officer Noriyoshi Nakagawa

URL : <https://www.sonymetwork.co.jp/>

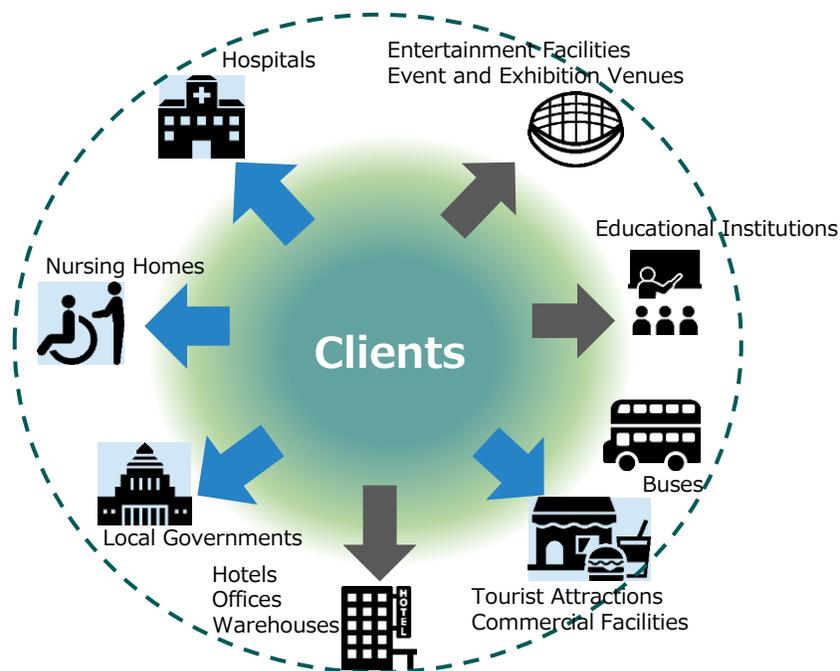




Business-Use Business

Business-use Business Strategy

- Continue to focus on three target areas (hospitals/nursing homes, tourism, and public services)
- High demand for hospital rooms, care DX, tourism, and venues.
- Strengthening key sales, and enhancing expertise to meet needs



【 Partial market data for key industries 】

- ✓ General hospitals: 7,314 facilities
- ✓ General clinics: 102,105 facilities
- ✓ Nursing care and welfare facilities: 8,494 facilities
- ✓ Housing for the elderly with home-care services provided: 287,687 homes
- ✓ Charter buses: 43,649 buses
- ✓ Municipalities : 1,724

Source: 2022 Ministry of Health, Labour and Welfare Medical Facility Trends Survey / 2022 Ministry of Health, Labour and Welfare Medical Facility Trends Survey / Overview of the 2022 Ministry of Health, Labour and Welfare Survey on Nursing Care Facilities/Businesses / 2024 Ministry of Land, Infrastructure, Transport and Tourism: Current Status of Housing for the Elderly with Home-care Services Provided / 2021 Nihon Bus Association "Bus Business in Japan"

Introduction of Wi-Fi on Ferrys to Rishiri and Rebun Islands, and Okushiri Island

- Introducing free Wi-Fi on Heart Land Ferry's passenger ships, connecting the route from Wakkanai to Rishiri and Rebun islands, and Okushiri Island Ferry's passenger ships, connecting the route from Okushiri island to Esashi
- Bonding technology and design capabilities ensure communication speeds equivalent to free Wi-Fi on the ground

■ Overview

Introducing free Wi-Fi on Heart Land Ferry's and Okushiri Island Ferry's passenger ships
Same method as event Wi-Fi and bus Wi-Fi that do not use optical lines

■ Points to Introduce

- Setting the date of field survey and construction in consideration of the operation schedule
→ Carrying out the construction work in conjunction with the port call so as not to interfere with operations
→ Total construction period: about half a year
- 131 access point devices (total of 4 vessels)
- Repeated update of the design document to ensure the same level of communication speed as free Wi-Fi on the ground
- Incorporating bonding technology to ensure communication speed

■ Heart Land Ferry

Operating on ferry routes for remote island connecting Wakkanai to Rishiri and Rebun Islands.

- Location: 2-7-1 Kaiun, Wakkanai City
- Passenger capacity: 550 people in summer, 475 to 500 people in other than summer season
- Commissioned: from May 2008 (Cypria Soya)

■ Okushiri Island Ferry

Operating on ferry routes for remote island connecting Hokkaido (Esashi-cho) with Okushiri Island.

- Location: 309Okushiri, Okushiri-cho, Okushiri-gun, Hokkaido
- Passenger capacity: 460 people (all-year)
- Commissioned: from May 2017



*Heart Land Ferry connecting the route from Wakkanai to Rishiri and Rebun islands



*Okushiri Island Ferry connecting the route from Okushiri island to Esashi

Start Demonstration Experiment with Route Buses of Kumamoto Electric Railway

- Demonstration experiment of bus Wi-Fi on all route buses (80 vehicles) of Kumamoto Electric Railway
- Aiming to make travel time such as commuting to work and school more comfortable and provide further convenience

[Details of the demonstration experiment]

Period: Saturday, February 1, 2025 to Monday, March 31, 2025

Applicable routes: All routes (to be installed sequentially)

Details: All route buses will be equipped with bus Wi-Fi to improve convenience

Also conducting surveys of users to improve customer satisfaction

Connection method: SSID "KUMADEN Wi-Fi" ⇒ Redirect connection



■ Notice from Kumamoto Electric Railway

[Demonstration Experiment] We will start providing Wi-Fi service for route buses

<https://www.kumamotodentetsu.co.jp/news/wifibus.html>






Company name: Kumamoto Electric Railway Co., Ltd.

Foundation: August 15, 1909

Headquarter: 3-7-29 Kurokami, Chuo-ku, Kumamoto-shi, Kumamoto 860-0862

Representative: Keikou Nakashima, CEO

Business description: Railway business, Automobile transportation business, Automobile maintenance business, Travel business, Real estate business, Merchandise sales business, life insurance and damage insurance agency, and any business associated with above

“Wi-Fi BUS®” to Be Deployed on Approximately 200 Express Buses

From January 2026, the company has begun providing “Wi-Fi BUS®” to approximately 200 express buses operated by Hokkaido Chuo Bus.



■ Key Points

- Conducting communication speed tests using actual equipment on intercity buses connecting various locations in the Hokkaido region
- Utilizing the Ministry of Land, Infrastructure, Transport and Tourism’s “Transportation Service Convenience Improvement Promotion Project (Business Improvement Support Project by Transportation DX and GX)”

→ Improve communication quality while significantly reducing implementation costs

■ Utilizing in-bus advertising

このサービスをご利用いただけます。最新の仕様の車両にお乗すべく、この度、車内 Wi-Fi のリニューアルを実施いたしました。今まで以上に接続しやすくなり、通信速度向上の検証ができておりますので、この機会にぜひご利用ください。

今後、より安全・安心・快適なバスをご利用いただけるようサービスの向上を回っております。

地域社会との絆が新しい魅力を生み出す **北海道中央バス**

提供会社 (Wi-Fi環境) **Fibergate Inc.** 株式会社ファイバーゲート 東証上場 (スタンダード/札証) 証券コード 9450

拠 点 札幌 (本社)、東京、大阪、名古屋、仙台、福岡

事業内容 車両Wi-Fi環境整備 (インターネット接続サービスの提供) 広告掲載 (車内Wi-Fi環境整備) 広告掲載 (車内Wi-Fi環境整備) 広告掲載 (車内Wi-Fi環境整備)

北海道営業部 ☎011-204-6121

北海道中央バス Free Wi-Fi

SSID Hokkaido Chuo Bus
PASS ●●●●●●

設定手順 / How to connect / 接続 / 接続 / 接続方法

①SSIDの選択 ②パスワードの入力

③規約の同意 ④接続認証

注意事項 / Notice / 注意 / 注意

提供会社 (Wi-Fi環境) **Fibergate Inc.** 株式会社ファイバーゲート

*Business Improvement Support Project by Transportation DX and GX: A support system led by the Ministry of Land, Infrastructure, Transport and Tourism (MLIT) that aims to resolve two major challenges faced by regional public transportation (buses, taxis, passenger ships, etc.) and logistics operators; severe labor shortages and rising fuel costs, and decarbonization efforts, through the power of technology.

■ Hokkaido Chuo Bus Co., Ltd.

Representative: Takahito Nikaido, President and CEO

Head Office: 1-8-6, Ironai, Otaru-shi, 047-8601

Security Code: 9085 (Sapporo Stock Exchange)

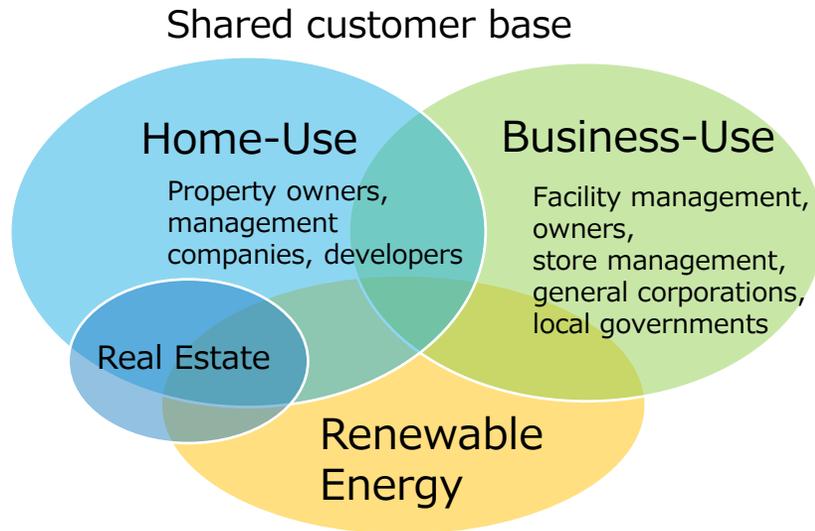
Business Details: Warehousing and transportation-related business



Renewable Energy Business

Growth Potential of Non-telecommunications Infrastructure (Renewable Energy and Real Estate) Businesses

- The third pillar, the renewable energy business, is the next growth driver
- Develop businesses with a shared customer base



Renewable energy has a high affinity with existing sales channels for telecommunication services, and cross-selling between telecommunication services and renewable energy (electricity) services can also be expected.

Acquisition of shares of a solar EPC company

Aug 2025 OffGrid-Lab Inc. a subsidiary engaged in renewable energy business, acquired 100% of the shares of Power Denki Innovation Inc. (PDI)



Aim : Securing a turnkey contract function for engineering, procurement, and construction (EPC business) in solar power generation

Counterparty of stock acquisition : Ecomott Inc.

Acquisition amount : 50 million yen

Impact on business performance : The impact on the fiscal year ending June 2026 is minor



Company Profile

Establishment	: September 2022	Net sales	: 690 million yen
Location	: Takasaki-shi, Gunma	Net profit	: -93 million yen
Business details	: Solar power EPC business	Total assets	: 625 million yen
Capital	: 100 million yen	Net Assets	: 28 million yen

(As of August in FY2025)

- The renewable energy business shifts from the demonstration experiment phase to the phase 2 of actual installation in various locations
- Orders for renewable energy projects in apartment complexes, primarily in Tokyo, are increasing

✓ Phase 1 : July 2021- Start of demonstration experiment of storage battery/control system development

January 2022- Start of demonstration experiment at an apartment complex in Kawaguchi City, Saitama
Experimental cooperation / Joint experiments with sponsoring companies are also considered

✓ Phase 2 : 2023- Start of installation in local government buildings, schools, wide-area evacuation sites,
apartment complexes, etc.

2024- Start of business negotiations with customers of Home-Use Business (apartment complexes, etc.)
Retroactive to users as a cross-sell product

Phase 3 : Around 2025- Start of Local (on-premise) VPP service

Phase 4 : Around 2030- Introduced to more than 30,000 apartment complexes,
Aiming for the amount of power generated equivalent to one
nuclear power plant (about 1 million kW)

To establish Off-Grid system



※東京都中野区 施工事例

Launch of High-Voltage Power Service

- OffGrid-Lab Inc. has launched the high-voltage power service "Cos-Power" and offers proposals for switching to high-voltage power for residential properties, facilities, and corporations.

About high-voltage power market

From April 2023, market price adjustment unit price has been introduced for the regular plans of major electric power companies.

→major electric power companies raised prices for high-voltage power

Advantages of Cos-Power

1) Suppressing the unit price of basic charges at a lower price than that of local electricity

(Cost reduction is possible as the supplier does not have large-scale equipment such as power generation/distribution.)

2) Electricity charges are market-linked*

3) It is also possible to skip the impact of fluctuations in electricity prices (paid several months later) due to price hikes

•Corporations that use a lot during daytime have great advantages

•In spring and autumn, when electricity consumption calms down, it is possible to reduce costs by an average of 30 to 40%.

* "Market-linked" is a plan in which the electricity price is determined based on the daily transaction unit price every 30 minutes on the Japan Electric Power Exchange (JEPX). It enables to keep electricity charges low when the market unit price is low.







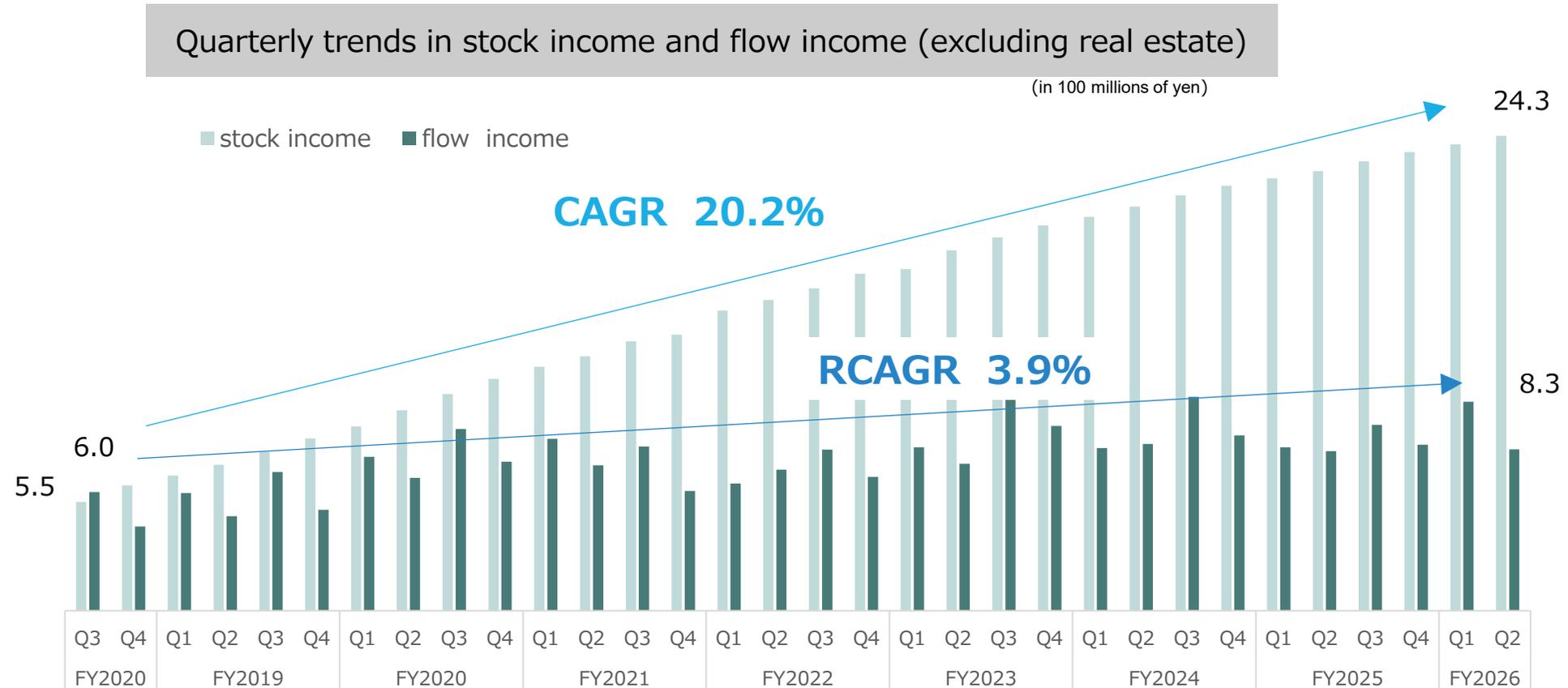
Financial Strategy

Financial Highlights

Fiscal Year		FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025
Net sales	(in millions of yen)	5,446	7,424	8,491	10,624	12,795	12,613	13,070
Operating profit	(in millions of yen)	886	1,215	1,543	1,604	2,290	2,395	1,943
Current net profit	(in millions of yen)	550	722	1,019	1,073	1,482	1,567	1,319
Capital	(in millions of yen)	426	479	488	494	494	494	494
Total number of shares issued	(thousands of shares)	9,807	20,402	20,487	20,591	20,591	20,593	20,593
Net assets	(in millions of yen)	1,981	2,710	3,677	3,279	4,758	5,836	6,502
Total assets	(in millions of yen)	5,311	6,984	9,397	13,087	12,764	13,076	12,144
Net assets per share	(yen)	202.06	133.52	180.40	160.74	230.12	285.59	320.34
Net income per share	(yen)	57.60	36.19	50.11	52.60	72.70	77.20	65.20
Equity ratio	(%)	37.3	38.8	39.1	25.1	36.8	44.3	53.1
Return on equity	(%)	32.8	30.8	31.9	30.9	37.2	29.9	21.6
Cash flow from operating activities	(in millions of yen)	1,345	1,732	1,710	2,295	4,296	2,833	3,156
Cash flow from investing activities	(in millions of yen)	-1,389	-2,071	-2,256	-2,626	-2,189	-2,377	-1,564
Cash flow from financing activities	(in millions of yen)	-15	699	1,326	436	-2,027	-723	-1,860
Cash and cash equivalents at end of term	(in millions of yen)	1,058	1,415	2,196	2,303	2,382	2,120	1,853
Number of employees	(persons)	159	180	221	231	232	230	239

<Reference> Trends in Stock Income and Flow Income

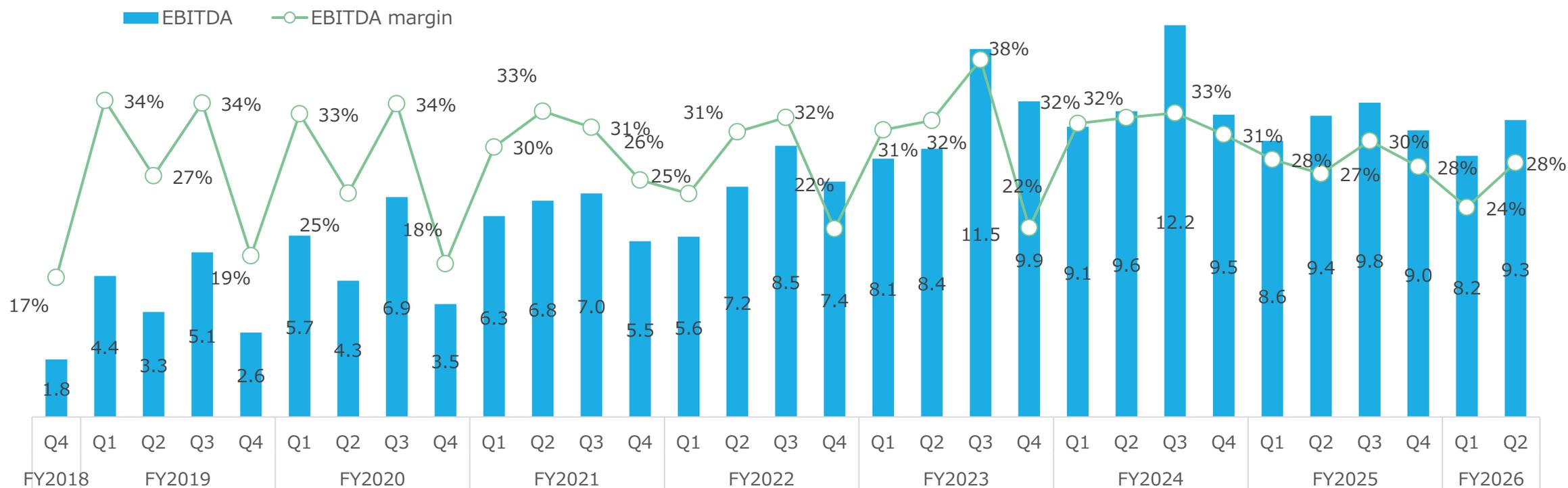
- Stock sales have been steadily increasing. They have increased for 31 consecutive quarters since the company became listed, and still maintains the CAGR of over 20. The pace of increase in the number of residences connected to the Residential Wi-Fi service remains stable.
- Flow sales have remained fluctuating. However, it is also true that they have remained within a relatively stable range since the company became listed. The company recognizes the need to break through the upper limit of the range to increase stock sales.



- EBITDA for Q2 was 930 million yen. The EBITDA margin was 28%. Both actual EBITDA and margin turned upward for the first time in three quarters.
- Although it is still too early to conclude that the previous trend of gradual decline has ended, the impact of factors such as the acceleration of the equipment outright-sales and sluggish growth in the Business-Use Business, which had been weighing on margin, is steadily easing.

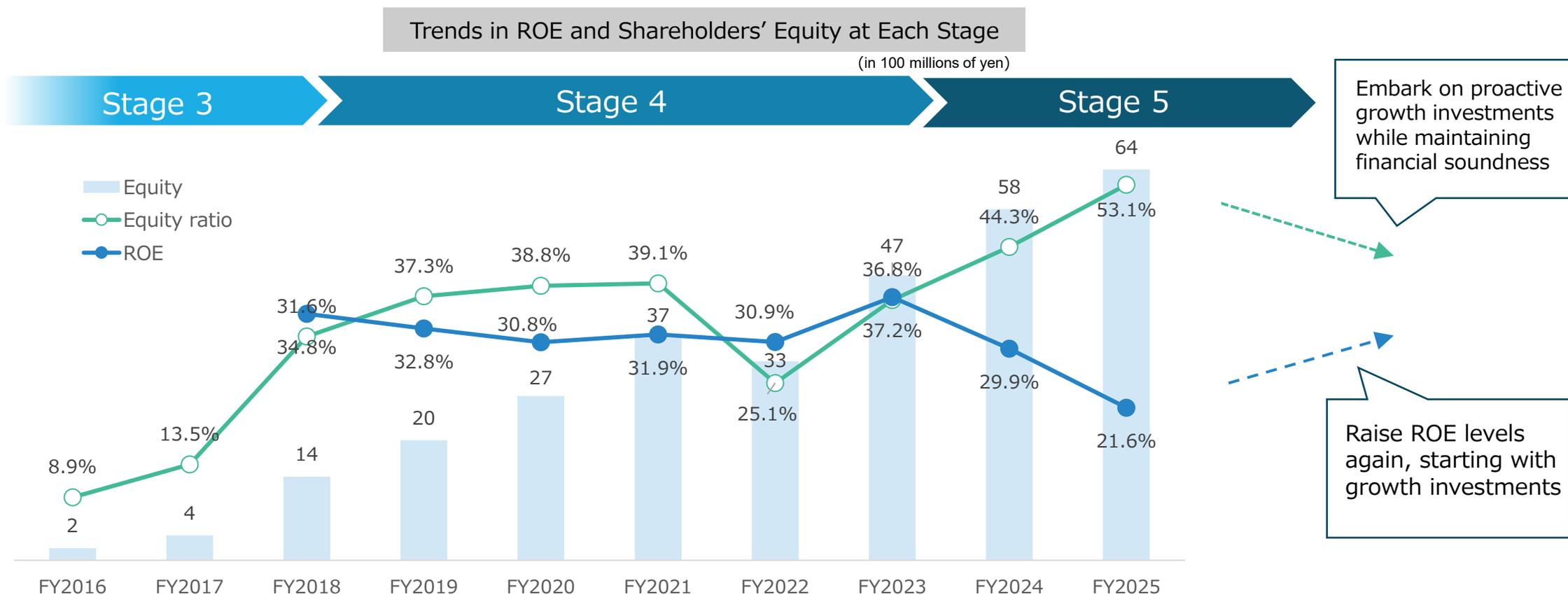
EBITDA Trends

(in 100 millions of yen)



Trends in ROE and Shareholders' Equity

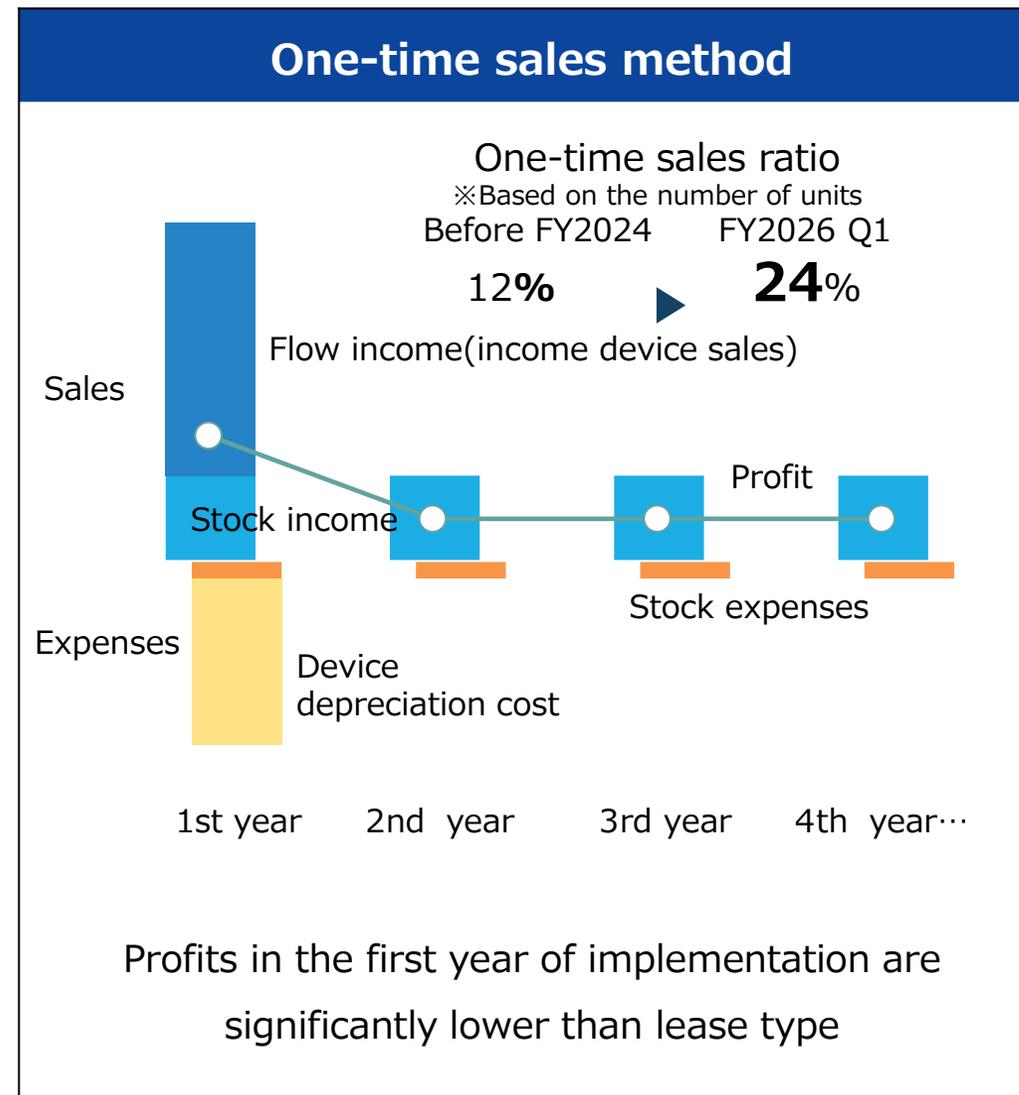
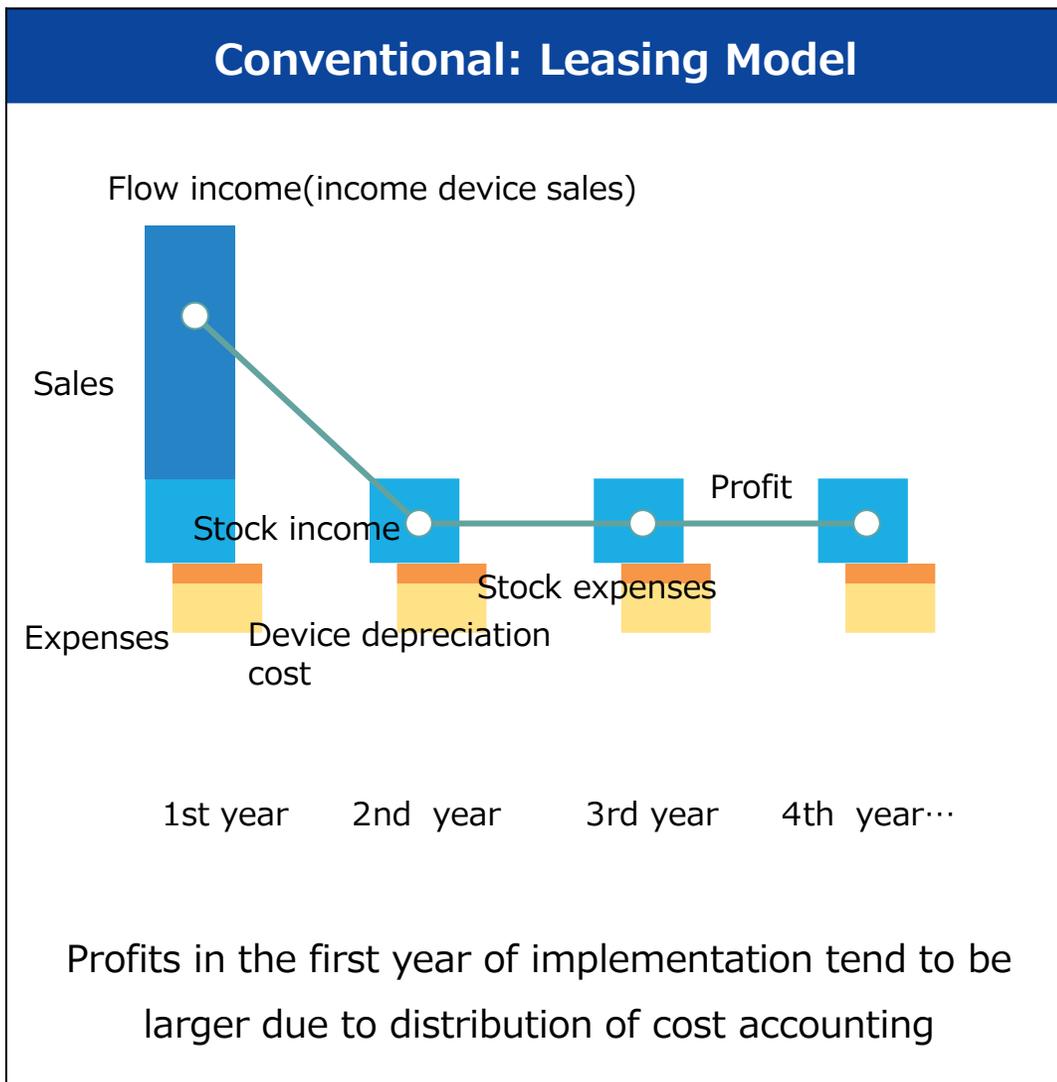
- In Stage 4, while capital accumulation progressed, profit growth advanced at a pace that kept pace with capital accumulation. Both capital growth and a high ROE were achieved.
- Since entering Stage 5, the pace of profit growth has slowed. It has lagged behind the pace of capital accumulation, resulting in a gradual decline in ROE.
- This is due to a decline in profit growth capability, and consequently, insufficient growth investment. In pursuing the goal of becoming an on-premise infrastructure integrator, the company recognizes the necessity of growth investments that will lay the groundwork.



*FY2016 is a six-month accounting period

Expected profit and loss by type of providing Home-Use device

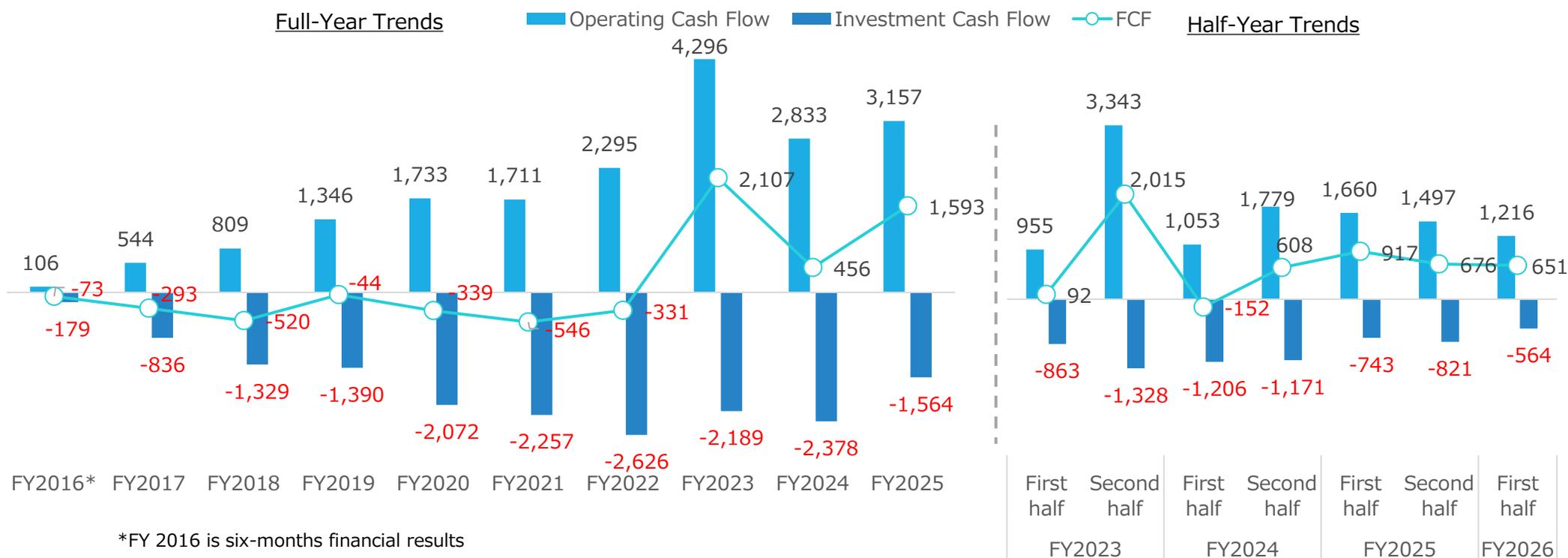
Home-Use
Business



- Free cash flow (FCF) for Q2 in fiscal year ending June2026 was positive (650 million yen). This marks the fourth consecutive quarter of surplus. A situation where stable FCF can be generated has been established.
- However, in step with the decline in profit margin, cash flow from operating activities has contracted for three consecutive quarters. The structure supporting FCF is based on the suppression of cash flow from investing activities resulting from the introduction of outright-sales model for Wi-Fi devices for the Home-Use Business.
- However, while both cash flow from operating activities and cash flow from investing activities are showing a declining trend, the company recognizes that this is by no means desirable from the perspective of business dynamism.

Long-term trends in cash flow

(in millions of yen)

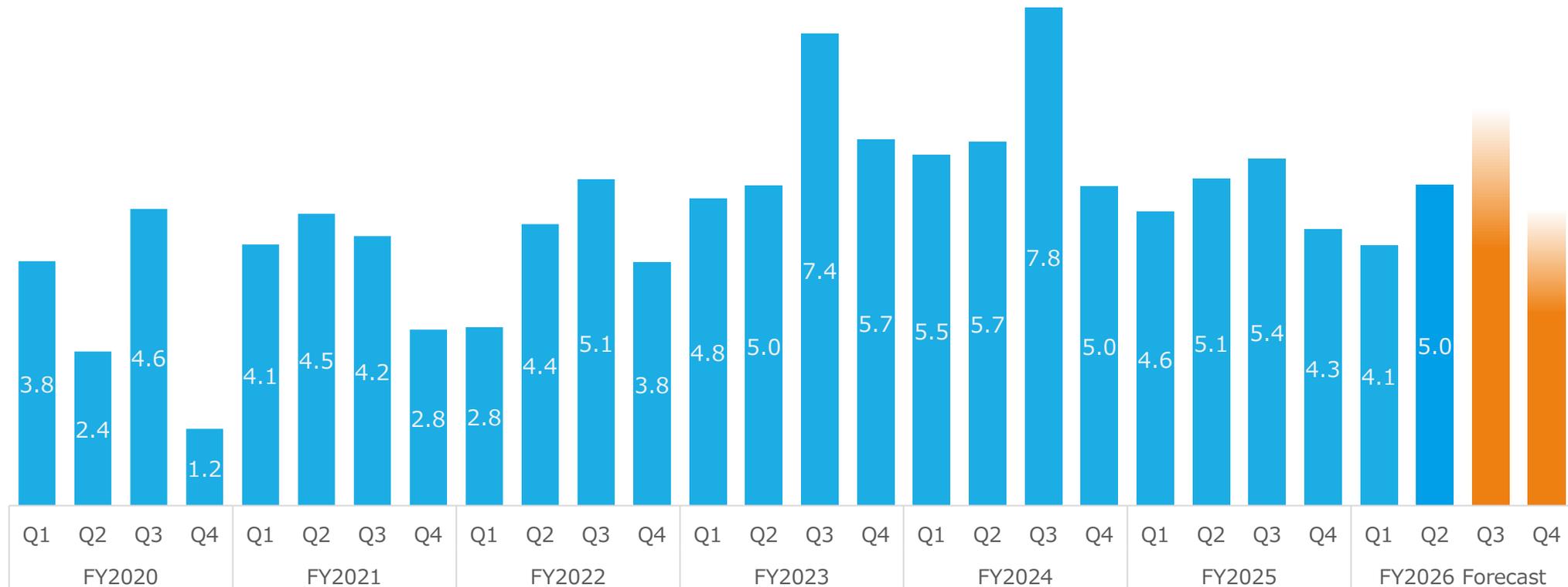


Forecast of Consolidated Financial Results for FY2026 Quarterly Overview

- Ordinary profit in Q2 exceeded the quarterly overview as of Q1. Profit margin improved beyond expectations as factors related to the equipment outright-sales have eased.
- Q3 is a period when new construction completions are concentrated. The company continues to expect the quarter to record the highest profit of the fiscal year.

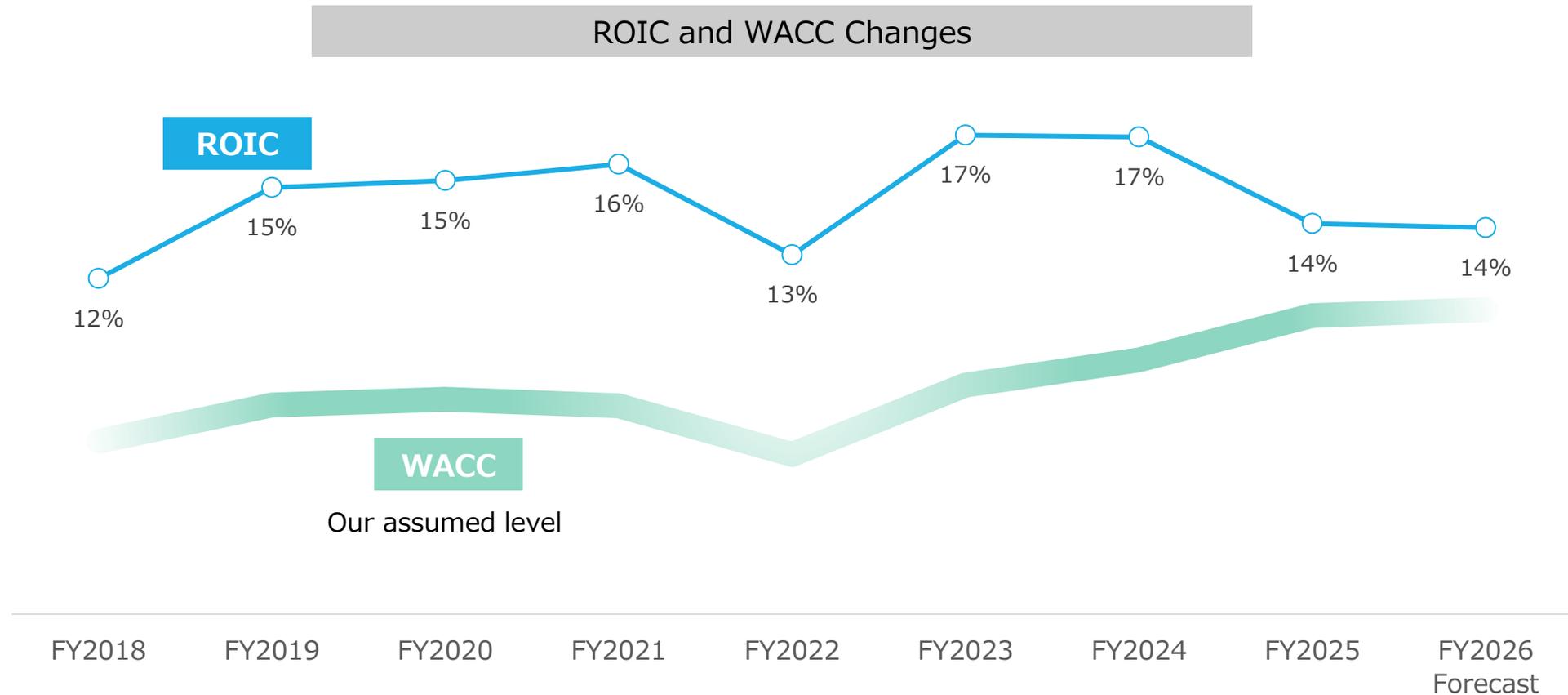
Image of Trends in Ordinary profit by Quarter

(in 100 millions of yen)



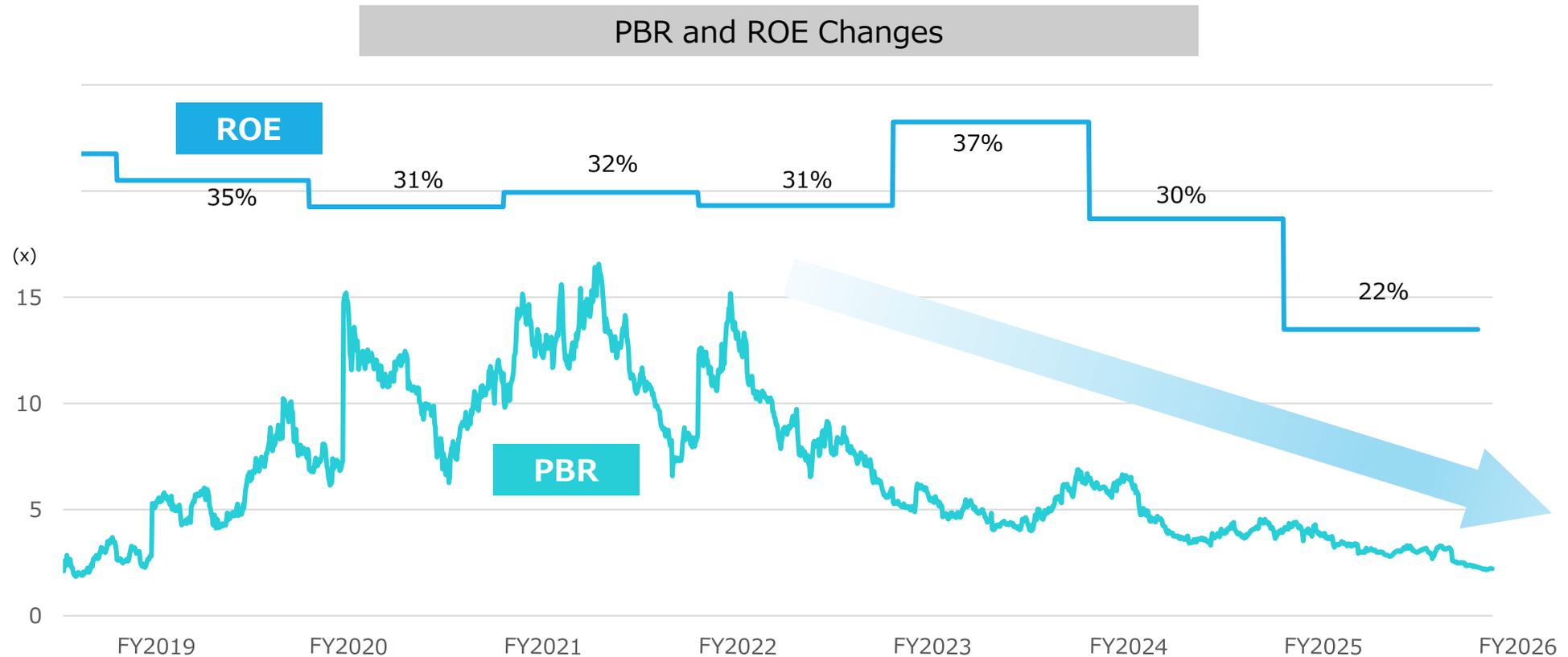
Management Conscious of Cost of Capital and Stock Price (Update)

- Historically, the company's ROIC has far exceeded expected WACC. Increasing corporate value is regarded as a top priority.
- In fiscal year ended June 2025, ROIC remained above WACC. However, WACC was on an upward trend due to factors such as the accumulation of equity capital, reduction of borrowings, and rising interest rates. While ROIC in fiscal year ending June 2026 is also expected to exceed WACC, the margin will inevitably narrow.



Management Conscious of Cost of Capital and Stock Price (Update)

- ROE for fiscal year ended June 2025 is 22%. While this level is by no means low, the downward trend compared to past levels is undeniable.
- In line with this, PBR has also been gradually declining. Even at present, PBR remains above 2 times, indicating that corporate value has been steadily expanding. However, the stock market is likely to be concerned about the downward trend in ROE. By evolving from a Wi-Fi solution provider to an on-premise infrastructure integrator, the company will pursue a growth scenario that raises market expectations.



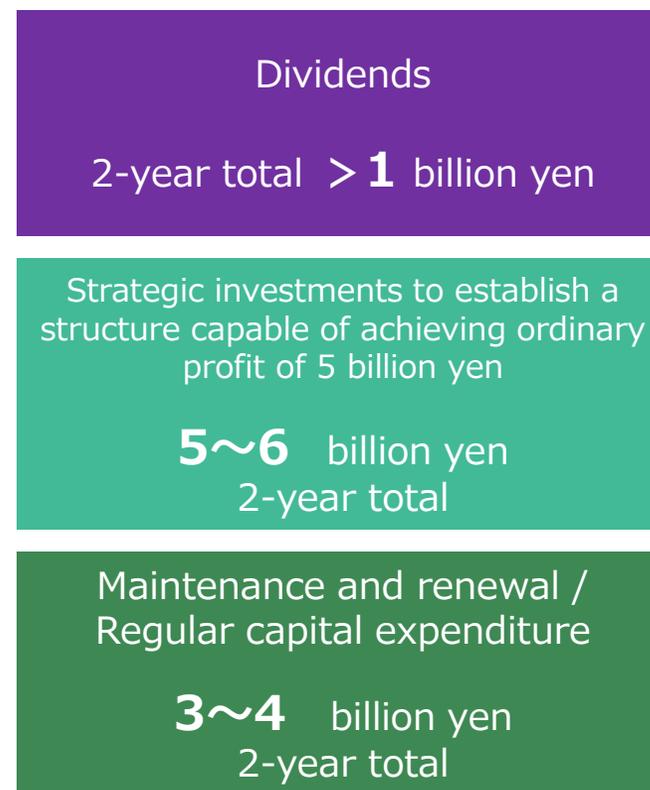
Strategic Investments

- To put Stage 5 on a growth path, the company will accelerate investments for growth that have been insufficient.
- In line with this, the company will significantly revise the capital allocation plan previously presented. Strategic investments are planned to total 5 to 6 billion yen over the next two years. The necessary funds will be secured by maintaining financial soundness and actively utilizing external financing.

Capital sourcing

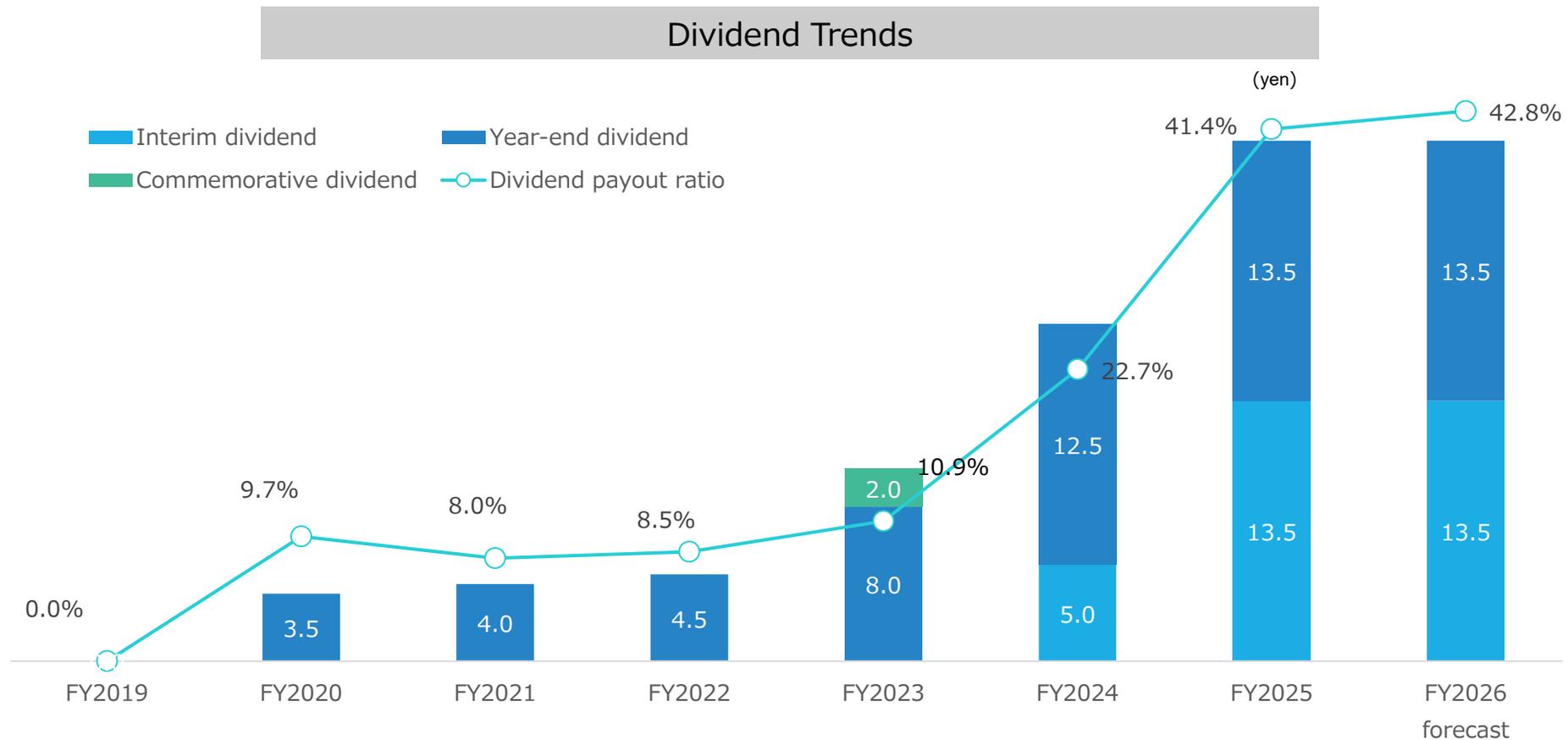


Capital allocation



Dividend Policy

- As previously expected, the dividend for fiscal year ended June 2025 is planned to be 27 yen per share, an increase of 9.5 yen from the previous year. The dividend payout ratio is expected to be 41.4%.
- The dividend for fiscal year ending June 2026 is also expected to remain at 27 yen per share. While the previous dividend policy was based on favorability of growth, shareholder returns and strengthening of financial standing, with a basic dividend payout ratio of approximately 33%, the company now places greater emphasis on shareholder returns. Viewing the urgency of strengthening its financial standing as having decreased, it plans to maintain the annual dividend of 27 yen per share.



Note: Dividend payout ratio is calculated based on ordinary dividends only.

Issues behind the decrease in ordinary profit: A lack of workforce and responsiveness has been recognized

	Lack of workforce	Lack of responsiveness
Home-Use Business	Reaching potential demand for existing construction projects	Providing services tailored to diversified telecommunication usage needs
Business-Use Business	Reaching potential demand	Providing customized services for advanced projects
Renewable Energy Business	Informing potential customers	Installation know-how and track record
Company-wide		Existing systems impeding productivity Delay in data utilization

Two issues to be addressed over the next two years

1) Recovery in the growth pace of period profit and loss:

Early resolution of the profit decline phase and restoration of profitability

2) Solidifying the company's position as an on-premise infrastructure integrator:

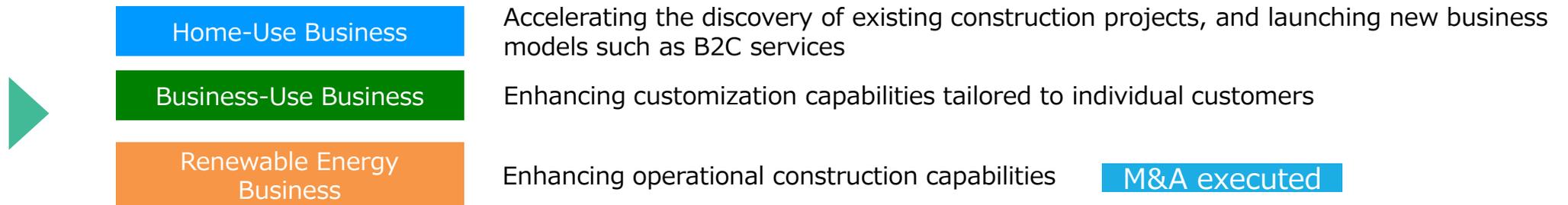
Acquisition of access to larger potential markets

Approach to solidify growth in Stage 5

During this period, establish a system (winning pattern) that enables us to aim for "a medium-term goal of 5 billion yen in ordinary profit"

Issues within existing businesses: Lack of workforce and responsiveness

- | | |
|-------------|--|
| Apr. 2025 - | <ul style="list-style-type: none"> Started examining the internet B2C contract scheme Started Product packaging and customization support Started <ul style="list-style-type: none"> ✓ Building and launching new products and services tailored to regional, industrial or individual situations |
| May. 2025 - | <ul style="list-style-type: none"> Productivity improvement through the use of AI <ul style="list-style-type: none"> ✓ Launched an AI promotion project Started ✓ Started developing an AI system for sales role-playing Started |
| Jul. 2025 - | <ul style="list-style-type: none"> Changing the sales structure from business-based to region-based Completed <ul style="list-style-type: none"> ✓ Strengthening sales channels by increasing customer contact expectations ✓ Promoting cross-selling across Home-Use Business, Business-Use Business, and Renewable Energy Business Started the construction of a company-wide core system to improve productivity Started |



Actively considering strengthening the structure through M&A as an option

- Aiming to provide “Wi-Fi to all facilities,” the company aims to enrich daily living by building an infrastructure environment centered on communications, and to focus on management that is conscious of the sustainable development of society by solving various issues.

Identifying important issues (materiality) in the group's sustainability management

Materiality	Details
Contribution to society through communication solutions	① Contribution to everyday living ② Contributing to community revitalization
Promoting carbon offsets through renewable energy projects	① Reduction of CO2 emissions through the installation of solar power generation systems
Promotion of human capital management	① Employee health management ② Improvement of employee skills ③ Development of executive candidates ④ Improvement of per employee profitability

Sustainability Affiliates

地方創生 SDGs
官民連携
プラットフォーム

[Regional Revitalization SDGs
Public-Private Partnership
Platform](#)



TCFD Consortium



[Human Capital
Management Consortium](#)



GX League



[General Incorporated Association](#)



< Note Regarding Forecasts >

The contents of this presentation are based on certain assumptions and do not constitute a promise or guarantee of the realization of future planned figures or policies.

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