

May 14, 2025

Consolidated Financial Results for the Nine Months Ended March 31, 2025 (Under Japanese GAAP)

Company name: Fibergate Inc.
 Listing: Tokyo Stock Exchange / Sapporo Stock Exchange
 Securities code: 9450
 URL: <https://www.fibergate.co.jp/en/>
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 Scheduled date to commence dividend payments: -
 Preparation of supplementary material on financial results: Yes (Supplementary explanatory materials for financial results will be posted on the Company's website as appropriate.)
 Holding of financial results briefing: None

(rounded down to the nearest million)

1. Consolidated financial results for the nine months ended March 31, 2025 (from July 1, 2024 to March 31, 2025)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended								
March 31, 2025	9,822	3.0	1,522	(19.2)	1,512	(20.3)	1,024	(18.5)
March 31, 2024	9,537	15.9	1,882	8.3	1,896	10.3	1,256	6.9

Note: Comprehensive income For the nine months ended March 31, 2025: ¥1,016 million [(19.6)%]
 For the nine months ended March 31, 2024: ¥1,263 million [7.3%]

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
March 31, 2025	50.53	50.44
March 31, 2024	61.85	61.67

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
March 31, 2025	12,583	6,353	49.9
June 30, 2024	13,076	5,836	44.3

Reference: Equity
 As of March 31, 2025: ¥6,284 million
 As of June 30, 2024: ¥5,789 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended June 30, 2024	-	5.00	-	12.50	17.50
Fiscal year ending June 30, 2025	-	13.50	-		
Fiscal year ending June 30, 2025 (Forecast)				13.50	27.00

Note: Revisions to the forecast of cash dividends most recently announced: None

3. Forecast of consolidated financial results for the fiscal year ending June 30, 2025 (from July 1, 2024 to June 30, 2025)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending June 30, 2025	12,700	0.7	1,750	(26.7)	1,740	(26.6)	1,150	(26.6)	56.83

Note: Revisions to the earnings forecasts most recently announced: Yes

For details, please refer to Appendix 3 "1. Qualitative Information on Financial Results for this quarter (3) Explanation of Forward-Looking Information such as Consolidated Earnings Forecasts."

*** Notes**

- (1) Significant changes in the scope of consolidation during the period: Yes
Newly included: 1 company (Ene-Pulse Corporation)
- (2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None
- (3) Changes in accounting policies, changes in accounting estimates, and restatement
 - (i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
 - (ii) Changes in accounting policies due to other reasons: None
 - (iii) Changes in accounting estimates: None
 - (iv) Restatement: None
- (4) Number of issued shares (common shares)

- (i) Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2025	20,593,600 shares
As of June 30, 2024	20,593,600 shares

- (ii) Number of treasury shares at the end of the period

As of March 31, 2025	322,207 shares
As of June 30, 2024	322,207 shares

- (iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Nine months ended March 31, 2025	20,271,393 shares
Nine months ended March 31, 2024	20,318,847 shares

- * Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: nothing

- * Proper use of earnings forecasts, and other special matters
(Cautions on forward-looking statements, etc.)

Forward-looking statements, such as earnings forecasts, contained in this material are based on information available to the Company and are found to be reasonable.

It is based on a certain premise that we refuse, and it is not intended to be a promise by the Company to realize it. In addition, the actual performance may vary due to a variety of factors. For the conditions on which earnings forecasts are based, see "1. Qualitative Information on Financial Results for the this quarter (3) Explanation of Forward-Looking Information such as Consolidated Earnings Forecasts."

(Method of accessing supplementary material on financial results)

Supplementary financial results materials will be disclosed on TDnet on the same day and posted on the Company's website.

1. Overview of Quarter Operating Results

Forward-looking statements in this report are based on the judgment as of the end of the current quarter consolidated fiscal year.

(1) Overview of operating results

(Millions of yen)

Nine months ended	Sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Net profit per share (Yen)
Current quarter consolidated fiscal year	9,822	1,522	1,512	1,024	50.53
Current quarter consolidated fiscal year	9,537	1,882	1,896	1,256	61.85
Percent change from the same period last year (%)	3.0	△19.2	△20.3	△18.5	△18.3

During the current third quarter consolidated cumulative period (July 1, 2024 to March 31, 2025), the Japanese economy continued its gradual recovery, driven by improvements in employment and income—including wage hikes—and heightening inbound demand. On the other hand, there are also risks of downward pressure on the economy, including uncertainties surrounding policy stemming from the U.S. presidential transition, unstable circumstances internationally, and persistently high energy prices pushing the cost of goods upward. As a result, the future remains uncertain, and the situation mandates continued caution.

Under these circumstances, our group aims to transform its business model in line with the changes in the environment and continue to grow as a company that provides optimal communications environments to users all at once as an on-premises infrastructure integrator.

In the Home-Use Business, the accumulated effects of the stock business (monthly subscription business) continue to be stable. In addition, sales of cross-selling products such as network cameras and intercom compatible systems “FG Smart Call,” which we have been focusing on, remained steady, centered on new construction. The percentage of sales in the Home-Use Business is trending upward.

On the other hand, we are increasing the number of cases in which we use the outright sale method to provide equipment, and as the cost is recorded in a lump sum in the first year of the transaction, profit margins are temporarily decreasing. By adopting the outright sale method, although the profit margin in the first year of trading will decrease, it is expected that the profit margin of future stock income (monthly subscription income) will improve, and the tax burden will be reduced due to the control of depreciable assets.

As a result of the above, the Home-Use Business had sales of 8,120 million yen (up 3.9% from the same period last year) and segment profit of 1,997 million yen (down 13.1% from the same period last year).

In the Business-Use Business, sales of on-premise communication infrastructure services for medical and nursing care facilities, public facilities, and tourist facilities, which we have focused on, grew. Sales for medical and nursing care facilities in particular increased in the first quarter of the current consolidated cumulative period, and sales for tourist facilities rose in the second quarter of the current consolidated cumulative period. Moreover, communications services for schools and other educational institutions drove revenue growth in the third quarter of the current consolidated cumulative period.

On the other hand, due to delays in the completion of large-scale, high-profit-margin projects, profit margin is trending downward. As a result of the above, the Business-Use Business achieved sales of 1,231 million yen (up 4.9% from the same period last year) and segment profit of 240 million yen (down 24.4% from the same period last year).

In the Real Estate Business, FG Smart Asset Co., Ltd. had one real estate sale.

As a result of the above, the Real Estate Business had sales of 441 million yen (down 15.0% from the same period last year) and segment profit of 70 million yen (up 13.1% from the same period last year).

In other businesses, the Renewable Energy (electricity) Business of Off Grid Lab Co., Ltd. generated revenue. Additionally, costs were incurred in the establishment of Enepulse Co., Ltd.

As a result of the above, other businesses had sales of 28 million yen (up 1.6% from the same period last year) and a segment loss of 5 million yen (segment profit of 11 million yen in the same period last year).

As a result, the business results for the current third quarter consolidated cumulative period were sales of 9,822 million yen (up 3.0% from the same period last year), operating profit of 1,522 million yen (down 19.2% from the same period last year), ordinary profit of 1,512 million yen (down 20.3% from the same period last year), and profit attributable to owners of parent of 1,024 million yen (down 18.5% from the same period last year).

(2) Overview of financial position

(Millions of yen)

	At the end of the previously consolidated fiscal year	At the end of current quarter consolidated fiscal year	Percent change (%)
Total assets	13,076	12,583	△3.8
Net assets	5,836	6,353	8.9
Shareholders' equity ratio (%)	44.3	49.9	12.6
Net assets per share (yen)	285.59	310.00	8.6

(Assets)

Total assets at the end of the current third quarter consolidated cumulative period were 12,583 million yen, a decrease of 492 million yen compared with the end of the previous consolidated fiscal year. This was due to a decrease of 355 million yen in current assets and a decrease of 136 million yen in fixed assets.

The decrease in current assets was mainly due to a decrease of 174 million yen in cash and deposits and a decrease of 312 million yen in real estate for sale, despite an increase of 33 million yen in accounts receivable and contract assets and an increase of 76 million yen in merchandise. The decrease in fixed assets was due to a decrease of 67 million yen in communications equipment used to provide our communications services and a decrease of 58 million yen in deferred tax assets.

(Liabilities)

Liabilities decreased by 1,009 million yen from the end of the previous fiscal year to 6,230 million yen. This was mainly due to decreases of 259 million yen in contract liabilities, 285 million yen in income taxes payable, and 1,315 million yen in long-term borrowings (including repayments within one year), offsetting increases in accounts payable of 95 million yen and short-term borrowings of 766 million yen.

(Net assets)

Net assets increased by 516 million yen from the end of the previous fiscal year to 6,353 million yen. This was mainly due to an increase of 497 million yen in retained earnings.

(3) Explanation of forward-looking information such as consolidated earnings forecasts

Regarding the consolidated earnings forecasts for the fiscal year ending June 2025, in light of recent business performance trends, we have revised the full-year consolidated earnings forecasts stated in the “Financial Results for the Fiscal Year Ended June 2024 [Japanese GAAP] (Consolidated)” announced on August 14, 2024. For details, please refer to the “Notice Regarding Revision of Full-Year Earnings Forecast and Maintenance of Year-End Dividend Forecast” announced today (May 14, 2025).

Forward-looking statements are based on information currently available to the Company and certain assumptions that the Company believes are reasonable, and actual results may significantly differ due to various factors.

(Forecast of consolidated business results)

(Millions of yen)

	June 2024 Result	June 2025 Forecast	Percentage change (%)
Sales	12,613	12,700	0.7
Operating profit	2,387	1,750	(26.7)
Ordinary profit	2,395	1,740	(27.4)
Net profit attributable to owners of the parent	1,567	1,150	(26.6)

Quarterly consolidated balance sheet

(Millions of yen)

	As of June 30, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	2,120	1,945
Accounts receivable - trade, and contract assets	1,980	2,014
Merchandise	665	742
Real estate for sale	489	176
Work in process	0	12
Supplies	0	1
Other	87	96
Allowance for doubtful accounts	(5)	(5)
Total current assets	5,339	4,983
Non-current assets		
Property, plant and equipment		
Buildings, net	35	33
Tools, furniture and fixtures, net	10	11
Communication equipment	7,153	7,085
Construction in progress	0	-
Total property, plant and equipment	7,200	7,130
Intangible assets		
Software	67	54
Software in progress	20	26
Total intangible assets	88	81
Investments and other assets		
Investment securities	11	11
Leasehold deposits	46	45
Deferred tax assets	372	313
Distressed receivables	1	1
Other	18	18
Allowance for doubtful accounts	(1)	(1)
Total investments and other assets	447	387
Total non-current assets	7,736	7,599
Deferred assets		
Organization expenses	0	0
Total deferred assets	0	0
Total assets	13,076	12,583

	As of June 30, 2024	As of March 31, 2025
Liabilities		
Current liabilities		
Accounts payable - trade	623	719
Short-term borrowings	140	906
Current portion of long-term borrowings	1,203	1,076
Income taxes payable	358	72
Contract liabilities	1,317	1,057
Provision for bonuses	88	48
share awards for directors	-	2
Other	356	376
Total current liabilities	4,086	4,259
Non-current liabilities		
Bonds payable	50	50
Long-term borrowings	3,049	1,860
Retirement benefit liability	53	61
Total non-current liabilities	3,153	1,971
Total liabilities	7,240	6,230
Net assets		
Shareholders' equity		
Share capital	494	494
Capital surplus	423	423
Retained earnings	5,225	5,722
Treasury shares	(356)	(356)
Total shareholders' equity	5,786	6,283
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	0	(0)
Foreign currency translation adjustment	3	0
Total accumulated other comprehensive income	3	0
Share award rights	-	17
Non-controlling interests	46	51
Total net assets	5,836	6,353
Total liabilities and net assets	13,076	12,583

Quarterly consolidated statement of income

(Millions of yen)

	Nine months ended March 31, 2024	Nine months ended March 31, 2025
Net sales	9,537	9,822
Cost of sales	5,047	5,702
Gross profit	4,489	4,119
Selling, general and administrative expenses	2,606	2,597
Operating profit	1,882	1,522
Non-operating income		
Interest income	0	1
Dividend income	0	0
Insurance claim income	26	-
Compensation for damage income	-	3
Point income	4	3
Other	2	0
Total non-operating income	33	9
Non-operating expenses		
Interest expenses	17	17
Foreign exchange losses	2	1
Other	0	-
Total non-operating expenses	20	19
Ordinary profit	1,896	1,512
Extraordinary losses		
Loss on retirement of non-current assets	38	38
Total extraordinary losses	38	38
Profit before income taxes	1,857	1,474
Income taxes - current	516	396
Income taxes - deferred	77	58
Total income taxes	594	455
Profit	1,263	1,018
Profit attributable to non-controlling interests	6	(5)
Profit attributable to owners of parent	1,256	1,024

Quarterly consolidated statement of comprehensive income

(Millions of yen)

	Nine months ended March 31, 2024	Nine months ended March 31, 2025
Profit	1,263	1,018
Other comprehensive income		
Valuation difference on available-for-sale securities	0	(0)
Foreign currency translation adjustment	0	(2)
Total other comprehensive income	0	(2)
Comprehensive income	1,263	1,016
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,257	1,021
Comprehensive income attributable to non-controlling interests	6	(5)

(Notes on segment information, etc.)

Segment Information

I. the nine months of the previous fiscal year (July 1, 2023 to March 31, 2024)

1. Information on sales and the amount of profit or loss for each reported segment

(in millions of yen)

	Reportable segments				Other (Note) 1	Total	Adjustment amount (Note) 2	Quarterly Consolidated Statements of Income (Note)3
	Home Use Business	Business Use Business	Real estate business	Total				
Sales								
Revenues from external customers	7,816	1,174	519	9,510	27	9,537	-	9,537
Transactions with other segments	-	-	-	-	-	-	-	-
Total	7,816	1,174	519	9,510	27	9,537	-	9,537
Segment Profit	2,299	318	62	2,680	11	2,692	(809)	1,882

Note: 1. The "Other" category is a business segment that is not included in the reporting segments and includes the renewable energy (electricity) business.

2. Segment profit adjustment of (809) million yen is general and administrative expenses that have not been allocated to each reporting segment.

3. Segment profit is adjusted to operating income in the quarterly consolidated statements of income.

2. Information on impairment losses or goodwill on fixed assets by reporting segment

Not applicable.

II. the nine months of the current fiscal year (July 1, 2024 to March 31, 2025)

1. Information on sales and the amount of profit or loss for each reported segment

(in millions of yen)

	Reportable segments				Other (Note) 1	Total	Adjustment amount (Note) 2	Quarterly Consolidated Statements of Income (Note)3
	Home Use Business	Business Use Business	Real estate business	Total				
Sales								
Revenues from external customers	8,120	1,231	441	9,793	28	9,822	-	9,822
Transactions with other segments	-	-	-	-	-	-	-	-
Total	8,120	1,231	441	9,793	28	9,822	-	9,822
Segment Profit	1,997	240	70	2,308	(5)	2,303	(781)	1,522

Note: 1. The "Other" category is a business segment that is not included in the reporting segments and includes the renewable energy (electricity) business.

2. Segment profit adjustment of (781) million yen is general and administrative expenses that have not been allocated to each reporting segment.

3. Segment profit is adjusted to operating income in the quarterly consolidated statements of income.

2. Information on impairment losses or goodwill on fixed assets by reporting segment

Not applicable.

(Note in the event of a significant change in the amount of shareholders' equity)

There are no applicable matters.

(Notes to assumptions for going concern)

There are no applicable matters.

(Note on quarterly consolidated statements of cash flows)

We have not prepared quarterly consolidated statements of cash flows for the first quarter of the current fiscal year. Depreciation expenses for the consolidated cumulative period of the first quarter (including amortization of intangible assets excluding goodwill) are as follows.

	Nine months ended March 31, 2024	Nine months ended March 31, 2025
Depreciation expenses	367 Million yen	404 Million yen