Fibergate Inc.
株式会社ファイバーゲート

September 14, 2026

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(Code No: 9450, TSE Standard, Sapporo Securities Exchange)
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Sponsored report for FY2026 Full Year Financial Results by SESSA Partners

Fibergate Inc. hereby announces that a sponsored report on the Company for the fiscal year ended June 2026 has been published by SESSA Partners, Inc.

This report is intended to help investors gain a deeper understanding of the Company's business operations and growth strategy.

Fibergate | 9450

TSE Standard

INITIATION

Fibergate Inc.

Focus on B2C and Margin Improvement in the Home-use Business

Summary

■ **Company overview | Telecommunications and energy company diversifying around core Wi-Fi services for apartment complexes**

Fibergate Inc. (hereafter, the Company) is a telecommunications and energy company that provides solutions to enhance property value, centered on Wi-Fi services for apartment complexes. Since launching its free internet service for apartment complexes in 2004, the Company has achieved rapid growth with this business as its mainstay. More recently, it has diversified into the Renewable energy business leveraging solar power generation and is developing new services that enhance property value through the combination of telecommunications and energy.

■ **Competitive advantage | Recurring revenue model built on a nationwide sales network and one-stop service structure**

The Company's strength lies in its ability to leverage its nationwide sales network to efficiently expand sales to apartment complex owners through property management companies and other partners. The Company also provides one-stop services from the development and procurement of telecommunications equipment through maintenance and customer support, enabling sales partners to focus on sales activities. As the number of connected homes for its Wi-Fi services grows through these efforts, monthly usage fees continue to accumulate. SIR believes that recurring revenue accounting for 74.4% of net sales excluding non-telecommunications infrastructure (96.3% of consolidated net sales) contributes to stable earnings growth.

■ **Performance trends | Home-use business margin pressure appears to be easing**

The Company's operating profit margin has been falling since peaking at 18.9% in FY2024/6. In the core Home-use business, the shift to the outright sale method for telecommunications equipment, together with lower sales through certain high-margin specific sales channels such as homebuilders, led to lower profitability. However, the impact of these factors now appears to have largely run its course. Going forward, SIR sees potential for margin improvement through a rising share of more profitable newly built properties and expanded B2C revenue opportunities from the three-brand rollout under the capital and business alliance with Sony Network Communications Inc., with services scheduled to begin on September 1, 2026.

JPY mn, %, JPY	Net sales	YoY	Operating profit	YoY	Ordinary profit	YoY	Net profit	YoY	EPS	DPS
FY2023/6	12,795	*20.4*	2,320	*40.4*	2,290	*42.8*	1,482	*38.1*	72.70	10.00
FY2024/6	12,613	*(1.4)*	2,387	*2.9*	2,395	*4.6*	1,567	*5.7*	77.20	17.50
FY2025/6	13,070	*3.6*	1,958	*(18.0)*	1,943	*(18.9)*	1,319	*(15.8)*	65.20	27.00
FY2026/6	13,664	*4.5*	1,838	*(6.1)*	1,811	*(6.8)*	1,082	*(18.0)*	53.79	27.00
FY2027/6 (CE)	**16,500**	*20.8*	**1,870**	*1.7*	**1,820**	*0.5*	**1,140**	*5.3*	**56.66**	**27.00**

Source: Compiled by SIR from the Company's IR materials.
Note: Figures may differ from the Company's materials due to differences in SIR's financial data processing and the Company's reporting standards.

Focus Points:

Fibergate is driving growth by leveraging the customer base it has built through Wi-Fi services for apartment complexes. Margin improvement in the Home-use business, supported by expanded B2C revenue opportunities through the SNC alliance, warrants attention. Longer term, further growth is expected from the combination of telecommunications and renewable energy.

Key Indicators	
Share price (8/26)	789.0
52WH (26/8/14)	829.0
52WL (25/12/18)	653.0
10YH (21/1/5)	2,680.0
10YL (18/3/26)	502.5
Shrs out. (mn shrs)	20.59
Mkt cap (JPY bn)	16.25
EV (JPY bn, LTM)	17.11
Equity ratio (LTM)	53.3%
26/6 ROE (act)	16.1%
27/6 P/E (CE)	13.9x
P/B (LTM)	2.27x
EV/EBITDA (LTM)	4.81x
27/6 DY (CE)	3.42%

Share Price Chart – One Year

Source: TradingView

Team Coverage

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This report was prepared by Sessa Partners on behalf of the subject company. Please refer to the legal disclaimer at the end for details.
Quick Look Reports are released every other quarter to follow earnings.

■ **Share price insights | Key to a re-rating is ROE recovery through margin improvement**

The Company's share price peaked around the end of 2020 and has declined since then, remaining at relatively low levels. Historically, the share price has broadly moved in line with net profit margin. SIR believes weak share price performance since 2020 has reflected declining ROE resulting from deteriorating profitability in the Home-use business, with the P/B ratio sitting at 2.17x as of the end of FY2026/6, below the peer average of 3.01x. Looking ahead, SIR believes that, in the near term, improved profitability from expanded B2C revenue opportunities in the Home-use business, together with the resulting ROE recovery, could serve as a catalyst for a re-rating.

Company Overview

Telecommunications and energy company diversifying around core Wi-Fi services for apartment complexes

The Company was established in Sendai, Miyagi Prefecture, in September 2000 to engage in the fixed-line telecommunications business. In November 2003, current president Masanori Inomata acquired all of the Company's shares and changed its name to Fibergate Inc.

Initially, the Company operated a broadband business as an agent for communications carriers and major internet service providers (ISPs). In 2004, it launched the free internet service business for apartment complexes that is now its mainstay. The Company subsequently expanded its business around FGBB, its free internet service for apartment complexes, while broadening its offerings to include private-brand (PB) service provision, free Wi-Fi, Wi-Fi for commercial facilities, and IoT solutions.

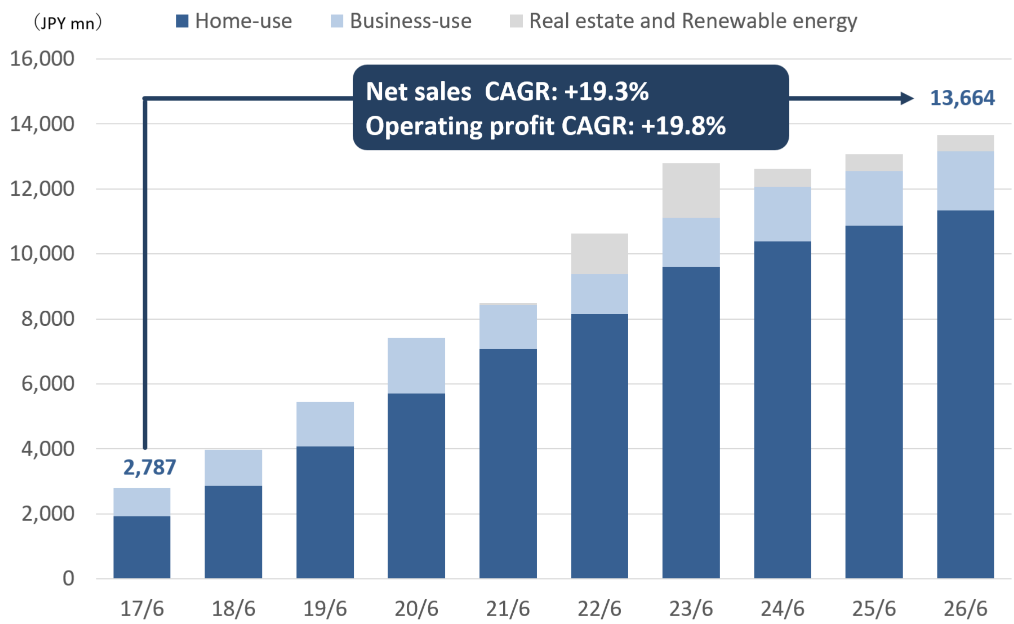
Centered on Wi-Fi services for apartment complexes, the Company has expanded into adjacent businesses that enhance property value. Its competitive advantages include a strategy focused on small and medium-sized properties with fewer than 20 units, a sales network built around property management companies and other sales partners, and a recurring revenue model, which have supported strong growth. From FY2017/6 to FY2026/6, net sales increased from JPY 2,790 mn to JPY 13,660 mn, representing a CAGR of 19.3%, while operating profit CAGR reached 19.8%.

In recent years, the Company has been strengthening the Renewable energy business as a new growth area by leveraging its customer base of apartment complex owners and property management companies built through the Network Solutions business. In 2021, it established OffGrid-Lab Inc. and began demonstration experiments involving reused storage batteries and control systems. Since 2023, the Company has been installing solar power generation facilities at local government buildings, schools, wide-area evacuation sites, apartment complexes, and other locations. In April 2026, it made Smart Green Co., Ltd., which proposes and installs full self-consumption solar power systems, a subsidiary, as part of efforts to strengthen the business foundation for expansion of the Renewable Energy business.

What Is Telecomenergy?
"Telecomenergy" is a term coined by the Company by combining Telecommunications and Energy Solutions. It reflects the Company's commitment to enhancing property value for location owners, providing end users with more convenient and affordable infrastructure, and creating new "value of the future" for society through the combination of the two businesses.

Against the backdrop of this business domain expansion, in January 2026 the Company renewed its corporate slogan previous "Wi-Fi Anywhere" to " 'Telecomenergy': Creating the value of the future". By combining its established telecommunications network development capabilities with its newly prioritized Renewable Energy business, the Company aims to achieve medium- to long-term growth by creating new value that enhances property value.

Sales by business segment



Source: Compiled by SIR from the Company's IR materials.

Corporate History

Year	Month	Summary
2000	9	Founded in Wakabayashi Ward, Sendai City, Miyagi Prefecture, for the purpose of handling subscriptions for domestic and international telephone services
2003	11	Changed company name to Fibergate Inc. Masanori Inomata took over all the issued shares and became the representative. Relocated head office to Chuo-ku, Sapporo-shi, Hokkaido
	12	Started a full-scale operation. The company's main business is the construction of networks of multi-base companies and the sale of broadband lines via the Web
2004	2	Launched a free Internet service business for apartment complexes (Residential Wi-Fi)
2005	11	Launched Wi-Fi broadband service (high-speed, high-capacity internet access)
		Unified service brand to FGBB series and launched the service
2006	6	Launched a free Internet service for apartment complexes under PB (private brand)
2008	9	Launched an Internet connection business for monthly condominiums
2009	6	Launched free Wi-Fi service "Wi-Fi Nex®" (Notes) (free Wi-Fi business)
2013	6	Established subsidiary NOIS, which handles computer software planning and development and provides Internet line agency services
2014	3	Started sales business for telecom devices developed by the company (Wi-Fi product business)
	4	Launched Wi-Fi service for stores and commercial facilities through private brand support
2015	1	Obtained telecommunications construction business approval (Governor of Hokkaido License (Ordinary-26) Ishi No.22017)
		Launched "SHINOBI Wi-Fi®", a Wi-Fi service for foreign visitors to Japan
	7	Established Fibergate Taiwan Inc. as a 100% subsidiary in Taiwan
		Obtained a license to register a telecommunications business based on the Telecommunications Business Act (Registration No. 358)
2018	3	Listed on the Mothers market of the Tokyo Stock Exchange
	5	Launched "One touch Wi-Fi" service that enables easy Wi-Fi construction
2019	6	Changed listing market to the First Section of the Tokyo Stock Exchange (currently the Prime Market)
	7	Listed on the Main Market of Sapporo Securities Exchange
2020	1	Established FG-Lab Inc., a subsidiary engaging in the contract development of telecommunications equipment
2021	2	Established FG Smart Asset Inc., a subsidiary engaging in real estate sales and leasing business
	7	Established OffGrid-Lab Inc., a subsidiary engaging in renewable energy (electricity) business
2022	4	Due to the revision of the market classification of the Tokyo Stock Exchange, moved from the First Section of the Tokyo Stock Exchange to the Prime Market
	4	Acquired all shares of TM Asset Inc., which is engaged in real estate sales and leasing business, and made it a consolidated subsidiary
2024	7	Established Enepulse Inc., a joint venture with H-Power Holdings Inc.
2025	4	Alliance with Sony Network Communications Inc. in Fiber-Optic Connection Service Business for apartment complexes
	7	Change of market classification to the Tokyo Stock Exchange (JPX) Standard Market
	8	Acquired 100% of shares in Power Denki Innovation Inc., which operates a solar power EPC business
2026	4	Acquired 100% of shares in Smart Green Co., Ltd., which provides proposals and installation services for full self-consumption solar power generation systems and battery storage systems
	5	Acquired shares of AIWA Co., Ltd., a telecommunications construction and network camera installation company, making it a consolidated subsidiary

Source: Compiled by SIR from the Company's annual securities report and news release.

Business Overview

Key cross-selling products

Network camera

FGTV

FG Smart Call

Delivery box

Source: Excerpt from the Company's IR materials.

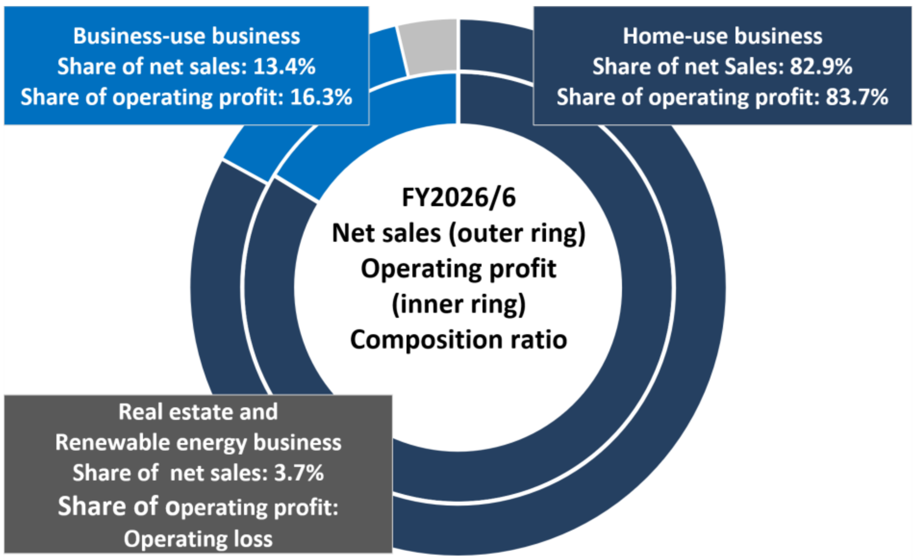
Three business segments: 1. Home-use, 2. Business-use, and 3. Real estate and Renewable energy businesses

1. In the Home-use business, the Company provides FGBB®, apartment-wide internet access service, to owners and property management companies of rental properties such as condominiums and apartment buildings that want to enhance property value, as well as to student dormitories. Tenants can use the service free of internet usage charges with unlimited access, helping owners attract tenants by enhancing property value. In this business, the Group provides comprehensive services ranging from telecommunications line brokerage and telecommunications equipment development to call center operations. More recently, the Company has expanded cross-selling of value-added products such as network cameras that enhance property value, broadening its service lineup around internet connectivity. The Company holds a 9.3% share of the apartment-wide ISP market as of end-March 2025, ranking second in the industry according to MM Research Institute, and the business is its mainstay, accounting for 83.7% of operating profit as of the end of FY2026/6.

2. In the Business-use business, the Company targets three areas: healthcare/nursing care, public/transport/logistics, and tourism (hotels/accommodation facilities), providing services centered on Wi-Fi Nex, the Group's free Wi-Fi service. At facilities using the service, users can connect to the internet free of charge after completing the required authentication process, regardless of their device or communications carrier. For tourist destinations, the Company offers SHINOBI Wi-Fi, which provides multilingual connection support and tourist information features for foreign visitors to Japan. For passenger transport operators, it offers services including Wi-Fi BUS, which provides passengers with free Wi-Fi by establishing internet connectivity aboard sightseeing buses, excursion boats, and other modes of transport. In recent years, installations at nursing care facilities have increased, and the business has grown to account for 16.3% of the Company's operating profit.

3. In the Real Estate business, the Company buys, sells, and leases income-producing real estate. In the Renewable Energy business, it installs SOLERIO systems combining solar power generation facilities and storage batteries for apartment complexes and public facilities. In August 2025, the Company made Power Denki Innovation Inc., which has strengths in engineering, procurement, and construction (EPC) for solar power generation facilities, a subsidiary, bolstering its construction capabilities. By providing energy-related equipment on a one-stop basis in addition to Wi-Fi services for apartment complexes, the Company is building a business platform that enhances property value. The Company is currently making growth investments, mainly through M&A, although the contribution to earnings remains limited.

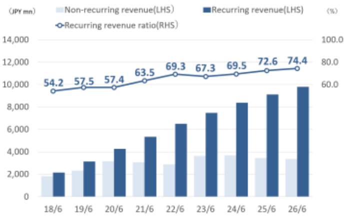
Net sales and operating profit mix by business (excluding adjustments)



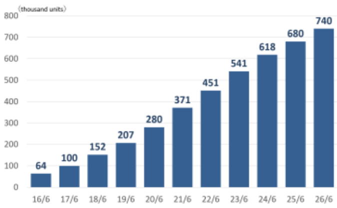
Compiled by SIR from the Company's IR materials.

Strengths and Advantages

Non-recurring and recurring revenue (excluding non-telecommunications infrastructure)



Number of homes connected to the Residential Wi-Fi service



Source: Compiled by SIR from the Company's IR materials.

Strength 1 | Recurring revenue model built on a nationwide sales network and one-stop service structure

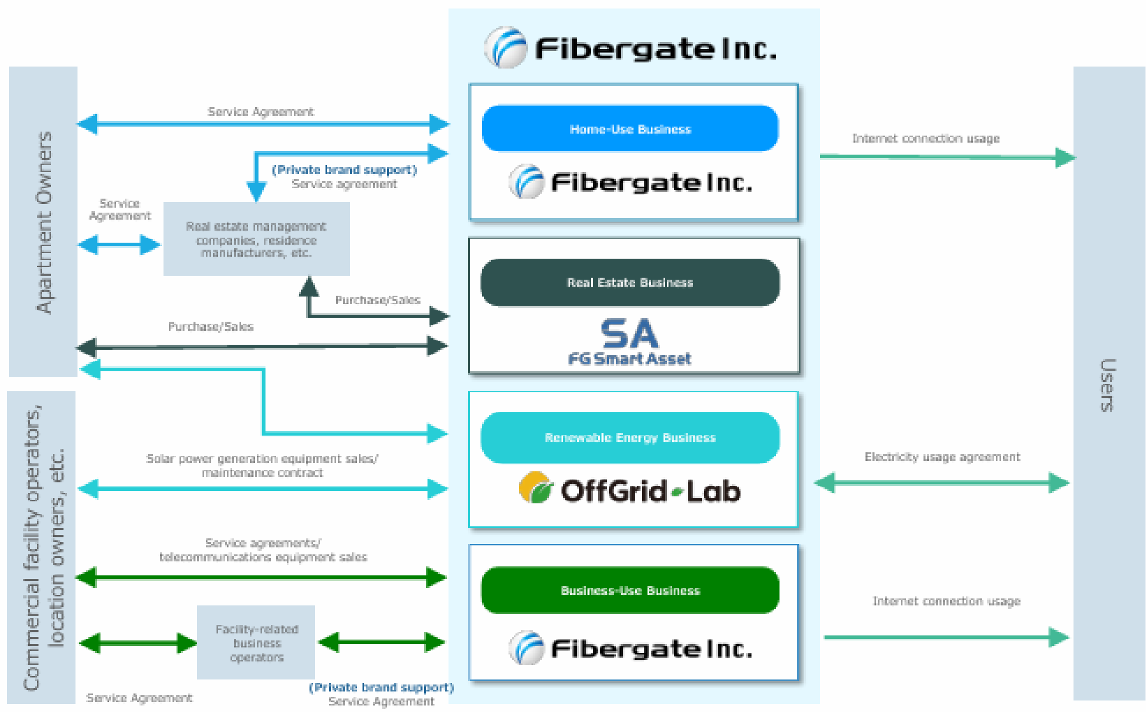
SIR believes the Company's competitive advantages are underpinned by the combination of the following three factors.

1. The Company's core Home-use business is characterized by an agency model that uses property management companies, homebuilders, and others as sales partners. Rather than selling directly to property owners nationwide, the Company has established a framework that enables property management companies and others to offer Wi-Fi services under their own private brands (PBs). By having property management companies sell to apartment complex owners instead of relying on direct sales, the Company can keep sales personnel costs down while efficiently expanding its nationwide reach. This approach has contributed to the Company's high market share.

2. Another key advantage is the Company's ability to provide one-stop services spanning the development and procurement of telecommunications equipment, network construction, telecommunications construction, maintenance, and customer support. In addition to providing one-stop services that include construction work, the Company has built a structure under which it handles tasks that sales partners may find difficult to manage, enabling them to focus on sales activities. This structure has helped the Company attract sales partners and gives it an advantage in efficiently expanding its customer base by broadening partnerships with property management companies and others nationwide.

3. The business model combines non-recurring revenue generated at the time of installation, such as sales of telecommunications equipment and electrical installation work, with recurring revenue from telecommunications service fees and other ongoing charges. In the Home-use business, the Company enters into contracts with owners of rental apartment complexes, real estate management companies, homebuilders, and others. New installations generate non-recurring revenue from equipment sales and construction work, followed by monthly telecommunications service fees that continue to accumulate as recurring revenue. Recurring revenue accounts for 74.4% of net sales excluding non-telecommunications infrastructure (96.3% of consolidated net sales). The number of homes connected to the Residential Wi-Fi service is a KPI for the Company, and growth in this figure drives a steady increase in recurring revenue. This business model, in which non-recurring revenue serves as the starting point for building recurring revenue, provides a competitive advantage that supports the Company's stable earnings growth.

Business model of Fibergate



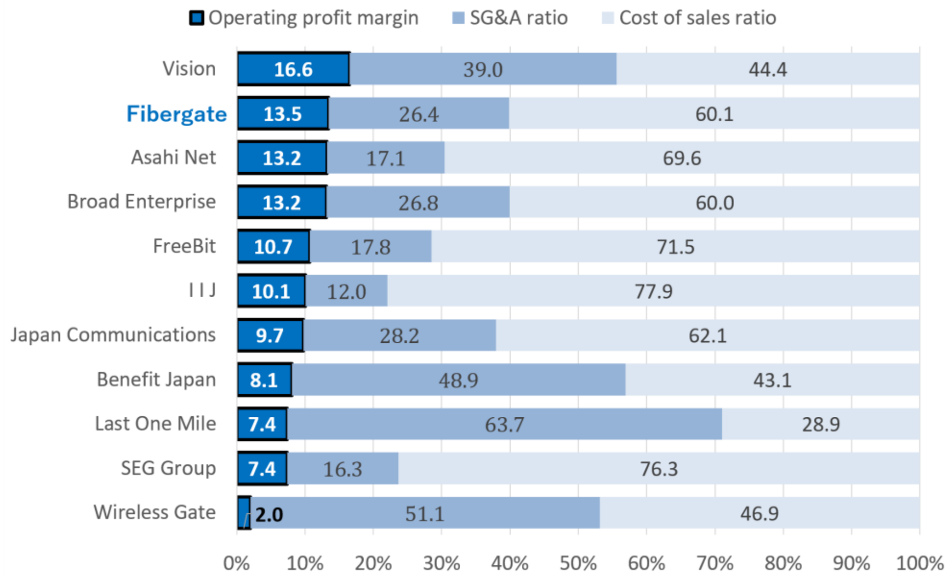
Source: Excerpt from the Company's IR materials.

Strength 2 | Competitive advantages reflected in high profitability

The stable earnings base supported by the nationwide sales structure, one-stop service provision, and recurring revenue model discussed in Strength 1 is also reflected in the Company's high profitability. In FY2026/6, the Company's operating profit margin was 13.5%, placing it among the top performers in its peer group. By using property management companies and others as sales partners, the Company can keep its own sales headcount lean, while its one-stop business structure spanning the development and procurement of telecommunications equipment through installation, maintenance, and support contributes to efficient operations. SIR believes that the accumulation of recurring revenue, which accounts for 74.4% of net sales excluding non-telecommunications infrastructure, also supports the stability of the Company's earnings base.

ROE declined to 16.1% due to lower profitability in the Home-use business, below the peer average of 20.6%. Meanwhile, the Company maintained an equity ratio of 53.3%, while dividend on equity ratio (DOE) stood at 7.78%, well above the peer average of 5.14%. Going forward, SIR believes that continued growth in the number of sales partners and Residential Wi-Fi contracts will support stable profit growth through further accumulation of recurring revenue, while improved profitability in the Home-use business could lead to further gains in capital efficiency.

Earnings structure analysis vs. peers (top) and ROE/DOE comparison (bottom)



Code	Company name	ROE (%)	Equity ratio (%)	Dividend payout ratio (%)	DOE (%)
9450	Fibergate	16.1	53.3	50.2	7.78
	Average	20.6	44.1	27.3	5.14
3774	IIJ	16.2	45.5	28.6	4.38
3834	Asahi Net	9.9	90.3	50.4	4.94
3843	FreeBit	30.4	16.0	22.1	10.06
3934	Benefit Japan	12.0	60.7	50.1	5.76
3968	SEG Group	33.6	22.1	35.1	10.14
4415	Broad Enterprise	29.4	15.1	0.0	0.00
9252	Last One Mile	17.5	38.9	9.5	1.47
9416	Vision	23.6	69.2	54.3	11.99
9419	Wireless Gate	19.3	36.1	0.0	0.00
9424	Japan Communications	18.6	37.6	0.0	0.00

Source: Compiled by SIR from IR materials of each company.
Note: Calculated based on the most recent full-year financial results disclosed as of August 17, 2026.

Market Trends

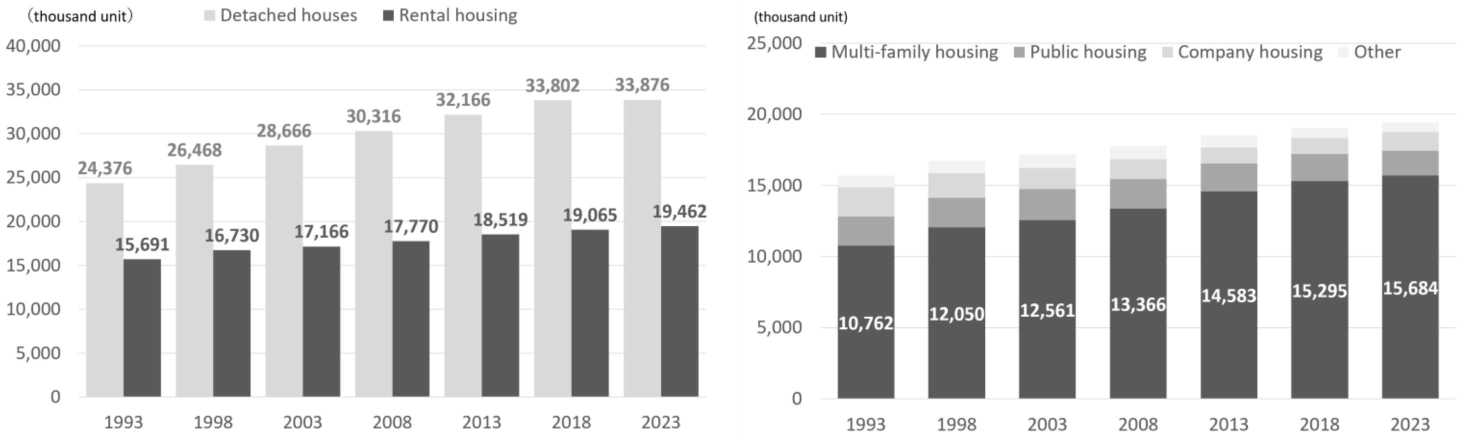
Apartment complex Wi-Fi market continues to expand as competitive landscape evolves

The apartment-wide ISP market is a key market for the Company's Home-use business. It continues to grow, supported by an increase in the number of apartment complex units, particularly rental housing, and rising Wi-Fi penetration. The number of rental housing units in Japan increased from 18.52 million in 2013 to 19.46 million in 2023, and the potential market for internet services for apartment complexes continues to expand. According to MM Research Institute, the number of homes served by apartment-wide condominium ISPs also continues to grow and is forecast to reach approximately 7.7 million by end-March 2027.

Meanwhile, the competitive landscape has evolved as the market has expanded. According to MM Research Institute, even the market leader held a share of less than 20% as of end-March 2025, with numerous providers competing in a fragmented market. In particular, penetration has increased among existing apartment complexes, which previously offered significant scope for new installations. At the same time, more providers have entered the market targeting small and medium-sized properties, making competition for new contracts more intense than before.

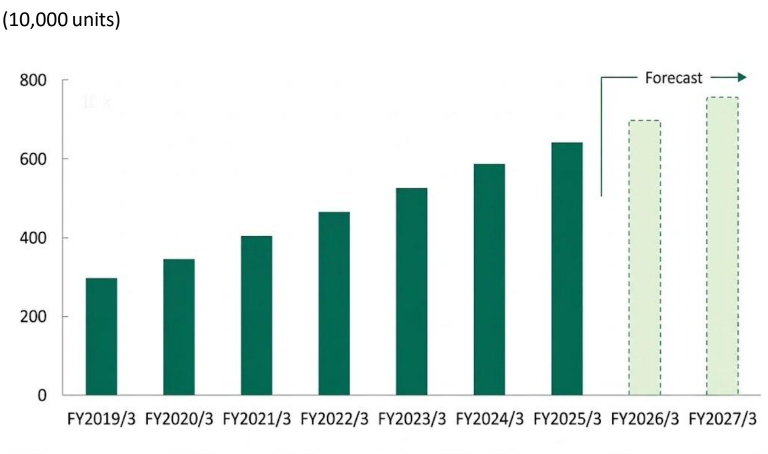
In this environment, competitive advantage is likely to be determined by factors beyond price, including telecommunications quality, support capabilities, relationships with property management companies, and the ability to offer value-added services such as IoT and security. For the Company as well, an important factor for medium- to long-term growth will be its ability to provide high-quality telecommunications services, expand its lineup of value-added products, and maintain and deepen strong relationships with sales partners such as property management companies.

Trends in detached houses and rental housing through 2023, and breakdown of rental housing



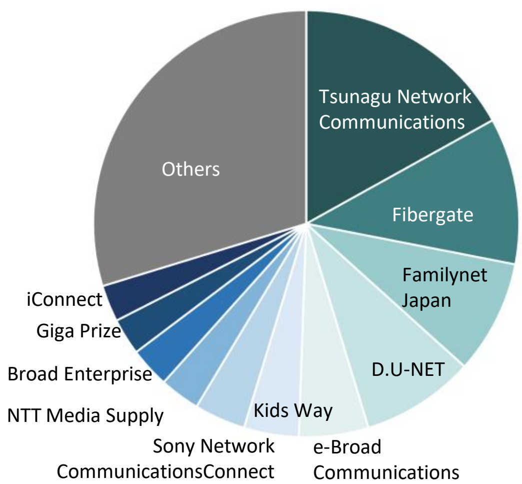
Source: Compiled by SIR from the Ministry of Internal Affairs and Communications' Housing and Land Survey

Trend in number of homes served by apartment-wide condominium ISPs



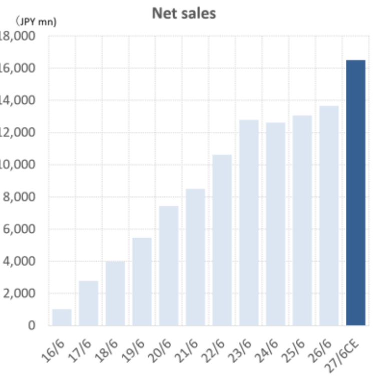
Source: MM Research Institute, Ltd.

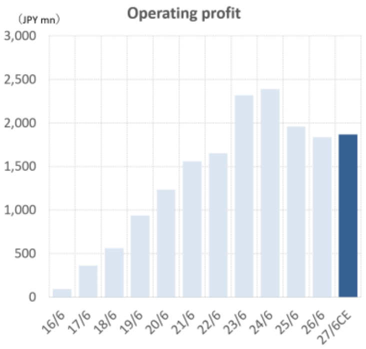
Apartment-wide condominium ISP market share (end-March 2025)



Source: MM Research Institute, Ltd.

Performance Trends





Source: Compiled by SIR from the Company's IR materials.

FY2026/6 full-year results | Home-use business expected to return to profit growth in FY2027/6

In FY2026/6, the Company reported higher net sales and lower profit, with net sales of JPY 13,664 mn (+4.5% YoY) and operating profit of JPY 1,838 mn (-6.1% YoY). By segment, operating profit came to JPY 2,560 mn (-2.9% YoY) in the Home-use business, JPY 498 mn (+52.7% YoY) in the Business-use business, while Real Estate and Renewable Energy posted an operating loss of JPY 123 mn, turning to an operating loss from a profit in the previous year.

In the core Home-use business, the Company switched its approach to providing telecommunications equipment from the rental method to the outright sale method in FY2025/6 in response to customer needs. This increased the mix of lower-margin equipment sales and weighed on profitability. Wi-Fi service provision for existing properties through specific high-margin sales channels such as homebuilders also declined and contributed to lower profit.

For FY2027/6, the Company forecasts higher net sales and profit, with net sales of JPY 16,500 mn (+20.8% YoY) and operating profit of JPY 1,870 mn (+1.7% YoY). In the core Home-use business, the Company expects to enter a phase where growth in the number of homes connected to the Residential Wi-Fi service contributes to profit growth, as the impact of 1) lower profitability from the shift to outright equipment sales and 2) a weaker sales mix in specific sales channels largely runs its course. In the Business-use business, the Company expects lower profit due to a pullback from a large number of nursing care facility projects secured in the previous year, despite continued customer acquisition efforts. In the Real estate and Renewable energy businesses, earnings contributions from Power Denki Innovation Inc. and Smart Green Co., Ltd., acquired in FY2026/6, are expected to drive higher net sales and a return to operating profitability.

Full-year DPS is projected to come in at JPY 27.0, unchanged from the previous year, for a dividend payout ratio of 47.7%. The Company plans to balance steady growth in the Home-use business with growth investment in the Renewable Energy business, and FY2027/6 is expected to be a year of laying the groundwork for a recovery in ROE, which has recently deteriorated.

Full-year and quarterly results (JPY mn, %)

Item		Unit	25/6	26/6	27/6CE	25/6 Q1	25/6 Q2	25/6 Q3	25/6 Q4	26/6 Q1	26/6 Q2	26/6 Q3	26/6 Q4
Net sales		**JPY mn**	**13,070**	**13,664**	**16,500**	**3,054**	**3,502**	**3,266**	**3,248**	**3,456**	**3,318**	**3,587**	**3,303**
	YoY	%	3.6	4.5	20.8	7.1	18.6	(12.5)	5.6	13.2	(5.3)	9.8	1.7
Home-use		**JPY mn**	**10,864**	**11,334**	**12,560**	**2,643**	**2,642**	**2,835**	**2,744**	**2,752**	**2,811**	**2,929**	**2,842**
	YoY	%	4.6	4.3	10.8	4.8	3.0	3.8	6.8	4.1	6.4	3.3	3.6
	Composition ratio	%	83.1	82.9	76.1	86.5	75.4	86.8	84.5	79.6	84.7	81.7	86.0
Business-use		**JPY mn**	**1,684**	**1,827**	**1,810**	**405**	**411**	**415**	**453**	**389**	**444**	**576**	**418**
	YoY	%	0.5	8.5	(0.9)	23.9	15.4	(15.5)	(9.6)	(4.0)	8.0	38.8	(7.7)
	Composition ratio	%	12.9	13.4	11.0	13.3	11.7	12.7	13.9	11.3	13.4	16.1	12.7
Real estate and Renewable energy		**JPY mn**	**522**	**503**	**2,130**	**6**	**449**	**16**	**51**	**315**	**63**	**82**	**43**
	YoY	%	(5.4)	(3.6)	323.5	50.0	1,260.6	(96.9)	920.0	5,150.0	(86.0)	412.5	(15.7)
	Composition ratio	%	4.0	3.7	12.9	0.2	12.8	0.5	1.6	9.1	1.9	2.3	1.3
Gross profit		**JPY mn**	**5,428**	**5,449**	**-**	**1,354**	**1,339**	**1,426**	**1,309**	**1,321**	**1,378**	**1,460**	**1,290**
	YoY	%	(6.7)	0.4	-	(2.3)	(7.3)	(14.0)	(1.4)	(2.4)	2.9	2.4	(1.5)
	Ratio of net sales	%	41.5	39.9	-	44.3	38.2	43.7	40.3	38.2	41.5	40.7	39.1
SG&A expenses		**JPY mn**	**3,470**	**3,611**	**-**	**891**	**822**	**884**	**873**	**908**	**871**	**894**	**938**
	YoY	%	1.2	4.1	-	3.5	(5.6)	1.1	5.9	1.9	6.0	1.1	7.4
	Ratio to net sales	%	26.5	26.4	-	29.2	23.5	27.1	26.9	26.3	26.3	24.9	28.4
Operating profit		**JPY mn**	**1,958**	**1,838**	**1,870**	**463**	**516**	**543**	**436**	**412**	**507**	**567**	**352**
	YoY	%	(18.0)	(6.1)	1.7	(11.8)	(9.9)	(30.7)	(13.7)	(11.0)	(1.7)	4.4	(19.3)
	Ratio to net sales	%	15.0	13.5	11.3	15.2	14.7	16.6	13.4	11.9	15.3	15.8	10.7
Home-use		**JPY mn**	**2,638**	**2,560**	**2,790**	**668**	**663**	**666**	**641**	**591**	**695**	**634**	**640**
	YoY	%	(9.3)	(3.0)	9.0	(6.4)	(13.7)	(18.5)	4.9	(11.5)	4.8	(4.8)	(0.2)
	Ratio to net sales	%	24.3	22.6	22.2	25.3	25.1	23.5	23.4	21.5	24.7	21.6	22.5
Business-use	**Ratio to net sales**	**JPY mn**	**326**	**498**	**420**	**72**	**79**	**89**	**86**	**82**	**122**	**192**	**102**
	YoY	%	(32.1)	52.8	(15.7)	28.6	(19.4)	(45.7)	(46.9)	13.9	54.4	115.7	18.6
	Ratio to nets sales	%	19.4	27.3	23.2	17.8	19.2	21.4	19.0	21.1	27.5	33.3	24.4
Real estate and Renewable energy		**JPY mn**	**67**	**(123)**	**63**	**(8)**	**74**	**0**	**1**	**(16)**	**(48)**	**(21)**	**(38)**
	YoY	%	3.1	-	-	-	428.6	-	-	-	-	-	-
	Ratio to net sales	%	12.8	(24.5)	3.0	(133.3)	16.5	0.0	2.0	(5.1)	(76.2)	(25.6)	(88.4)
Adjustments		**JPY mn**	**(1,073)**	**(1,097)**	**(1,403)**	**(269)**	**(300)**	**(212)**	**(292)**	**(245)**	**(262)**	**(238)**	**(352)**

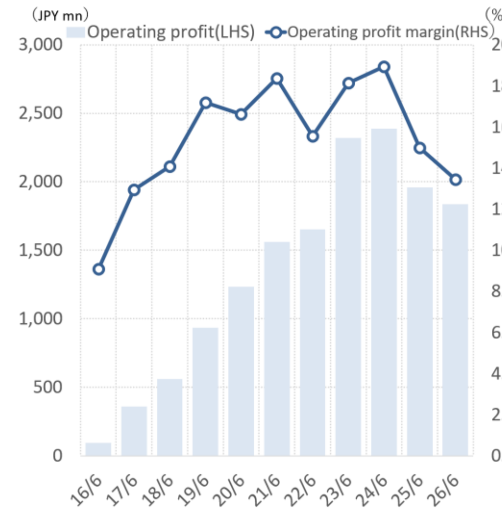
Source: Compiled by SIR from the Company's IR materials. Note: Figures may differ from the Company's materials due to differences in SIR's financial data processing and the Company's reporting standards.

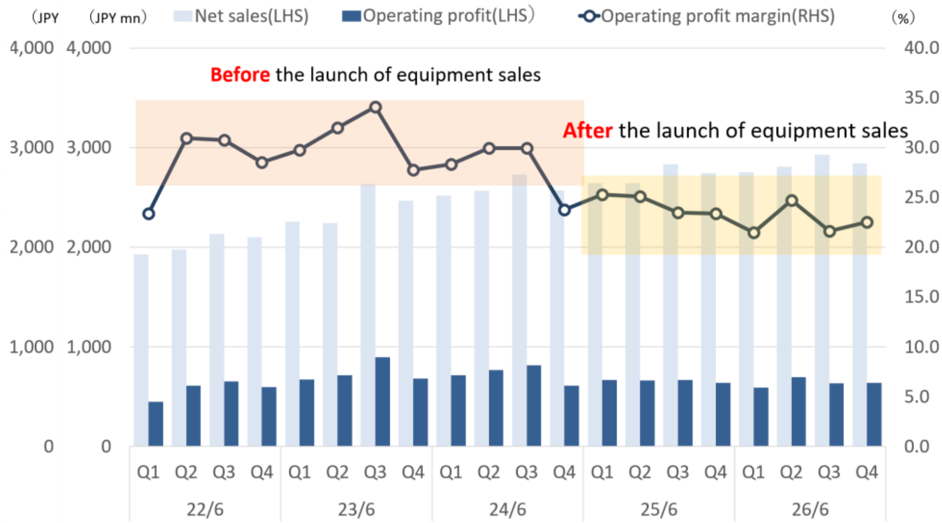
Results supplement 1 | SIR's view on Home-use business profitability

The Company's operating profit margin has been falling since peaking at 18.9% in FY2024/6. SIR believes the main factor has been lower profitability in the Home-use business, which accounts for 83.7% of the Company's operating profit excluding adjustments. SIR attributes the decline in profitability to factors including 1) the shift in telecommunications equipment from the rental method to the outright sale method, 2) lower sales through specific high-margin sales channels such as homebuilders as installations at existing properties have largely been completed, and 3) increased competition, which made it difficult to pass on higher raw material costs for telecommunications equipment even as the number of homes connected to the Residential Wi-Fi service continued to grow steadily.

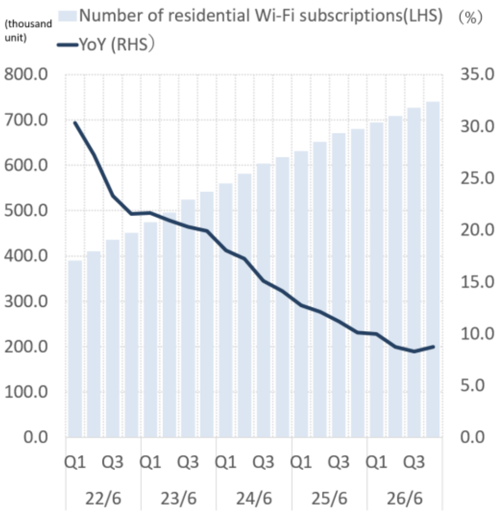
Meanwhile, the impact of factors 1) and 2) appears to have largely run its course and is expected to have only a limited effect on profitability going forward. In addition, SIR sees potential for the Home-use business to enter a phase of gradual margin improvement, supported by a) a rising share of installations at more profitable newly built properties, which require less construction work than existing properties, and b) expanded B2C revenue opportunities through the business alliance with Sony Network Communications Inc., which are expected to improve profitability through higher ARPU.

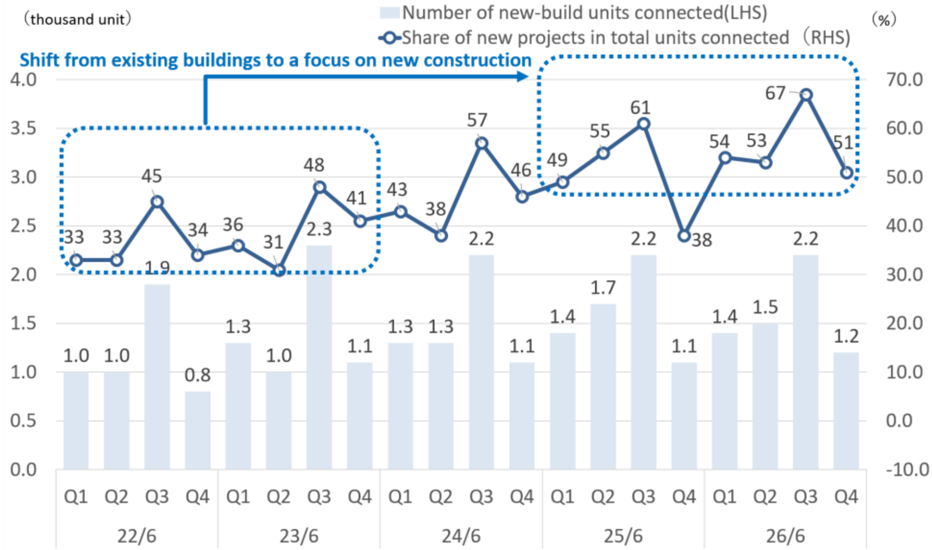
Trends in company-wide operating profit and margin (left) and Home-use business operating profit and margin (right)





Trends in number of homes connected to the Residential Wi-Fi service in the Home-use business (left) and newly connected units and share (right)

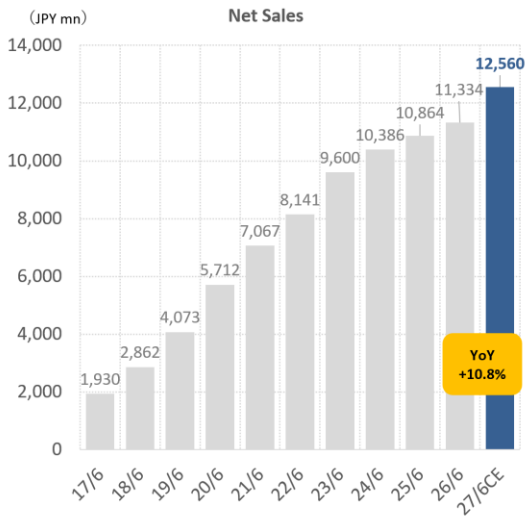


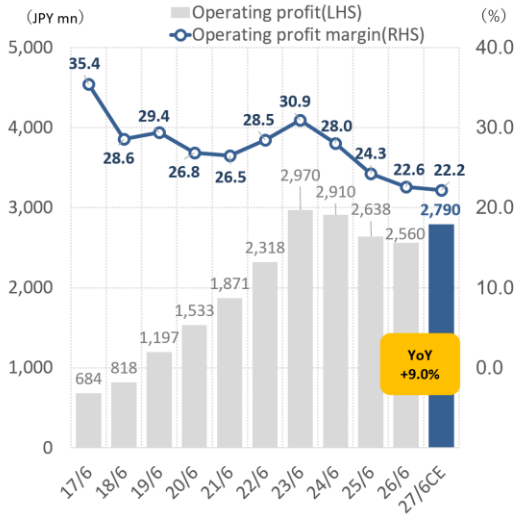


Source: Compiled by SIR from the Company's IR materials.

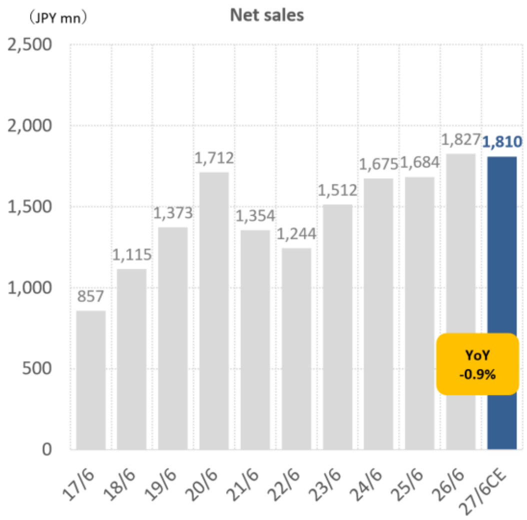
Results supplement 2 | Segment performance trends and Company forecasts

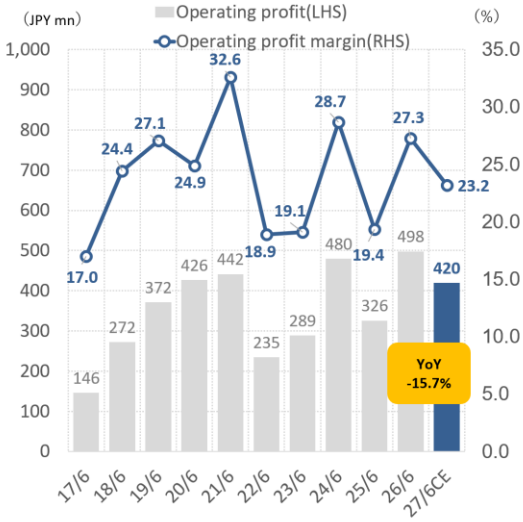
Home-use business



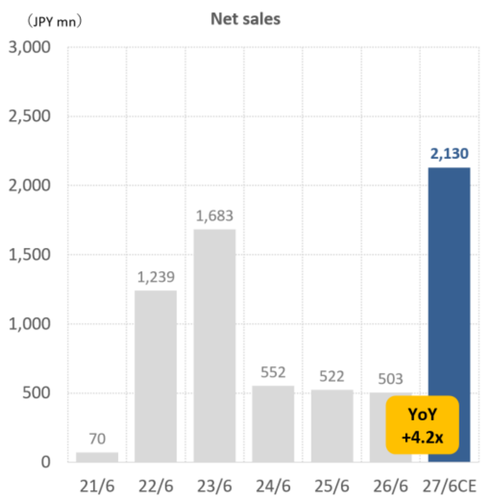


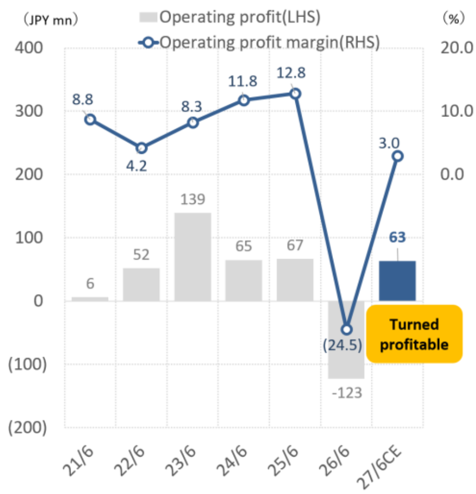
Business-use business





Real estate and Renewable energy businesses





Source: Compiled by SIR from the Company's IR materials.

Focus Points

Focus point 1 | Alliance with Sony Network Communications opens up B2C opportunities, with margin improvement driven by higher ARPU warranting attention

As a key short- to medium-term focus, SIR is watching for improved profitability in the Home-use business through the alliance with Sony Network Communications Inc. (SNC) in fiber-optic services for apartment complexes.

The two companies entered into a business alliance agreement in April 2025 and have since collaborated to address growing demand among apartment complex residents for high-speed, high-capacity connectivity. In August 2026, they further strengthened their relationship by entering into a capital and business alliance aimed at accelerating medium-term business growth. By leveraging the Company's internet access services for apartment complexes together with the technology and brand strength of SNC's high-speed fiber-optic service, NURO Hikari, they will expand fiber-optic services for apartment complexes to a three-brand lineup, with rollout beginning on September 1, 2026. See the chart on the following page for details of the three new brands. By offering multiple options tailored to the needs of properties and tenants in addition to the existing building-wide shared model, the Company plans to expand the number of properties and units it can serve.

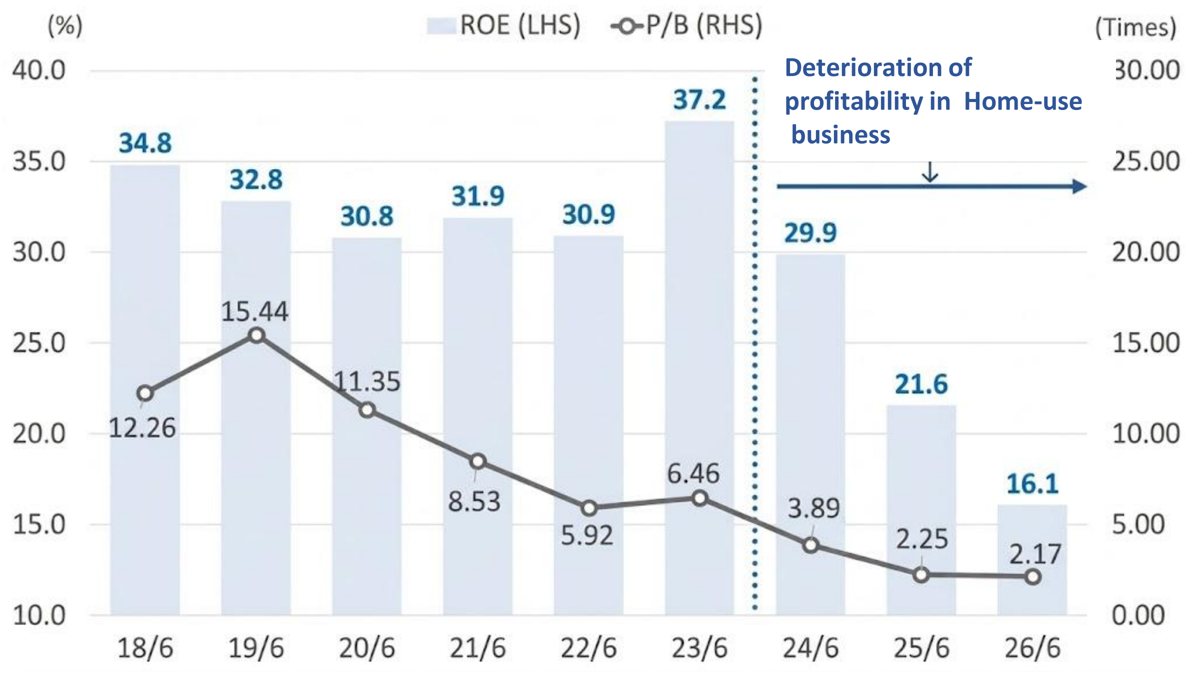
Historically, the Home-use business operated under a model in which the Company contracted with property owners and real estate management companies to provide Wi-Fi services to all units in apartment complexes. Because service fees were paid by property owners and management companies, residents were not charged directly. Through the alliance with SNC, residents seeking higher-speed, higher-capacity connectivity will now be able to individually subscribe to paid services, expanding the Company's revenue opportunities from the B2B market of property owners and management companies into the B2C market of residents. SIR expects the three-brand rollout to generate revenue growth mainly through 1) higher ARPU from individual tenant subscriptions at existing properties with free internet service, 2) upselling to higher-quality telecommunications services, particularly at newly built properties, and 3) growth in the number of homes served by lowering the hurdle for property owners to introduce free internet service. With 740,000 homes connected to the Residential Wi-Fi service as of end-June 2026, the Company has greater scope to leverage this customer base to address individual end-user needs and increase both sales per customer and the number of homes served, enhancing its growth potential.

At present, the Company uses the call center within its operations headquarters to make proposals in response to inquiries from residents. If sales initiatives expand to include more proactive outreach through advertising and other channels, the Company could leverage its existing customer base to limit incremental customer acquisition costs while raising ARPU and margins. At newly built properties, promoting higher-value-added services to property owners and developers seeking high-quality telecommunications environments could also improve profitability per property. Although the Company expects the alliance to have only a limited earnings impact in FY2027/6, SIR believes that as contracts for each service accumulate, earnings contributions from the B2C market and improved profitability at newly built properties could contribute to margin improvement across the Home-use business from FY2027/6 onward. Given that declining profitability in the Home-use business has weighed on ROE and contributed to the decline in the Company's P/B ratio, SIR will be watching whether these initiatives can drive a medium-term recovery in ROE and ultimately lead to a re-rating.

Three apartment complex service brands under the capital and business alliance with SNC

	Premium Plan powered by NURO	FGBB Hikari Connect powered by NURO	FGBB Hikari Select powered by NURO
Target	Tenants at properties with free internet service seeking higher-speed connectivity	Property owners and developers seeking high-quality connectivity, mainly for newly built properties	Property owners seeking to introduce free internet service while keeping installation costs low
Subscriber	Individual tenants	Property owner for all units	Individual tenants (no cost to property owner)
Benefits	Enables higher-speed connectivity using existing LAN infrastructure, minimizing construction work	Provides high-quality, stable connectivity by installing optical fiber in all units	Can be installed with no upfront cost to property owner, lowering the hurdle to introducing free internet service
SIR focus points	Higher ARPU from existing customer base and access to B2C opportunities	Acquisition of new construction projects and higher value-added services	Expands the range of eligible properties

Trends in Fibergate's ROE and P/B ratio



Source: Compiled by SIR from the Company's IR materials.

Off-grid
A system that uses solar power generation, storage batteries, and other equipment to supply the electricity needed without relying on the power grid.

Storage battery
A device that stores electricity for later use. Combined with solar power, it helps make better use of generated electricity and provides backup power in an emergency.

Reused storage battery
A battery previously used in an EV or other application that is recovered and repurposed for stationary energy storage. Compared with a new battery, it can lower costs while making more effective use of resources.

Full self-consumption solar power generation
A system in which all electricity generated by solar panels is consumed on-site rather than sold back to the power company. This helps reduce electricity costs and make effective use of renewable energy.

Focus point 2 | "Telecommunications and renewable energy" as a new growth driver

SIR sees the Renewable energy business as a medium- to long-term growth driver. In 2021, the Company established OffGrid-Lab Inc. to spearhead the Renewable energy business and began demonstration experiments involving solar power generation, reused storage batteries, and control systems. It subsequently built up a track record of installations at apartment complexes, public facilities, and other locations. In April 2025, the Company launched SOLERIO, which combines solar power generation and storage batteries to enable on-site consumption of electricity generated within buildings, marking a shift from the demonstration stage to full-scale commercialization.

The Company is also building out its business platform within the Group to support expansion of the Renewable Energy business. In 2024, it established Enepulse Inc., which provides services combining telecommunications and energy. In 2025, it made Power Denki Innovation Inc., which has expertise in engineering, procurement, and construction (EPC) for solar power generation facilities, a subsidiary. In 2026, it also made Smart Green Co., Ltd., which proposes and installs full self-consumption solar power generation systems and storage battery systems, a subsidiary. These moves are enabling the Group to build a structure for providing one-stop services spanning proposals, design, procurement, and construction of solar power generation systems through power supply and operations.

Going forward, SIR expects the Company to expand these offerings beyond apartment complexes where it provides FGBB® through the Home-use business to nursing care facilities, hotels/accommodation facilities, public facilities, and other customers served by the Business-use business. Expansion of the Renewable energy business should also broaden the Company's target market by bringing facilities and businesses that were difficult to approach through conventional telecommunications services into its potential customer base. Through cross-selling to existing customers and acquiring new customers, the Company could increase sales per customer while building a business platform capable of generating revenue from both telecommunications and energy.

The Company aims to reach 30,000 apartment complexes and generation capacity equivalent to one nuclear power plant (approximately 1 mn kW) by around 2030. It is steadily building the capabilities needed to achieve this roadmap by expanding its group companies. SIR believes that if synergies emerge with the customer base, sales network, and installation and maintenance capabilities developed through the existing Network Solutions business, the Renewable energy business could become one of the Group's businesses with the greatest potential for profit growth over the medium to long term.

Renewable energy business roadmap

Timeline	
July 2021–	Demonstration experiment for reused storage battery and control system development
January 2022–	Began demonstration experiment at model apartment complexes Also explored joint experiments with cooperating/sponsoring companies
Around 2025	Launched VPP service
Around 2030	Aiming for more than 30,000 apartment complex installations and generation capacity equivalent to one nuclear power plant (approximately 1 mn kW)

Source: Compiled by SIR from the Company's IR materials.

Share Price Insights

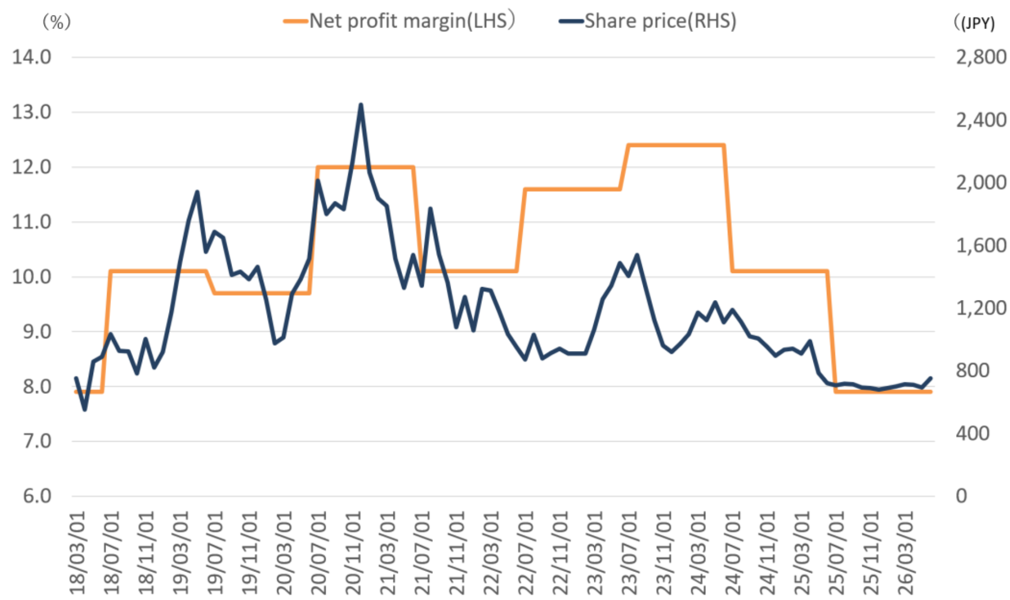
Key to a re-rating is ROE recovery through margin improvement

The Company's share price (monthly closing price) peaked at JPY 2,498 at the end of 2020 and has declined since then, remaining at relatively low levels. Historically, the share price has broadly moved in line with net profit margin, and SIR believes recent weakness reflects declining ROE as profitability has deteriorated. SIR attributes the decline in profitability to factors including the shift to the outright sale method for telecommunications equipment in the Home-use business, lower sales through specific high-margin sales channels such as homebuilders, and intensifying price competition as more competitors entered the market. Against this backdrop, the Company's P/B ratio stood at 2.17x at the end of FY2026/6, below the peer average of 3.01x.

Looking ahead, SIR believes that improved profitability in the Home-use business, which accounts for 83.7% of the Company's operating profit, will be a key near-term factor for the share price. While market conditions such as intensifying competition are unlikely to improve significantly in the near term, the impact of factors that had weighed on profitability, including the shift to the outright sale method and lower sales through specific sales channels, appears to have largely run its course. In addition, profitability in the Home-use business may gradually improve if the Company can generate revenue from the B2C market through its alliance with SNC and increase the number of homes connected to the Residential Wi-Fi service at relatively more profitable newly built properties. Given the historical correlation between the share price and profit margins, SIR believes that a bottoming out and subsequent recovery in the business's profit margin could serve as a catalyst for a re-rating.

Meanwhile, recurring sales account for 74.4% of net sales excluding non-telecommunications infrastructure (96.3% of consolidated net sales), providing the Company with a stable earnings base. The projected dividend yield for FY2027/6 is 3.70%, above the peer average of 2.32%, which should also provide support for the share price. While the potential share price upside from margin improvement remains to be seen, SIR believes the current valuation, stable recurring revenue, and high dividend yield offer a certain degree of investment appeal in terms of income returns as well.

Fibergate's long-term share price chart (monthly)



Source: Compiled by SIR from SPEEDA data.

Valuations of telecommunications-related stocks

Code	Company	EOFY	Share Price (8/17) JPY	Issued shares mn shares	Market Value (8/17) JPY mn	P/E			EPS Growth Rate			Operating Profit Margin		
						FY24 x	FY25 x	FY26E x	FY24 %	FY25 %	FY26E %	FY24 %	FY25 %	FY26E %
9450	**Fibergate**	**Jun.**	**730**	**20.6**	**15,033**	**11.0**	**14.0**	**12.9**	**(15.5)**	**(17.5)**	**5.3**	**15.0**	**13.5**	**11.3**
	Average					**16.5**	**15.1**	**13.4**	**13.5**	**11.5**	**16.5**	**10.9**	**10.2**	**10.9**
3774	IIJ (Internet Initiative Japan)	Mar.	3,443	183.4	631,614	23.1	17.9	24.4	0.8	21.1	3.3	9.5	10.1	10.0
3834	Asahi Net	Mar.	620	32.0	19,840	10.4	13.0	12.4	39.9	(23.6)	1.0	17.9	13.2	12.9
3843	FreeBit	April	1,712	23.4	40,085	8.5	10.3	10.7	87.8	(24.0)	18.3	11.1	10.7	10.2
3934	Benefit Japan	Mar.	2,320	6.0	14,001	8.2	10.7	12.0	13.8	20.1	13.7	9.6	8.1	8.2
3968	SEG Group	Dec.	655	37.2	24,342	40.6	17.5	17.0	(19.9)	138.9	2.7	3.8	7.4	7.7
4415	Broad Enterprise	Dec.	1,368	6.1	8,406	14.4	15.4	12.9	1.8	19.5	55.2	15.7	13.2	17.0
9252	Last One Mile	Aug.	3,820	2.8	10,735	11.1	16.0	9.2	48.2	(27.8)	64.2	8.0	7.4	9.6
9416	Vision	Dec.	1,043	50.9	53,129	18.4	14.0	10.1	12.7	32.1	12.5	15.1	16.6	17.9
9419	Wireless Gate	Dec.	290	10.9	3,172	8.4	9.3	12.6	16.7	(1.6)	(10.9)	3.6	2.0	3.9
9424	Japan Communications	Mar.	114	166.8	19,020	27.7	27.9	-	(38.1)	(10.5)	-	10.4	9.7	-

Code	Company	EOFY	P/B			ROE			Equity Ratio			Net Cash Ratio		
			FY23 x	FY24 x	FY25 x	FY23 %	FY24 %	FY25 %	FY23 %	FY24 %	FY25 %	FY23 %	FY24 %	FY25 %
9450	**Fibergate**	**Jun.**	**3.89**	**2.25**	**2.17**	**29.9**	**21.6**	**16.1**	**44.3**	**53.1**	**53.3**	**(17.38)**	**(11.04)**	**(2.89)**
	Average		**4.05**	**3.28**	**3.01**	**27.1**	**22.9**	**20.6**	**46.4**	**47.1**	**44.1**	**18.09**	**16.70**	**7.81**
3774	IIJ (Internet Initiative Japan)	Mar.	3.99	3.27	2.75	16.3	15.0	16.2	45.9	45.0	45.5	5.59	(0.35)	0.81
3834	Asahi Net	Mar.	1.43	1.39	1.28	10.5	13.7	9.9	87.6	88.5	90.3	24.57	28.14	17.04
3843	FreeBit	April	3.50	2.61	4.72	23.7	35.9	30.4	22.9	30.5	16.0	12.33	15.31	(0.61)
3934	Benefit Japan	Mar.	1.00	0.86	1.23	10.6	11.0	12.0	64.7	66.8	60.7	12.32	19.01	10.17
3968	SEG Group	Dec.	2.64	6.81	5.07	17.5	14.7	33.6	33.3	21.8	22.1	21.47	11.91	(8.44)
4415	Broad Enterprise	Dec.	5.47	4.16	3.97	47.8	33.5	29.4	11.8	15.2	15.1	(18.17)	(30.99)	(47.70)
9252	Last One Mile	Aug.	3.83	2.97	2.50	24.8	34.4	17.5	37.1	34.3	38.9	13.61	1.23	10.04
9416	Vision	Dec.	4.13	3.57	3.05	22.9	21.2	23.6	67.3	69.1	69.2	44.46	44.67	38.54
9419	Wireless Gate	Dec.	2.50	1.82	1.64	28.1	24.8	19.3	33.0	43.9	36.1	43.10	51.13	16.80
9424	Japan Communications	Mar.	12.22	6.36	4.74	65.5	26.3	18.6	62.8	50.4	37.6	57.11	54.69	52.15

Code	Company	EOFY	Payout Ratio			Dividend Yield			Total Payout Ratio			DOE		
			FY24 %	FY25 %	FY26E %	FY24 %	FY25 %	FY26E %	FY23 %	FY24 %	FY25 %	FY23 %	FY24 %	FY25 %
9450	**Fibergate**	**Jun.**	**41.4**	**50.2**	**47.7**	**3.75**	**3.59**	**3.70**	**34.6**	**50.3**	**50.2**	**6.11**	**8.17**	**7.78**
	Average		**24.0**	**27.3**	**29.8**	**1.64**	**2.05**	**2.32**	**28.5**	**57.0**	**36.6**	**2.57**	**4.10**	**5.14**
3774	IIJ (Internet Initiative Japan)	Mar.	31.1	28.6	30.5	1.35	1.59	1.25	88.1	31.1	28.6	4.84	4.40	4.38
3834	Asahi Net	Mar.	37.7	50.4	49.8	3.62	3.86	4.03	64.5	72.1	104.3	5.09	5.02	4.94
3843	FreeBit	April	15.1	22.1	25.5	1.78	2.14	2.39	8.9	15.1	23.8	1.93	4.63	10.06
3934	Benefit Japan	Mar.	30.5	50.1	50.3	3.72	4.67	4.18	31.8	34.7	51.1	1.61	3.18	5.76
3968	SEG Group	Dec.	69.8	35.1	47.2	1.72	1.98	2.75	51.5	323.9	35.1	8.63	12.21	10.14
4415	Broad Enterprise	Dec.	0.0	0.0	20.0	0.00	0.00	1.55	0.0	0.0	0.0	0.00	0.00	0.00
9252	Last One Mile	Aug.	0.0	9.5	7.2	0.00	0.84	0.79	7.9	61.3	22.2	0.00	0.00	1.47
9416	Vision	Dec.	38.7	54.3	50.0	2.11	3.87	4.89	25.9	39.0	87.2	0.00	7.53	11.99
9419	Wireless Gate	Dec.	0.0	0.0	0.0	0.00	0.00	0.00	0.0	0.0	0.0	0.00	0.00	0.00
9424	Japan Communications	Mar.	0.0	0.0	0.0	0.00	0.00	0.00	0.0	0.0	0.0	0.00	0.00	0.00

Source: Compiled by SIR from each company's IR materials. Note 1: FY26 figures are based on each company's forecasts.
Note 2: Share repurchases used in calculating the total payout ratio are based on cash flow from financing activities. The net cash ratio represents net cash as a percentage of total assets.

Income statement, balance sheet, and cash flow statement

	Item	19/6 act	20/6 act	21/6 act	22/6 act	23/6 act	24/6 act	25/6 act	26/6 act	27/6 CE
Revenue	**JPY mn**	**5,446**	**7,424**	**8,492**	**10,624**	**12,795**	**12,613**	**13,070**	**13,664**	**16,500**
YoY	%	36.9	36.3	14.4	25.1	20.4	(1.4)	3.6	4.5	20.8
Cost of Sales	JPY mn	2,434	3,554	4,140	5,785	7,054	6,795	7,641	8,214	-
Gross Profit	JPY mn	3,012	3,871	4,351	4,839	5,741	5,817	5,428	5,449	-
Ratio to revenue	%	55.3	52.1	51.2	45.5	44.9	46.1	41.5	39.9	-
Sales and administrative expenses	JPY mn	2,076	2,636	2,792	3,187	3,421	3,430	3,470	3,611	-
Operating Profit		**936**	**1,235**	**1,559**	**1,652**	**2,320**	**2,387**	**1,958**	**1,838**	**1,870**
YoY	%	67.2	31.9	26.3	5.9	40.4	2.9	(18.0)	(6.1)	1.7
Ratio to revenue	%	17.2	16.6	18.4	15.5	18.1	18.9	15.0	13.5	11.3
Ordinary Profit		**887**	**1,215**	**1,544**	**1,604**	**2,290**	**2,395**	**1,943**	**1,811**	**1,820**
YoY	%	73.9	37.0	27.0	3.9	42.8	4.6	(18.9)	(6.8)	0.5
Ratio to revenue	%	16.3	16.4	18.2	15.1	17.9	19.0	14.9	13.3	11.0
Profit before tax		874	1,184	1,477	1,584	2,171	2,304	1,890	1,798	-
Income taxes	JPY mn	323	461	458	510	687	732	581	570	-
Effective tax rate	%	37.0	38.9	31.0	32.2	31.6	31.8	30.7	31.7	-
Profit attributable to owners of parent		**551**	**723**	**1,019**	**1,073**	**1,482**	**1,567**	**1,319**	**1,082**	**1,140**
YoY	%	76.4	31.2	41.0	5.3	38.1	5.7	(15.8)	(18.0)	5.4
Ratio to revenue	%	10.1	9.7	12.0	10.1	11.6	12.4	10.1	7.9	6.9
EPS	JPY	57.6	36.2	50.1	52.6	72.7	77.2	65.2	53.8	56.7
BPS		101.0	133.5	180.4	160.7	230.1	285.6	320.3	347.2	-
DPS	JPY	0.0	3.5	4.0	4.5	10.0	17.5	27.0	27.0	27.0
Shares outstanding	mn shrs	9.8	20.4	20.5	20.6	20.6	20.6	20.6	20.6	-
Dividend payout ratio	%	0.0	9.7	8.0	8.5	13.8	22.7	41.4	50.2	47.7
ROE	%	32.8	30.8	31.9	30.9	37.2	29.9	21.6	16.1	-
Equity ratio	%	37.3	38.8	39.1	25.1	36.8	44.3	53.1	53.3	-
Number of employees	person	159.0	180.0	221.0	231.0	232.0	230.0	239.0	-	-
Total Assets	**JPY mn**	**5,312**	**6,984**	**9,398**	**13,087**	**12,764**	**13,076**	**12,144**	**13,097**	**-**
Cash and deposits	JPY mn	1,059	1,415	2,196	2,303	2,382	2,120	1,853	2,156	-
Trade receivables	JPY mn	993	1,072	1,235	1,572	1,802	1,980	1,991	2,150	-
Other	JPY mn	3,260	4,497	5,967	9,212	8,580	8,976	8,300	8,791	-
Total Liabilities	**JPY mn**	**3,330**	**4,274**	**5,720**	**9,808**	**8,005**	**7,240**	**5,641**	**6,102**	**-**
Trade payables	JPY mn	320	435	523	478	633	623	681	783	-
Interest-bearing debt	JPY mn	2,378	3,073	4,453	6,652	4,672	4,442	3,244	3,702	-
Other	JPY mn	632	766	744	2,678	2,700	2,175	1,716	1,617	-
Total Net Assets	**JPY mn**	**1,982**	**2,710**	**3,677**	**3,279**	**4,758**	**5,836**	**6,502**	**6,995**	**-**
Shareholders' equity	JPY mn	1,983	2,711	3,677	3,277	4,694	5,786	6,442	6,981	-
Accumulated other comprehensive income	JPY mn	(1)	(1)	0	1	1	3	3	4	-
Cash flows from operating activities	JPY mn	1,346	1,733	1,711	2,295	4,296	2,833	3,156	2,443	-
Cash flows from investing activities	JPY mn	(1,390)	(2,072)	(2,257)	(2,626)	(2,189)	(2,377)	(1,564)	(1,461)	-
Free cash flow	**JPY mn**	**(44)**	**(339)**	**(546)**	**(331)**	**2,107**	**456**	**1,592**	**982**	**-**
Cash flows from financing activities	JPY mn	(15)	700	1,327	436	(2,027)	(723)	(1,860)	(680)	-
Net increase (decrease) in cash and cash equivalents	**JPY mn**	**(59)**	**357**	**781**	**107**	**80**	**(262)**	**(268)**	**303**	**-**
Cash and cash equivalents at beginning of period	JPY mn	1,118	1,059	1,415	2,196	2,303	2,382	2,120	1,853	-
Cash and cash equivalents at end of period	**JPY mn**	**1,059**	**1,415**	**2,196**	**2,303**	**2,382**	**2,120**	**1,853**	**2,156**	**-**

Source: Compiled by SIR from SPEEDA data.

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