Fibergate Inc.
株式会社ファイバーゲート

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Video and Transcript of Explanation of Financial Results for the Fiscal Year Ended June 30, 2026

Fibergate Inc. held its financial results explanation for the Fiscal Year Ended June 30, 2026, on August 14, 2026. We are pleased to announce that the archived video and full transcript of the session are now available to the public.

In our continued effort to ensure clear and timely disclosure for shareholders, investors, and other stakeholders, we are providing both video and text versions of the session content.

- Consolidated Financial Results for the Fiscal Year Ended June 30, 2026
- Presentation material for the Fiscal Year Ended June 30, 2026
- Video of Financial Results for the Fiscal Year Ended June 30, 2026 (Japanese)

Briefing Title	Explanation of Financial Results for the Fiscal Year Ended June 30, 2026	
Date and Time	Friday, August 14, 2026, from 16:00(JST)	
Format	Online (Webcast)	
Speaker	Representative Director, President Executive Officer	Masanori Inomata

Host): Thank you for waiting. It is now time, so we will begin the full-year financial results briefing of Fibergate Inc. for the fiscal year ended June 2026. The presentation will take about 45 minutes, and the remaining time will be devoted to answering your questions. The materials were disclosed today, August 14. We will use the FY2026 financial results presentation.
Please submit your questions through the Q&A function, using the Q&A button at the bottom of your Zoom screen. We will answer your questions after the presentation. Now, let me introduce today's presenter: Masanori Inomata, Representative Director, President Executive Officer of Fibergate.
Inomata): Thank you.
Host): Mr. Inomata, please go ahead.
Inomata): Now, let me begin the presentation. Before I start, I know it is the middle of the Obon holidays, and I would like to thank you all for taking the time to join us. Thank you very much. This is today's agenda. First, the highlights.

Inomata): Company-wide, for fiscal year 2026, ordinary profit unfortunately declined. I will explain the reasons later. We also fell short of our original forecast. That said, on the outright-sales model for equipment: in the Home-Use Business, equipment rental in certain sales channels used to carry very high gross margins, and against our assumptions, outright sales have now come to exceed that.

In the Business-Use Business, the Q4 operating profit margin was 24.5 percent, lower than Q3, but within our expected range. The problem was the Renewable Energy Business. For the past year, we were determined to reach profitability, but we fell short. I will come back to this later. A major reason was that inventory at the acquired company simply did not sell at all. And while we did have orders, many were new-construction projects with long lead times, so they did not book within the fiscal year.

Many projects were simply not completed in time. So the order backlog is growing. These projects will instead contribute in the current fiscal year. This was a major factor. For FY2027, the current fiscal year, we forecast a slight increase in ordinary profit. The Home-Use Business is expected to return to segment profit growth.

The Business-Use Business had several large projects last year, and those have now run their course. So this year is a preparation phase. Though you never know, if we win large orders that can be delivered within this fiscal year, the picture changes. But for now, we see this as a preparation phase.

In the Renewable Energy Business, we are determined to reach profitability this year, and revenue is up significantly from last year. That said, the contribution to operating profit will still be limited. Last year, the segment posted an operating loss of 140 million yen, so just eliminating that loss takes us to the next step.

5 Summary of Consolidated Financial results for FY2026

Fibergate Inc.

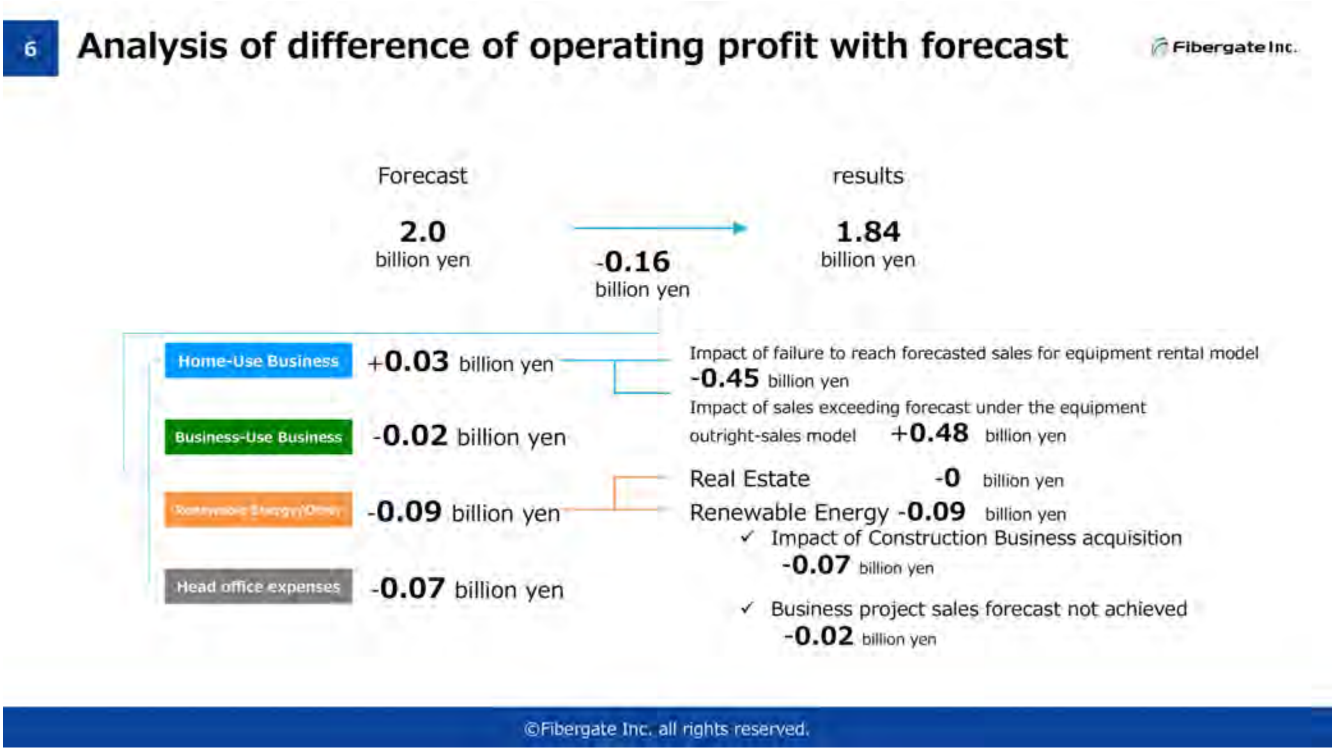
- For the fiscal year ended June 2026, revenue increased by 5% and ordinary profit decreased by 7%. Both sales and ordinary profit fell short of the forecast.
- By segment, Renewable Energy-related business, which was expected to grow, struggled in terms of profits. In the Network Solutions Business area, sales and profit of Business-Use Business increased, but were slightly less than expected. The company's core, Home-Use Business, remained roughly in line with expectations, with an increase in sales and decrease in profit.

(in millions of yen)	FY2023 results	FY2024 results	FY2025 results	FY2026			Year-on-year comparison	
				Forecast	results	difference	difference	Change
Net sales	12,795	12,613	13,070	13,850	13,664	-185	+594	+4.5%
Home-Use Business	9,600	10,386	10,864	11,350	11,334	-15	+469	+4.3%
Business-Use Business	1,512	1,675	1,684	1,860	1,827	-32	+143	+8.5%
Renewable Energy/Real Estate/Other	1,682	551	520	640	502	-137	-18	-3.6%
Operating profit	2,320	2,387	1,958	2,000	1,838	-161	-119	-6.1%
Home-Use Business	2,970	2,910	2,638	2,534	2,560	+26	-77	-2.9%
Business-Use Business	289	480	326	520	498	-21	+172	+52.7%
Renewable Energy/Real Estate/Other	138	64	67	-30	-123	-93	-190	Swing to Loss
Adjusted	-1,078	-1,068	-1,073	-1,024	-1,097	-73	-24	-2.2%
Ordinary profit	2,290	2,395	1,943	2,000	1,811	-188	-132	-6.8%
Ordinary profit margin	17.9%	19.0%	14.9%	14.4%	13.3%	-1.1pp	-1.6pp	-
Profit attributable to owners of parent	1,482	1,567	1,319	1,270	1,082	-187	-237	-18.0%

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

Inomata): Now, the financial results. Here they are. As I explained earlier, revenue increased 5 percent, while ordinary profit decreased 7 percent. Both revenue and ordinary profit fell short of the original forecast. By segment, as I mentioned, Renewable Energy struggled significantly on profit. In telecommunications, the Business-Use Business recorded higher revenue and profit, but still came in below our assumptions.

As a result, our initial target was 2 billion yen in ordinary profit, but we ended the year at 1,811 million yen. This is on an operating profit basis.



Inomata): Now, the variance analysis: our earlier forecast of 2,000 million yen came in at 1,840 million yen. The Home-Use Business came in about 30 million yen above forecast. About three years ago, we shifted from renting equipment to the outright-sales model, and that impact has finally run its course and seems to be bottoming out. The Business-Use Business fell about 20 million yen short.

The Renewable Energy Business fell short of the profit forecast by roughly 100 million yen, 90 million as shown here. As for head office expenses: we made three acquisitions in the fiscal year just ended, and the related costs were larger than expected.

7 Consolidated Financial Results Summary: Quarterly Trends

Fibergate Inc.

- The ordinary profit margin for Q4 on an accrual basis was 10.5%. The profit margin has not fallen to the 10% range since Q4 of the fiscal year ended June 2020, when faced with the struggle of the COVID-19 pandemic.
- Compared with Q4 of the previous year, revenue increased while profit decreased. Profit margins were weighed down by an increase in contracts based on the equipment outright-sales model, compounded by struggles in the Renewable Energy-related business. Comparing Q3, revenue and profit declined due to factors such as a decrease in new construction projects and the completion of large-scale projects. In this period also, the decline in profit margins resulting from the increase in outright-sales model had an impact.

(in millions of yen)	FY2025				FY2026				Q3/Q4 comparison	Year-on-year difference
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	**Q4**		
Net sales	3,054	3,502	3,265	3,248	3,456	3,317	3,587	**3,302**	-284	+54
Home-Use Business	2,643	2,642	2,835	2,743	2,752	2,811	2,929	**2,841**	-87	+97
Business-Use Business	405	410	415	452	389	444	576	**418**	-157	-34
Renewable Energy/Real Estate/Other	4	450	14	51	315	62	82	**42**	-39	-8
Operating profit	463	515	542	436	412	507	567	**351**	-215	-84
Home-Use Business	668	662	665	640	591	695	633	**640**	+6	-0
Business-Use Business	72	78	89	86	82	122	191	**102**	-89	+16
Renewable Energy/Real Estate/Other	-8	73	0	1	-16	-47	-20	**-38**	-18	-40
Adjusted	-269	-299	-212	-292	-245	-262	-237	**-352**	-114	-59
Ordinary profit	458	510	542	431	407	501	557	**345**	-212	-86
Ordinary profit Margin	15.0%	14.6%	16.6%	13.3%	11.8%	15.1%	15.5%	**10.5%**	-5.1pp	-2.8pp
Profit attributable to owners of parent	310	344	369	295	286	335	373	**85**	-287	-209

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

Inomata): Now, the next slide. The quarterly trends. Every year, Q4 has seasonal factors. It is not a pattern I like, but this year as well, Q4 declined compared with the prior year. One reason is the Energy business: in May and June, we had planned to sell off inventory inherited from an acquired company, but could not. We now have interested buyers and intend to sell it within this fiscal year.

That was a major factor. Meanwhile, waterproofing work was delayed by factors such as naphtha supply, and while waterproofing itself is outside our scope, two or three projects slipped into the next period. For these reasons, ordinary profit declined. As for net income, you may notice it fell sharply. For the details, please feel free to ask our Corporate Planning Division.

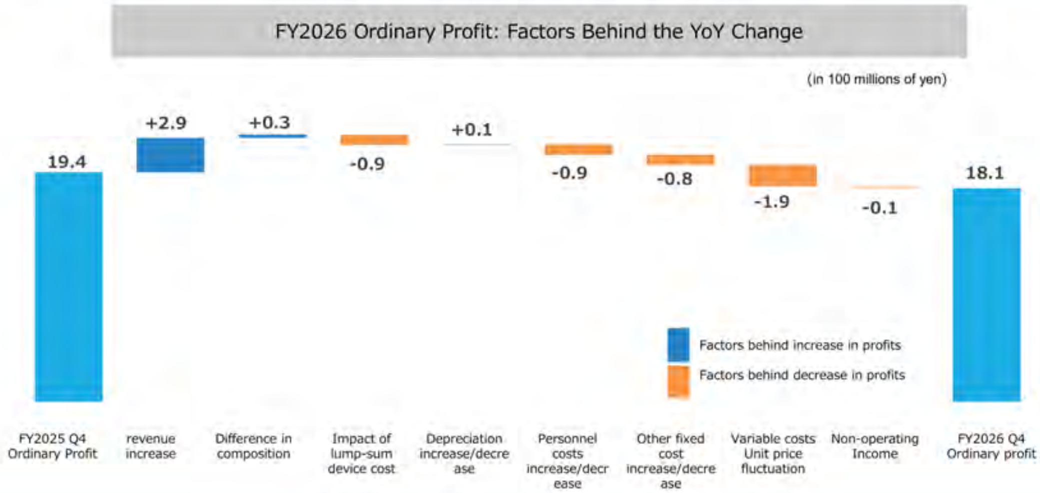
It is quite complex, and time is limited, so I will keep it brief. In short, an acquired company fell into negative net worth. A solar installation company that joined us last August could not sell its inventory, kept incurring costs, and ended up in negative net worth. As a result, we also had to write down the goodwill of another company we acquired in April. In effect, we front-loaded the losses.

We took the impairment and goodwill charges up front, so from this fiscal year onward, that comes back to net income.

8 Ordinary Profit Analysis of Factors of Change in Profits

Fibergate Inc.

- Cumulative ordinary profit for Q4 decreased by 130 million yen YoY. In addition to increased variable costs such as network procurement expenses (including 60 million yen of M&A-related expenses incurred in FY2026), various factors such as increased fixed costs including personnel expenses and increased cost burdens due to the introduction of the equipment outright-sales model also placed pressure on profits.
- By contrast, while factors such as increased revenue and Business-Use Business contributed to profit growth, they were insufficient to offset the aforementioned negative factors.



Inomata): Here is the analysis of changes in ordinary profit. We carried out M&A, and those costs ran somewhat above budget. There was also the higher cost burden from the outright-sales model. Under equipment rental, gross margins in certain channels were very high. But when you sell the equipment outright, cost of goods is naturally incurred. Under rental, we received upfront fees while keeping the equipment on our own books, so margins were very high. That changed with the outright-sales model.

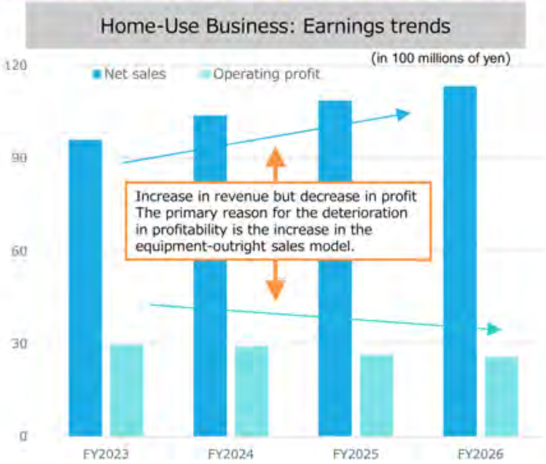
Costs are now recognized accordingly. This, too, has been squeezing profit. Higher revenue and the mix difference from the Business-Use Business were positive factors, but not enough to absorb the negative factors listed above.

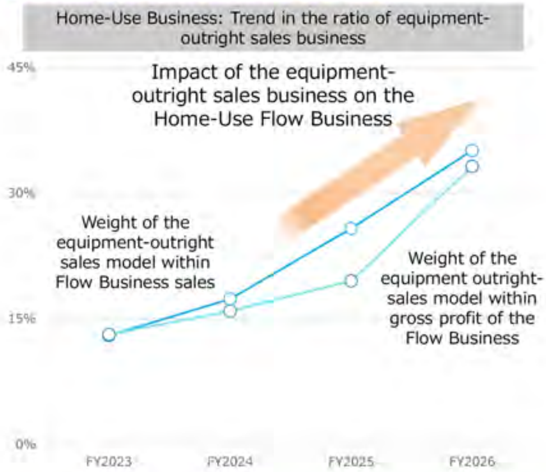
9 Impact of the increase in equipment outright-sales

Home-Use Business

Fibergate Inc.

- In the Home-Use Business, the shift to the equipment outright-sales model led to a deterioration in profitability for the Flow Business (installation business) (while the Stock Business [monthly subscription business] improved, the impact was insufficient to offset the losses in the Flow Business). Despite an increase in sales, operating profit of the Home-Use Business gradually declined due to the impact of this.
- Focusing specifically on the Flow Business, the share of sales and gross profit accounted for by the equipment outright-sales business has risen rapidly over the past three terms. Although overall business profits are gradually decreasing, the internal structural transformation of the businesses is steadily progressing, and the impact of deteriorating profitability is expected to gradually diminish going forward.





Inomata): Next, the impact of the outright-sales model on the Home-Use Business. In the flow business, period profitability has deteriorated. In the stock business, on the other hand, items such as fixed-asset taxes have improved, since the equipment is sold upfront. But stock revenue accrues over a long period, so it cannot yet absorb the deterioration.

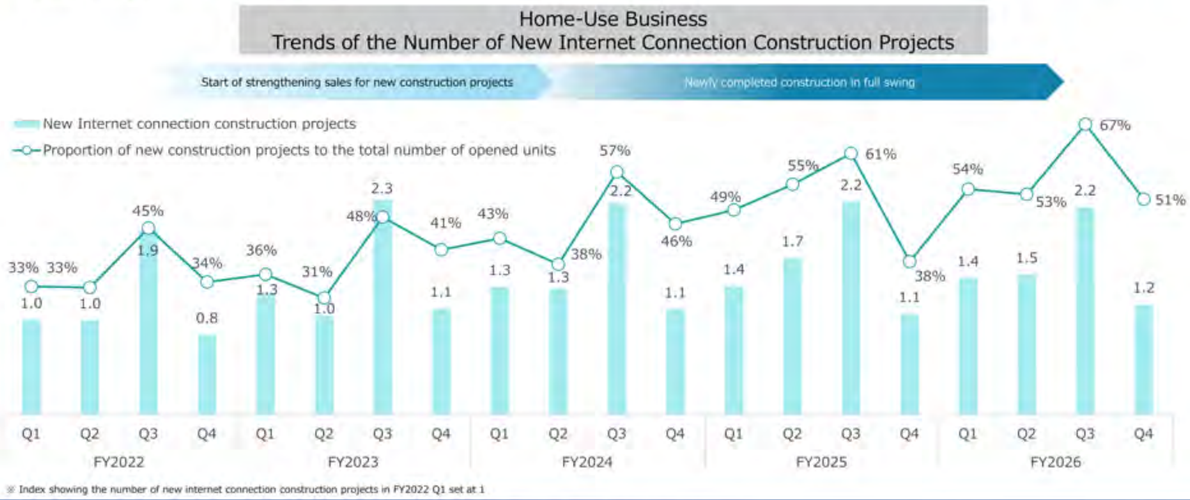
So despite higher revenue, Home-Use operating profit has gradually declined. Looking at the flow business alone, the share of outright equipment sales in both revenue and gross profit has risen rapidly over the past three fiscal years. Overall profit has dipped slightly, but the internal structure of the business is steadily changing, and the drag on profitability will gradually shrink.

10 Home-Use Business: Number of Houses Opened

Home-Use Business

Fibergate Inc.

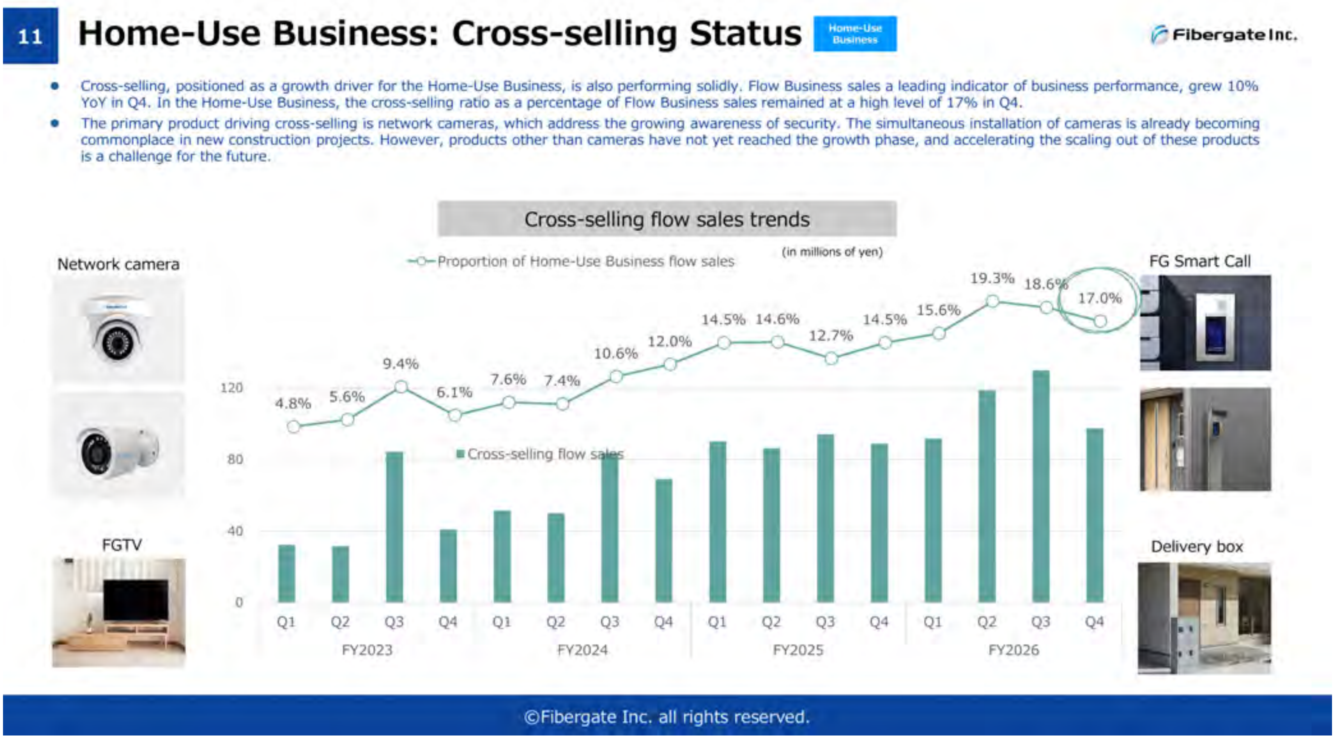
- The number of houses opened for new construction projects in Q4 of the fiscal year ended June 2026 declined significantly compared with Q3, when activations are concentrated, due in part to seasonal factors. Even excluding seasonal factors, the number increased by 9% YoY, indicating steady progress in securing new construction projects. The ratio of new construction projects to the total number of opened units was 51%.
- Since 2023, the focus has been on securing new construction projects. While the number of projects secured has steadily increased, growth remains sluggish due to bottlenecks; specifically, there is a decline in the overall number of newly constructed housing and human resource constraints limiting the resources that can be allocated to long-term new construction projects.



Inomata): The breakdown of houses opened in the Home-Use Business. New construction now accounts for a very large share. Existing properties used to be the majority, but that has changed: across the industry, free internet has now been widely installed in existing buildings. I would not say the market is saturated; there is still room, but our focus is on new construction. On new construction: it is simply more efficient.

All the work is completed at once, rather than retrofitting later. With existing buildings, you have to contact the residents, sometimes there is no conduit and it must be newly installed, which raises costs and capex. None of that applies to new construction, so it is very efficient. So we are focusing on new construction, though by no means neglecting existing properties. The mix is now roughly half and half.

New-construction wins continue to progress steadily. As you know, existing-building projects are delivered in about two months, while new construction has long lead times; delivery can come a year and a half after the order. Limited staff for these long-cycle projects has been a bottleneck, and unit growth is still slow. We are strengthening our headcount to grow this area.



Inomata): Next, cross-selling in the Home-Use Business. Network cameras have become almost essential in rental housing. Both for security and for property management, checking remotely for litter or suspicious persons, they are becoming standard equipment. Cameras are doing well. But I want to raise the cross-sell ratio further, from about 17 percent now to roughly a quarter, around 25 percent. Intercoms in particular.

Our in-house intercom had some technical issues, so we could not sell it aggressively. A new model arrives this autumn: our proprietary product called Smart Call, a very good product, I believe, and we will push sales of it. We also recently partnered with HOMETACT, part of the Mitsubishi Estate group. It offers IoT packages for apartment buildings, hardware and services, and we will add these to our cross-selling lineup.

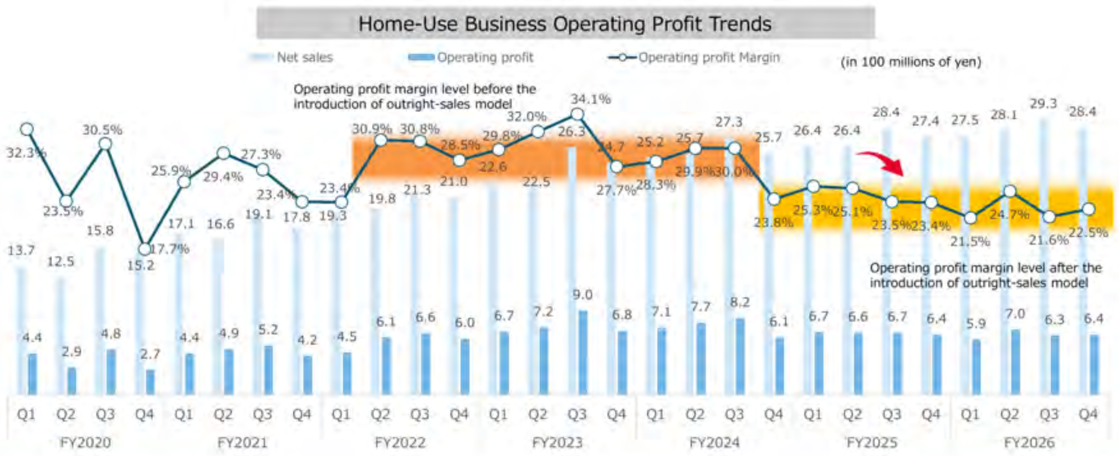
We also see growing inquiries for parcel delivery lockers. Beyond our founding business of connectivity, we want to use cross-selling to raise revenue per building, ARPU.

12 Operating profit Margin

Home-Use Business

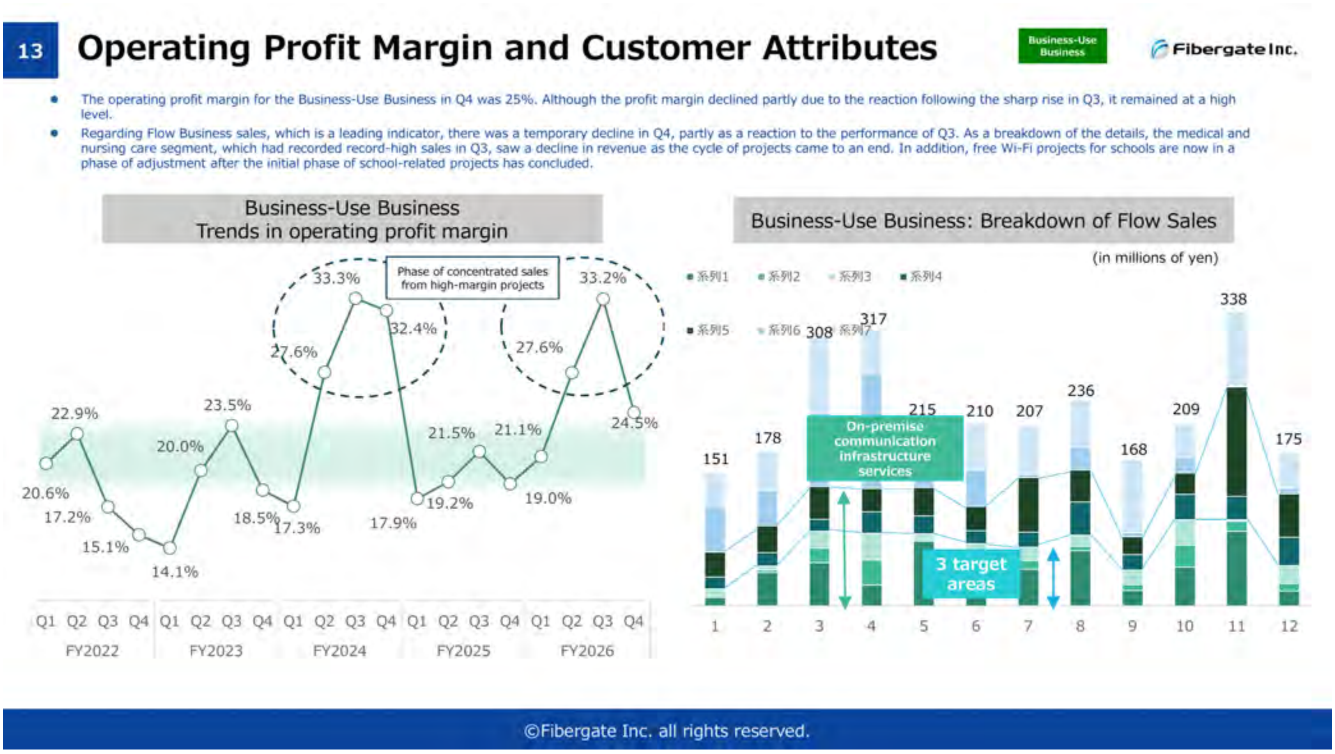
Fibergate Inc.

- The operating profit margin for Q4 was 23%. Operating profit margin has been fluctuating within the range seen over the past two years.
- With the increase in Home-Use Business equipment outright-sales contracts, operating profit margins decreased slightly from their previous levels, and this impact continued to weigh on margins.



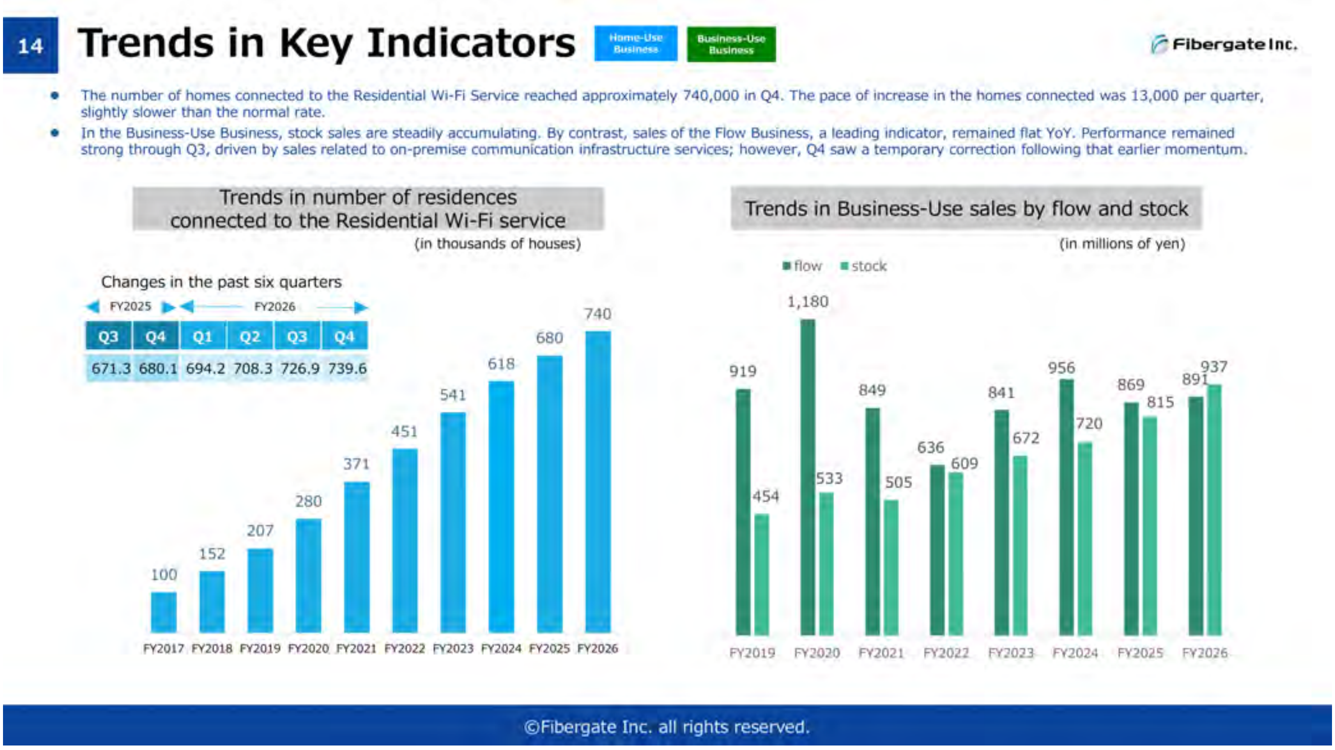
Inomata): Home-Use profitability: margins were high around here: that was before outright sales, when we rented the equipment. With outright sales, long-term revenue does not change: cash inflow is unchanged, and issues like fixed-asset taxes are addressed. It comes down to taking profit as flow or as stock. We chose stock, and in exchange, flow gross profit is harder to book.

Revenue still books, but gross profit is thinner, so the margin has drifted down in this range. That effect is now gradually running its course. Still, it remains a heavier weight than before.



Inomata): The Business-Use Business. The Q4 operating profit margin for the Business-Use Business was 25 percent. The margin declined, partly in reaction to the sharp rise in Q3, but remains at a high level. Flow sales, our leading indicator, dipped in Q4 after the Q3 surge. Medical and nursing care, which set record sales in Q3, saw its projects run their course. Subsidies are typically granted toward spring, with delivery generally required by the end of March, so once that cycle completed, revenue declined.

Free Wi-Fi as well: we had a large school project in Kyushu, and after that ran its course, this area entered an adjustment and preparation phase.

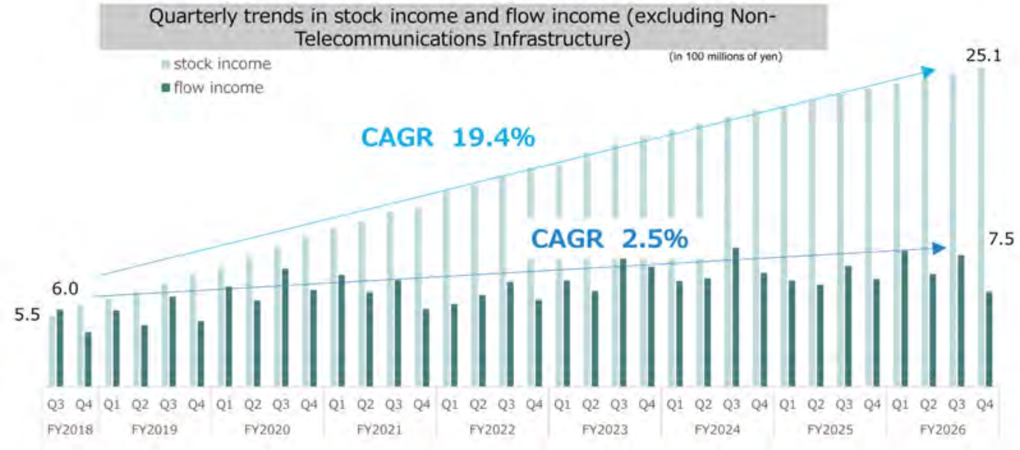


Inomata): The key KPIs. Residential Wi-Fi (in units, not revenue) reached 740,000 connected homes. A net increase of 60,000. The market has begun to mature, so the pace of new wins has undeniably slowed. In the Business-Use Business, stock sales built up steadily. Flow sales, the leading indicator, held roughly steady year on year. Through Q3, on-premise communication infrastructure services for commercial facilities, hotels, and medical and nursing care performed well, but Q4 saw a correction in reaction.

15 <Reference> Trends in Stock Income and Flow Income

Fibergate Inc.

- Stock sales are steadily accumulating. This marks the 33rd consecutive quarter of revenue growth since the listing of the company. CAGR of approximately 19% was maintained.
- Flow Business sales fluctuated within a fixed range. In Q4, sales declined, partly as a reaction to the sharp rise in Q3, which had been driven primarily by sales related to on-premise communication infrastructure services. The continued need to break through the upper end of the revenue range of the Flow Business is recognized.



Inomata): Stock and flow sales trends. Stock has grown steadily; flow has not. Flow is growing slightly, with some seasonality, but we prioritize building stock revenue, so flow growth naturally lags. This is a long-standing pattern, nothing new. But in the flow area, unless we lift the range a step higher, growth in ordinary profit will not materialize.

We are watching this closely. EBITDA trends: EBITDA was 800 million yen, the first decline in three quarters.

16 EBITDA Trends

Fibergate Inc.

- Q4 EBITDA stood at 800 million yen, marking a decline for the first time in three quarters.
- While the EBITDA margin stands at 24%, which is by no means a low figure, cash-generating capacity has continued on a gradual downward trend since the fiscal year ended June 2024.

Inomata): The EBITDA margin was 24 percent, by no means low, but cash-generating capacity has been gradually declining. We aim to recover this from the current fiscal year onward. The balance sheet.

17 Consolidated Financial Summary (Balance Sheet)

Fibergate Inc.

- The equity ratio at the end of Q4 was 53.3%. The equity ratio has continued to maintain the highest level since the listing of the company.
- Total assets increased by 7.8% compared with the end of the previous term. The increase in real estate-related inventory and cash on hand had an impact. These were funded by net profits and an increase in borrowing.

(in millions of yen)	FY2024	FY2025	FY2026	YoY
Current Assets	5,339	4,707	**5,930**	+1,223
Cash and deposits	2,120	1,853	**2,156**	+303
Accounts receivable	1,772	1,809	**1,986**	+177
Inventory (Communications)	666	578	**482**	-95
Inventory (Real estate)	489	212	**717**	+505
Fixed Assets	7,736	7,436	**7,167**	-269
Tangible fixed assets	7,200	6,998	**6,728**	-270
Total Assets	13,076	12,144	**13,097**	+953
Liabilities	7,240	5,641	**6,102**	+461
Interest-bearing liabilities	4,442	3,245	**3,706**	+460
Contract liabilities	1,317	987	**727**	-260
Net Assets	5,836	6,502	**6,995**	+492
Total Liabilities and Net Assets	13,076	12,144	**13,097**	+953

Maintaining a substantial amount of working capital.

Adjustment of equipment inventory

Real estate-related preparations

Impact of adoption of outright-sales model for Wi-Fi-related devices

Accommodation of increase in working capital

Equity ratio 53.3%

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

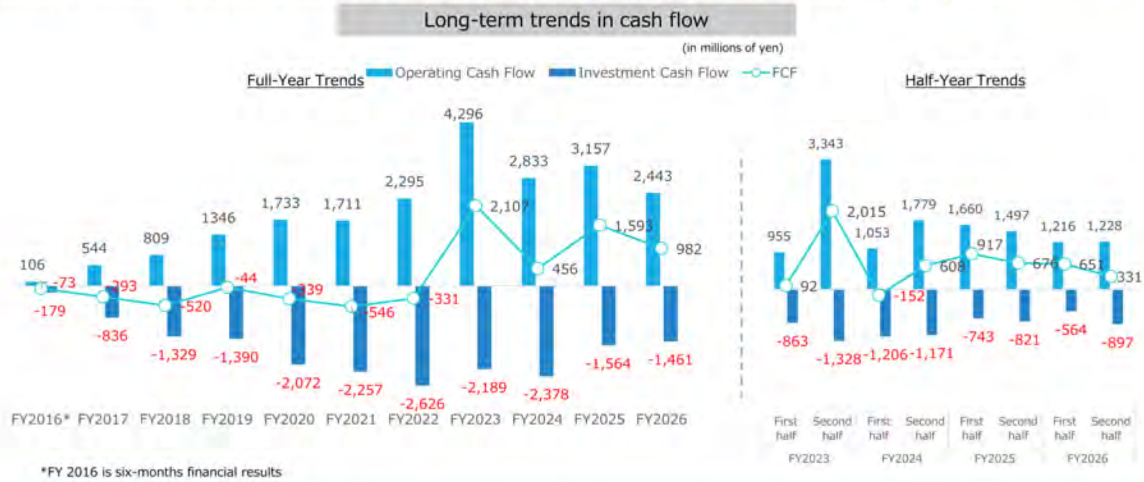
Inomata): The equity ratio at fiscal year-end was 53.3 percent. Still around the highest level since our listing. Total assets grew 7.8 percent year on year, mainly on higher real estate inventory and cash on hand. On real estate: attractive land came up. We could have deferred the purchase into the new fiscal year, but real estate is a living market: when something good appears, you buy it then and there.

This is property for sale, so from this fiscal year we will arrange project financing and sell it.

18 Trends in Cash Flow

Fibergate Inc.

- Free cash flow (FCF) for the fiscal year ended June 2026 was positive at 0.98 billion, marking the fourth consecutive fiscal year of positive FCF and establishing a phase of cash accumulation.
- Looking at the results by half-term periods, FCF contracted slightly in the second half of the term due to an increase in investment cash flow. The concentration of M&A-related cash outflow was impactful.



Inomata): Cash flow trends. Free cash flow was positive at 980 million yen, a fourth consecutive positive year. The cash-accumulation phase is now largely established. It used to be negative due to upfront investment, but recently this phase has finally taken hold. Free cash flow narrowed somewhat in the second half on higher investing cash flow: we made two acquisitions in April and May, and the funds went out for those purchases.

That concentration was the main effect. The outlook for the current fiscal year.

20 Forecast of Consolidated Financial Results for FY2027

Fibergate Inc.

- For the fiscal year ending June 2027, a 21% increase in revenue and a slight rise in ordinary profit are forecasted. We are firmly determined to ensure profit growth and avoid repeating the previous term, when we fell short of our targets.
- By segment, Business-Use Business is forecasted to enter a preparatory phase following the completion of an initial wave of projects, and the Home-Use Business is expected to see accelerated equipment outright sales and an increase in renewable energy projects. Regarding the Home-Use Business, we are accelerating the shift toward the next phase of business development.

(in millions of yen)	FY2024 Results	FY2025 Results	FY2026 Results	FY2027 Forecast	YoY Comparison	
					difference	change
Net sales	12,613	13,070	13,664	16,500	+2,835	+20.8%
Home-Use Business	10,386	10,864	11,334	12,560	+1,225	+10.8%
Business-Use Business	1,675	1,684	1,827	1,810	-17	-1.0%
Real Estate	523	441	296	750	+453	2.5x
Renewable Energy/Other	27	79	206	1,380	+1,173	6.6x
Operating profit	2,387	1,958	1,838	1,870	+31	+1.7%
Home-Use Business	2,910	2,638	2,560	2,790	+229	+9.0%
Business-Use Business	480	326	498	420	-78	-15.8%
Real Estate	57	67	18	55	+36	2.9x
Renewable Energy/Other	7	-0	-142	8	+150	Swing to Profit
Adjusted	-1,068	-1,073	-1,097	-1,403	-305	-27.8%
Ordinary profit	2,395	1,943	1,811	1,820	+8	+0.5%
Ordinary profit Margin	19.0%	14.9%	13.3%	11.0%	-2.2pp	-
Profit attributable to owners of parent	1,567	1,319	1,082	1,140	+57	+5.3%

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

Inomata): We forecast a 21 percent increase in revenue, but only a slight increase in ordinary profit. We are strongly determined to secure that profit growth. You may well ask: with revenue growing this much, why does profit barely increase? The answer: costs have jumped, especially in Home-Use telecommunications. Above all, under the partnership with Sony that began last year, line quality improved greatly and complaints fell, but that cost is gradually weighing on stock profitability.

Equipment prices are also rising. Semiconductors and memory have surged, and labor costs are up as well. Revenue growth cannot fully cover these higher costs and SG&A. That is why profit rises only slightly despite higher revenue. Renewable Energy in particular: revenue jumps from 206 million yen last year to 1.38 billion yen this year. Yet operating profit is only 8 million yen. Why? One reason is goodwill amortization.

The other: we want to dispose quickly of the inventory inherited from the acquired company. Those sales generate almost no profit, only revenue. On the other hand, in-house construction is progressing, so profit previously paid to subcontractors is now captured within the group. That helps on a consolidated basis, but the large inventory portion earns almost nothing. That is the root cause. Plus goodwill amortization.

That burden is significant. As I said before at a briefing for financial institutions: while goodwill is being amortized, profit is hard to deliver unless things go exceptionally well. Only after amortization ends does profit come through properly; that is when M&A truly begins to contribute. During the amortization period, I simply do not expect large profits.

For Home-Use, we expect faster outright sales and more renewable energy projects, accelerating the shift to the next stage of the business. More on this later.

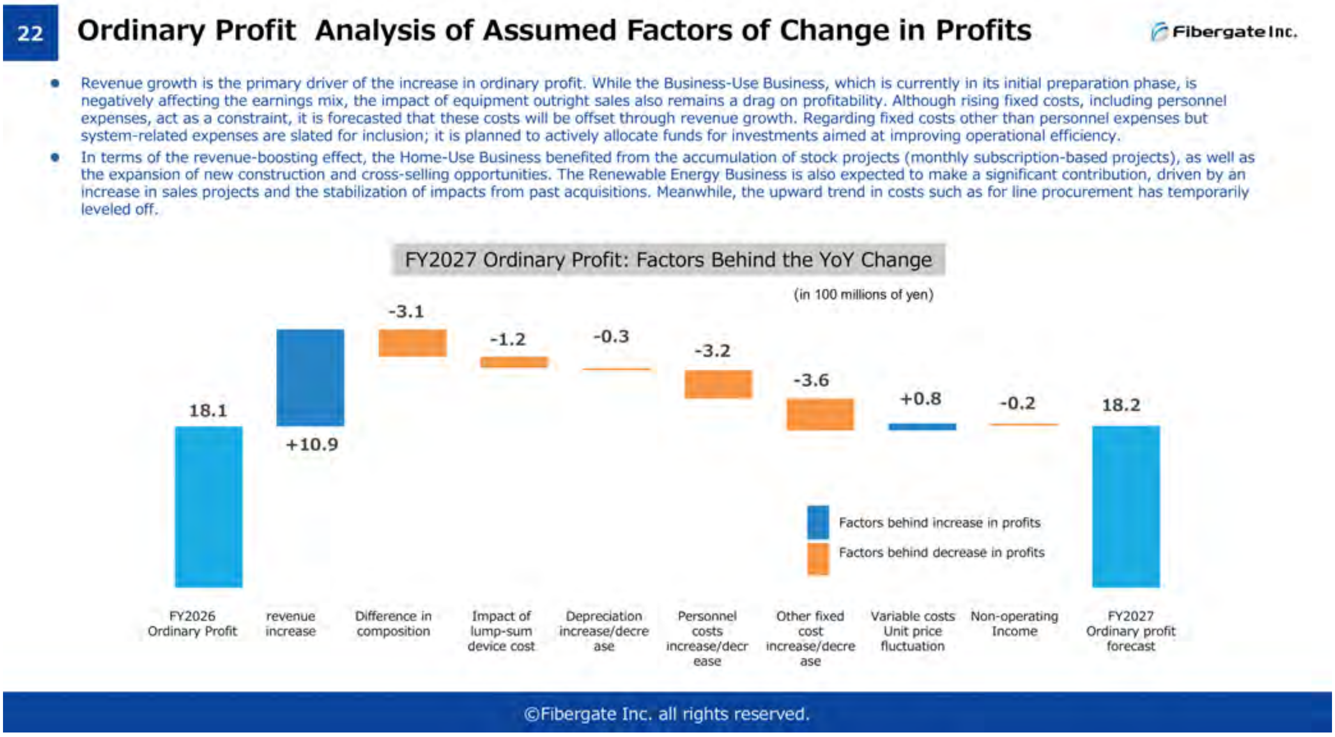
21 **Forecast of Consolidated Financial Results by Segment for FY2027**

Fibergate Inc.

- Home-Use Business is expected to return to profit growth. The acceleration of equipment outright sales, which had previously acted as a drag, offset the slowdown in the traditional equipment rental business.
- Regarding the Business-Use Business as being in a phase of project preparation, it is a transitional period in terms of profit and loss. We will continue to pursue customer acquisition in priority sectors such as nursing care and tourism.
- The Renewable Energy Business is also projected to swing into the black. We have enhanced our ability to meet actual demand by ensuring construction capabilities through M&A.

Inomata): The consolidated outlook by segment. Home-Use operating margin: as shown here. Business-Use is in a similar range, an operating margin similar to Home-Use. Renewable Energy, as you know, is nearly zero (the chart is in units of 100 million yen). But we are firmly committed to reaching profitability. In Business-Use: medical and nursing care as before, and tourism.

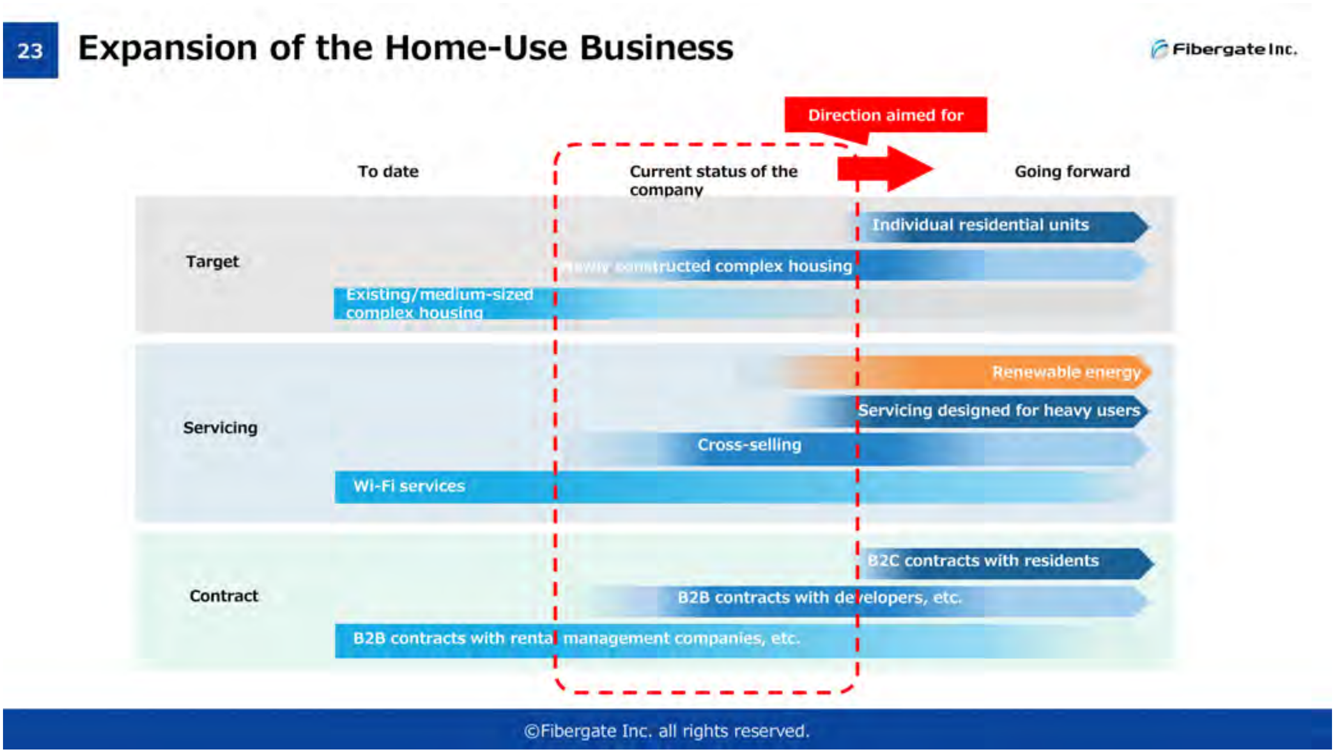
Tourism is growing, including inbound visitors and vacation rentals, and not just accommodation: buses too, and transportation in general. There is clear demand for free Wi-Fi there as well, and we must capture it.



Inomata): You can review the details later. The Business-Use Business is entering its preparation phase. That said, large projects can sometimes simply land in our lap. The slide notes that this leads to a deteriorating mix for now. We will work hard to win large orders and deliver them within this fiscal year. For Home-Use, the outright-sales impact remains a drag on profit.

Rising fixed costs, including labor, are also a headwind, but we expect revenue growth to absorb them. On fixed costs beyond labor: we are now overhauling our core IT system, a two-year project. As I have said before, since our founding we have used a core system built in-house from scratch. Frankly, it can no longer keep up. We are replacing it with a system centered on Salesforce. That requires substantial investment, which is included in the forecast.

On the revenue side, growth will come from accumulating Home-Use stock, plus expansion of new-construction projects and cross-selling. Now, this part is quite important.



Inomata): Where we are heading: this was our past, this is where we stand now, and this is where we go next. In the past, we mainly targeted existing small and mid-sized apartment buildings. Our current position is new apartment construction (we do both new and existing, of course), and going forward, we must move into B2C. In other words, from building-wide, all-units free internet toward individual residents who want premium connections. That demand is growing fast.

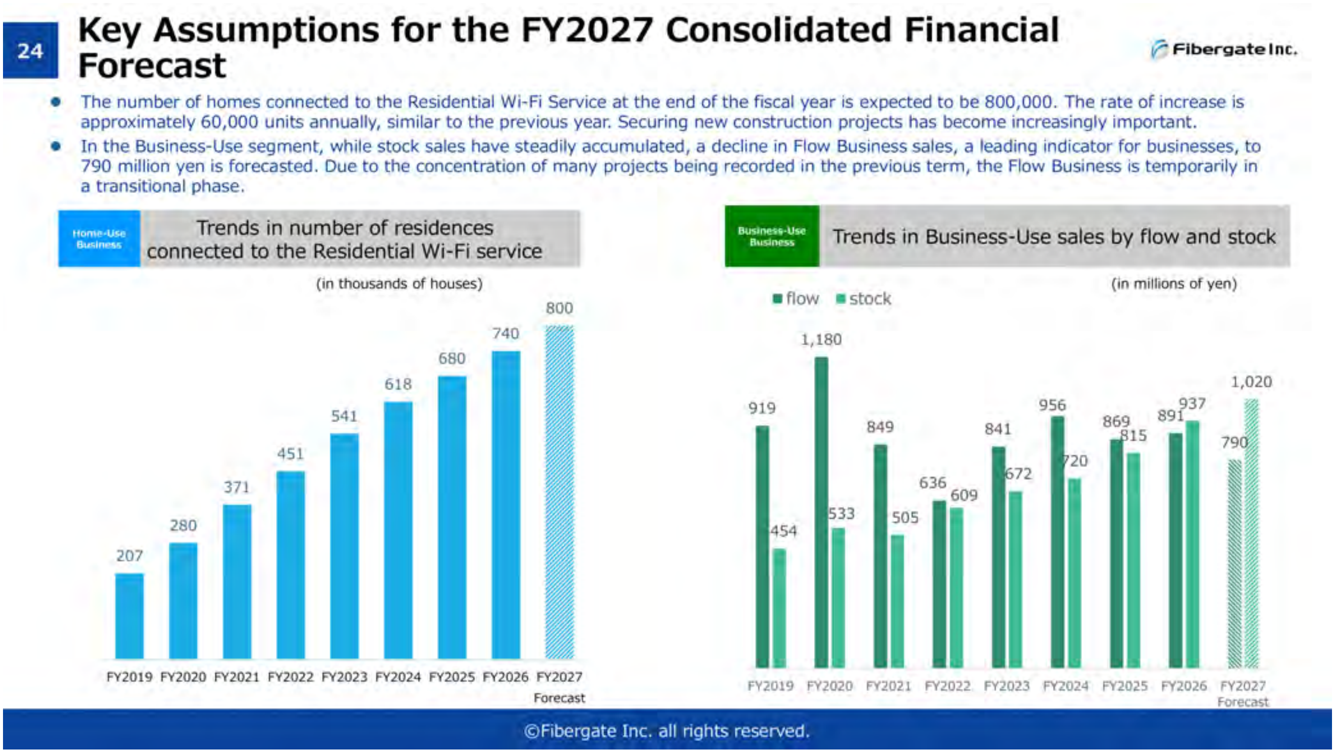
In the industry's leading trade journal, the National Rental Housing Newspaper(Zenkoku Chintai Jutaku Shimbun), free internet has long ranked number one among amenities that raise occupancy. And premium connections now rank third or fourth. People want to play online games, stream video smoothly. These needs are real, and we must capture them. As for services: we started with Wi-Fi alone, then added cross-selling.

The next step is services for heavy users. Those are the "individual residential units" on the slide. Heavy-user services: this is a B2C play, which ties into the contracts below. And then cross-selling renewable energy. As for the current order backlog, most of it comes through our existing channels: property managers, landlords, owners, developers.

That applies to apartment buildings; factories are a different route. This will continue. As cross-selling, renewable energy carries a large ticket size, so it works very well; the affinity is strong. Rooftop solar for detached houses is now mandatory in Tokyo, and this mandate also applies to apartment buildings, starting with Tokyo.

As this spreads nationwide, our long-tail channels come into play. What sets us apart from competitors is that our sales channels and alliance partners form a long tail. In sheer numbers, I believe we have the most in Japan. So by partnering with regional property managers and real estate companies, we will ride this tailwind and bring renewable energy into apartment buildings.

Contracts will also shift toward B2C: we will add and strengthen B2C alongside B2B. The margins here are very good, so as the numbers build, we must move quickly: we must capture heavy-user services.



Inomata): The main KPIs. Take 740,000 connected homes to 800,000, a net add of 60,000. Then flow and stock: in Business-Use, we will grow stock, and pursue flow at the same time. But as I have said, we are in a preparation phase, so we forecast lower flow revenue. Though you never know. The Kyushu school project last year was won and delivered within the same fiscal year, and similar projects may well appear, possibly driven by future economic policy.

In nursing care especially, the government is pushing DX with bigger subsidies to offset labor shortages, so that could become a tailwind. They call it the robot subsidy.

25

Forecast of Consolidated Financial Results for FY2027 Quarterly Overview

Fibergate Inc.

- On a quarterly basis, ordinary profit is forecasted to increase gradually towards Q3.
- However, profit levels are expected to decline in the Q4 due to seasonal factors. These are in line with the pattern of a typical year.

Inomata): Here is the quarterly image. As always, Q3 is our best quarter, building through Q1, Q2, Q3. And Q4 is weak. That pattern will not change. Why is Q4 weak? For us, April through June is when the rental real estate busy season ends; it is mostly over by April. And subsidized corporate projects do not launch in spring. Budgets are set, and then from Q1, around June or later, deliveries begin. So in Q4 we can only deliver roughly the backlog plus a little more.

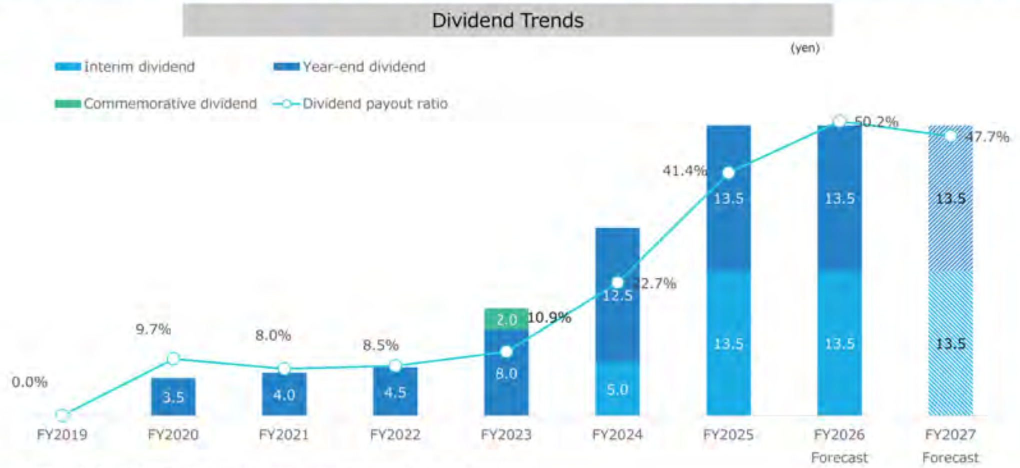
This shape of the year is simply unavoidable.

26

Dividend Policy

Fibergate Inc.

- For the fiscal year ended June 2026, the company plans an annual dividend of 27 yen, remaining flat YoY, in line with the initial forecast. The dividend payout ratio is 50.2%.
- For the fiscal year ending June 2027, the annual dividend is forecasted to remain unchanged at 27 yen. The dividend payout ratio is forecasted to be 47.7%. While the company's basic policy has previously been a dividend payout ratio of approximately 33%, there is a greater emphasis on returning value to shareholders, and it is planned to pay out dividends significantly exceeding this target level for three consecutive terms.



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

Inomata): The dividend plan. My original principle was one-third to retained earnings, one-third to shareholder returns, one-third to growth investment, growth investment including human capital, such as higher wages. The payout ratio comes to 50.2 percent, maintaining the 27-yen dividend. We are putting real weight on shareholder returns.

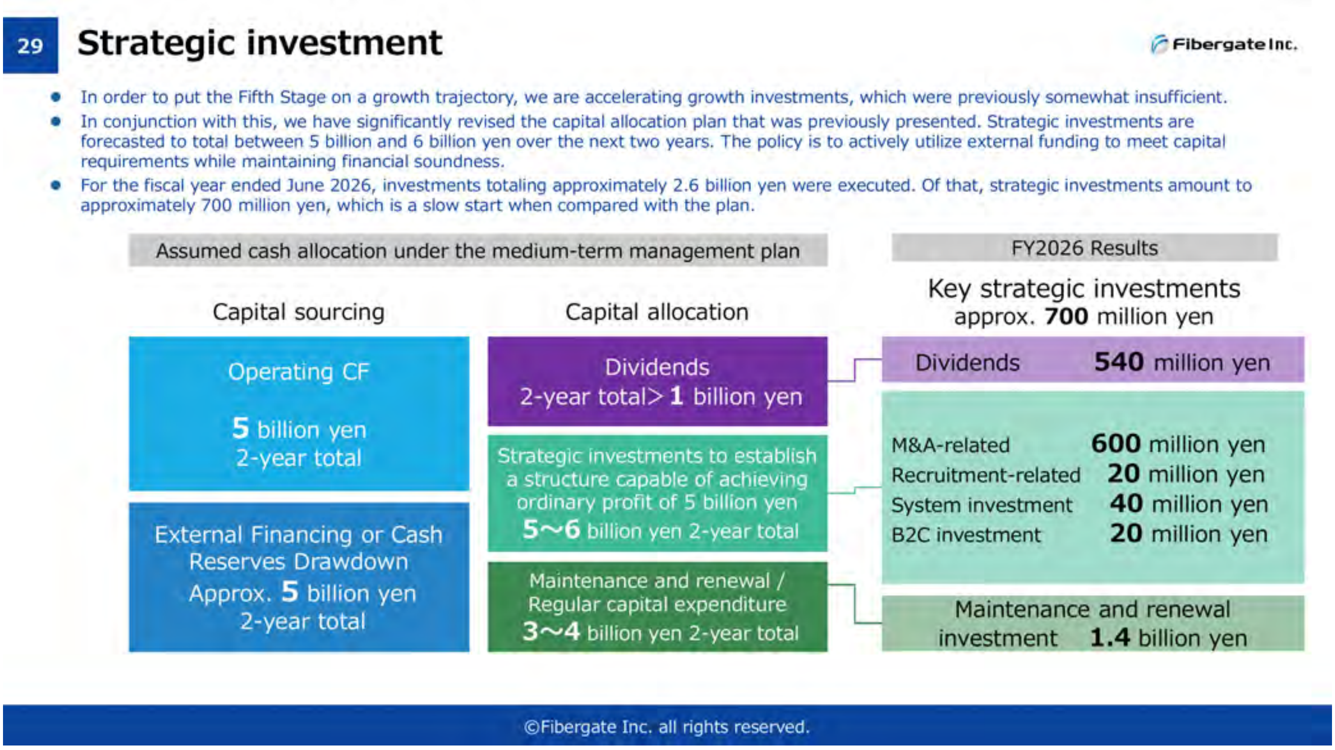
With results this weak, cutting the dividend as well would be unacceptable; we will grit our teeth and keep returning to shareholders. We have updated our medium-term vision.

Inomata): The tasks: recover the growth pace of period earnings: resolving the profit-decline phase early and rebuilding profitability. And solidifying our position as an on-premise infrastructure integrator. Renewable energy has strong affinity with our existing channels, so we will solidify that position and truly realize our slogan: Lead the Telecomenergy, the fusion of telecom and energy.

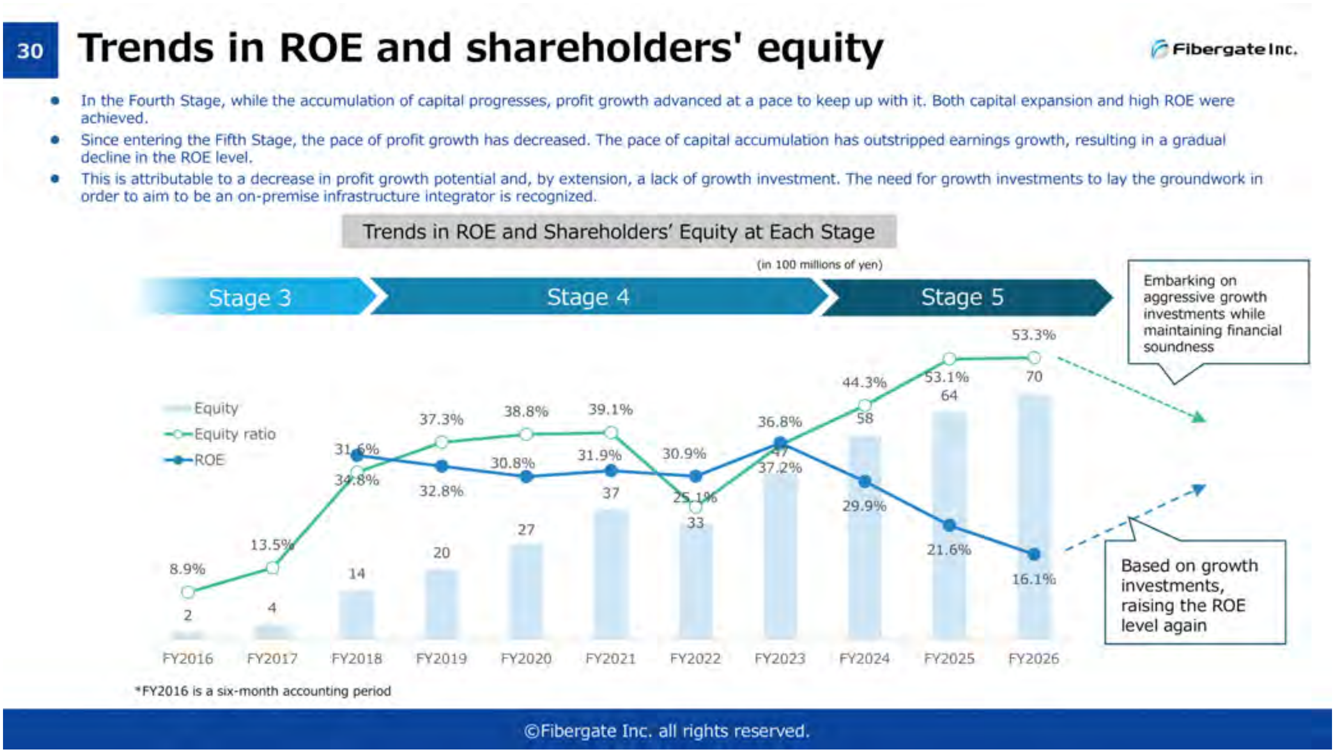
To make the Fifth Stage of growth solid and certain: toward 2030, we take ordinary profit above 3 billion yen. And in the medium term, once we reach 3 billion, I believe the path to 5 billion opens up. We must build the structure for that, including human capital, and a new winning pattern. That pattern is energy combined with our apartment channels, and the Business-Use channels. These will be decisive.

Toward 2030, all-solid-state batteries and perovskite cells will be industrialized. Then energy will no longer mean mega-solar farms; it will urbanize. Energy, that is. Onshore wind cannot be built in cities, offshore aside. But perovskite comes as film, and all-solid-state batteries are remarkably compact with excellent performance; they could go into every apartment building. Energy generation urbanizes.

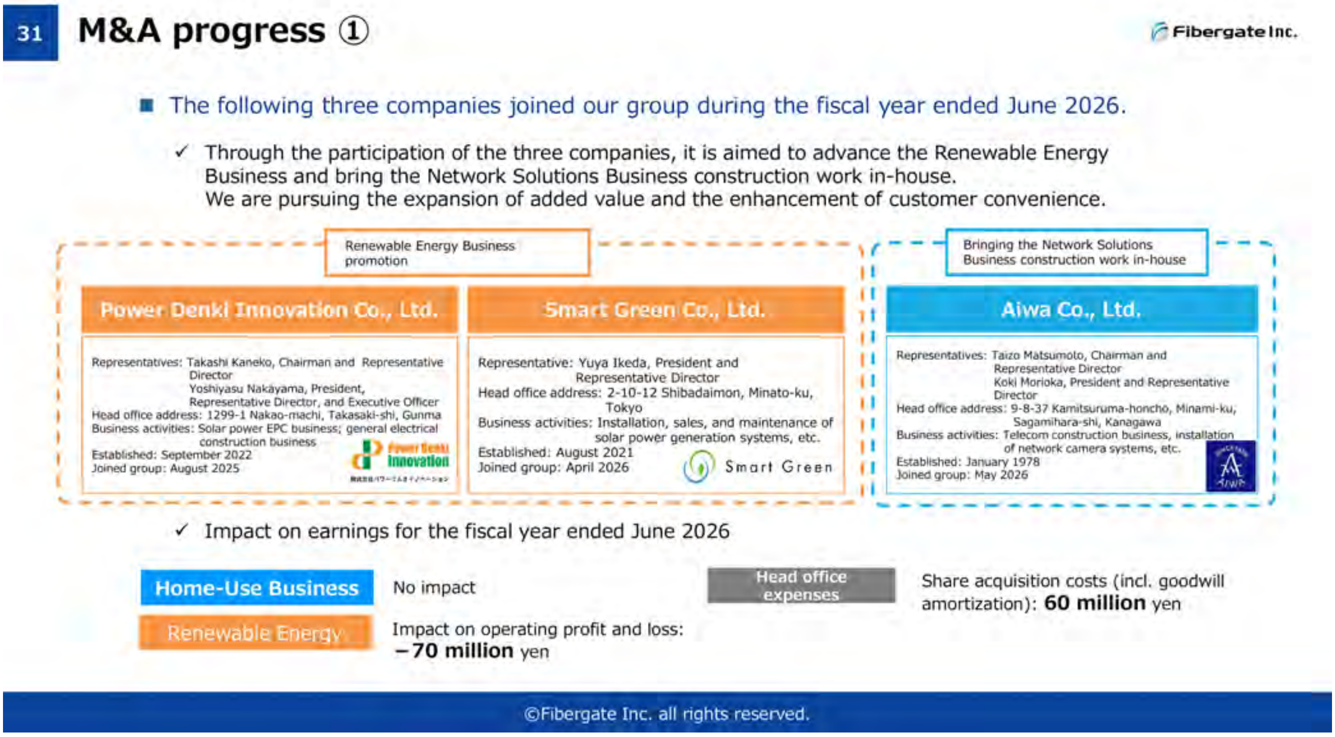
A metropolis like Tokyo may become the biggest power-generating area. When that happens, the channels we have built over the years come fully alive.



Inomata): Strategic investment and capital allocation: this was our announced plan. What actually happened last year? We spent about 540 million yen on dividends, and as for the main part, we had planned to deploy 5 to 6 billion yen, yet spent only about 700 million, including roughly 600 million on M&A. Only about 700 million yen in total. So we need to accelerate M&A meaningfully. Next, ROE. ROE has fallen.



Inomata): We must restore it. The decline in ROE has tracked the decline in our share price. Raising ROE means, quite simply, raising period profit against shareholders' equity. That is what we must work on. This year is only a slight increase, but within two to three years we must concentrate on lifting profit and restoring ROE.



Inomata): On M&A progress: M&A remains a highly effective tool. The world moves too fast to build everything from zero; we simply would not make it in time. So in energy, we acquired two companies. The other purpose is in-sourcing telecom construction: capturing the profit we used to pay out to subcontractors, bringing it inside the consolidated group. The impact on FY2026 results is as shown.

M&A progress ②

■Approach to M&A

✓ **Necessity of M&A for the company**

① To accelerate growth, it is urgent to establish unique sales channels that differentiate the company from our current partners and improve our construction/engineering technology.
② Amid inflation, concerns are mounting over rising future costs for constructing in-house technologies and networks.

▶ **The rationale and necessity for M&A as a means of "buying time" are increasing. The company will continue to actively pursue M&A opportunities.**

✓ **M&A targets for the company**

Businesses related to network solutions and energy. Possibilities will be broadly examined.

Network solutions	Energy
Apartment complex ISPs, network solutions vendors, security-related companies, and construction companies	Renewable energy providers specializing in self-consumption, waterproofing contractors, and construction companies

Inomata): Our approach to M&A: if something good and necessary appears, we buy it, actively. But as with real estate (they say only three in a thousand deals come through), offers arrive daily, yet few stand out. Good ones do exist, but naturally, other buyers see them too. Sometimes we lose to competitors, sometimes the seller simply calls off the sale. That happens.

In telecom, our targets are apartment ISPs and telecom vendors, to strengthen the Business-Use Business, plus security-related firms and installation companies. In energy: self-consumption solar operators, and waterproofing contractors. We badly want a waterproofing contractor, but none come to market. Installation companies too: the same story.

Perhaps it is the labor shortage. But precisely because this is the AI era, work that robots cannot do (installation, waterproofing) is what we want to own, so we can serve customers end to end. Solar construction, for example, always requires waterproofing. If we can do it all in-house, end to end, our cost competitiveness rises. The same holds for telecom. This is what we must get right. So we will pursue M&A actively.

33

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

Fibergate Inc.

- Historically, ROIC of the company has consistently remained well above assumed WACC. We have positioned the expansion of corporate value as our top priority.
- ROIC has remained above WACC for the fiscal year ended June 2026. However, WACC trended upward due to factors such as accumulation of equity, reduction of debt, and rising interest rates.
- Improvement of ROIC is forecasted for the fiscal year ending June 2027. Improvement that outweighs the rise in WACC is forecasted.

ROIC and WACC Changes

Inomata): ROIC and WACC are as shown. With profit down, ROIC has fallen; and with interest rates rising, WACC is climbing. We must widen this spread as much as we can.

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

Fibergate Inc.

- ROE for the fiscal year ended June 2026 was 16%. While this level is by no means low, a downward trend compared with the past is undeniable.
- At the same time, the PBR level has also been gradually declining. Although the company has successfully expanded its corporate value with a PBR exceeding 2 times at present, there is a strong possibility that the stock market is concerned about the downward trend in ROE.
- The company is pursuing a growth scenario in which market expectations are elevated by evolving from a Wi-Fi solution provider into an on-premise infrastructure integrator.

PBR and ROE Changes

Inomata): As I said, when ROE falls, the share price and PBR fall with it. We must lift ROE quickly, and that means lifting period earnings. We are fully aware of this. For now, we lie in wait. Preparing (human capital, systems), this is truly a time of preparation, of shifuku, lying low. And by lying low I do not mean bliss (the words sound alike in Japanese). Think of Zhuge Liang: the Crouching Dragon. Truly crouched, ready for the next growth.

Now, some updates.

36 Constructing a network for Tokyo Tatemono Pia Theater & Conference

Fibergate Inc.

- Implemented the communication network infrastructure for the entire Tokyo Tatemono Pia Theater & Conference facility (Chuo City, Tokyo), which opened in May 2026.
- Provided high-quality network infrastructure within a large-scale facility that includes a theater and a large hall, with a capacity of approximately 800 persons, as well as 10 conference rooms.

■Key points regarding construction

① In-house design leveraging our expertise
Thoroughly examined the facility's blueprints and conducted detailed simulations of visitor density and network loads.
② Reliable on-site capabilities
Construction carried out through close collaboration between specialized construction teams and partner companies.
③ Stress-free network for both organizers and attendees
Secured a dedicated line for organizers, offering maximum upload/download speeds of 10 Gbps to ensure the stability of live streams.
④ Accompanying support focused on ease of understanding.
Committed to communication that prioritizes the customer's perspective and needs, consistently providing support that alleviates any concerns.

■ Tokyo Tatemono Pia Theater & Conference facility overview

- Location: TOFROM YAESU TOWER 3F-6F, 1-6-1 Yaesu, Chuo-ku, Tokyo
- Facility composition: Tokyo Tatemono Pia Theater (806 seats), Tokyo Tatemono Pia Conference
(TO YAESU HALL, FROM YAESU HALL, 10 meeting rooms)
- Pre-opening: May 1, 2026
- Official site: https://www.yaesu.theater-conference.jp/

Inomata): In Tokyo, Tokyo Tatemono and Pia have together built a theater and conference facility. We built its communications network. A very large building (a grand hall, a theater, conference rooms), and being chosen to provide premium infrastructure there is a real honor. We gained valuable know-how.

37 "Wi-Fi BUS®" installed on 60 Hato Bus vehicles

Fibergate Inc.

- Achieved both comfortable free Wi-Fi for passengers and a stable network for business operations; moving toward full-scale implementation following verification testing.

■ Background of implementation

The challenge lay in securing a reliable, stable network not only for free passenger Wi-Fi, but also for business operations utilizing tablets.

▶ We proposed Wi-Fi BUS®, a solution capable of providing both free Wi-Fi for passengers and a dedicated network line for business operations.

■ Verification testing

We conducted network stability verification testing using actual devices on the route between the vicinity of Hatsudai Station and Shinjuku Station.

▶ Reliability ensuring no network interruptions was the deciding factor for adoption.

■ Overview of implementation

- Implementing company: Hato Bus Co., Ltd.
- Target for implementation: 60 vehicles (newly added)
- Provided service: In-bus Wi-Fi service "Wi-Fi BUS®"
- Purpose of use: Free Wi-Fi for passengers and business operation Wi-Fi for tablets.
- Contracting party: Hato Bus Agency Co., Ltd.

■ Hato Bus Co., Ltd.
Company name: Hato Bus Co., Ltd.
Representative: Reiko Takeichi, President and Representative Director
Head office: 5-4-1 Heiwajima, Ota-ku, Tokyo 143-8512
Established: August 1948
URL: https://www.hatobus.co.jp/

■ Hato Bus Agency Co., Ltd.
Company name: Hato Bus Agency Co., Ltd.
Representative: Hiroaki Tanaka, Representative Director
Head office: 5-4-1 Heiwajima, Ota-ku, Tokyo 143-8512
Established: September 1963
URL: https://www.hatobusagency.co.jp/

Inomata): Next, Hato Bus. This was a replacement win from a competitor. Hato Bus carries a great many inbound tourists, and our free Wi-Fi was highly rated. Another real honor.

38

Business cooperation regarding the development of hospice-type residential facilities and group homes

Fibergate Inc.

- Four companies, including our company, are jointly advancing the development of hospice-type residential facilities and group homes for persons with disabilities, as well as the installation of ICT network infrastructure, in Hokkaido.

■Overview

We are pursuing business cooperation with various companies regarding the development of hospice-type residential facilities and group homes for persons with disabilities, as well as the establishment of ICT network infrastructure, with the aim of creating an environment in Hokkaido in which elderly persons and persons with disabilities can live with peace of mind in their communities.

■Roles

Fibergate Inc.	Development of ICT network infrastructure; establishment of an on-premise network
LA Holdings Co., Ltd.	Acquisition of facilities and land, development, ownership, etc.
Japan Hospice Holdings Inc.	Operation of hospice-type residential facilities
Social Inclu Co., Ltd.	Operation of group homes for persons with disabilities

■Objectives

Continuing to support the infrastructure of daily living within the community

⇒Companies with respective strengths in development, construction, ICT, and operations have joined forces to build essential infrastructure that supports healthcare, long-term care, and social welfare within communities in Hokkaido. This initiative contributes to the development of the welfare infrastructure of Hokkaido as well as local economies.

■Future plans

Two facilities are planned to be built in Higashinaebo, Higashi Ward, Sapporo City, Hokkaido.
The hospice-type residential facility "Family Hospice Higashinaebo House" is scheduled to open in December 2026, and the group home for persons with disabilities "Social Inclu Home Sapporo Higashinaebo" is scheduled to open in May 2027.

Inomata): Then, development cooperation for hospice housing and group homes, a partnership with LA Holdings. The welfare field. Two more facilities are already under construction, where we provide the connectivity and drive DX, including IoT. To be clear, we are not entering the nursing care business itself; we build the communications backbone for hospice DX.

39 Start of provision of Cospow CubeUp

Fibergate Inc.

- Launch of "Cospow CubeUp" a service for the transfer of ownership and outsourced management of electrical substations (cubicles) by our subsidiary OffGridLab Inc.

■ What is Cospow CubeUp?

A service that transfers ownership of the customer's cubicles, separates the responsibility for installation and management from the owner, and **provides an all-in-one package for maintenance, repair, and operational management on a fixed monthly subscription basis.**
Cospow CubeUp is the offering through which our subsidiary Off Grid Lab Inc. provides customers with CubeUp Light, a service supplied by Energy Connect Inc.

■ Features and benefits of Cospow CubeUp

1. Zero upfront costs and smoothing of unexpected repair expenses: No initial costs whatsoever; available on a fixed monthly fee basis.
2. Off-balance-sheet treatment of risk through the transfer of ownership: Allows avoidance of the burdens and risks associated with owning and managing the equipment, such as a fault spreading to the wider grid.
3. Leveraging of existing facilities as they are: Service migration is possible on an "as-is" basis.
4. Realization of stress-free operations: Elimination of the hassle of selecting and coordinating with contractors when breakdowns occur.

Inomata): And here is a new service. You will likely see this on PR TIMES soon. It launches shortly. Aging cubicles (every high-voltage building has one) are a real burden: parts fail, and the building or facility owner bears the repairs. What we do is take over ownership: we, or rather our group, not a group company, strictly speaking, but together with our business partner, Energy Connect: we take ownership, then handle all maintenance, servicing, and repairs.

Cubicles about fifteen years old start breaking down, and each incident can cost millions of yen. We buy the cubicle, take ownership, and provide maintenance on a subscription basis, paid by the facility. The aim: this works as a standalone business, but high-voltage facilities (unlike apartments or houses) are hospitals, hotels, large buildings. And we can then supply the electricity itself.

The cubicle is the point of demarcation: its owner chooses the power supplier. That is the synergy we are after. It is a genuinely rare business model, the first of its kind in Japan, I believe, and it should prove very interesting.

Inomata): The rest is the appendix, same as usual. We are slightly over time, so I will close here. Thank you for your attention.

Host): Thank you very much. We will now move to your questions. The first question:

Q1) "Has the competitive environment changed in the Home-Use or Business-Use markets? Also, wouldn't inflation work in your company's favor?"

Inomata): First, on Home-Use: the market is indeed becoming a red ocean. And what does that mean in practice? We cannot pass on costs. Price pass-through is very difficult in Home-Use. Business-Use, on the other hand, is not a red ocean. There are still blue-ocean areas, so prices can be passed through. In Home-Use there are many competitors, and they keep undercutting on price. There is an industry association for apartment ISPs (I serve as a director) and this comes up there too, though I will leave it at that, for antitrust reasons. But yes, passing on prices is genuinely hard. So we will sell to those who want premium connections. Where does Home-Use go from here? Every apartment building needs at least one optical fiber line for cameras and common areas. Many buildings still have none, but for common areas it is essential. But will the overall market for building-wide contracts keep expanding? Honestly, we are approaching the ceiling. There is still business to win, but the ceiling is real. In terms of addressable units. A red ocean where prices cannot be raised; that is the headache. Which is exactly why we must do B2C. As for whether inflation helps us: Business-Use is fine: we can raise prices there. But in Home-Use, as I said, equipment and memory costs keep climbing while prices cannot follow. That is the reality. By 2030, adding 60,000 homes a year takes us from 740,000 to 960,000, roughly one million homes. Of those, we need to convert around 10 percent, through B2C. Unless about 10 percent become premium-connection users, the path to 3 billion yen, or rather, meaningful Home-Use growth, will not come quickly.

Host): Thank you very much. The next question.

Q2) "About Cospow CubeUp: Energy Connect is not a group company. Why haven't you invested in it and brought it into the group? It sounds like an interesting business. Would you not consider absorbing it? Please explain."

Inomata): Let me be candid here. No, we have not invested. Energy Connect is part of the Hikari Tsushin group. And we already have a joint venture with Hikari Tsushin: Enepulse. So there is no need to create another vehicle just for this. The structure: we sell through our channels, and Hikari Tsushin arranges the financing. We take the sales risk; they take the financing risk. That is the risk allocation. I hope that answers it. And we share the revenue, the profit.

Host): Thank you very much. The next question.

Q3) "Your EBITDA margin is high, ROE is high, and growth is solid. Yet the share price is unimpressive. The market seems to be waiting for the next growth story. Which segment do you expect to drive that further growth: Home-Use, Business-Use, or Energy? Please explain, including your intent."

Inomata): Well, in Home-Use, many businesses are actually up for sale. They come to us as M&A offers. So the number of players will shrink. The industry is consolidating; it already is. Yet even as it consolidates, the price war continues, and pass-through stays difficult. My view, as I explained: in renewable energy we are rooftop-based today. With perovskite, panels become film; they go on walls, even windows. When that happens, our channels come alive. Growing Home-Use while capturing energy: that is the biggest growth driver. And the other is Business-Use. Business-Use revenue is still only around 1.8 billion yen. It needs to become 5 or 6 billion. What we lack is expertise, still. Apartment sales, frankly (and my salespeople will forgive me): a new hire can win deals within three months. It follows a set pattern. "Would you like nuggets with that?" "Would you like a coffee?" selling with that kind of routine, well, not quite that simple, it is harder than that, of course. But deals do get won. Business-Use, by contrast, is custom work, project by project. Like the Tokyo Tatemono Pia project: large venues, hospitals, welfare facilities, Japanese inns, hotels, commercial facilities, buses. Every single one must be custom-designed. That demands deep design knowledge. And those people are scarce. Hence the idea of acquiring telecom vendors outright for their expertise, but sellers are rare. In fact, the stand-alone telecom vendor barely exists as a business category. The telecom specialists sit inside system integrators, where they are prized; pulling them out is not easy. So that is the bottleneck. But Business-Use can attack many industries beyond apartments; the growth potential is real. We simply lack the expertise today. We have a wide range of customers, but first we must accumulate know-how.

That, I think, is why it has not yet clicked. So my answer: Home-Use multiplied by renewable energy, and Business-Use: building expertise, winning buildings and commercial facilities, again multiplied by energy. Realizing Telecomenergy is the true growth scenario.

Host): Thank you very much. The next question.

Q4) "You aim to build a structure targeting 5 billion yen in ordinary profit over the medium term. Can you give a time frame, five years, for example?"

Inomata): First: the year I am focused on is 2030. What happens in 2030? Photonics-electronics convergence arrives. This is NTT's IOWN project. And note, it is not the same as 6G. 4G and 5G were essentially mobile stories. Photonics-electronics convergence is different. Until now, optical signals were converted into electrical signals for communication. With this, light stays light, no conversion needed. So latency all but disappears; everything gets faster. And power consumption drops dramatically. The electricity hunger goes away. Consider what is happening now: the hyperscalers (the big AI and tech companies) are building data centers at a furious pace. That is because of today's semiconductors. They consume enormous power. Over ten percent of the world's electricity is now said to be consumed by data centers alone. Photonics-electronics convergence changes that; it is revolutionary. The world of communications will change. And our channels come alive. It starts with optical fiber, then moves into semiconductors; today even chips convert light into electricity. If light stays light end to end, data center power consumption plummets. Our task: ride this wave. And it only works if optical fiber reaches every corner of every room. That is why I keep saying installation companies matter. This begins around 2030. NTT is already providing photonics-electronics convergence abroad; it has entered the practical stage. Around 2030, it arrives. NTT holds the most patents and leads the field, but research is under way worldwide: China, the United States, everywhere. That is the scale of the innovation coming. The other 2030 story is energy: all-solid-state batteries and perovskite, as I mentioned. Energy urbanizes. And the channels we have built over the years come fully alive. So 2030 is, for us, the landmark year.

Now, will we reach 5 billion yen by 2030? From 1.8 billion in four years? Frankly, that is hard to see. Honestly speaking. I must be straightforward about that. And if we do M&A along the way, goodwill amortization kicks in, as I said. M&A prices right now are extremely inflated. There is no shortage of M&A brokers out there. So while goodwill is being amortized, meaningful profit is unlikely; that is the basic rule. Delivering profit while amortizing expensive goodwill is hard to imagine. So even if we start M&A now, amortizing over five years takes us past 2030. Until then, growth must come from the existing businesses; assume no net contribution from M&A during amortization. The contribution comes after. That is why my working milestone is around 3 billion yen by 2030. By then, innovation will be creating business opportunities everywhere. Optical construction work, for one, will boom. That is why we are buying construction companies. Home-Use itself will change too. If latency improves that much, buildings may no longer need multiple fiber lines; one might be enough. But light must reach every room; today it is LAN cable. And PCs and phones must support photonics-electronics convergence as devices. That will take time. So the first thing that happens is full fiber conversion. Business changes profoundly: construction opportunities, and for an apartment ISP, the very structure of Home-Use may change. In what way, no one knows yet. That is where the big opportunity lies. Energy is the same: perovskite and all-solid-state batteries change everything. Generation urbanizes. With all that, we first reach 3 billion. Then individual connections: B2C lines. Those users are discerning. Think about it: 4,000 to 5,000 yen barely buys an all-you-can-drink dinner these days.

People who want quality will pay that much. And our service is about 4,000 to 5,000 yen per line per month. Winning around 100,000 such users; that is how Home-Use makes money. And then, where do we stand when photonics-electronics convergence arrives? We should treat it as an opportunity, and we must start thinking about it now. In any case, energy, cross-selling, all of it: our accumulated channels come alive as innovation arrives. Around 2030 we take ordinary profit to 3 billion yen, and scaling from there reaches 5 billion. That is why I place so much weight on 2030. Perhaps not a direct answer, my apologies.

Host): Thank you very much. We have two questions remaining.

Q5) "Renewable Energy forecasts a large revenue increase this year. What products and services will drive it? And how is the order situation? I would like to confirm."

Inomata): First: PDI, which joined our group last August, had a mega-solar business. Mega-solar is out of favor now, and its inventory simply has not sold. How much is there? Mega-solar and mid-size combined, roughly 400 to 500 million yen, I would say. If it sells, that alone is 400 to 500 million in revenue. Then the order backlog, OffGrid-Lab's backlog, mainly apartment buildings: this year's budget is a little over 400 million yen, meaning over one hundred buildings. Over a hundred installations. The average unit price is around 5 million yen; larger ones cost more, but on average 4 to 5 million. A hundred buildings makes 400 million. So 400 plus 400: 800 million. Then Smart Green, which joined in April, already has about 200 million in visibility. That makes 400, 400, and 200: one billion. The remainder, about 300 million, we still need to win. 380 or 400 million, that is. And that is not an unrealistic number. As for what products and services: simple. Mega-solar, and rooftop panels plus storage batteries for apartment buildings, factories, shopping centers, schools, and so on. Panels plus storage batteries. That is the substance.

Host): Thank you very much. This will be the final question.

Q6) "I would like to confirm the Home-Use growth scenario. Will growth come from stock or from flow? If flow, will existing buildings, new construction, or cross-selling be the driver? Looking ahead, new construction, cross-selling, and B2C seem to be the keys. Is this understanding correct?"

Inomata): Yes, that understanding is correct. Stock grows as long as we keep winning units. It grows, but costs are rising. Sony's lines cost more than others, and we use them as the backbone, expensive but high quality. Complaints dropped sharply; the slowness issues disappeared. But yes, you are exactly right. New construction, cross-selling, and B2C are the keys. Especially B2C. And cross-selling. That said, not every existing building is covered yet. So existing buildings still matter, but new construction is faster and wastes less. Competition in new construction is fierce, though. As I mentioned earlier, with existing buildings, site surveys reveal crushed conduits where cable cannot pass; residents are living there; and the share of units where LAN cable can be installed in the initial work is below fifty percent. More than half require follow-up work. It is genuinely hard. Given all that effort, targeting new construction is the efficient route. Of course, there are plenty of existing buildings, large ones too, and owners of buildings still without free internet are getting anxious, so we will pursue those as well. But is new construction itself the keyword? I would say it is really about unit count, while cross-selling and B2C individual lines are unmistakably the keywords.

Host): Thank you very much. That concludes the questions. Analysts and institutional investors are welcome to contact us with individual questions; please reach out to our Corporate Planning Division. This concludes today's briefing. Thank you all very much for joining us today in such great numbers. Thank you very much for your participation today.

Inomata): Thank you very much.