August 14, 2026

Consolidated Financial Results for the Fiscal Year Ended June 30, 2026 (Under Japanese GAAP)

Company name: Fibergate Inc.
Listing: Tokyo Stock Exchange / Sapporo Stock Exchange
Securities code: 9450
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Scheduled date of annual general meeting of shareholders: September 25, 2026
Scheduled date to commence dividend payments: September 28, 2026
Scheduled date to file annual securities report: September 24, 2026
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: Yes (for institutional investors and analysts)

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the fiscal year ended June 30, 2026 (from July 1, 2025 to June 30, 2026)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
June 30, 2026	13,664	4.5	1,838	(6.1)	1,811	(6.8)	1,082	(18.0)
June 30, 2025	13,070	3.6	1,958	(18.0)	1,943	(18.9)	1,319	(15.8)

Note: Comprehensive income For the fiscal year ended June 30, 2026: ¥1,228 million [(6.2)%]
For the fiscal year ended June 30, 2025: ¥1,309 million [(16.8)%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
Fiscal year ended	Yen	Yen	%	%	%
June 30, 2026	53.79	53.74	16.1	14.4	13.5
June 30, 2025	65.20	65.07	21.6	15.4	15.0

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
June 30, 2026	13,097	6,995	53.3	347.18
June 30, 2025	12,144	6,502	53.1	320.34

Reference: Equity
As of June 30, 2026: ¥6,985 million
As of June 30, 2025: ¥6,445 million

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
June 30, 2026	2,443	(1,461)	(680)	2,156
June 30, 2025	3,156	(1,564)	(1,860)	1,853

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended June 30, 2025	-	13.50	-	13.50	27.00	527	41.4	8.9
Fiscal year ended June 30, 2026	-	13.50	-	13.50	27.00	543	50.2	8.1
Fiscal year ending June 30, 2027 (Forecast)		13.50		13.50	27.00		47.7	

3. Forecast of consolidated financial results for the fiscal year ending June 30, 2027 (from July 1, 2026 to June 30, 2027)

(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, 2027	16,500	20.8	1,870	1.7	1,820	0.5	1,140	5.3	56.66

*** Notes**

(1) Significant changes in the scope of consolidation during the period: Yes
Newly included: 3 companies (Power Denki Innovation Co., Ltd., SmartGreen Co., Ltd., Aiwa Co., Ltd.)

(2) 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

(3) Number of issued shares (common shares)

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

As of June 30, 2026	20,593,600 shares
As of June 30, 2025	20,593,600 shares

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

As of June 30, 2026	472,242 shares
As of June 30, 2025	472,207 shares

(iii) Average number of shares outstanding during the period

Fiscal year ended June 30, 2026	20,121,375 shares
Fiscal year ended June 30, 2025	20,236,660 shares

[Reference] Overview of non-consolidated financial results

1. Non-consolidated financial results for the fiscal year ended June 30, 2026 (from July 1, 2025 to June 30, 2026)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
June 30, 2026	13,031	5.4	1,813	6.1	1,740	3.1	1,171	2.4
June 30, 2025	12,366	6.2	1,709	(14.7)	1,687	(16.3)	1,143	(13.6)

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
June 30, 2026	58.23	-
June 30, 2025	56.52	56.41

(2) Non-consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
June 30, 2026	12,000	5,720	47.7	284.29
June 30, 2025	11,562	5,102	44.0	253.06

Reference: Equity
As of June 30, 2026: ¥5,720 million
As of June 30, 2025: ¥5,091 million

2. Non-consolidated earnings forecast for the fiscal year ending June 30, 2027 (July 1, 2026 ~ June 30, 2027)

(Percentages indicate year-on-year changes.)

	Net sales		Ordinary profit		Profit		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending June 30, 2027	14,160	8.7	1,520	12.7	970	(17.2)	48.21

* Financial results reports are exempt from audit conducted by certified public accountants or an audit firm.

* Proper use of earnings forecasts, and other special matters

(Cautions on forward-looking statements, etc.)

The forward-looking statements, including forecasts of financial results, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. However, the Company makes no guarantee that these forecasts will be achieved. Actual financial results, etc. may differ substantially due to various factors. For the conditions on which earnings forecasts are predicated and precautions for the use of earnings forecasts, please refer to Appendix P.5 "1. Please refer to the explanation of forward-looking information such as "Summary of Business Results (5) Future Outlook".

(Method of accessing the contents of the financial results briefing)
The Company plans to hold an earnings call for institutional investors and analysts on Friday, August 14, 2026.
The financial results briefing materials to be used on the day of the event will be posted on the Company's website as soon as possible after the event.
(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.
* Information on treasury stock
The Company recorded 472,242 shares as treasury stock in the consolidated financial statements for the fiscal year ending June 30, 2026. Therefore, it is included in treasury stock to be deducted in the calculation of the average number of shares during the period for calculating net income per share and net income per share after adjusting for potential shares.
(472,225 shares for the fiscal year ending June 30, 2026)

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1. Overview of Operating Results, etc.

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

(1) Overview of operating results for the FY ended June 2026

(Millions of yen)

	Sales	Operating income	Ordinary income	Net income attributable to the parent company's shareholders	Net income per share (Yen)
Current consolidated fiscal year	13,664	1,838	1,811	1,082	53.79
Previous consolidated fiscal year	13,070	1,958	1,943	1,319	65.20
Percent change from the same period last year (%)	4.5	(6.1)	(6.8)	(18.0)	(17.5)

During the current consolidated fiscal year (from July 1, 2025 to June 30, 2026), the outlook for the Japanese economy remained uncertain owing to factors including the effect on financial and capital markets of rising geopolitical risks stemming from the situation in the Middle East and diplomatic relations with neighboring countries, as well as continuing chronic inflation.

Under these circumstances, our Group has adopted the new slogan, "Lead The 'Telecomenergy®.'" We will evolve from simply providing connectivity to a phase in which we create future value based on telecommunications.

Effective July 1, 2025, starting from the current consolidated fiscal year, the Company reorganized its operational structure from a business-based to a region-based system. This has resulted in a revision in the reportable segment classification method, with the Home-Use Business and Business-Use Business segments being consolidated and renamed the Network Solutions Business segment.

In the Network Solutions Business, the number of installations in rental properties has been steady, while sales of cross-selling products have progressed smoothly, with network camera installations growing especially rapidly. In addition to robust sales in our target sectors, such as medical and nursing care, projects for schools are also trending upward.

While profit margins continue their declining trend due to factors including changes in our customer base, the impact of higher costs resulting from an increase in outright sales projects is gradually stabilizing. Despite the decline in profit margins, net profit increased year on year due to the revenue boost from free Wi-Fi projects.

As a result of the above, the net sales were 13,162 million yen (+4.9% YoY) and segment profit was 3,059 million yen (+3.2% YoY), marking increases in both sales and profit.

In the Real Estate Business, there was one sale of real estate at FG Smart Asset Inc. Although it also recorded one sale in the previous consolidated fiscal year, differences in the scale of the properties sold led to declines in sales and profit.

As a result of the above, the net sales were 296 million yen (-33.0% YoY) and segment profit was 18 million yen (-71.8% YoY), marking a decrease in sales and an decrease in profit.

Regarding other business segments, there were sales related to the Renewable Energy (Electricity) Business and related activities at OffGrid-Lab Inc. and Power Denki Innovation Inc., which became a subsidiary of OffGrid-Lab. Moreover, various expenses related to the expansion of our Renewable Energy (Electricity) Business are trending upward.

As a result of the above, the net sales were 206 million yen (+159.8% YoY) and segment loss was 142 million yen (segment loss of 0 million yen in the same period of the previous fiscal year).

As a result, for the current consolidated fiscal year, we report net sales of 13,664 million yen (+4.5% YoY), operating profit of 1,838 million yen (-6.1% YoY), ordinary profit of 1,811 million yen (-6.8% YoY), and profit attributable to owners of parent of 1,082 million yen (-18.0% YoY).

(2) Overview of financial position for the FY ended June 2026

	At the end of previous consolidated fiscal year	At the end of current consolidated fiscal year	Percent change (%)
Total assets (million yen)	12,144	13,097	7.8
Net assets (million yen)	6,502	6,995	7.6
Shareholders' equity ratio (%)	53.1	53.3	0.4
Net assets per share (yen)	320.34	347.18	8.4

(Assets)

Total assets for the current consolidated fiscal year increased by 953 million yen from the end of the previous fiscal year to 13,097 million yen. This was due to factors such as the consolidation of Power Denki Innovation Inc., Smart Green Co., Ltd. and Aiwa Co., Ltd., which led to increases in accounts receivable, inventory and machinery equipment, and an increase of 1,223 million yen in current assets, despite a decrease of 269 million yen in non-current assets.

The increase in current assets was mainly due to increases of 303 million yen in cash and deposits, 177 million yen in accounts receivable, and 505 million yen in real estate for sale, despite a decrease of 94 million yen in merchandise. The decrease in non-current assets was mainly due to decreases of 394 million yen in communication equipment for the provision of our telecommunications services and 49 million yen in deferred tax assets.

(Liabilities)

Total liabilities for the current consolidated fiscal year increased by 461 million yen from the end of the previous fiscal year to 6,102 million yen.

This was mainly due to increases of 491 million yen in short-term borrowings and 140 million yen in accrued income taxes, despite decreases of 260 million yen in contract liabilities and 34 million yen in long-term borrowings (including current portion of long-term borrowings).

(Net Assets)

Total net assets for the current consolidated fiscal year increased by 492 million yen from the end of the previous fiscal year to 6,995 million yen. This was mainly due to an increase of 539 million yen in retained earnings.

(3) Overview of cash flows for the FY ended June 2026

(Millions of yen)

	Prior period	Current period	Percent change (%)
Cash flows from operating activities	3,156	2,443	-22.6
Cash flows from investing activities	-1,564	-1,461	6.6
Cash flows from financing activities	-1,860	-680	63.4
Change in cash and cash equivalents	-267	303	213.6
Beginning balance of cash and cash equivalents	2,120	1,853	-12.6
Cash and cash equivalents at end of period	1,853	2,156	16.4

The balance of cash and cash equivalents (hereinafter referred to as “funds”) at the end of the current consolidated fiscal year was 2,156 million yen, marking an increase of 303 million yen compared to the end of the previous fiscal year.

The status of cash flows for the current consolidated fiscal year and the factors contributing to them are as follows.

(Cash Flows From Operating Activities)

During the current consolidated fiscal year, funds obtained from operating activities totaled 2,443 million yen (compared to 3,156 million yen in the previous consolidated fiscal year). This was mainly due to profit before income taxes of 1,799 million yen and depreciation expenses of 1,720 million yen.

(Cash Flows From Investing Activities)

During the current consolidated fiscal year, funds used in investing activities totaled 1,461 million yen (compared to 1,564 million yen used in the previous consolidated fiscal year). This was mainly due to expenditures for the acquisition of property, plant, and equipment of 1,363 million yen, expenditures for the acquisition of shares in subsidiaries resulting in a change of scope of consolidation of 227 million yen, and proceeds from the acquisition of shares in subsidiaries of 158 million yen.

(Cash Flows from Financing Activities)

During the current consolidated fiscal year, funds used in financing activities totaled 680 million yen (compared to 1,860 million yen used in the previous consolidated fiscal year). This was mainly due to proceeds from long-term borrowings of 1,080 million yen, offset by expenditures for the repayment of long-term borrowings of 1,185 million yen and dividend payments of 543 million yen.

(Reference) Trends in indicators related to cash flows

	June 2023	June 2024	June 2025	June 2026
Shareholders’ equity ratio (%)	36.8	44.3	53.1	53.3
Market value based Shareholders’ equity ratio (%)	237.8	172.2	119.2	115.7
Cash Flow Interest Bearing Debt Ratio (years)	1.1	1.6	1.0	1.5
Interest Coverage Ratio (times)	146.4	121.6	132.7	68.2

Shareholders equity ratio:	Shareholders equity / Total assets
Market value based Shareholders’equity ratio:	Market capitalization / Total assets
Cash Flow Interest Bearing Debt Ratio:	Interest-bearing debt / Cash flow
Interest Coverage Ratio:	Cash flow / Interest payment

(Notes) 1. All calculations are based on consolidated financial figures.
2. The market capitalization is calculated based on the number of shares issued excluding treasury share.
3. Cash flow is based on operating cash flow.
4. Interest-bearing debt refers to short-term borrowings and long-term borrowings (including current portion of long-term borrowings), and corporate bonds (including current portion of corporate bonds) for which interest is paid among the liabilities reported on the consolidated balance sheet. For interest payment, we use the amount of interest paid in the consolidated statements of cash flows.

(4) Basic policy on profit distribution and dividends for the current and next fiscal years

The Company Group aims to expand its business performance through growth investments, while also viewing the return of profits to our shareholders as one of our top management priorities.

Based on the principle of the "Three-Way Win"—which involves dividing the profits of each fiscal year into three equal parts, with one-third, in principle, allocated as a dividend to shareholders, one-third used to reward our executives and employees who are our most important human capital and to fund business investments for the company's further growth, and the remaining one-third retained as internal reserves—we have set a dividend payout ratio of approximately 33% as our baseline, while placing greater emphasis on shareholder returns, and considering that the urgency of strengthening our financial position has diminished, we plan to maintain an annual dividend of 27 yen.

Taking the above into consideration, for the current fiscal year, the interim dividend will be 13.5 yen per share, the year-end dividend will be 13.5 yen per share, and the annual dividend will be 27.0 yen per share.

Regarding dividends for the next fiscal year, we plan to continue the policy above, with an interim dividend of 13.5 yen per share and a year-end dividend of 13.5 yen per share, resulting in an annual dividend of 27.0 yen per share.

(5) Future outlook

For the next fiscal year, we anticipate revenue growth driven by the acceleration of equipment outright sales projects and renewable energy projects, as well as the accumulation of stock projects (monthly subscription-based projects) and the expansion of new construction and cross-selling projects.

We anticipate that, although corporate projects will enter a period of preparation and fixed costs such as labor costs are expected to rise, the increase in these costs will be largely offset by the revenue growth, as the rise in line procurement costs is expected to level off is not anticipated.

We have calculated our consolidated earnings forecast based on information available and projections as of this date.

(Forecast of consolidated business results)

(unit: million yen)

	June 2026 Result	June 2027 Forecast	Percentage change (%)
Sales	13,664	16,500	20.8
Operating income	1,838	1,870	1.7
Ordinary income	1,811	1,820	0.5
Net income attributable to owners of the parent	1,082	1,140	5.3

(Forecast of consolidated segment sales)

(unit: million yen)

Segment	June 2026 Result	June 2027 Forecast	Percentage change (%)
telecommunications business	13,162	14,370	9.2
Real estate business	296	750	153.4
Others	206	1,380	568.6
Total	13,664	16,500	20.8

Given the above background, for the fiscal year ending June 2027, the Company Group forecasts net sales of 16,500 million yen, operating profit of 1,870 million yen, ordinary profit of 1,820 million yen, and profit attributable to owners of parent of 1,140 million yen.

Please note that the above earnings forecast is based on information available as of the date of publication of this material, and actual performance may differ from the forecast due to various factors in the future. Please refer to the Explanation of Financial Results published on the same day.

(6)Material events with regard to assumptions for going concern

There are no applicable matters.

2. Basic Approach towards Selection of Accounting Standard

Considering the comparability of consolidated financial statements over time and between companies, the Group policy is to prepare consolidated financial statements in Japan GAAP for the time being.

With regard to the application of IFRS in the future, the company will take appropriate actions in light of situations in Japan and overseas.

Consolidated balance sheet

(Millions of yen)

	As of June 30, 2025	As of June 30, 2026
Assets		
Current assets		
Cash and deposits	1,853	2,156
Accounts receivable - trade	1,809	1,986
Contract assets	182	164
Merchandise	577	482
Raw materials and supplies	0	35
Real estate for sale	212	717
Power generation assets for sale	-	237
Work in process	0	11
Other	76	149
Allowance for doubtful accounts	(5)	(12)
Total current assets	4,707	5,930
Non-current assets		
Property, plant and equipment		
Buildings, net	32	32
Tools, furniture and fixtures, net	10	17
Communication equipment,net	6,956	6,561
Machinery and equipment, net	-	61
Structures, net	-	5
Land	-	46
Other, net	-	3
Total property, plant and equipment	6,998	6,728
Intangible assets		
Software	49	57
Software in progress	33	26
Goodwill	-	35
Total intangible assets	82	119
Investments and other assets		
Investment securities	11	11
Leasehold deposits	45	45
Deferred tax assets	281	231
Distressed receivables	1	1
Other	17	30
Allowance for doubtful accounts	(1)	(1)
Total investments and other assets	355	319
Total non-current assets	7,436	7,167
Deferred assets		
Organization expenses	0	0
Total deferred assets	0	0
Total assets	12,144	13,097

(Millions of yen)

	As of June 30, 2025	As of June 30, 2026
Liabilities		
Current liabilities		
Accounts payable - trade	681	783
Short-term borrowings	240	731
Current portion of long-term borrowings	1,070	1,118
Income taxes payable	176	316
Contract liabilities	987	727
Provision for bonuses	85	97
Other	403	384
Total current liabilities	3,645	4,157
Non-current liabilities		
Bonds payable	50	50
Long-term borrowings	1,884	1,803
Retirement benefit liability	61	80
Deferred tax liabilities	-	9
Other	-	2
Total non-current liabilities	1,996	1,945
Total liabilities	5,641	6,102
Net assets		
Shareholders' equity		
Share capital	494	494
Capital surplus	423	423
Retained earnings	6,017	6,556
Treasury shares	(493)	(493)
Total shareholders' equity	6,442	6,981
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(0)	(0)
Foreign currency translation adjustment	3	4
Total accumulated other comprehensive income	3	4
Share award rights	10	-
Non-controlling interests	46	9
Total net assets	6,502	6,995
Total liabilities and net assets	12,144	13,097

Consolidated statement of income

(Millions of yen)

	Fiscal year ended June 30, 2025	Fiscal year ended June 30, 2026
Net sales	13,070	13,664
Cost of sales	7,641	8,214
Gross profit	5,428	5,449
Selling, general and administrative expenses	3,470	3,611
Operating profit	1,958	1,838
Non-operating income		
Interest income	1	4
Dividend income	0	0
Point income	5	5
Insurance claim income	-	0
Compensation for damage income	3	-
Subsidy income	-	0
Other	1	0
Total non-operating income	11	11
Non-operating expenses		
Interest expenses	23	35
Foreign exchange losses	2	2
Other	0	0
Total non-operating expenses	26	38
Ordinary profit	1,943	1,811
Extraordinary income		
Gain on sale of non-current assets	-	0
Gain on bargain purchase	-	40
Total extraordinary income	-	40
Extraordinary losses		
Loss on retirement of non-current assets	52	54
Total extraordinary losses	52	54
Profit before income taxes	1,890	1,798
Income taxes - current	490	517
Income taxes - deferred	91	52
Total income taxes	581	570
Profit	1,309	1,227
Profit (loss) attributable to non-controlling interests	(10)	145
Profit attributable to owners of parent	1,319	1,082

Consolidated statement of comprehensive income

(Millions of yen)

	Fiscal year ended June 30, 2025	Fiscal year ended June 30, 2026
Profit	1,309	1,227
Other comprehensive income		
Valuation difference on available-for-sale securities	(0)	(0)
Foreign currency translation adjustment	0	1
Total other comprehensive income	0	1
Comprehensive income	1,309	1,228
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,319	1,083
Comprehensive income attributable to non-controlling interests	(10)	145

Consolidated statement of changes in equity

Fiscal year ended June 30, 2025

(Millions of yen)

	Shareholders' equity					Accumulated other comprehensive income		
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income
Balance at beginning of period	494	423	5,225	(356)	5,786	0	3	3
Changes during period								
Dividends of surplus			(527)		(527)			
Profit attributable to owners of parent			1,319		1,319			
Purchase of treasury shares				(136)	(136)			
Net changes in items other than shareholders' equity						(0)	0	0
Total changes during period	-	-	792	(136)	655	(0)	0	0
Balance at end of period	494	423	6,017	(493)	6,442	(0)	3	3

	Share award rights	Non-controlling interests	Total net assets
Balance at beginning of period	-	46	5,836
Changes during period			
Dividends of surplus			(527)
Profit attributable to owners of parent			1,319
Purchase of treasury shares			(136)
Net changes in items other than shareholders' equity	10	(0)	10
Total changes during period	10	(0)	666
Balance at end of period	10	46	6,502

Consolidated statement of changes in equity

Fiscal year ended June 30, 2026

(Millions of yen)

	Shareholders' equity					Accumulated other comprehensive income		
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income
Balance at beginning of period	494	423	6,017	(493)	6,442	(0)	3	3
Changes during period								
Dividends of surplus			(543)		(543)			
Profit attributable to owners of parent			1,082		1,082			
Purchase of treasury shares				(0)	(0)			
Net changes in items other than shareholders' equity						(0)	1	1
Total changes during period	-	-	539	(0)	539	(0)	1	1
Balance at end of period	494	423	6,556	(493)	6,981	(0)	4	4

	Share award rights	Non-controlling interests	Total net assets
Balance at beginning of period	10	46	6,502
Changes during period			
Dividends of surplus			(543)
Profit attributable to owners of parent			1,082
Purchase of treasury shares			(0)
Net changes in items other than shareholders' equity	(10)	(37)	(46)
Total changes during period	(10)	(37)	492
Balance at end of period	-	9	6,995

Consolidated statement of cash flows

(Millions of yen)

	Fiscal year ended June 30, 2025	Fiscal year ended June 30, 2026
Cash flows from operating activities		
Profit before income taxes	1,890	1,798
Depreciation	1,726	1,720
Amortization of goodwill	-	0
Gain on bargain purchase	-	(40)
Share-based payment expenses	10	(10)
Loss on retirement of non-current assets	52	54
Gain on sale of non-current assets	-	(0)
Increase (decrease) in allowance for doubtful accounts	0	6
Increase (decrease) in provision for loss on orders received	-	(0)
Increase (decrease) in provision for bonuses	(2)	7
Increase (decrease) in retirement benefit liability	7	12
Interest and dividend income	(1)	(4)
Interest expenses	23	35
Decrease (increase) in trade receivables	(37)	62
decrease in trade receivables and contract assets	25	18
Decrease (increase) in inventories	360	(541)
Increase (decrease) in trade payables	64	20
Increase (decrease) in contract liabilities	(329)	(274)
Foreign exchange losses (gains)	0	(0)
Other, net	55	3
Subtotal	3,848	2,868
Interest and dividends received	1	4
Interest paid	(23)	(35)
Income taxes paid	(669)	(393)
Net cash provided by (used in) operating activities	3,156	2,443
Cash flows from investing activities		
Purchase of investment securities	(0)	(0)
Purchase of property, plant and equipment	(1,557)	(1,363)
Purchase of intangible assets	(15)	(26)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	-	(227)
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	9	158
Proceeds from sale of property, plant and equipment	-	0
Payments of leasehold deposits	(0)	(1)
Other, net	0	(0)
Net cash provided by (used in) investing activities	(1,564)	(1,461)
Cash flows from financing activities		
Increase (decrease) in short-term borrowings	100	(31)
Proceeds from long-term borrowings	300	1,080
Repayments of long-term borrowings	(1,596)	(1,185)
Repayments of lease liabilities	-	(0)
Purchase of treasury shares	(136)	(0)
Dividends paid	(526)	(543)
Net cash provided by (used in) financing activities	(1,860)	(680)
Effect of exchange rate change on cash and cash equivalents	0	1
Net increase (decrease) in cash and cash equivalents	(267)	303
Cash and cash equivalents at beginning of period	2,120	1,853
Cash and cash equivalents at end of period	1,853	2,156

(Notes on segment information, etc.)

Segment Information

1. Overview of Reporting Segments

The Group's reporting segments are those of the Group's business constituent units for which segregated financial information is available and are subject to periodic review by the Board of Directors in order to determine the allocation of management resources and evaluate business performance. The methods used to identify reporting segments were by product and service, and there were two reporting segments:

(1)Network Solutions business

Construction, maintenance, operation, support, provision of PB, construction, maintenance, operation, support, provision of PB of free Wi-Fi, etc.

(2) Real estate business

Buying, selling, leasing, etc. of real estate

2. Method of calculating the amount of sales, profits or losses, assets, liabilities and other items for each reporting segment

The method of accounting for the reported business segments is in accordance with the accounting policy adopted to prepare consolidated financial statements.

Profit in the reporting segment is a figure based on operating income.

3. Changes to Reporting Segments

As of July 1, 2025, we have changed our sales structure from business to region, and we have revised the classification method of reporting segments and changed "Home Use Business" and "Business Use Business" to "Network Solutions business" as of July 1, 2025.

As a result of this segment change, the segment information for the previous fiscal year is described as prepared according to the revised classification method.

3. Information on the amount of sales, profits or losses, assets, liabilities, and other items for each reporting segment.

The previous fiscal year (July 1, 2024 to June 30, 2025)

(Millions of yen)

	Reportable segments			Others (Note 1)	Total	Adjustment amount (Note 2)	Amount recorded in consolidated financial statements (Note 3)
	telecommunications business	real estate business	Total				
Sales							
Revenues from external customers	12,549	441	12,990	79	13,070	-	13,070
Transactions with other segments	-	-	-	-	-	-	-
Total	12,549	441	12,990	79	13,070	-	13,070
Segment profit (loss)	2,964	67	3,031	(0)	3,031	(1,073)	1,958
Segment Assets	9,529	212	9,742	4	9,747	2,397	12,144
Other items							
Depreciation	1,693	4	1,697	1	1,698	27	1,726
Increase in property, plant and equipment and intangible assets	1,544	-	1,544	-	1,544	23	1,568

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. The adjustment amount is as follows:

(1) Adjustments to segment income were (1,073) million yen, which is general and administrative expenses that have not been allocated to each reporting segment.

(2) Adjusted segment assets of ¥2,397 million are company-wide assets that have not been allocated to each reporting segment. Company-wide assets are primarily surplus funds under management (cash and deposits).

(3) The adjustment for depreciation and amortization of ¥27 million is a depreciation expense related to company-wide assets that have not been allocated to reporting segments.

(4) Adjustment for the increase in property, plant and equipment and intangible assets of 23 million yen is the increase in fixed assets related to company-wide assets that have not been allocated to reporting segments.

3. Segment profit is adjusted to operating income in consolidated financial statements.

The current fiscal year (July 1, 2025 to June 30, 2026)

(Millions of yen)

	Reportable segments			Others (Note 1)	Total	Adjustment amount (Note 2)	Amount recorded in consolidated financial statements (Note 3)
	telecommunications business	real estate business	Total				
Sales							
Revenues from external customers	13,162	296	13,458	206	13,664	-	13,664
Transactions with other segments	-	-	-	-	-	-	-
Total	13,162	296	13,458	206	13,664	-	13,664
Segment profit (loss)	3,059	18	3,078	(142)	2,936	(1,097)	1,838
Segment Assets	9,177	727	9,904	466	10,371	2,726	13,096
Other items							
Depreciation	1,709	-	1,709	4	1,713	6	1,720
Increase in property, plant and equipment and intangible assets	1,344	-	1,344	161	1,505	35	1,541

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. The adjustment amount is as follows:

(1) Adjustments to segment income were (1,097) million yen, which is general and administrative expenses that have not been allocated to each reporting segment.

(2) Adjusted segment assets of ¥2,726 million are company-wide assets that have not been allocated to each reporting segment. Company-wide assets are primarily surplus funds under management (cash and deposits).

(3) The adjustment for depreciation and amortization of ¥6 million is a depreciation expense related to company-wide assets that have not been allocated to reporting segments.

(4) Adjustment for the increase in property, plant and equipment and intangible assets of 35 million yen is the increase in fixed assets related to company-wide assets that have not been allocated to reporting segments.

3. Segment profit is adjusted to operating income in consolidated financial statements.

Related Information

The previous fiscal year (July 1, 2024 to June 30, 2025)

1. Product and Service Information

Since the same information is disclosed in the segment information, it is omitted.

2. Regional Information

(1) Net sales

Since sales to external customers in Japan exceed 90% of sales in the consolidated statements of income, the description is omitted.

(2) Property, plant and equipment

The amount of property, plant and equipment located in Japan exceeds 90% of the amount of property, plant and equipment on the consolidated balance sheet.

The description has been omitted.

3. Information per main customer

(Millions of yen)

Name or surname of the customer	Sales	Relevant Segment Names
U-NEXT LIVING PARTNERS Inc.	2,565	telecommunications business

The current fiscal year (July 1, 2025 to June 30, 2026)

1. Product and Service Information

Since the same information is disclosed in the segment information, it is omitted.

2. Regional Information

(1) Net sales

Since sales to external customers in Japan exceed 90% of sales in the consolidated statements of income, the description is omitted.

(2) Property, plant and equipment

The amount of property, plant and equipment located in Japan exceeds 90% of the amount of property, plant and equipment on the consolidated balance sheet.

The description has been omitted.

3. Information per main customer

(Millions of yen)

Name or surname of the customer	Sales	Relevant Segment Names
U-NEXT LIVING PARTNERS Inc.		telecommunications business

Information on impairment losses on fixed assets by reporting segment

The previous fiscal year (July 1, 2024 to June 30, 2025)

Not applicable.

The current fiscal year (July 1, 2025 to June 30, 2026)

Not applicable.

Information on amortization and unamortized balances of goodwill by reporting segment

The previous fiscal year (July 1, 2024 to June 30, 2025)

Not applicable.

The current fiscal year (July 1, 2025 to June 30, 2026)

(Millions of yen)

	telecommunications business	real estate business	Total	Other	Company-wide elimination	Total
Depreciation for the period	—	—	—	0	—	0
Balance at the end of the current fiscal year	—	—	—	35	—	35

Information on Negative Goodwill Accrual Gains by Reporting Segment

The previous fiscal year (July 1, 2024 to June 30, 2025)

Not applicable.

The current fiscal year (July 1, 2025 to June 30, 2026)

In the Network Solutions business segment, we recognize negative goodwill gains as a result of the acquisition of shares of Aiwa Co., Ltd. and making it a consolidated subsidiary. Negative goodwill gains due to this event were recorded at 42 million yen. Negative goodwill gains are extraordinary income and are not included in segment profit.

(Information per share)

	Previous consolidated fiscal year（from July 1, 2024 to June 30, 2025)	Current consolidated fiscal year (from July 1, 2025 to June 30, 2026)
Net assets per share	320.34 yen	347.18 yen
Net income per share	65.20 yen	53.79 yen
Diluted Net income per share	65.07 yen	53.74 yen

（Notes） The basis for the calculation of Net income per share and Diluted Net income per share is as follows.

	Previous consolidated fiscal year（from July 1, 2024 to June 30, 2025)	Current consolidated fiscal year (from July 1, 2025 to June 30, 2026)
Net income per share		
Profit attributable to owners of parent (million yen)	1,319	1,084
Amounts not attributable to common shareholders(million yen)	–	–
Net income attributable to owners of parent related to common stock (million yen)	1,319	1,084
Average number of shares of common stock during the period (shares)	20,236,660	20,121,375
Diluted Net income per share		
Adjusted amount of Profit attributable to owners of parent (million yen)	–	–
Increase in common share (shares)	39,833	18,474
（of which Stock acquisition rights (shares)）	（39,833）	（18,474）
Since it does not have a dilution effect, it was not included in the calculation of net income per share after adjusting for potential shares	–	–

(Matters related to business combination)
Business combination through acquisition
1. Overview of business combination
(1) Name of the company acquired and details of Its business

Name of the company acquired	Power Denki Innovation Inc.
Details of Its business	Solar power generation EPC Business

*EPC: Business involved in one-stop engineering, procurement, and construction
(2)Reasons for share acquisition
Consolidated subsidiary OffGrid-Lab operates in the renewable energy sector. The aim of welcoming Power Denki Innovation, which boasts superior expertise in EPC projects for solar power generation, into the Group is to acquire its shares to establish a more efficient, competitive business structure.
(3) Date of business combination
August 31, 2025
(4) Business combination legal structure
Acquisition of shares
(5) Name of combined entity
No change
(6) Ratio of voting rights acquired
100%
(7) Primary grounds for determining the company to acquire
This resulted from the acquisition of shares by Off Grid Lab Co., Ltd., a consolidated subsidiary of the Company, with cash as consideration.

2. Period of the acquired company's performance included in the quarterly consolidated statement of income for the third quarter cumulative period
September 1, 2025–December 31, 2025

3. Breakdown of acquisition price and type of consideration for the company acquired

Consideration for acquisition	Cash and deposits	50 million yen
Acquisition price		50 million yen

4. Details and amounts of major expenses related to the acquisition
Due diligence expenses, etc.: 5 million yen

5. Amount of goodwill recognized, reason for recognition, and method and period of amortization
(1) Amount of goodwill recognized
5 million yen
The goodwill calculation is provisional, as the allocation of the acquisition price had not been completed as of the end of the current Semi-Annual consolidated accounting period.
(2) Reason for recognition
The amount represents the excess earnings capacity expected from the future business development of Power Denki Innovation Inc.
(3) Method and period of amortization
Five-year straight-line amortization

6. Amount and breakdown of assets and liabilities recognized on the date of business combination

Current assets	565 million yen
Non-current assets	54 million yen
Total assets	619 million yen
Current liabilities	588 million yen
Non-current liabilities	12 million yen
Total liabilities	601 million yen

8. Anticipated impact on the consolidated statement of income for the current fiscal year and method of calculation, assuming the business combination was completed on the first day of the consolidated fiscal year

Net sales	153 million yen
Operating profit	21 million yen
Ordinary profit	20 million yen
Loss attributable to owners of parent	0 million yen

(Method for calculating the estimated amount)
The estimated amount of impact is calculated as the difference between the revenue and profit or loss information calculated assuming the business combination was completed on the first day of the consolidated fiscal year and the revenue and profit or loss information in the consolidated statement of income of the company making the acquisition.

(Notes on Significant Subsequent Events)
There are no applicable matters.