






Explanation of Financial Results for the Three Months of Fiscal Year Ending June 2025

Listing: Tokyo Stock Exchange Prime, Sapporo Securities Exchange
Securities code: 9450

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FY 6/2025 Q1 Results

Company-wide trend

Full-year ordinary profit forecast progress
17.6%

Mid Business

Proportion of new construction projects among all opened units
49%

Home-Use Business

Cross-selling flow sales ratio
14.5%

Business-Use Business

Target 3 areas Sales ratio
61.0%*

*Percentage of sales of local area communications infrastructure services (formerly free Wi-Fi)

FY 6/2025 forecast

Company-wide trend

Expected ordinary profit growth rate for FY2025/6
+**8.5%**
unchanged

Company-wide trend

FY 6/2025 expected dividends
27 yen/share
unchanged
(+9.5 yen dividend increase)

Home-Use Business

Adopting a One-time Sales Model for Device Provision and Promoting Accelerated Cost recognition

Business-Use Business

Expected operating profit margin for FY2025/6
31.1% unchanged



Financial Results for the Three Months of Fiscal Year Ending June 2025

Summary of Consolidated Financial results for Q1 of FY 6/2025

- In Q1 of FY 6/2025, revenue increased 7% year-on-year, while operating profit decreased 16%. In terms of sales, Home-Use remained solid, while Business-Use continued to be strong.
- Regarding profit and loss, the adoption of one-time sales in addition to the conventional rentals for methods of providing Home-Use devices had an impact. The cost rates rose as costs are recorded as a lump sum for one-time sales, and operating profit margin fell to 15.0%. The aim of adopting one-time sales method is to curb balance sheet expansion. Emphasis on future stock income profit margins
- The strong performance in Business-Use is driven by the focus on local area communications infrastructure services. In particular, the medical/nursing care field, which is set as one of the target areas, is showing growth.

| (in millions of yen) Rounded down to the nearest million yen Rounded to the nearest 0.1% | FY2023 Q1 results | FY2024 Q1 results | FY2025 Q1 | | | FY2024 Full Year | |
|--|----------------------|----------------------|--------------|----------------------------|----------------------------|------------------|----------|
| | | | Results | Year-on-year difference | Year-on-year comparison | Forecast | Progress |
| Net sales | 2,591 | 2,852 | 3,054 | +201 | +7.1% | 14,370 | 21.3% |
| Home-Use | 2,256 | 2,521 | 2,643 | +122 | +4.8% | 11,140 | 23.7% |
| Business-Use | 329 | 327 | 405 | +78 | +24.0% | 2,220 | 18.3% |
| Real Estate/Renewable Energy/Other | 5 | 4 | 4 | +0 | +11.5% | 1,010 | 0.5% |
| Operating profit | 480 | 525 | 463 | -61 | -11.8% | 2,620 | 17.7% |
| Home-Use | 671 | 714 | 668 | -45 | -6.4% | 3,110 | 21.5% |
| Business-Use | 46 | 56 | 72 | +15 | +28.2% | 690 | 10.5% |
| Real Estate/Renewable Energy/Other | -8 | -4 | -8 | -3 | Deficit growth | 180 | -4.6% |
| Adjusted | -229 | -241 | -269 | -28 | -11.9% | -1,360 | 19.8% |
| Ordinary profit | 480 | 548 | 458 | -89 | -16.4% | 2,600 | 17.6% |
| Ordinary profit Margin | 18.5% | 19.2% | 15.0% | -4.2pp | - | 18.1% | - |
| Profit attributable to owners of parent | 337 | 370 | 310 | -60 | -16.3% | 1,650 | 18.8% |

One-time sales method of providing Home-Use devices

- ✓ While the device is owned by the Company for conventional lease type, ownership is transferred to customers (property owners)
- ✓ Service provided and sales as a consideration are basically the same as conventional lease type
- ✓ Profit and loss are the same as lease type for the entire contract term

Advantages

- ✓ Profit margins improvement on recurring income
- ✓ Cash flows improvement
- ✓ Tax burden reduction due to curb on depreciable assets
- ✓ High affinity with new construction projects

**Disadvantages**

- ✓ Initial year loss and profit decline due to the lump-sum cost recognition
- ✓ Higher entry bar for customers
- ✓ Low affinity with existing construction projects



Propose better method along with conventional lease type according to customer characteristics and needs

Consolidated Financial Results Summary: Quarterly Trends

- Revenue decreased slightly compared with Q4. While sales for Home-Use increased due to stockpiling, sales for Business-Use decreased. Regarding Business-Use, the timing of sales is affected by corporate customer budgets, and therefore the seasonal adjustment trend in Q1 compared with Q4 is expected to continue.
- In terms of profit and loss, despite a slight decrease in sales, operating profit decreased by 10%. The lump-sum cost recognition due to the adoption of one-time sales method of providing Home-Use devices had an impact.

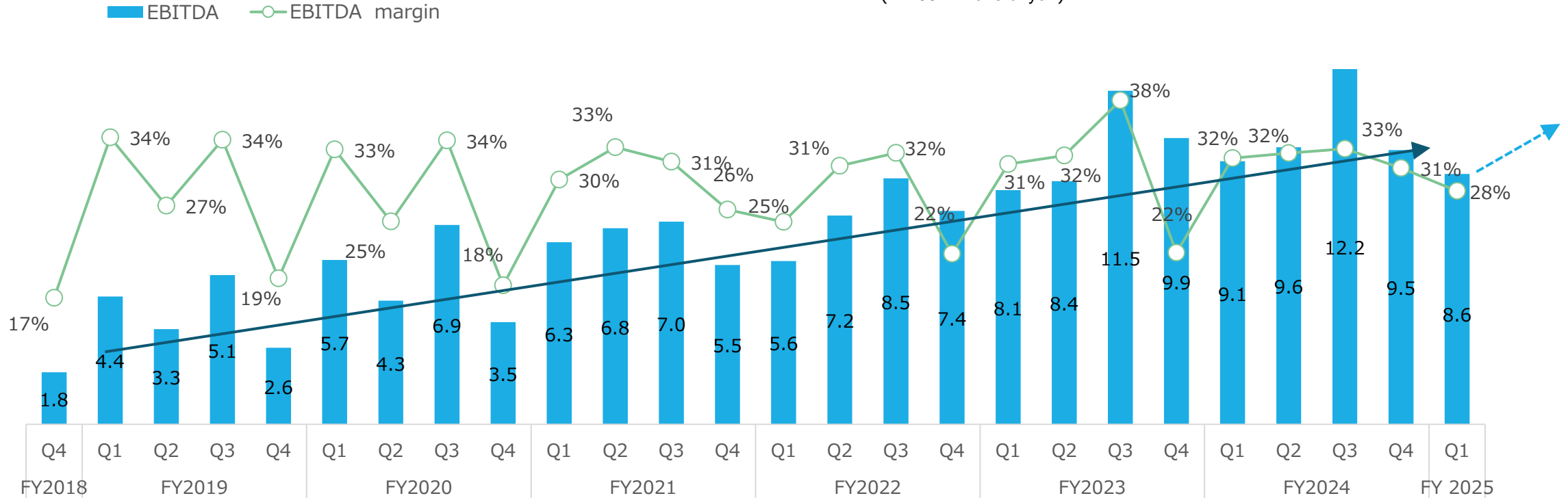
| (in millions of yen) | FY/2023 | | | | FY2024 | | | | FY2025 | Q4/Q1 comparison |
|---|---------|-------|-------|-------|--------|-------|-------|-------|--------------|------------------|
| | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | |
| Net sales | 2,591 | 2,612 | 3,024 | 4,567 | 2,852 | 2,953 | 3,731 | 3,075 | 3,054 | -21 |
| Home-Use | 2,256 | 2,245 | 2,632 | 2,466 | 2,521 | 2,565 | 2,729 | 2,569 | 2,643 | +73 |
| Business-Use | 329 | 350 | 381 | 450 | 327 | 356 | 490 | 501 | 405 | -95 |
| Real Estate/Renewable Energy/Other | 5 | 16 | 10 | 1,650 | 4 | 31 | 511 | 4 | 4 | +0 |
| Operating profit | 480 | 511 | 745 | 582 | 525 | 573 | 783 | 504 | 463 | -41 |
| Home-Use | 671 | 717 | 897 | 683 | 714 | 767 | 817 | 610 | 668 | +58 |
| Business-Use | 46 | 70 | 89 | 83 | 56 | 98 | 163 | 162 | 72 | -89 |
| Real Estate/Renewable Energy/Other | -8 | 4 | -2 | 145 | -4 | 14 | 63 | -9 | -8 | +1 |
| Adjusted | -229 | -280 | -238 | -329 | -241 | -307 | -260 | -259 | -269 | -10 |
| Ordinary profit | 480 | 500 | 737 | 571 | 548 | 569 | 778 | 499 | 458 | -41 |
| Ordinary profit Margin | 18.5% | 19.2% | 24.4% | 12.5% | 19.2% | 19.3% | 20.9% | 16.3% | 15.0% | -1.3p |
| Profit attributable to owners of parent | 337 | 338 | 499 | 306 | 370 | 361 | 524 | 310 | 310 | -0 |

EBITDA Trends

- EBITDA for Q1 was 860 million yen, with an EBITDA margin of 28%. In the quarterly trend, both the actual amount and margin have shown a slowdown for two consecutive quarters.
- EBITDA margin fell below 30% for the first time in 5 quarters. However, this was influenced by the performance in the first quarter, when the Company adopted one-time sales method (≠ the lump-sum cost recognition) as well as seasonal factors of the first quarter being off-season of projects every year. The company regards that there is no need for concern, as these changes will lead to improved profit margins in the future.

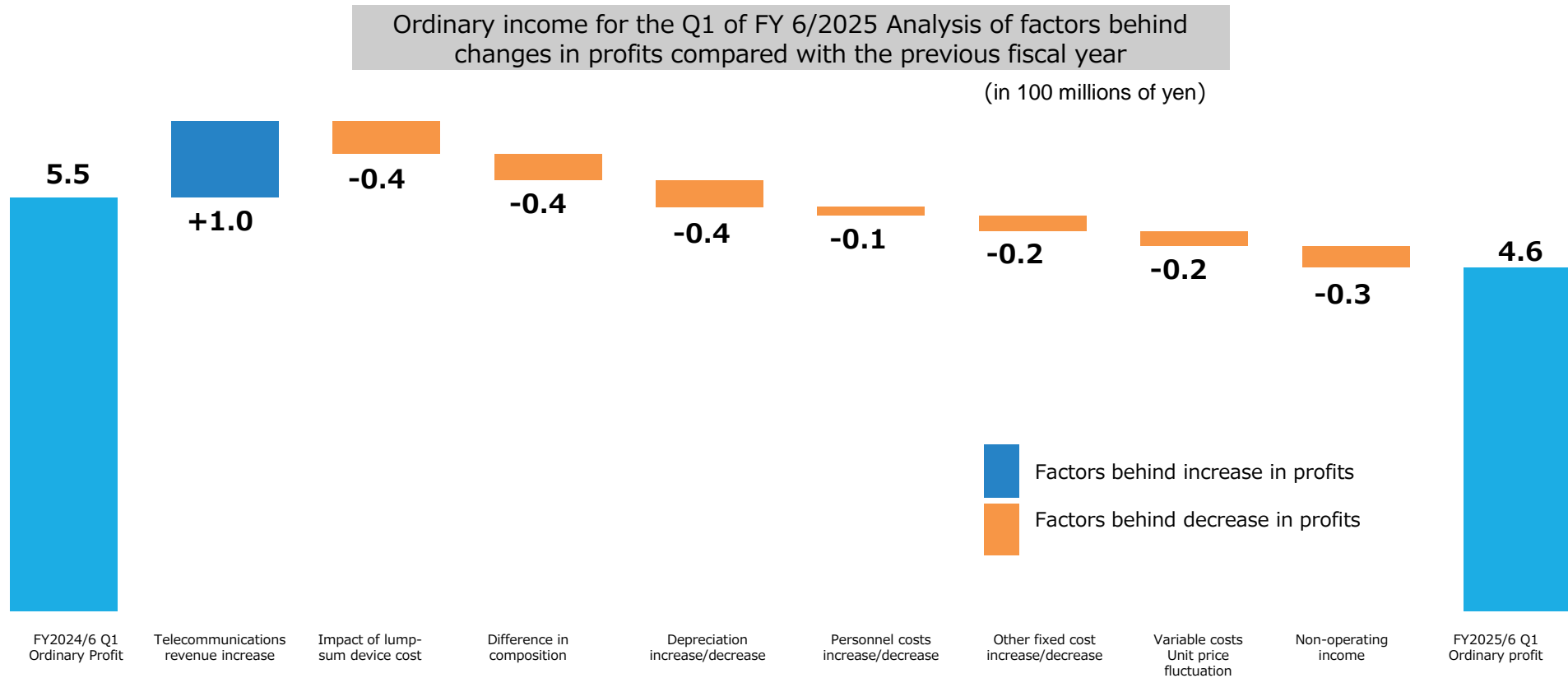
EBITDA Trends

(in 100 millions of yen)



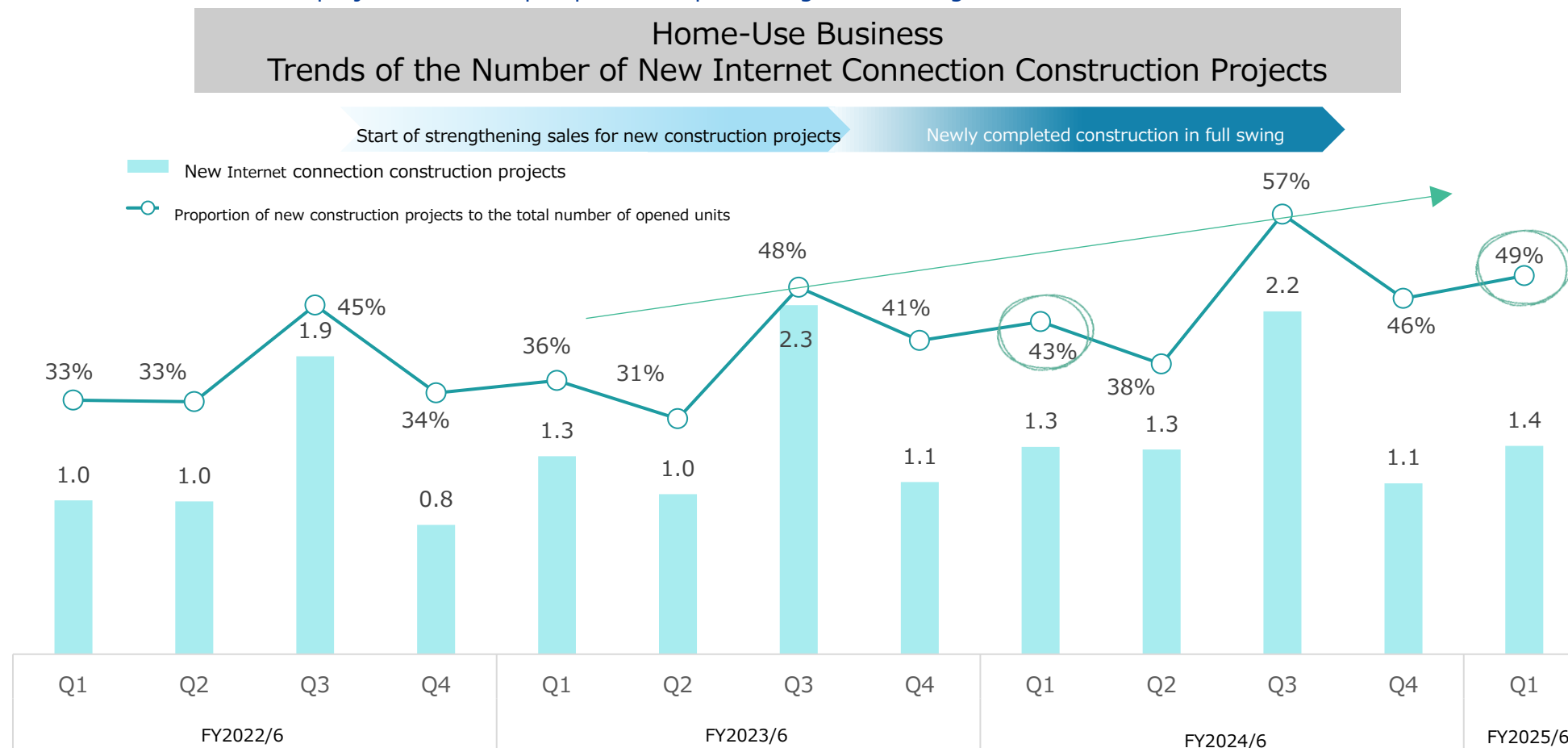
Ordinary Profit Analysis of Factors of Change in Profits

- The decrease in operating profit in Q1 was mainly due to various cost increases occurring across the board. In particular, the impact of lump-sum cost recognition due to the promotion of one-time sales of devices difference in composition resulted in a decrease in profits. While the impact of the lump-sum cost accounting will reduce the future cost burden, the cost impact for the initial year of the contract cannot be ignored.
- In addition to these, there are increases in costs across the board, such as depreciation expenses, non-operating expenses, management fees, and line fees, although each is not large in scale. In the non-operating area, while there was an increase in revenue, it was not enough to absorb the negative impact as insurance income which was recorded in the previous period is lacking.



Home-Use Business: Number of Houses Opened

- The number of new Internet connection construction projects in Q1 of FY 6/2025 increased year-on-year. The proportion of new construction projects to the total number of opened units increased further from 43% last year to 49%
- The ratio of new construction projects to the total number of opened units is on the rise, as the strengthened sales measures for new construction projects have steadily borne fruit. In addition to mitigating the risk of potential existing projects surviving, the company will continue to promote the trend of increasing the proportion of new construction projects from the perspective of promoting cross-selling.

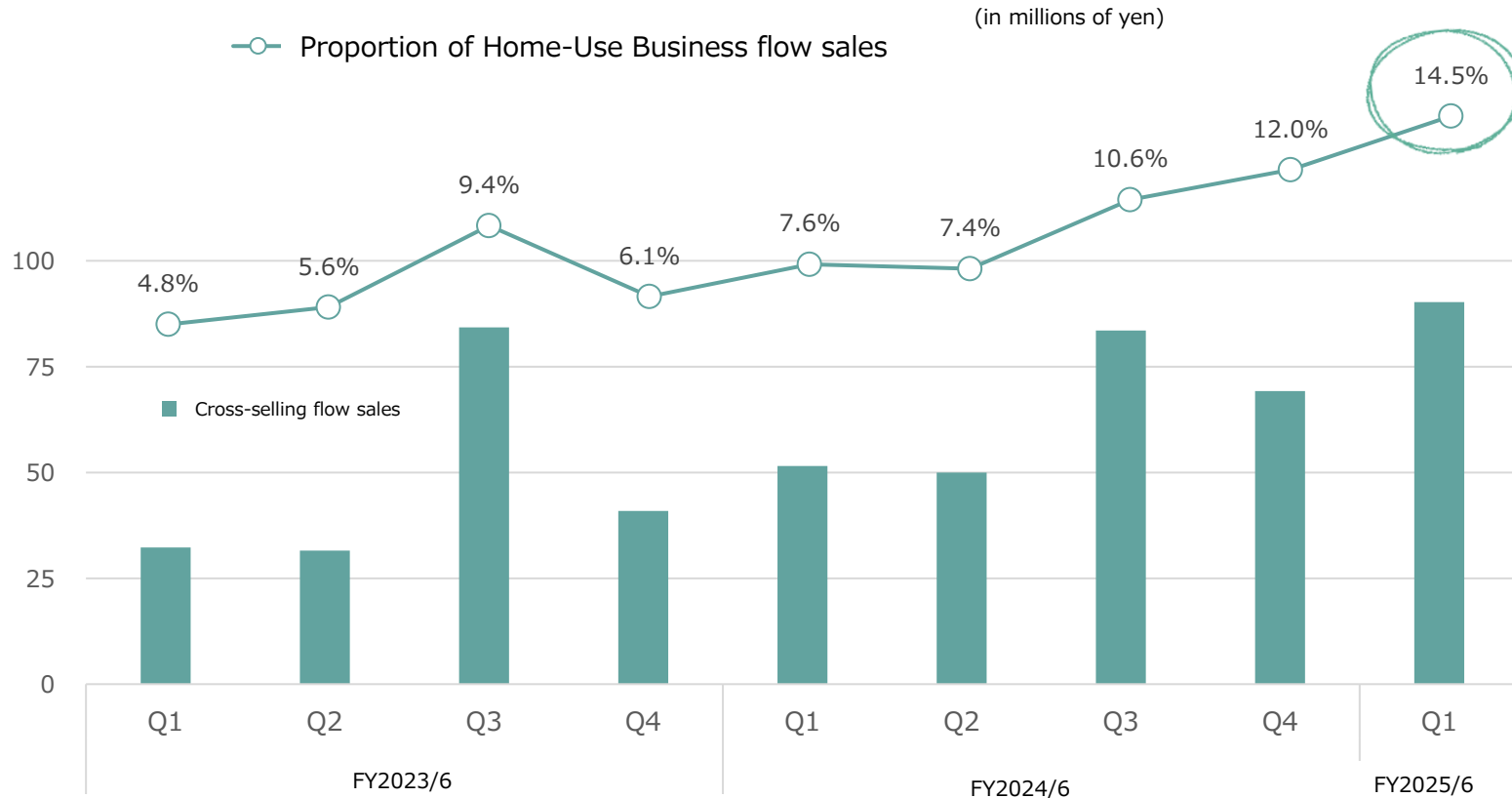


**Index showing the number of new internet connection construction projects in FY2022/6 Q1 set at 1

Home-Use Business: Cross-selling Status

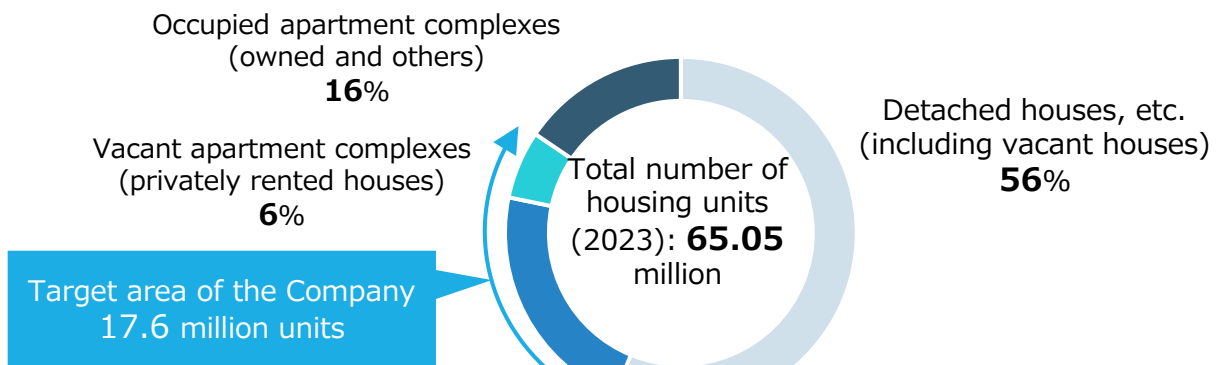
- Cross-selling is an approach driving the growth of the Home-Use Business. Flow sales (recorded at the time of introduction), which is a leading indicator for the business, totaled approximately 90 million yen on a Q1 revenue basis. While there is volatility from quarter to quarter due to the seasonality of new construction projects, sales volume is trending upwards.
- The proportion of Home-Use Business flow sales has increased to just under 15%. This is the third consecutive quarter for which the proportion has increased. While the first quarter saw a slight slowdown in the number of new construction projects being completed, further increase for the cross-selling sales ratio was achieved. The company regards that the cross-selling strategy is steadily bearing fruit.

Cross-selling flow sales trends



- According to data from the Ministry of Land, Infrastructure, Transport and Tourism, the total number of housing units in 2023 was 65.05 million. Of these, the target area of our Home-Use Business is estimated to be about 17.6 million units, including apartment complexes. The number of housing units corresponding to this target area has been increased by approximately 5% in the five years since 2018
- On the other hand, the most recent number of connected residence in our Home-Use Business is 630,000. Although there are concerns about the saturation of the Home-Use market, we recognize that the potential market is still large from a semi-macro perspective. In fact, according to a survey by the trade paper, the appeal of free Internet facilities for residents has been ranked first for more than nine years in a row, meaning the need for it is still strong.

Estimate of potential market size of Home-Use Business



Occupied apartment complexes (privately rented houses) **22%**

The most popular facility with residents is **Free Internet access**

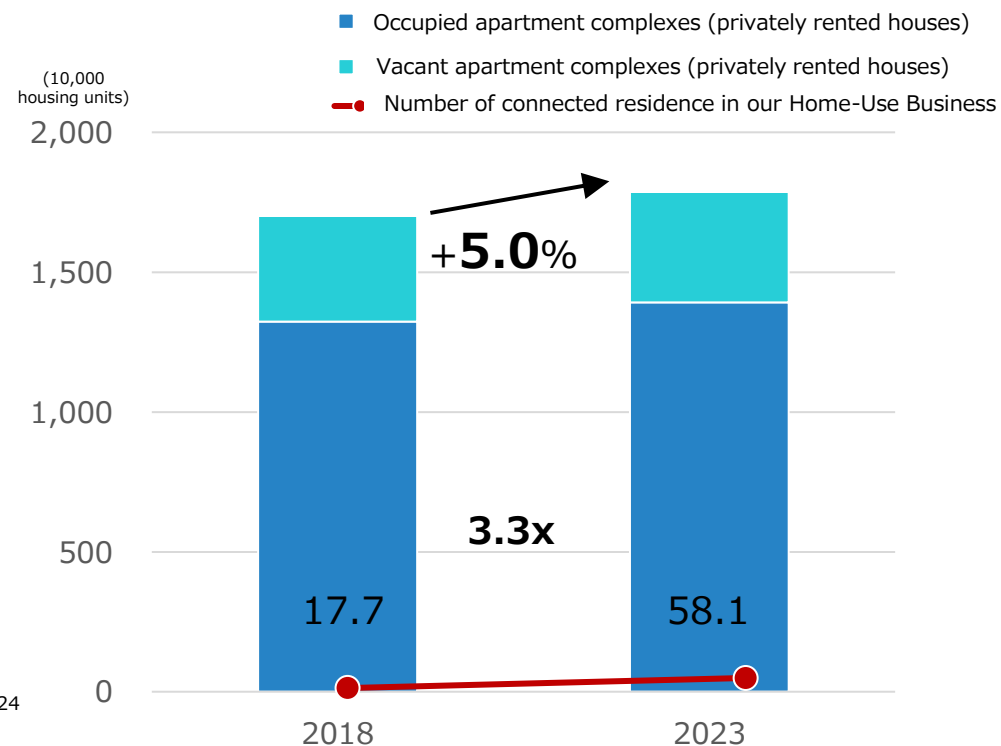
10 years in a row for single-person facility
9 years in a row for that for families

Popular facility with residents

| | for single-person facility | for family facility |
|--------------|----------------------------|----------------------|
| first place | Free Internet access | Free Internet access |
| second place | Delivery box | Automatic door lock |
| third place | Automatic door lock | Bath reheating |

"Free Internet" ranked first for 10 years in a row

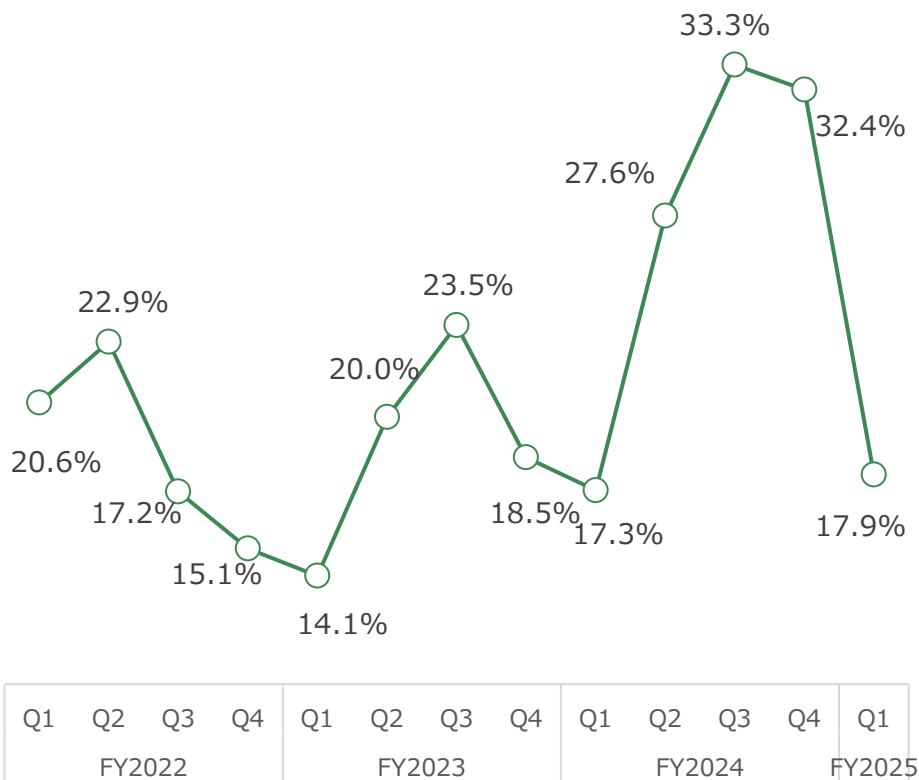
※Zenkoku Chintai Jutaku dated on Oct. 21, 2024



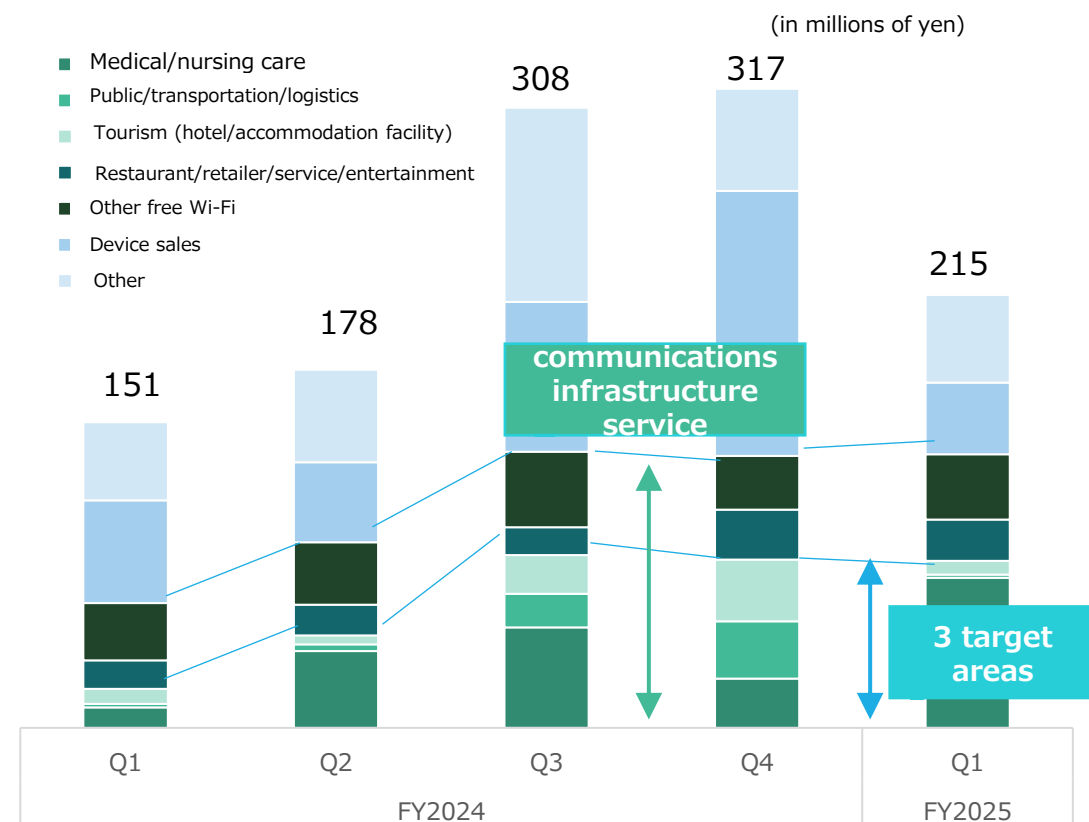
Operating Profit Margin and Customer Attributes

- The Business-Use Business Q1 operating profit margin was 18%. Although it had risen sharply to a level of more than 20-30% since the previous Q2, it has now almost returned to the level of the previous Q1. Although there has been no noticeable decline in profitability in any project, large project in local area communications infrastructure services and less priority on advanced project had an impact.
- Q1 flow sales for the local area communications infrastructure service, a focus of the company, increased 2.2 times year-on-year to 140 million yen. The 3 target areas of medical/nursing care, public/transportation/logistics, and tourism accounted for approximately 60% of sales, with sales concentrated in the medical/nursing care area in particular in Q1.

Business-Use Business
Trends in operating profit margin



Business-Use Business: Breakdown of Flow Sales

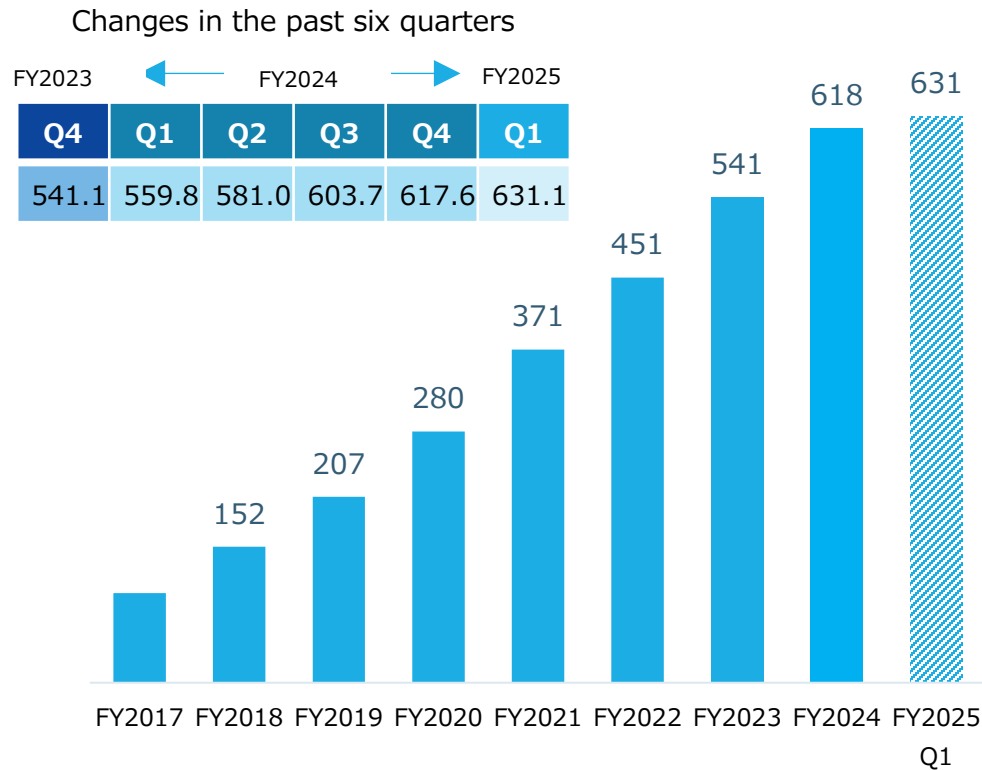


Trends in Key Indicators

- The number of residence Wi-Fi connected residences at the end of Q1 was approximately 630,000. The pace of increase in the number of connected residence is 14,000 homes per quarter, unchanged from the previous Q3, when it slowed slightly.
- Sales of flow business, which is a leading indicator for Business-Use, totaled 210 million yen. While this is a bit of a slow start compared to the progress made in the previous fiscal year, the company regards that progress is within the expected range.

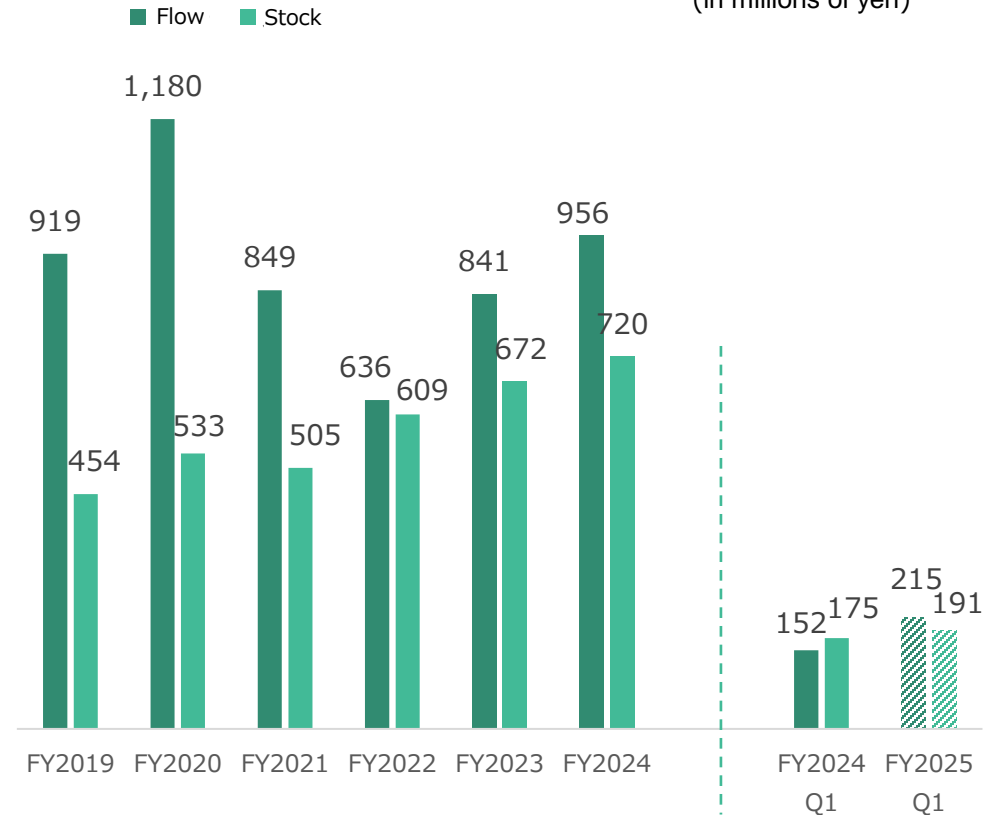
Trends in number of residences connected to the Residential Wi-Fi service

(thousands of houses)



Trends in Business-Use sales by flow/stock

(in millions of yen)



Consolidated Financial Summary (Balance Sheet)

- The equity ratio at the end of Q1 was 45.0%. Reaching the highest level since the listing of the company, the company will continue to shift to a focus on leverage going forward
- Total assets decreased slightly compared to the end of the previous term. Although there was an increase in inventory due to increased sales for Home-Use, the ongoing depreciation of fixed assets and the reduction in cash on hand had an impact. The upward trend in fixed assets has been halted as device provision shifts to one-time sales method. Change in device supply method aimed at curbing balance sheet expansion is successful

| (in millions of yen) | | FY2023 | FY2024 | FY2025 Q1 | FY2024 increase/ decrease comparison | |
|---|------------------------------|--------|--------|---------------|---|---|
| Current Assets | | 5,559 | 5,339 | 5,349 | +10 | Cash allocated to expanding communications-related inventory |
| | Cash and deposits | 2,382 | 2,120 | 2,001 | -119 | |
| | Accounts receivable | 1,585 | 1,772 | 1,738 | -33 | As sales increase, device inventory for sale increases |
| | Inventory (Communications) | 637 | 666 | 830 | +163 | |
| | Inventory (Real estate) | 655 | 489 | 486 | -2 | No major sales in Q1 |
| Fixed Assets | | 7,203 | 7,736 | 7,636 | -100 | |
| | Tangible fixed assets | 6,565 | 7,200 | 7,158 | -41 | Shift to one-time sales contracts for Wi-Fi-related devices has been successful |
| Total Assets | | 12,764 | 13,076 | 12,986 | -89 | |
| Liabilities | | 8,005 | 7,240 | 7,090 | -149 | |
| | Interest-bearing liabilities | 4,672 | 4,442 | 4,434 | -8 | Borrowings remain stable |
| | Contract liabilities | 1,638 | 1,317 | 1,230 | -86 | |
| Net Assets | | 4,758 | 5,836 | 5,895 | +59 | Equity ratio 45.0% |
| Total Liabilities and Net Assets | | 12,764 | 13,076 | 12,986 | -89 | |

*Rounded down to the nearest million yen Rounded to the nearest 0.1%



Full-year Financial Forecast for the Fiscal Year Ending June 2025

Forecast of Consolidated Financial Results for FY2025/6

- The outlook for FY 6/2025 remains unchanged, with a 14% increase in sales and a 9% increase in ordinary income expected. In the communications sector, in addition to the rapid increase in sales for Business-Use, the start of sales in non-communications areas such as renewable energy are also leading to increased revenue. In terms of profit and loss, expectations regarding ordinary profit margin are slightly conservative, but double-digit profit growth is again in sight.
- By segment, Home-Use is solid, Business-Use is favorable, and non-communications is rapidly expanding. Figures for all are expected to reach new all-time highs. While the company expects to increase headquarters costs in order to strengthen the business structure, these are forecasted to be absorbed by the effect of increased sales.

| (in millions of yen) Rounded down to the nearest million yen Rounded to the nearest 0.1% | FY2022 Results | FY2023 Results | FY2024 Results | FY2025 Forecast | YoY comparison | |
|--|-------------------|-------------------|-------------------|--------------------|----------------|----------------|
| | | | | | Difference | Rate of change |
| Net sales | 10,624 | 12,795 | 12,613 | 14,370 | +1,756 | +13.9% |
| Home-Use | 8,141 | 9,600 | 10,386 | 11,140 | +753 | +7.3% |
| Business-Use | 1,244 | 1,512 | 1,675 | 2,220 | +544 | +32.5% |
| Real Estate/Renewable Energy/Other | 1,238 | 1,682 | 551 | 1,010 | +458 | 1.8x |
| Operating profit | 1,652 | 2,320 | 2,387 | 2,620 | +232 | +9.7% |
| Home-Use | 2,318 | 2,970 | 2,910 | 3,110 | +199 | +6.8% |
| Business-Use | 235 | 289 | 480 | 690 | +209 | +43.6% |
| Real Estate/Renewable Energy/Other | 52 | 138 | 64 | 180 | +115 | 2.7x |
| Adjusted | -953 | -1,078 | -1,068 | -1,360 | -291 | -27.3% |
| Ordinary profit | 1,604 | 2,290 | 2,395 | 2,600 | +204 | +8.5% |
| Ordinary profit Margin | 15.1% | 17.9% | 19.0% | 18.1% | -0.9pp | - |
| Profit attributable to owners of parent | 1,073 | 1,482 | 1,567 | 1,650 | +82 | +5.3% |

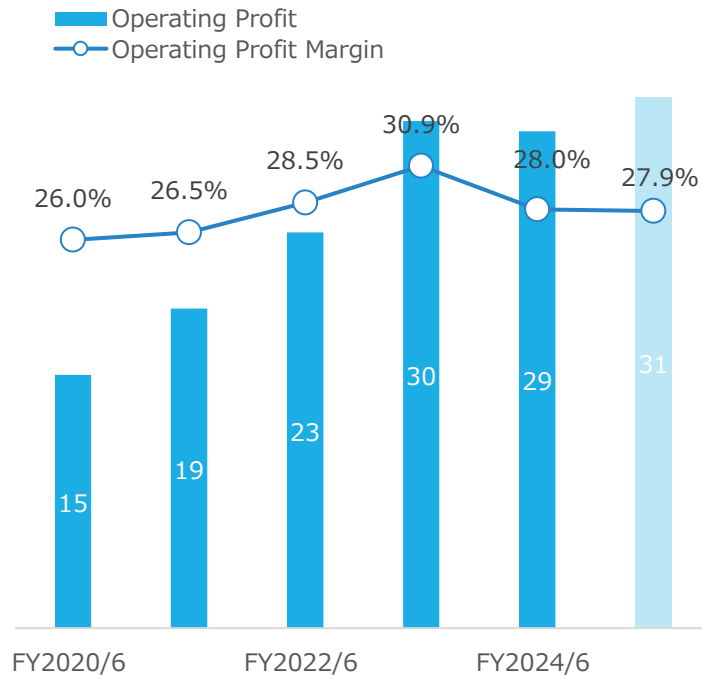
*Rounded down to the nearest million yen Rounded to the nearest 0.1%

Forecast of Consolidated Financial Results by Segment for FY2025

- Home-Use is expected to remain strong. Operating profit is expected to reach a record high. Profit margins are expected to decline slightly due to the promotion of more flexible sales methods.
- Business-use continues to be strong. Operating profit is set to reach a record high for the first time in five years. By exceeding pre-COVID-19 levels, the fruits of the new approach have been confirmed.
- Regarding the non-telecommunications sector, no remarkable increase in real estate is expected, but record sales in the renewable energy sector is predicted.

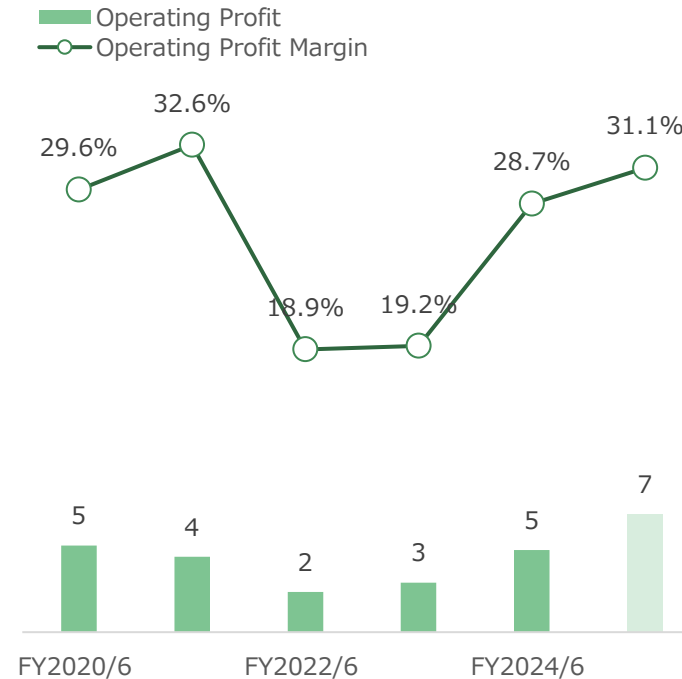
Home-Use Business

(in 100 millions of yen)



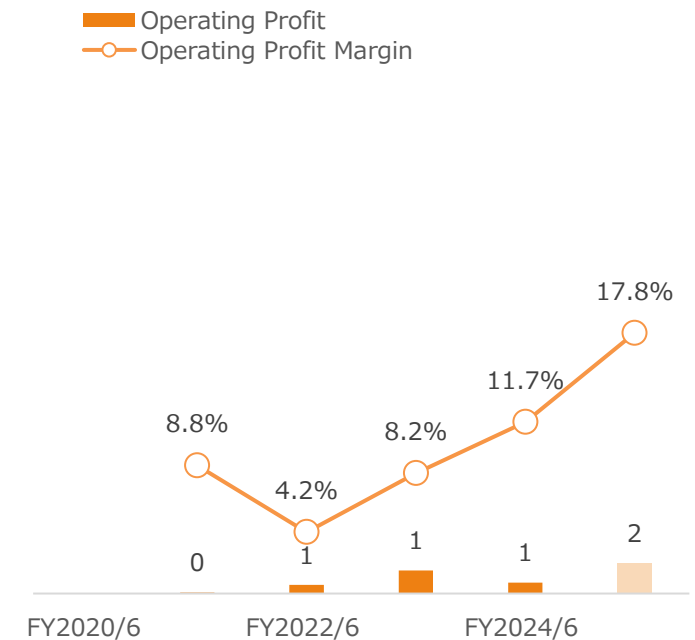
Business-Use Business

(in 100 millions of yen)



Non-Telecommunications Business

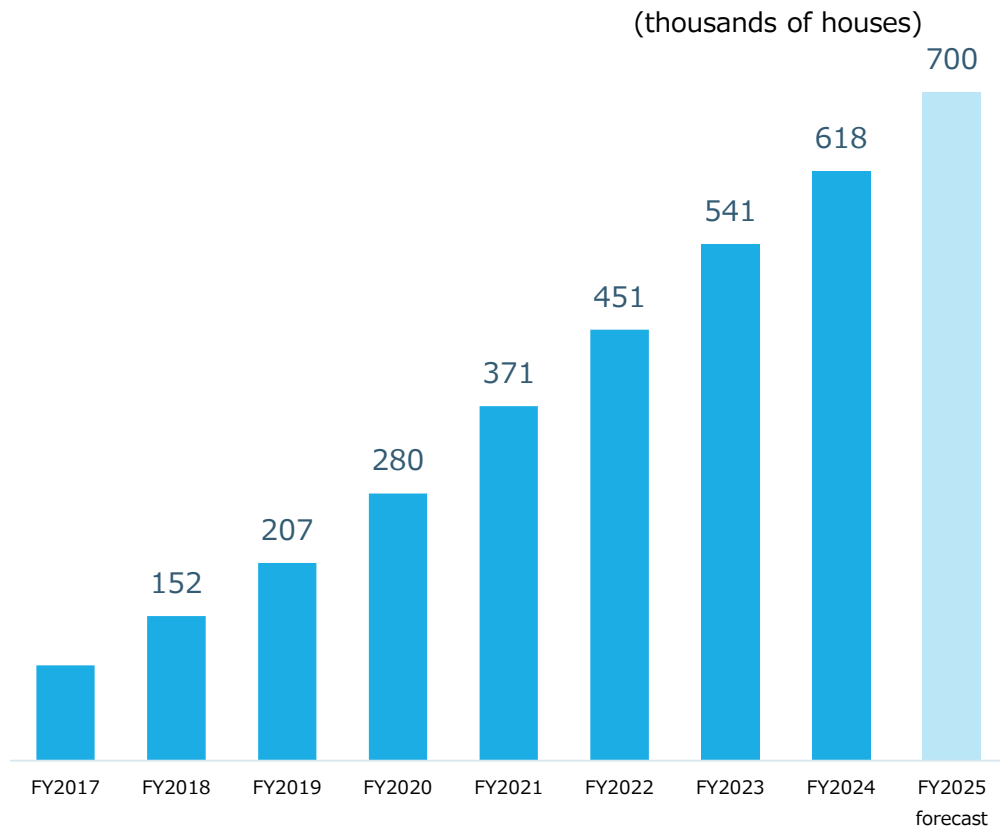
(in 100 millions of yen)



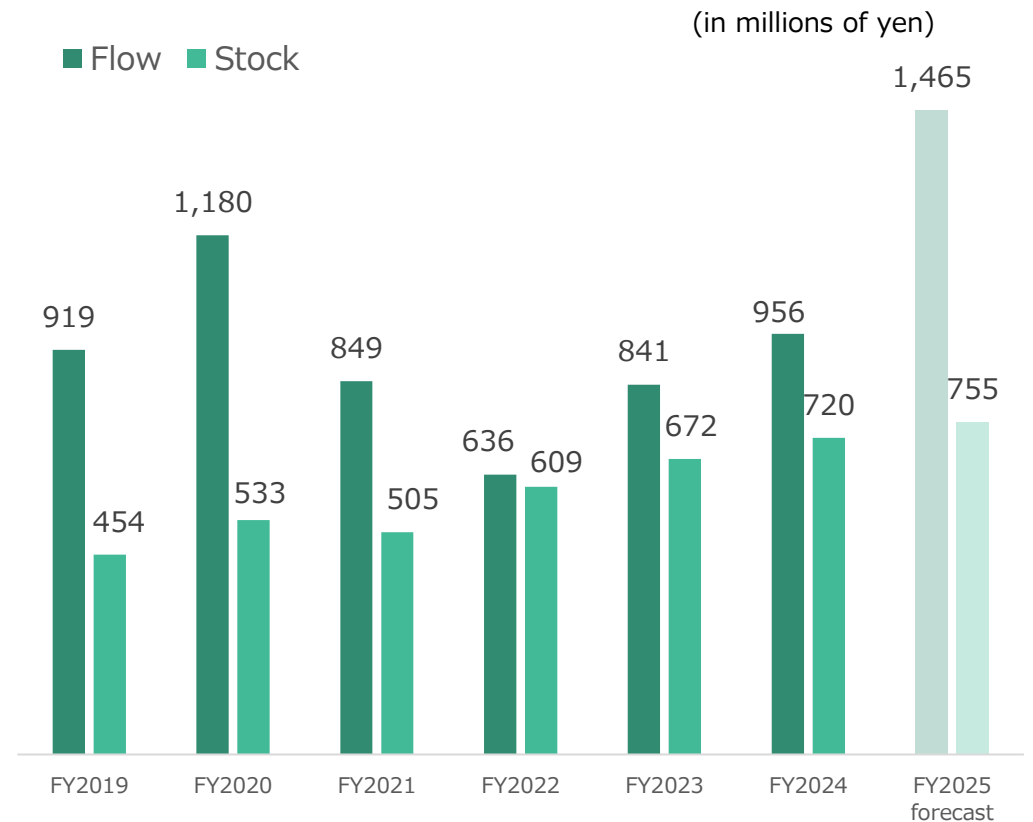
Key Assumptions for the FY2025/6 Consolidated Financial Forecast

- The number of residence Wi-Fi services connected at the end of the fiscal year is expected to be approximately 700,000. While sluggish growth in certain sales channels is expected, sales are expected to pick up again due to an increase in partner companies.
- Regarding business-use, flow sales, a leading indicator of business expansion, are expected to be 1.47 billion yen. The targets will continue to be the three areas of medical care/nursing care, public/transportation/logistics, and tourism. However, based on experience that it takes a considerable amount of time for sales effects to show results, the company will also begin developing other areas at the same time.

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



Trends in Business-Use Sales by Flow/Stock



Start of Transformation with an Eye to the Future

- The company has begun transformation to become an on-premise infrastructure integrator (OPIIer). The company is preparing to build a profitable structure and develop strategies to withstand the next growth stage.
- The goal is to raise the level of operating profit per employee. It is aimed to increase operating profit per employee by about 50% in FY 6/2027.
- In Q1 of the fiscal year ending June 2025, analysis tools have been implemented. Efforts to strengthen sales capabilities are underway, along with the expansion of manpower. The shift to one-time sales of device in the Home-Use segment is also gaining momentum.

Strengthening the corporate structure to withstand growth

- ✓ Labor productivity improvement
 - Introduction of core systems
 - Introduction of analysis tools Completed
 - Investment in human capital
 - Utilization of outsourcing
(Making non-core operations variable costs)
- ✓ Adoption of one-time sales method for devices in the Home-Use Business Completed

Strategic investment for growth

- ✓ Strengthening communications construction work
 - Focus on core business that requires know-how
 - Time saving through M&A

Strengthening of sales capabilities

- ✓ Increasing of sales staff
 - Business-Use Business**
 - Q1 of FY 6/2025 : +**10**% compared to the end of FY 6/2024
 - Will continue to increase
- ✓ Expansion of partner companies

Focusing on expansion

Home-Use Business

Business-Use Business

► It is aimed to increase operating profit per employee to **15** million yen by FY 6/2027 (actual figure for FY 6/2024 was 10 million yen)

Green text: Target for a three-year cumulative strategic investment budget of over **3** billion yen

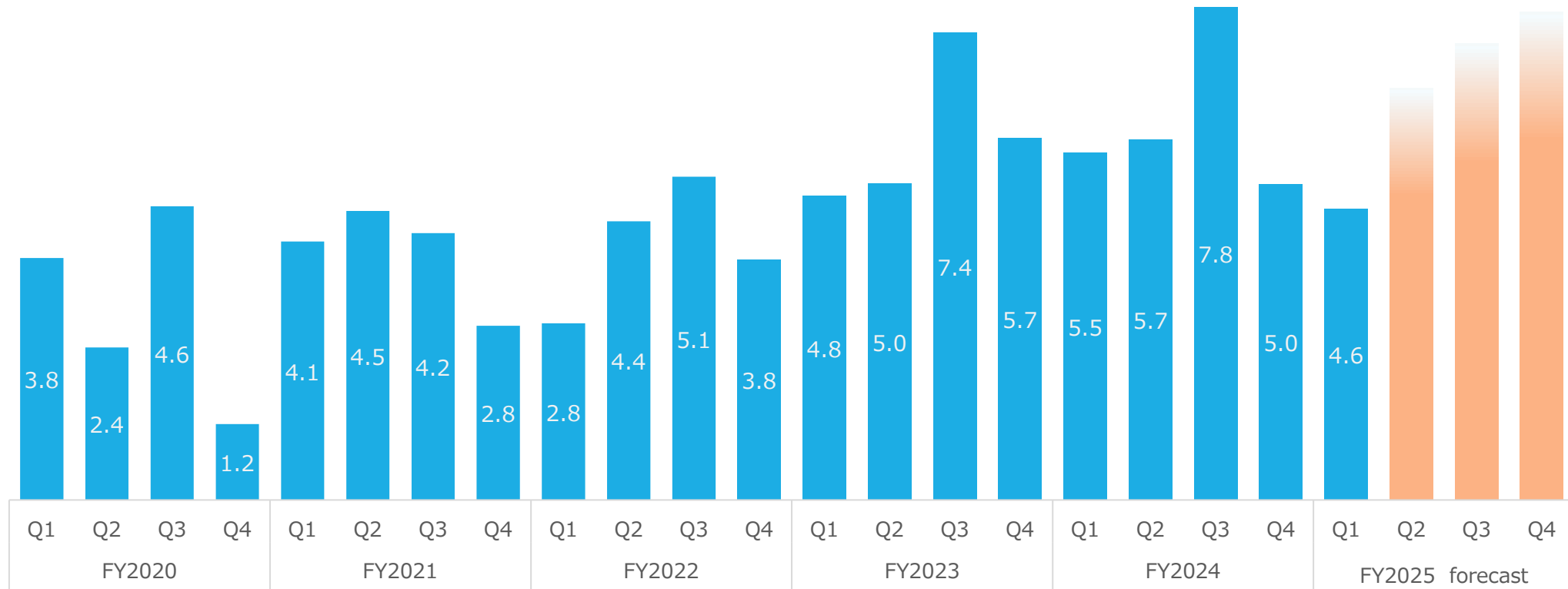
Forecast of Consolidated Financial Results for FY2025/6

Quarterly Overview

- Ordinary profit is expected to grow each quarter. While profits typically peak in Q3 due to seasonal factors like new construction, the fiscal year ending June 2025 is anticipated to have reduced seasonality.
- This is due to continued growth in Business-Use projects and contributions from accumulating Home-Use stock projects.

Image of Trends in Ordinary profit by Quarter

(in 100 millions of yen)



Rounded down to the nearest million yen Rounded to the nearest 0.1%



—
Topics

- 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.





- Wi-Fi 6 compatible wireless LAN access point with built-in smart antenna for high-quality communication environment
- Compact and stylish enclosure

Features

- 1) Stylish enclosure with built-in wireless LAN antenna
- 2) Simultaneous provision of high-speed wireless LAN services in the 2.4 GHz and 5 GHz bands
- 3) Built-in smart antenna for high-quality communication environment



Product specifications

Model No. FGNH-2000

Dimensions: Approx. 180mm×35mm

Maximum power consumption (current): 11.2 W

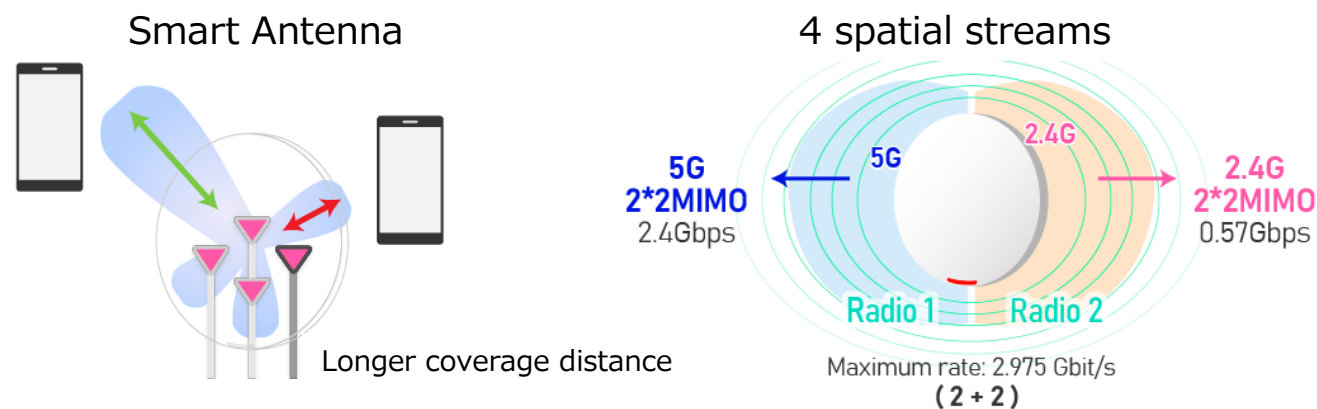
Weight: Approx. 460g (body only)

Operating environment: Temperature: -10°C to +50°C

Humidity: 5 to 95% (no condensation)

Storage environment: Temperature: -40°C to +70°C

(-40°F to +158°F) (No condensation)



Background

- As part of its Sustainability Policy, the Company aims for sustainable growth through contributions to a sustainable society.

Purpose

- Realized an organizational response to further promote sustainability-related initiatives.

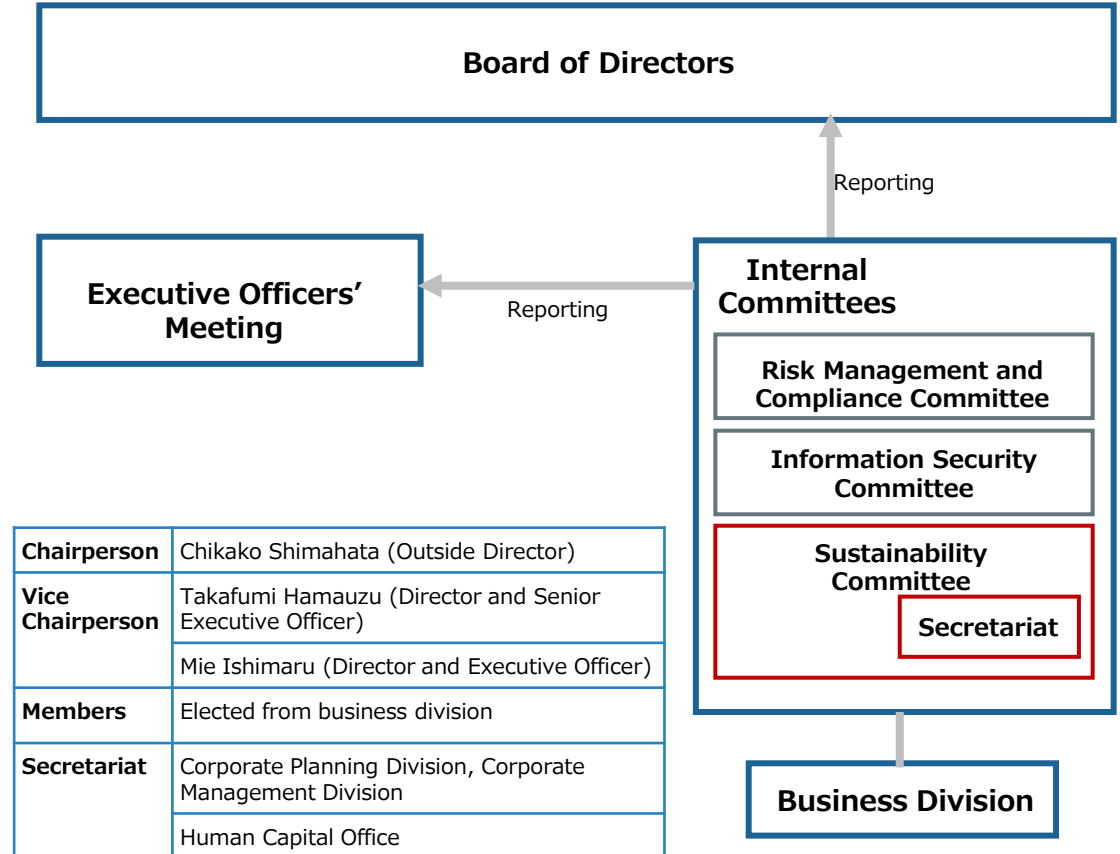
Role

- Chaired by an Outside Director and consists of employees from each division
- Promote and monitor the Group's sustainability management and human capital management initiatives.
- Regularly report and make recommendations to the Board of Directors

Establishment

- November 14, 2024

Governance Diagram





Appendix



**A future infrastructure company that
comprehensively develops communications and
renewable energy, starting as an independent Wi-Fi
solutions company***
“On-Premise Infrastructure Integrator ”

***Independent Wi-Fi solutions company**

An independent public wireless LAN operator that comprehensively providing solutions from communication equipment development to services. Currently, in the field of public wireless LAN (Wi-Fi) access services, there are 14 companies that are under the jurisdiction of the Ministry of Internal Affairs and Communications and have nationwide service areas, and our company is on par with major carriers.

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.



● 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.



● Renewable Energy Business

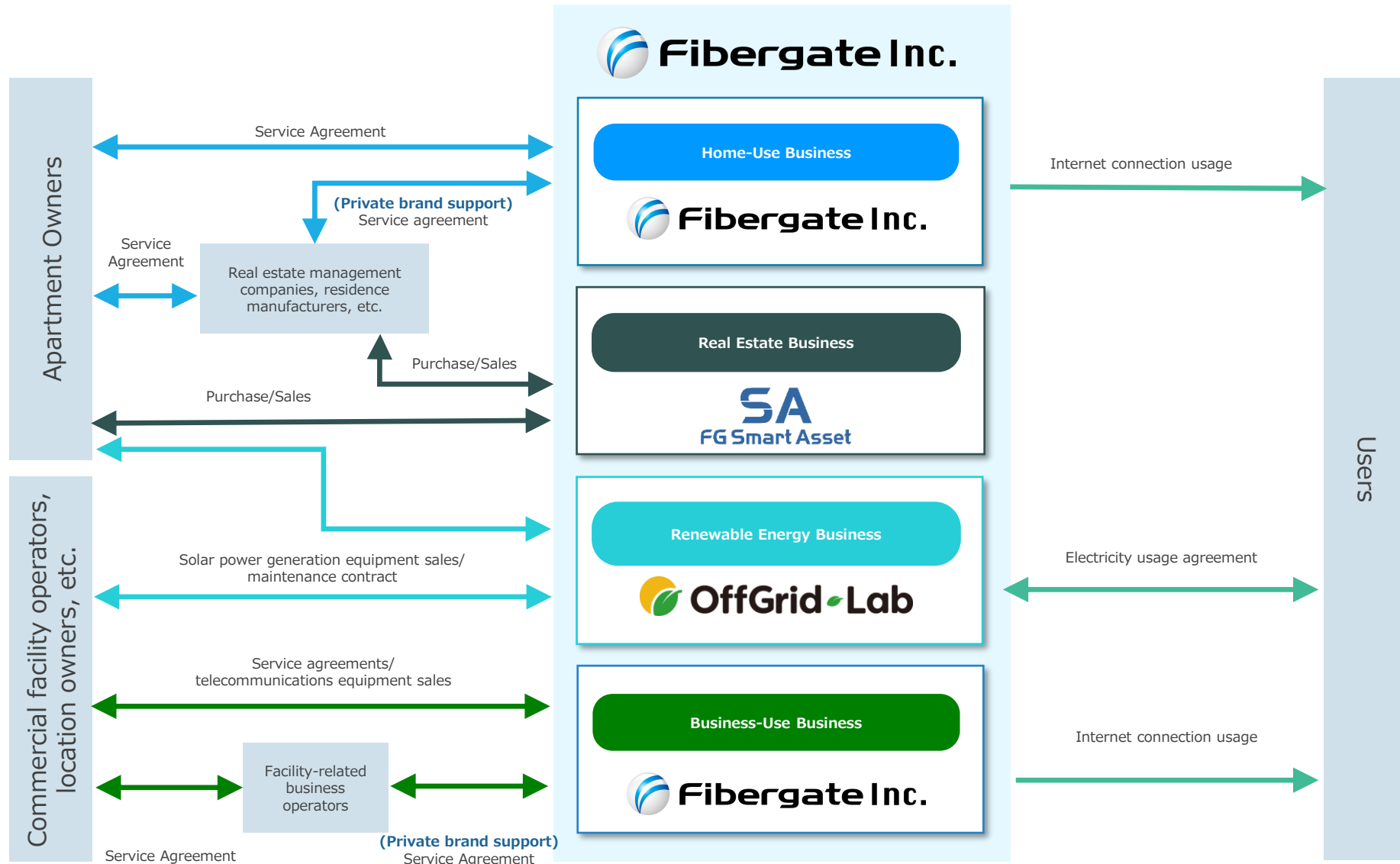


We implement self-sufficient power systems with renewable energy, including solar panels and energy storage. This maximizes self-generated electricity, reduces reliance on external power, and enhances facility value, all while contributing to carbon offsetting and sustainability.

● Real Estate Business

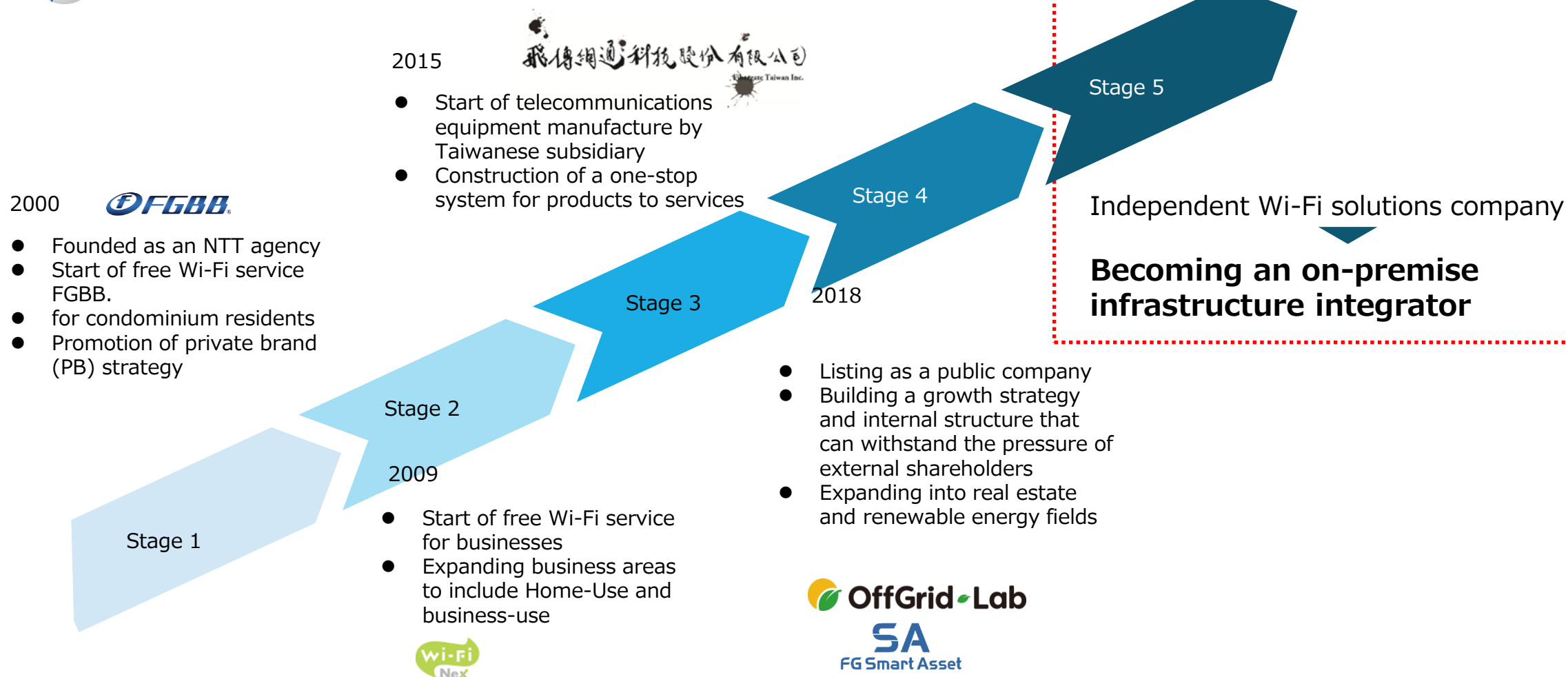


We promote IoT solutions based on Fibergate's Wi-Fi technology through the development and brokerage of smart apartments.



Previous Stages and New Growth Stage

Fibergate Inc. Concept of growth stages of the company





On-Premise Infrastructure Integrator (OPIIer)

Comprehensive provision of optimal communication environments to users

Network camera



FG Smart Call



FGTV



PBX



Peripheral devices/IoT services

Wi-Fi, Anywhere



Renewable Energy

Solar Panels



Energy Storage



High-Voltage Power Services



EV charging station



Telecommunications equipment

Smart Lock
Smart Sensor



Real Estate

Delivery box installation service



Kagitouban

Router





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



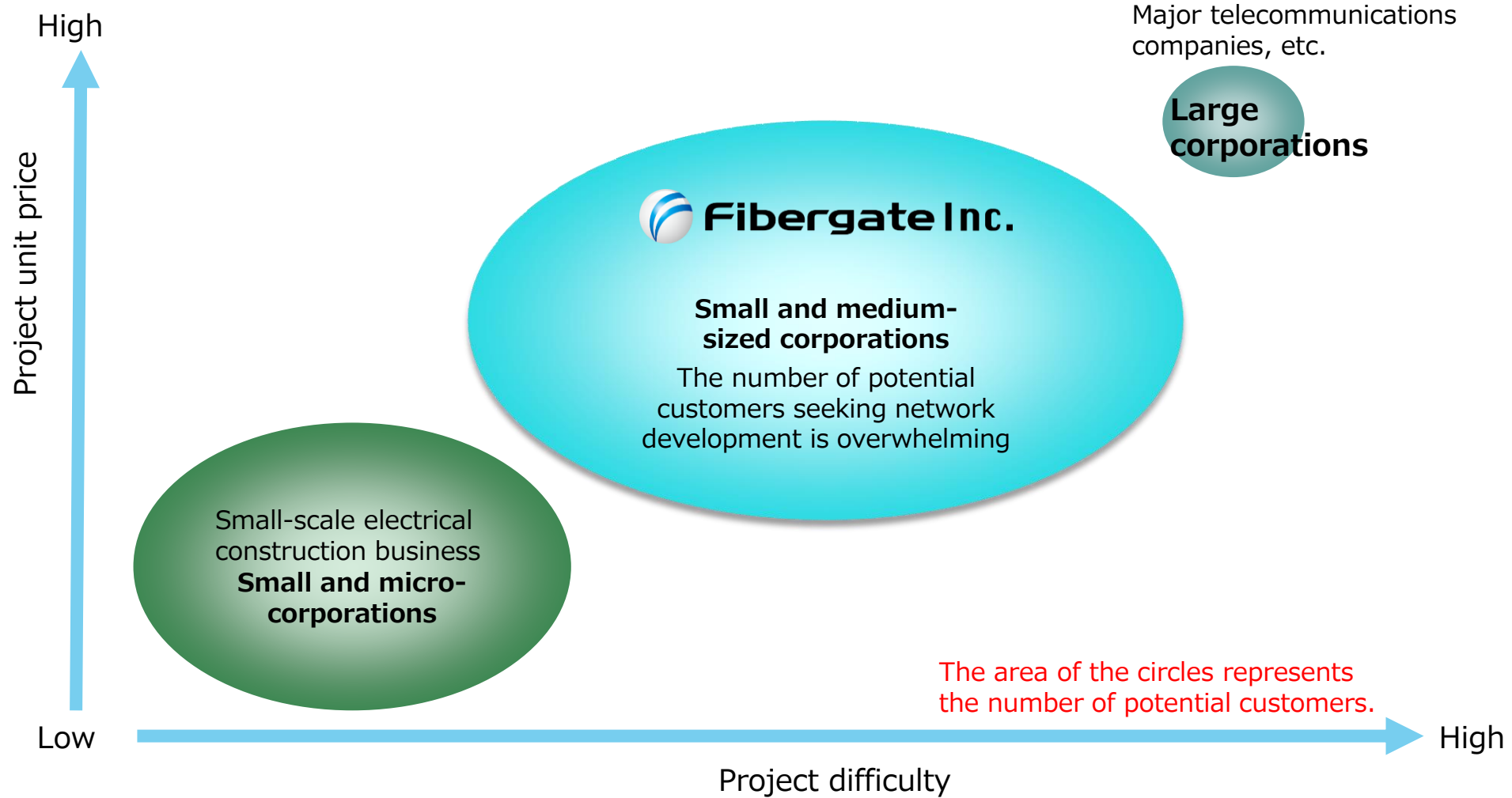
Transportation

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.



Growth stage 5



On-premise infrastructure integrator

Future growth stage



Comprehensive infrastructure integrator

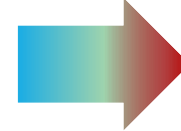
Medium-term Vision

Step1

“Wi-Fi anywhere”

Realizing our Alternative Carrier vision

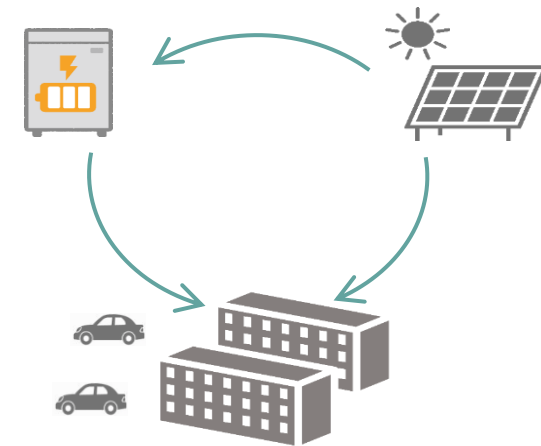
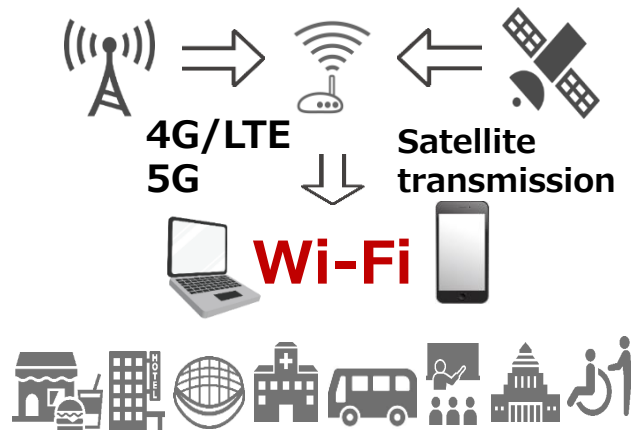
- Continued expansion of the Home-Use field
- Thorough strengthening of the Business-Use field



Step2

Realizing the future of infrastructure created by telecoms and renewable energy

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

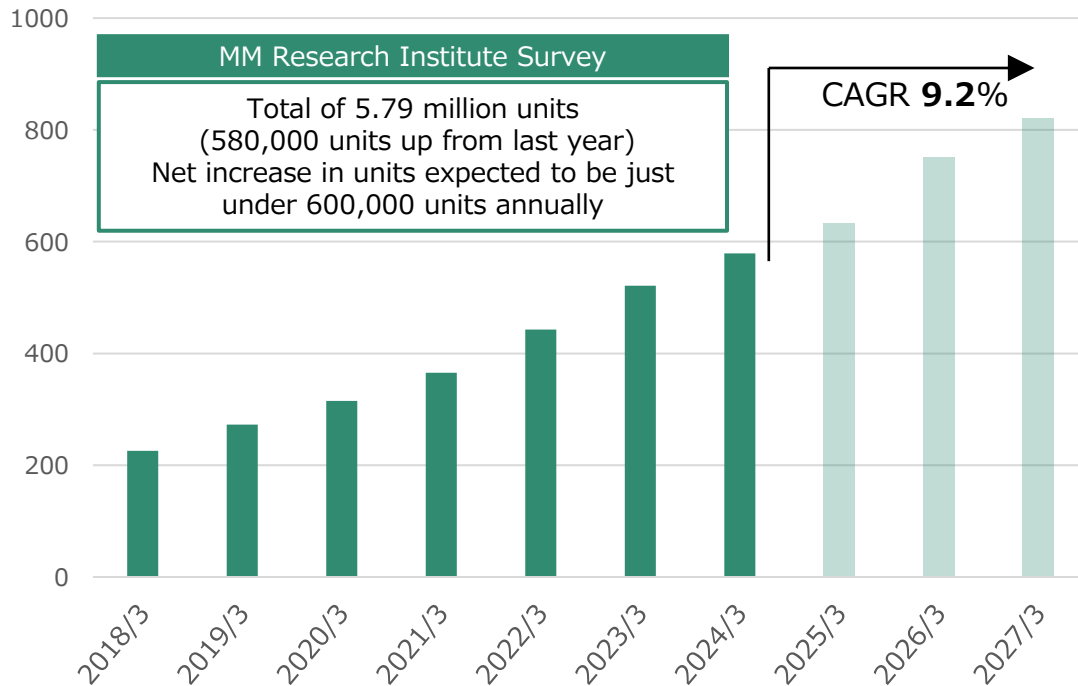


Home-Use Business Strategy

- Market size and share steadily expanding
- Deepening understanding of customer needs and increasing profits through cross-selling
- Promotion of sales channel development through collaboration with partner companies, including private brands

Number of property side condominiums with ISP provision

(Unit: 10,000 units)



Source: MM Research Institute Total number of property-wide condominiums with ISP (as of the end of March)

Initiatives until FY2024/6

- ✓ Increasing partner companies
- ✓ Increasing adoption in new properties
- ✓ Expanding services through cross-selling products such as IoT

Future measures including the above

- ✓ Improvement of operational efficiency system investment
- ✓ Developing diverse and strong partner companies that are not dependent on specific sales channels and increasing the number of sales personnel
- ✓ Further strengthening product planning and enhancing cross-selling services

| | | FY2022/6 | FY2024/6 | FY2027/6 Target |
|----------------|---|---------------|---------------|-----------------|
| Target/Results | Number of contracted units (Cumulative) | 450,000 units | 620,000 units | 800,000 units |
| | Number of partner companies | 250 companies | 365 companies | 500 companies |

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



Initiatives until FY2024/6

- ✓ Increasing unit price through more sophisticated projects Meeting diverse customer needs, including Business-Use and peripheral equipment provision
- ✓ Promoting customer benefits through one-stop service
- ✓ Strengthening sales structure and developing partner companies in key industries

Future measures including the above

- ✓ Strengthening sales staff: 10-20% future increase in staff expected
- Enhancing Expertise to Meet Customer Needs
- ✓ Strengthening sales via the web
- ✓ Aug 2024: Establish a joint venture with a collaborating company and develop sales channels

【 Partial market data for key industries 】

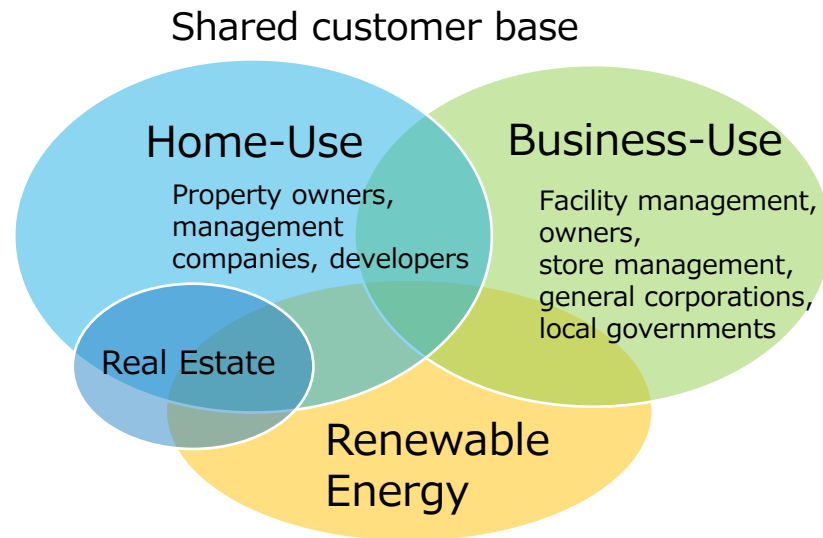
- ✓ General hospitals: 7,314 facilities
- ✓ General clinics: 102,105 facilities
- ✓ Nursing care and welfare facilities: 8,494 facilities
- ✓ Housing for the elderly with home-care services provided: 287,687homes
- ✓ Charter buses: 43,649 buses
- ✓ Municipalities : 1,724

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"

| | | FY2022/6 | FY2024/6 | FY2027/6 Target |
|-----------------|-----------------------------|-----------------|------------------|-----------------|
| Target/ Results | Flow sales | 0.6 billion yen | 0.96 billion yen | 4 billion yen |
| | Number of partner companies | 60 companies | 92 companies | 150 Companies |

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.

Promote the Expansion of Renewable Energy Services

Initiatives until FY2024/6

- ✓ Introducing and expanding services to local governments
- ✓ Service demonstrations in model homes

Future measures including the above

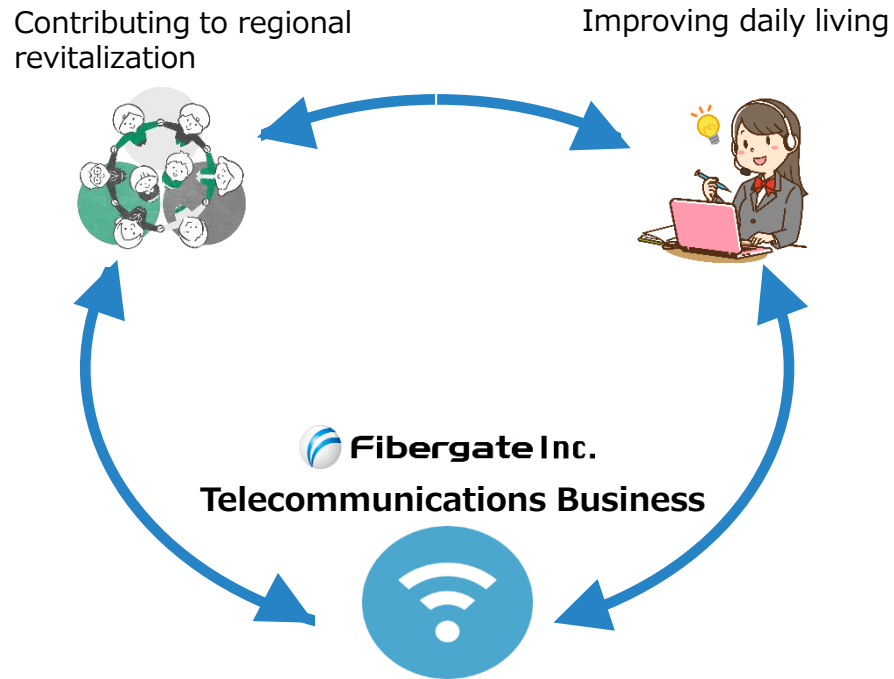
- ✓ Starting offering shared area plans and private area plans for apartment complexes
- ✓ Continuing to promote expansion into local government projects
- ✓ Starting construction and proposal of on-site VPP service models

| | | FY2022/6 | FY2024/6 | FY2027/6 Target |
|----------------|---|------------------------|--------------------------------------|-----------------------------------|
| Target/Results | Non-telecommunications infrastructure sales (including sales from renewable energy) | 1.2 billion yen (None) | 0.64 billion yen (0.027 billion yen) | 3.5 billion yen (3.0 billion yen) |

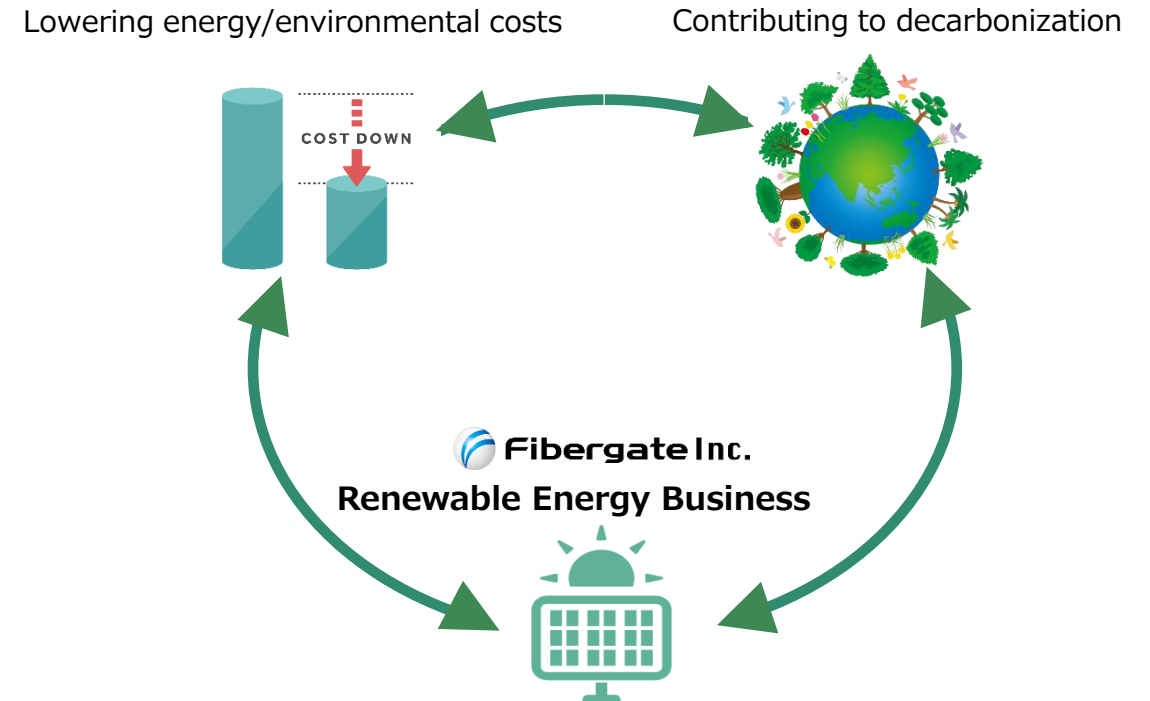
Promotion of Sustainability Management Creating Synergistic Effects

- Contributing to society through telecommunications and renewable energy, ultimately leading to synergistic effects that will expand business opportunities
- Engaging in business with an awareness of improving daily living and solving various social issues

Contributing to society through telecommunications solutions



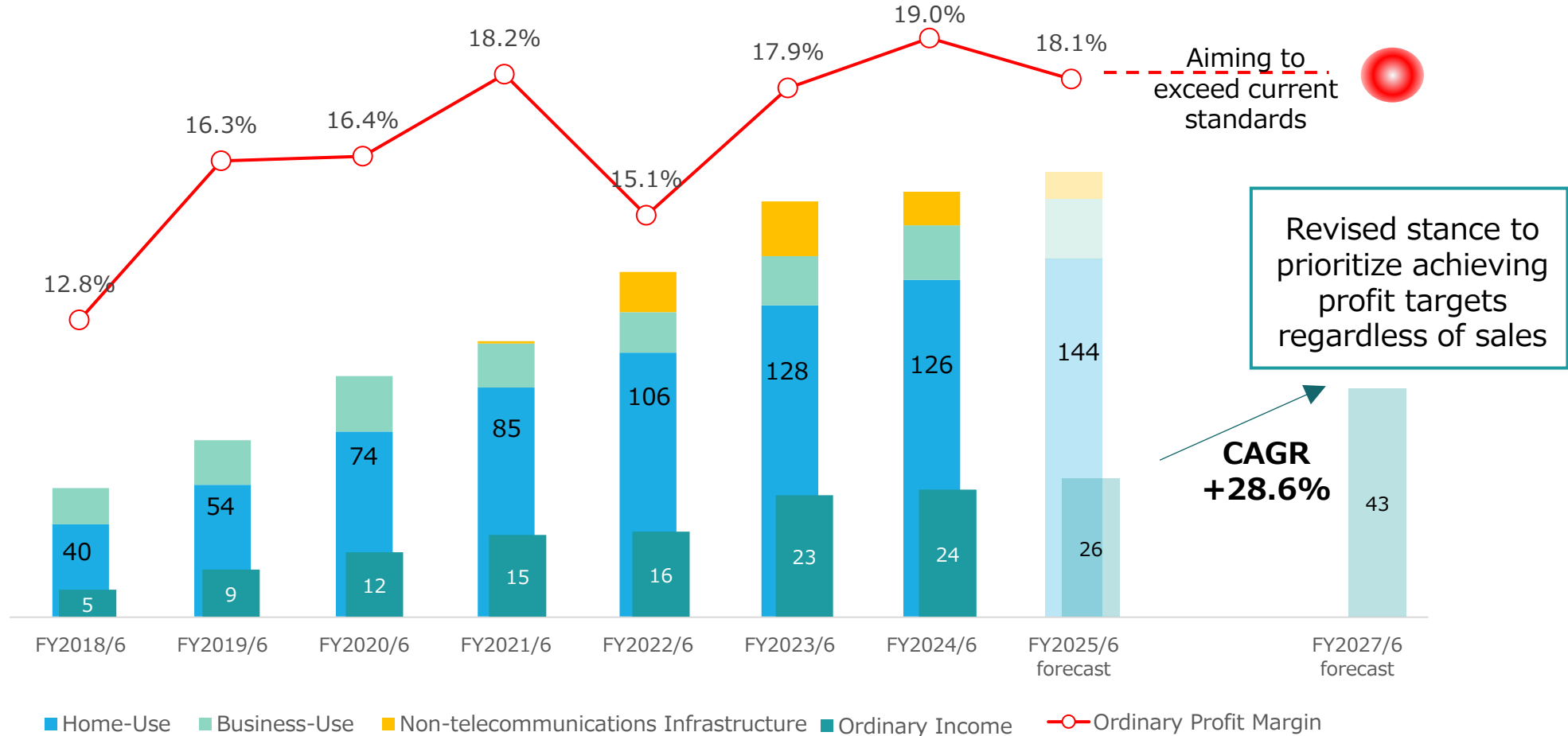
Promoting carbon offsetting



Medium-Term Business Performance Target

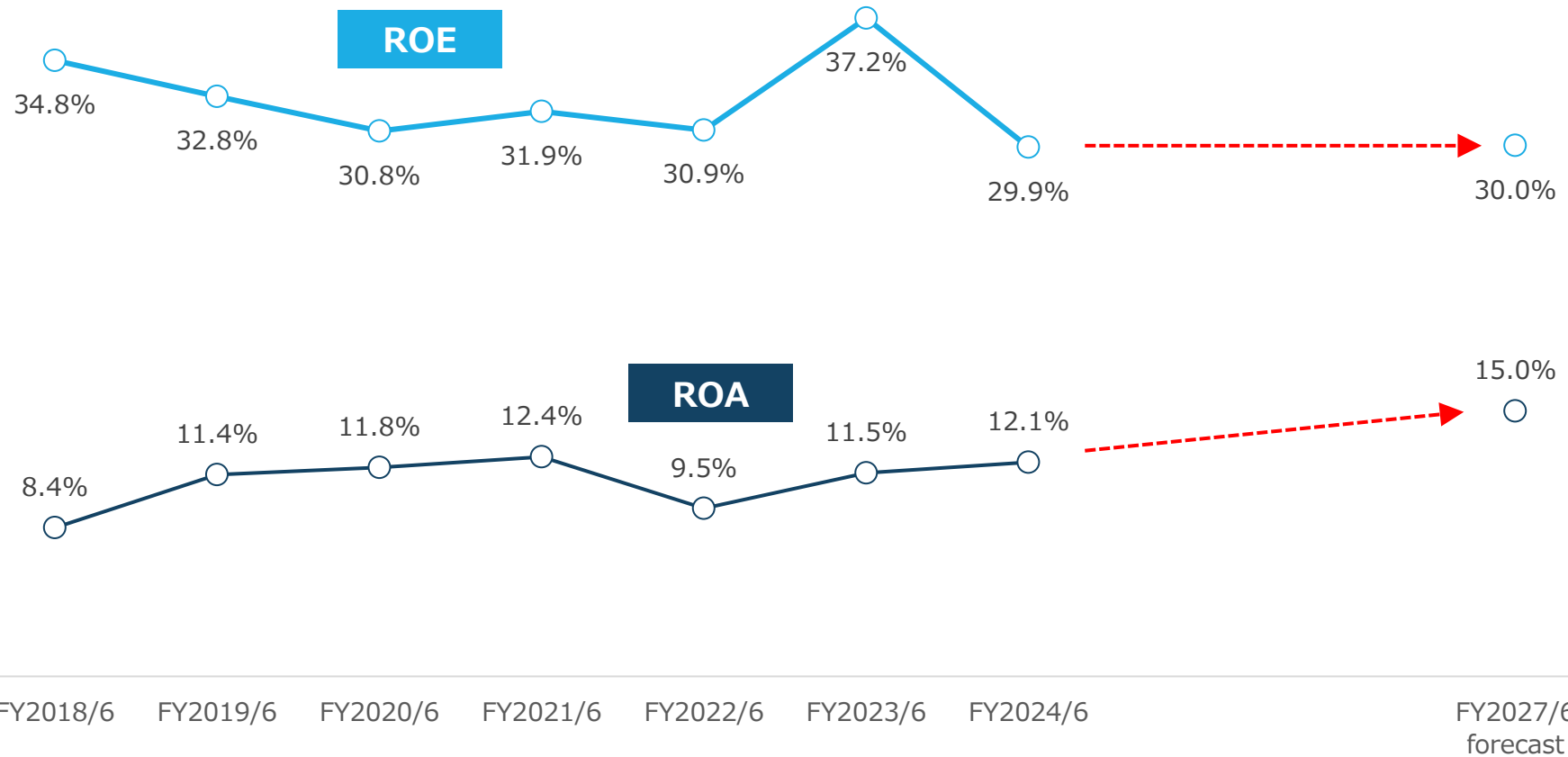
Long-term performance trends

(in 100 millions of yen)



Operational Efficiency Targets

Long-term performance trends

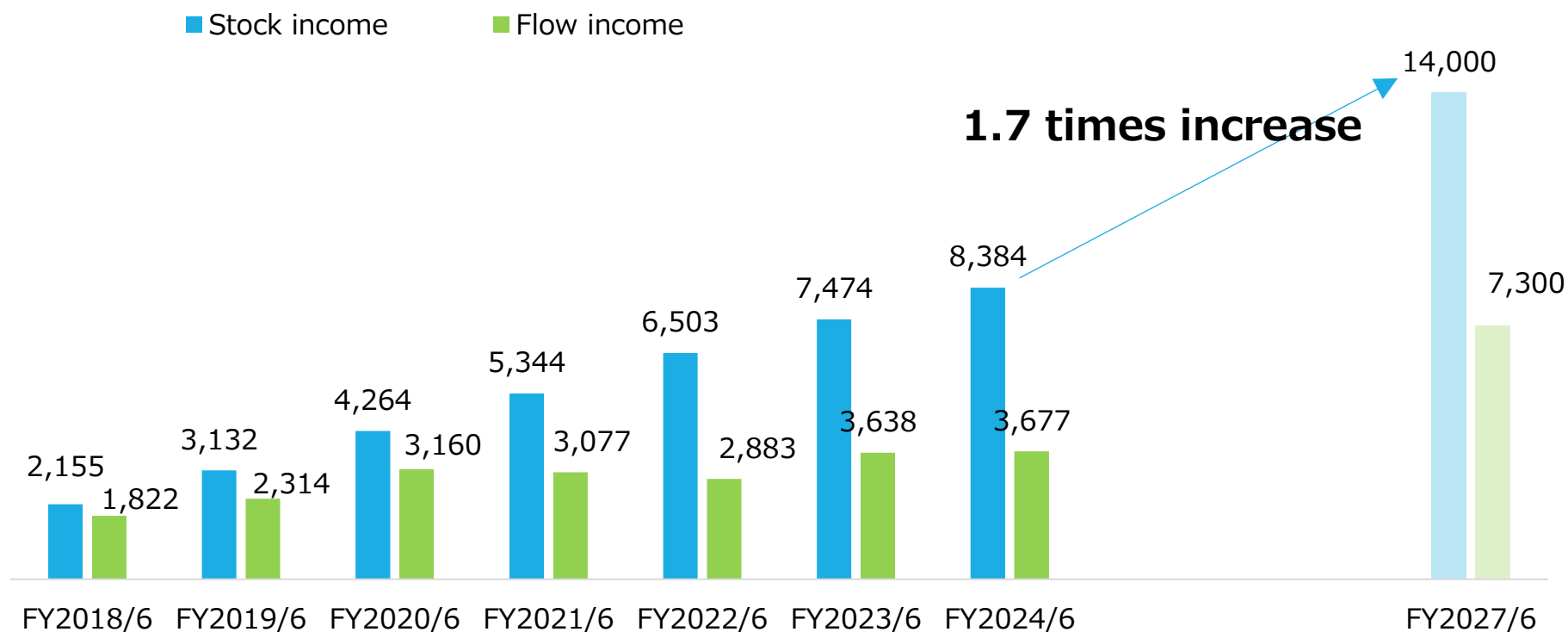


Trends in Stock and Flow Income

- The path to business growth driven by steady stock growth remains unchanged
- Short-term flow expansion is a stepping stone to new stock

Quarterly Trends in Stock and Flow Income (Excluding Real Estate)

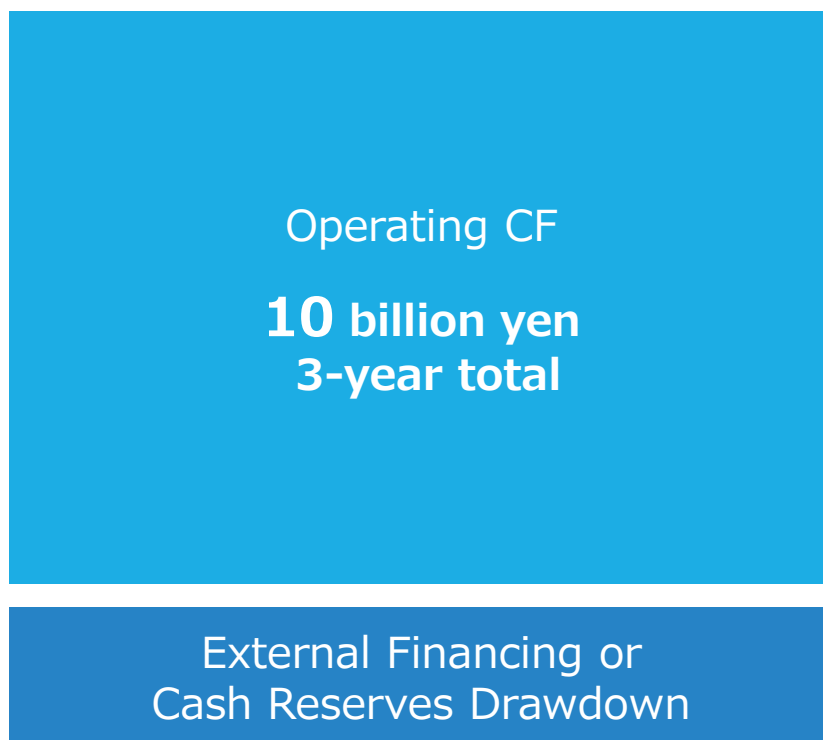
(in millions of yen)



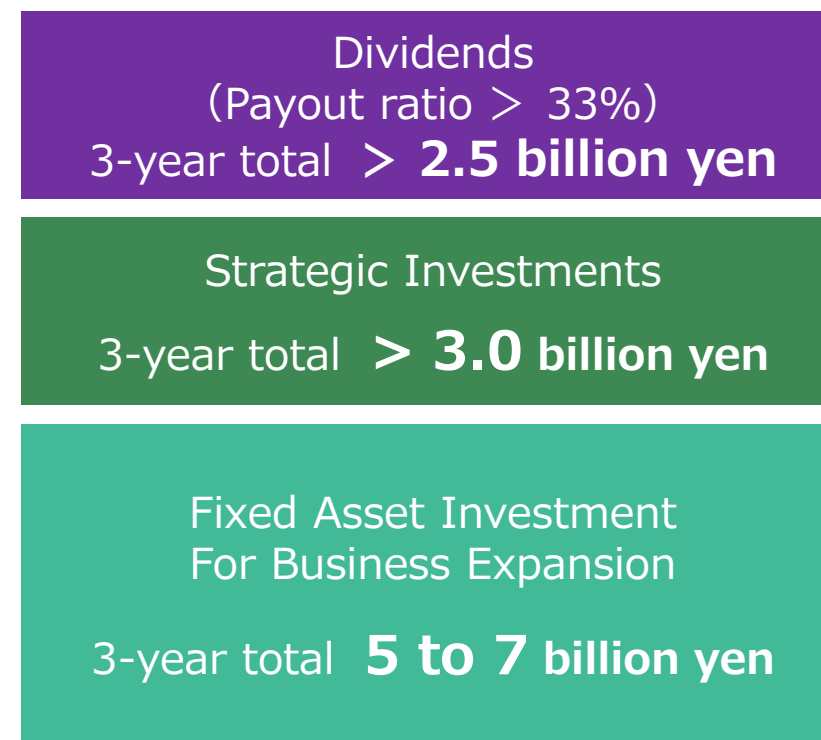
Estimated Capital Allocation

- To realize the On-Premise Infrastructure Integrator (OPIIer), we have established a strategic investment framework that includes management strengthening, positioning it as an investment for the next growth stage.
- At the same time, we will uphold our “three-way satisfaction” shareholder return policy, while maintaining investments in business expansion and strategically increasing leverage.

Capital Sourcing



Capital Allocation



- 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](#)

| 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 that operates as an energy agency |

| Fiscal Year | | FY2018/6 | FY2019/6 | FY2020/6 | FY2021/6 | FY2022/6 | FY2023/6 | FY2024/6 |
|--|-----------------------|----------|----------|----------|----------|----------|----------|----------|
| Net sales | (in millions of yen) | 3,977 | 5,446 | 7,424 | 8,491 | 10,624 | 12,795 | 12,613 |
| Operating profit | (in millions of yen) | 510 | 886 | 1,215 | 1,543 | 1,604 | 2,290 | 2,395 |
| Current net profit | (in millions of yen) | 312 | 550 | 722 | 1,019 | 1,073 | 1,482 | 1,567 |
| Capital | (in millions of yen) | 401 | 426 | 479 | 488 | 494 | 494 | 494 |
| Total number of shares issued | (thousands of shares) | 4,761 | 9,807 | 20 | 20,487 | 20,591 | 20,591 | 20,593 |
| Net assets | (in millions of yen) | 1,380 | 1,981 | 2,710 | 3,677 | 3,279 | 4,758 | 5,836 |
| Total assets | (in millions of yen) | 4,364 | 5,311 | 6,984 | 9,397 | 13,087 | 12,764 | 13,076 |
| Net assets per share | (yen) | 144.92 | 202.06 | 133.52 | 180.40 | 160.74 | 230.12 | 285.59 |
| Net income per share | (yen) | 81.62 | 57.60 | 36.19 | 50.11 | 52.60 | 72.70 | 77.20 |
| Equity ratio | (%) | 31.62 | 37.30 | 38.80 | 39.13 | 25.06 | 36.80 | 44.27 |
| Return on equity | (%) | 34.82 | 32.77 | 30.81 | 31.92 | 30.86 | 37.19 | 29.90 |
| Cash flow from operating activities | (in millions of yen) | 808 | 1,345 | 1,732 | 1,710 | 2,295 | 4,296 | 2,833 |
| Cash flow from investing activities | (in millions of yen) | -1,328 | -1,389 | -2,071 | -2,256 | -2,626 | -2,189 | -2,377 |
| Cash flow from financing activities | (in millions of yen) | 868 | -15 | 699 | 1,326 | 436 | -2,027 | -723 |
| Cash and cash equivalents at end of term | (in millions of yen) | 1,118 | 1,058 | 1,415 | 2,196 | 2,303 | 2,382 | 2,120 |
| Number of employees | (persons) | 141 | 159 | 180 | 221 | 231 | 232 | 230 |



< 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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