Aug, 2025

Fibergate Inc.

Medium-term Vision and Future Plans

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

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Medium-term Vision and Future Plans

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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.

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Previous Stages and New Growth Stage

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Fibergate Inc. Concept of growth stages of the company

Stage 1

2000～ FGBB

- Founded as an NTT agency
- Start of free Wi-Fi service FGBB.
- for condominium residents
- Promotion of private brand (PB) strategy

Stage 2

2009 ～

- Start of free Wi-Fi service for businesses
- Expanding business areas to include Home-Use and business-use

Wi-Fi Nex

Stage 3

2015 ～ 飛傳網通科技股份有限公司 Fibergate Taiwan Inc.

- Start of telecommunications equipment manufacture by Taiwanese subsidiary
- Construction of a one-stop system for products to services

Stage 4

2018 ～

- Listing as a public company
- Building a growth strategy and internal structure that can withstand the pressure of external shareholders
- Expanding into real estate and renewable energy fields

OffGrid Lab

SA FG Smart Asset

Stage 5

2024～

Change in business model to meet a **changing environment**

Independent Wi-Fi solutions company

Becoming an on-premise infrastructure integrator

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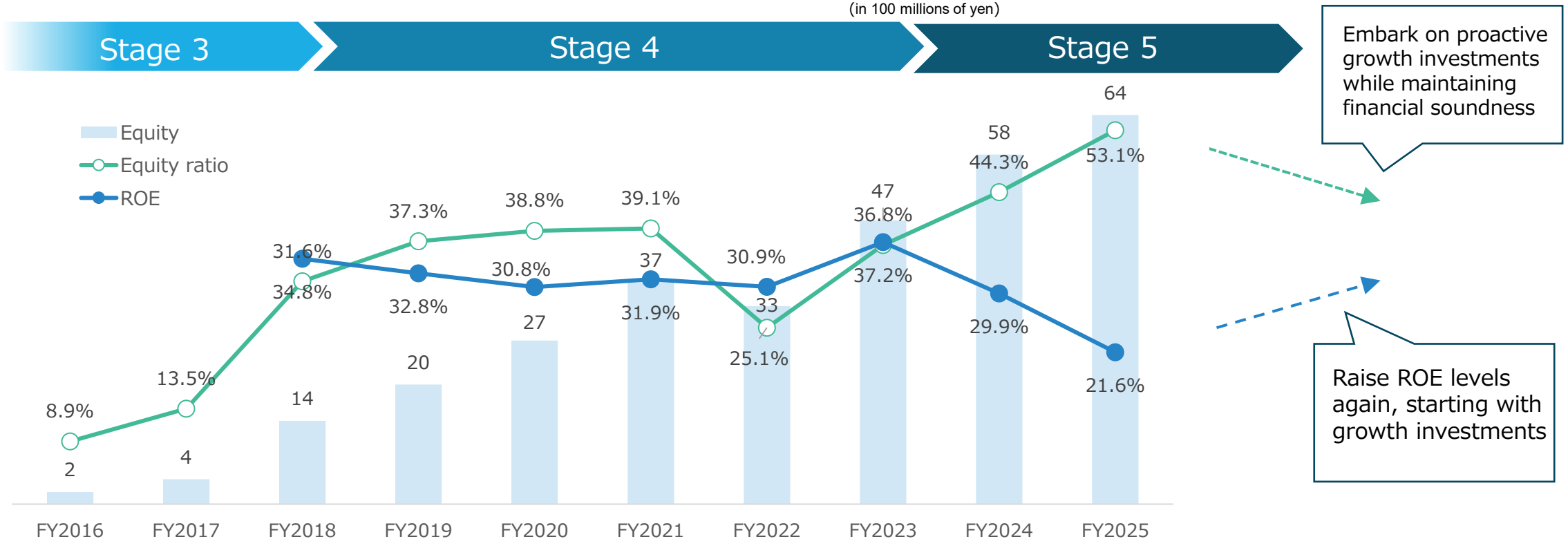
Trends in ROE and Shareholders' Equity

- 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.

Trends in ROE and Shareholders' Equity at Each Stage

(in 100 millions of yen)



*FY2016 is a six-month accounting period

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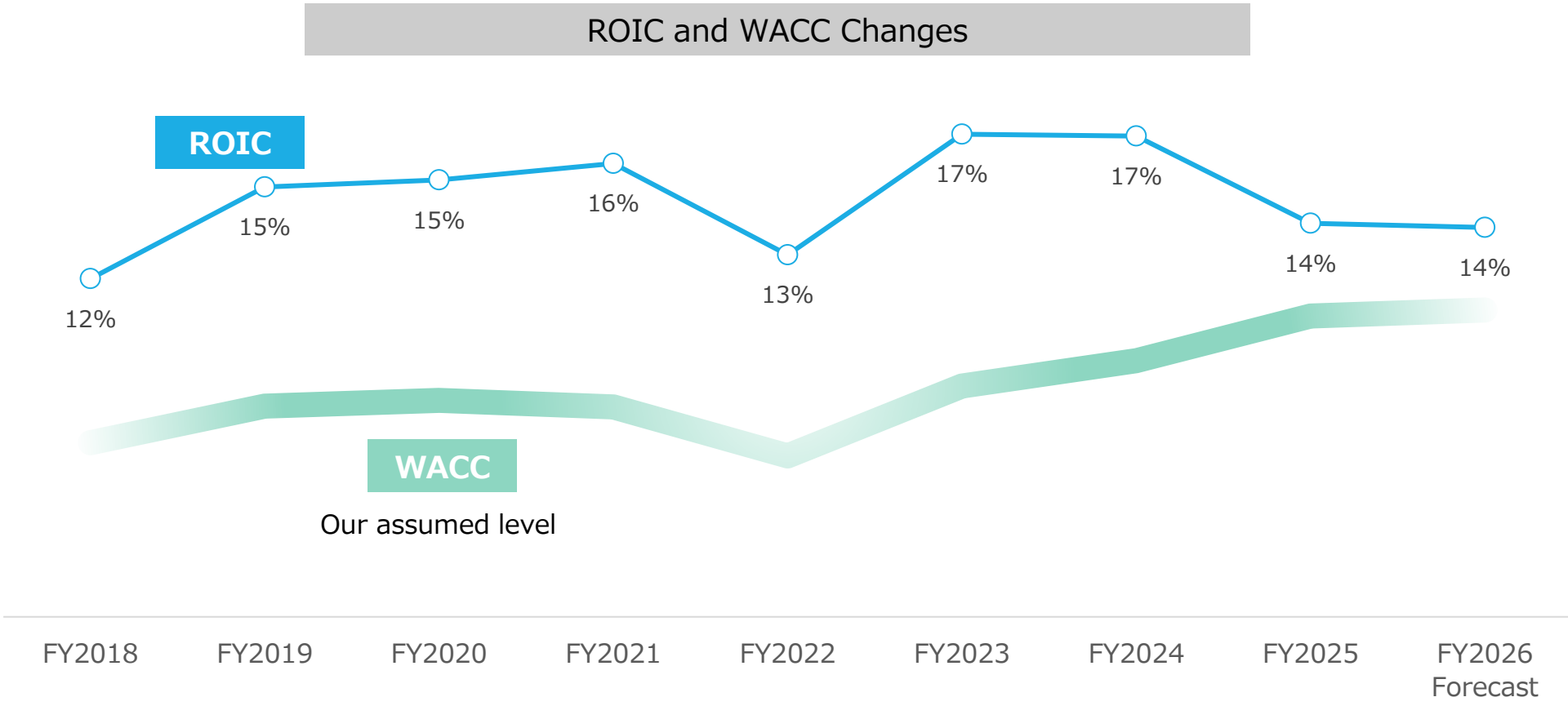
Management Conscious of Cost of Capital and Stock Price

- 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.



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Issues Highlighted During Fiscal Year Ended June 2025

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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

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Our Approach for the Time Being

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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

The fiscal year ending June 2026 will be the year for creating a mechanism

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"

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Recovery in the Growth Pace of Period Profit Growth

Issues within existing businesses: Lack of workforce and responsiveness

Apr. 2025 -
- Started examining the internet B2C contract scheme
- Product packaging and customization support
  - ✓ Building and launching new products and services tailored to regional, industrial or individual situations

May. 2025 -
- Productivity improvement through the use of AI
  - ✓ Launched an AI promotion project
  - ✓ Started developing an AI system for sales role-playing

Jul. 2025 -
- Changing the sales structure from business-based to region-based
  - ✓ 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

Home-Use Business	Accelerating the discovery of existing construction projects, and launching new business models such as B2C services
Business-Use Business	Enhancing customization capabilities tailored to individual customers
Renewable Energy Business	Enhancing operational construction capabilities

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

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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

FGBB® × SOLERIO

Free internet　　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

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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

Operating CF

5 billion yen
2-year total

External Financing or Cash Reserves Drawdown

Approx. **5** billion yen
2-year total

Capital allocation

Dividends

2-year total **＞1** billion yen

Strategic investments to establish a structure capable of achieving ordinary profit of 5 billion yen

5～6 billion yen
2-year total

Maintenance and renewal / Regular capital expenditure

3～4 billion yen
2-year total

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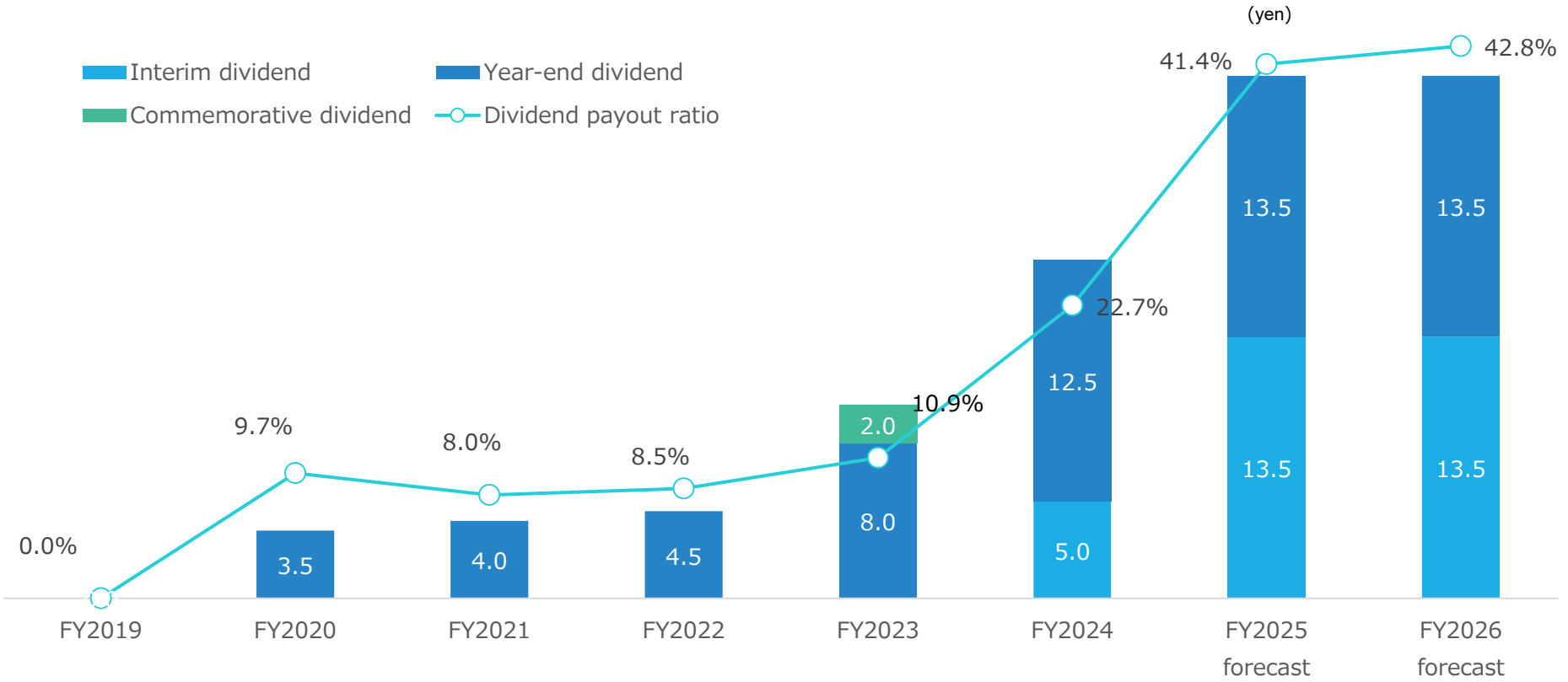
Dividend Policy

- 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.

Dividend Trends



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

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Sustainability Management Initiatives

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- 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

TCFD Consortium

Human Capital Management 人的資本経営コンソーシアム

Human Capital Management Consortium

GX League

GX League

FOURE

General Incorporated Association

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Topics

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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.

FGBB

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.

SOLERIO コスパワ

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.

Wi-Fi Nex　SHINOBI　Wi-Fi BUS　eventWi-Fi

Real Estate Business

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

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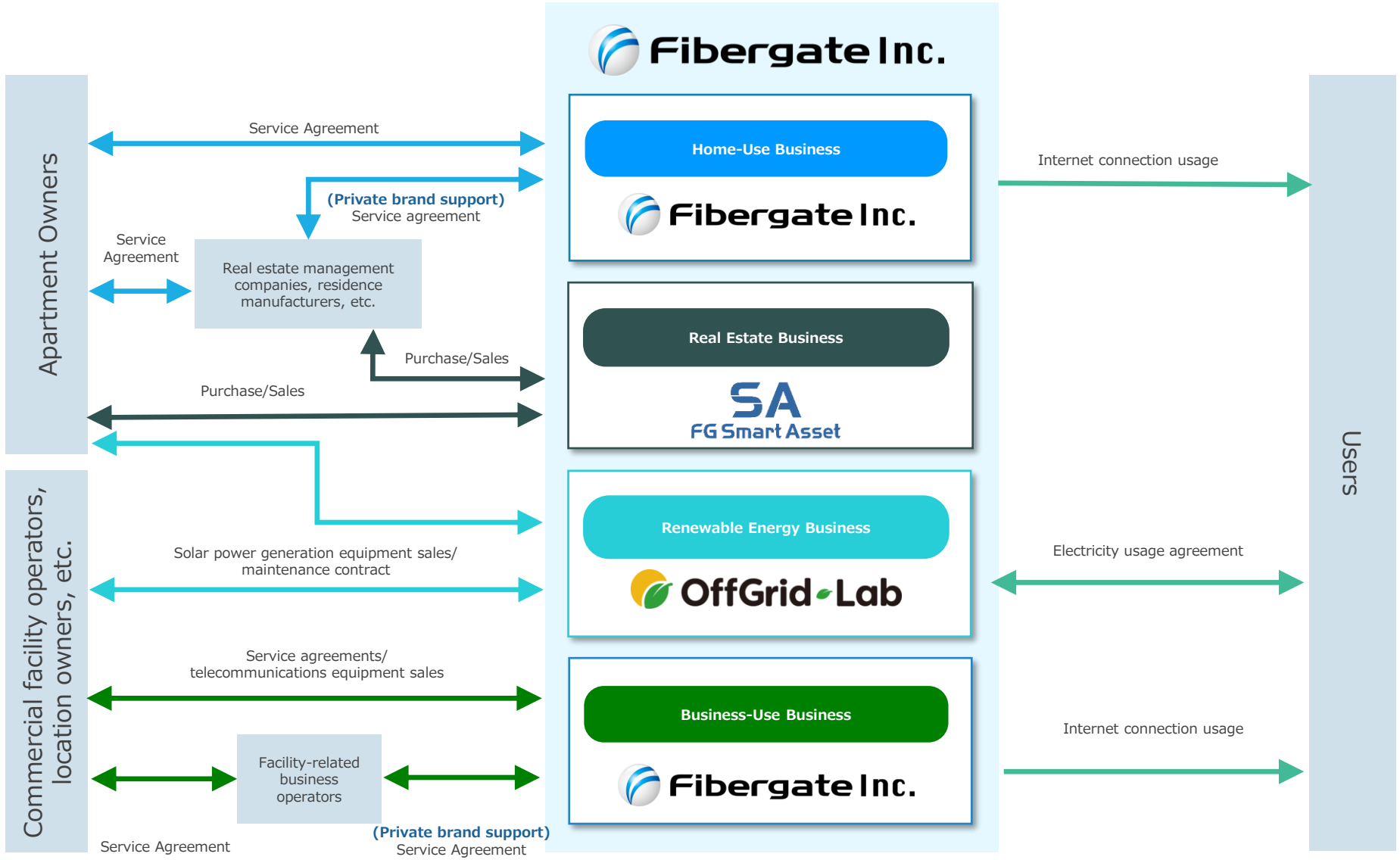
Business Flow



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On-Premise Infrastructure Integrator

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FG Smart Call

Network camera

FGTV

PBX

Kagitouban

Router

Peripheral devices/IoT services

Telecommunications equipment

Smart Lock
Smart Sensor

Renewable Energy

SOLERIO

Solar Panels

Energy Storage

コスパワ

High-Voltage Power Services

Real Estate

Delivery box

EV charging station

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On-Premise Infrastructure Integrator

Bundled provision of telecommunications and energy services to users

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Medium-Term Vision and Growth Stage

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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”

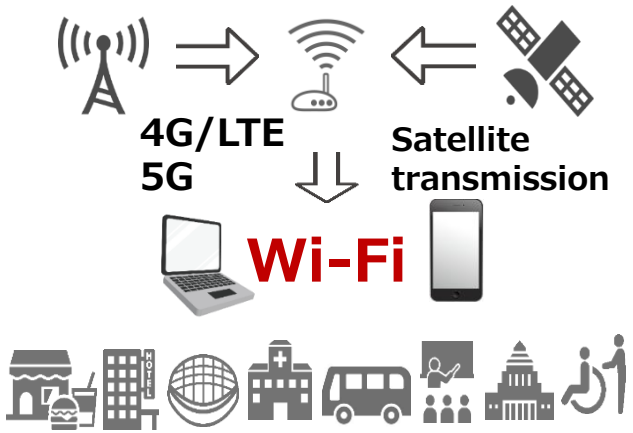
Realizing our Alternative Carrier vision

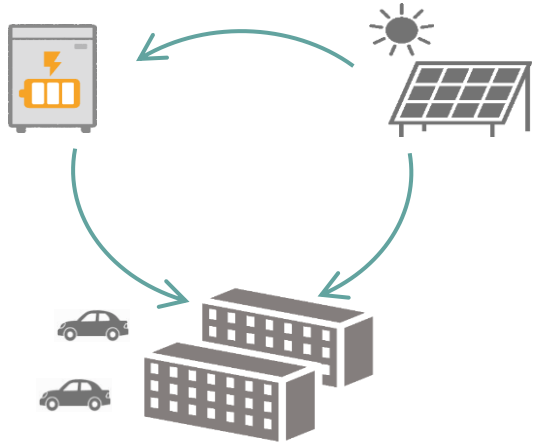
- Continued expansion of the Home-Use field
- Thorough strengthening of the Business-Use field

Step2

Realizing the future of infrastructure created by telecoms and renewable energy

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





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Expected Major Targets

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Home-Use Business

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Real Estate Business

SA
FG Smart Asset

Renewable Energy Business

OffGrid Lab

Business-Use Business

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

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

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

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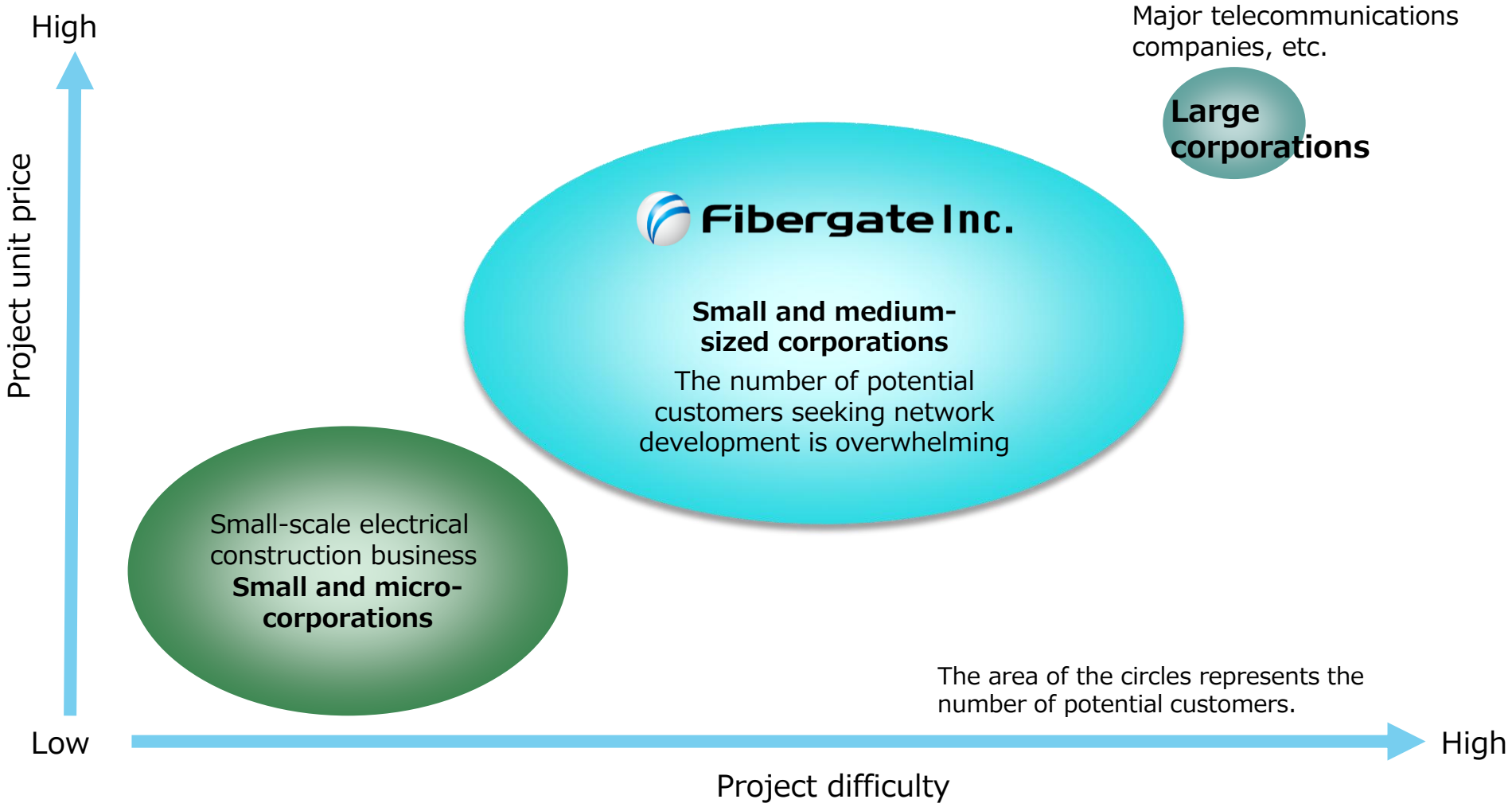
Target Market Position of the Company

- 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.



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History

Year	Event
2000	➢ Founded in Wakabayashi Ward, Sendai City for the purpose of handling subscriptions for domestic and international telephone services.
2003	➢ 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	➢ 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	➢ 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	➢ 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	➢ 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	➢ 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 ➢ Acquired 100% of shares of Power Denki Innovation Inc. (PDI), a solar EPC company

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Financial Highlights

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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

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< 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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