






Financial Results Briefing for the Fiscal Year Ending June 2024

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

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FY2024/6 Results

Company-wide trend

YoY increase in ordinary income

+4.6%

Company-wide trend

ROE

29.9%

Home-Use Business

Q4 Cross-selling flow sales ratio

12.0%

Business-Use Business

Q4 operating income margin

32.4%

FY2025/6/medium-term outlook

Company-wide trend

Expected ordinary income growth rate for FY2025/6

+8.5%

Company-wide trend

Expected dividends for FY2025/6

+9.5yen

Company-wide trend

Growth stage 5

OPIIer

Business-Use Business

Expected operating income margin for FY2025/6

31.1%



Fiscal Year Ending June 2024

Summary of Consolidated Financial Results of FY2024/6

- In FY 2024/6, revenue slightly declined YoY, and ordinary income was up 5% YoY. This is the first decline in revenue since the company's listing in 2018. While the trend of increasing telecommunications revenue remained unchanged, the decline in real estate had an impact. Operating profit margin was 19.0%, the highest figure since the company's listing. The emphasis on profit has steadily shown results. Compared with the initial forecast, the performance fell slightly short due to the impact of overheated competition in the home-use market.
- By business segment, the business-use business showed notable growth as the effects of laying the foundation for growth were realized. The home-use business also remained strong due to an increase in stock projects. However, the real estate business saw a significant decline in revenue and profits due to a decrease in sales.

(in millions of yen) Rounded down to the nearest million yen Rounded to the nearest 0.1%	FY2022/6 Results	FY2023/6 Results	FY2024/6 Full Year		Difference from initial forecast	YoY comparison	
			Initial forecast	Results		Difference	Rate of change
Sales	10,624	12,795	13,710	12,613	▲1,096	▲182	▲1.4%
Home-Use	8,141	9,600	11,020	10,386	▲633	+785	+8.2%
Business-Use	1,244	1,512	1,860	1,675	▲184	+163	+10.8%
Real Estate/Renewable Energy/Other	1,238	1,682	830	551	▲278	▲1,131	▲67.2%
Operating Income	1,652	2,320	2,530	2,387	▲142	+67	+2.9%
Home-Use	2,318	2,970	3,290	2,910	▲379	▲59	▲2.0%
Business-Use	235	289	460	480	+20	+190	+65.9%
Real Estate/Renewable Energy/Other	52	138	80	64	▲15	▲73	▲53.2%
Adjusted	▲953	▲1,078	▲1,300	▲1,068	+231	+9	+0.9%
Ordinary Income	1,604	2,290	2,520	2,395	▲124	+105	+4.6%
Ordinary Income Margin	15.1%	17.9%	18.4%	19.0%	+0.6pp	+1.1pp	-
Parent Company Current Net Income	1,073	1,482	1,680	1,567	▲112	+84	+5.7%

Consolidated Financial Results Summary: Quarterly Trends

- In Q4 of FY2024/6, revenue and ordinary income declined by 33% and 13%, respectively, YoY. While the communications business saw an increase in sales, the real estate business saw a backlash from the concentration of projects in the previous year.
- Revenue and profits also declined compared with Q3. Seasonal factors had an impact on the communications business, while a decrease in projects had an impact on the real estate business. However, sales for the business-use business reached a record high for the quarter.

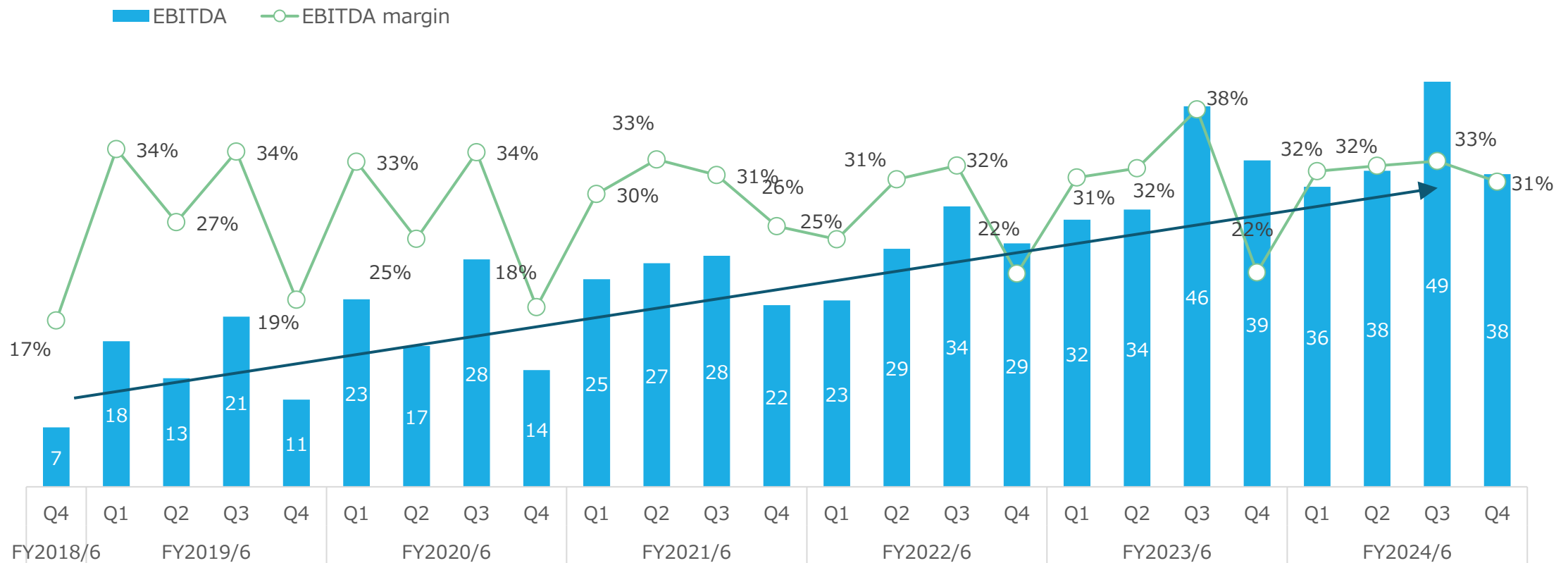
(in millions of yen)	FY2023/6				FY2024/6				Q3/Q4 Comparison	Year-on-year Comparison
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4		
Sales	2,591	2,612	3,024	4,567	2,852	2,953	3,731	3,075	▲655	▲1,491
Home-Use	2,256	2,245	2,632	2,466	2,521	2,565	2,729	2,569	▲159	+103
Business-Use	329	350	381	450	327	356	490	501	+10	+51
Real Estate/Renewable Energy/Other	5	16	10	1,650	4	31	511	4	▲506	▲1,645
Operating Income	480	511	745	582	525	573	783	504	▲279	▲77
Home-Use	671	717	897	683	714	767	817	610	▲206	▲72
Business-Use	46	70	89	83	56	98	163	162	▲1	+78
Real Estate/Renewable Energy/Other	▲8	4	▲2	145	▲4	14	63	▲9	▲73	▲154
Adjusted	▲229	▲280	▲238	▲329	▲241	▲307	▲260	▲259	+1	+70
Ordinary Income	480	500	737	571	548	569	778	499	▲278	▲71
Ordinary Income Margin	18.5%	19.2%	24.4%	12.5%	19.2%	19.3%	20.9%	16.3%	▲4.6p	+3.7p
Parent Company Current Net Income	337	338	499	306	370	361	524	310	▲213	+4

EBITDA Trends

- Q4 accrual-based EBITDA was 3.8 billion yen on a 12-month basis. EBITDA margin declined slightly but remained in the 30% range. EBITDA margin for FY2024/6 was 32%.
- EBITDA margin has remained at around 30% since the company's listing. Cash flow generating capability remains strong, and EBITDA levels are on the rise as business expands

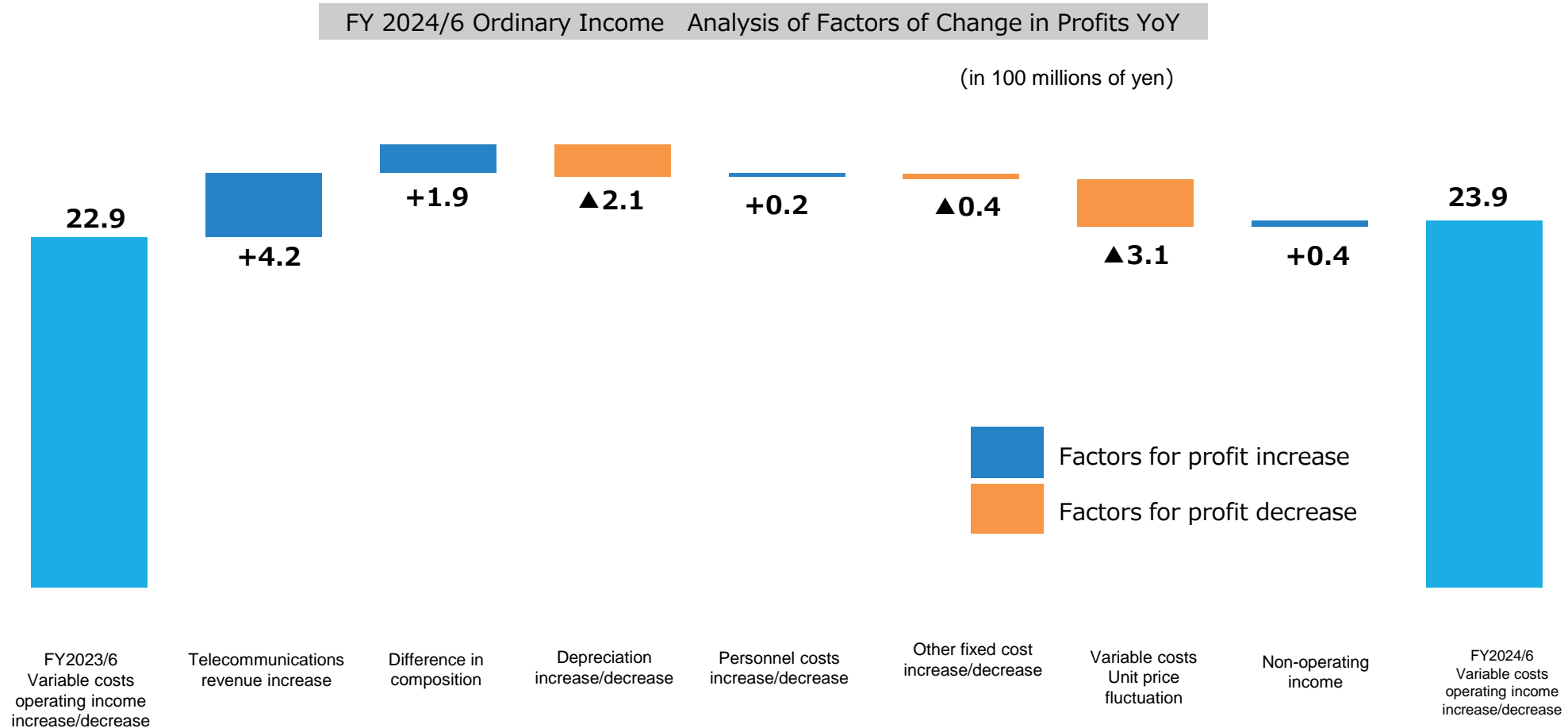
EBITDA Trends (based on 12-month calculation)

(in 100 millions of yen)



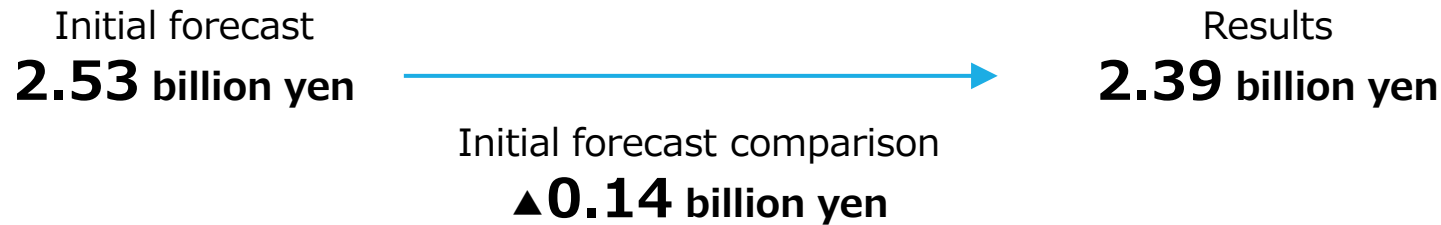
Ordinary Income Analysis of Factors of Change in Profits

- The increase in ordinary income was driven by the effects of increased telecommunications revenue and an improvement in product mix. The effect of increased telecommunications revenue was contributed to by the home-use business, while the improvement in product mix was contributed to by the business-use business. In particular, the business-use business saw progress in the realization of profitable projects from Q2 onwards.
- With regard to costs, there was an increase in depreciation expenses and line usage fees. However, the impact of these was absorbed by the improvement in the telecommunications top line. In particular, labor costs, unlike the recent trend of rapid increases, were slightly restrained. While the unit labor cost increased, labor-saving by improvement of productivity was pursued.



Operating Income Comparison with Initial Forecast

- Operating income fell short of the initial forecast by 140 million yen. This was mainly due to the sluggish sales channels for certain customers in the home-use business.
- By contrast, the business use business is progressing favorably, with past sales developments coming to fruition. Main office-related expenses are also being reduced, mainly through labor costs, due to improvements in productivity.



Home-Use Business

Initial forecast **▲0.38**billion yen : Due to overheated competition, growth in certain customer sales channels has stagnated

Business-Use Business

Initial forecast **+0.02**billion yen : Sales strategies have been successful and are progressing favorably

Real Estate Business

Initial forecast **▲0.01**billion yen : Sales of initially planned projects have been postponed

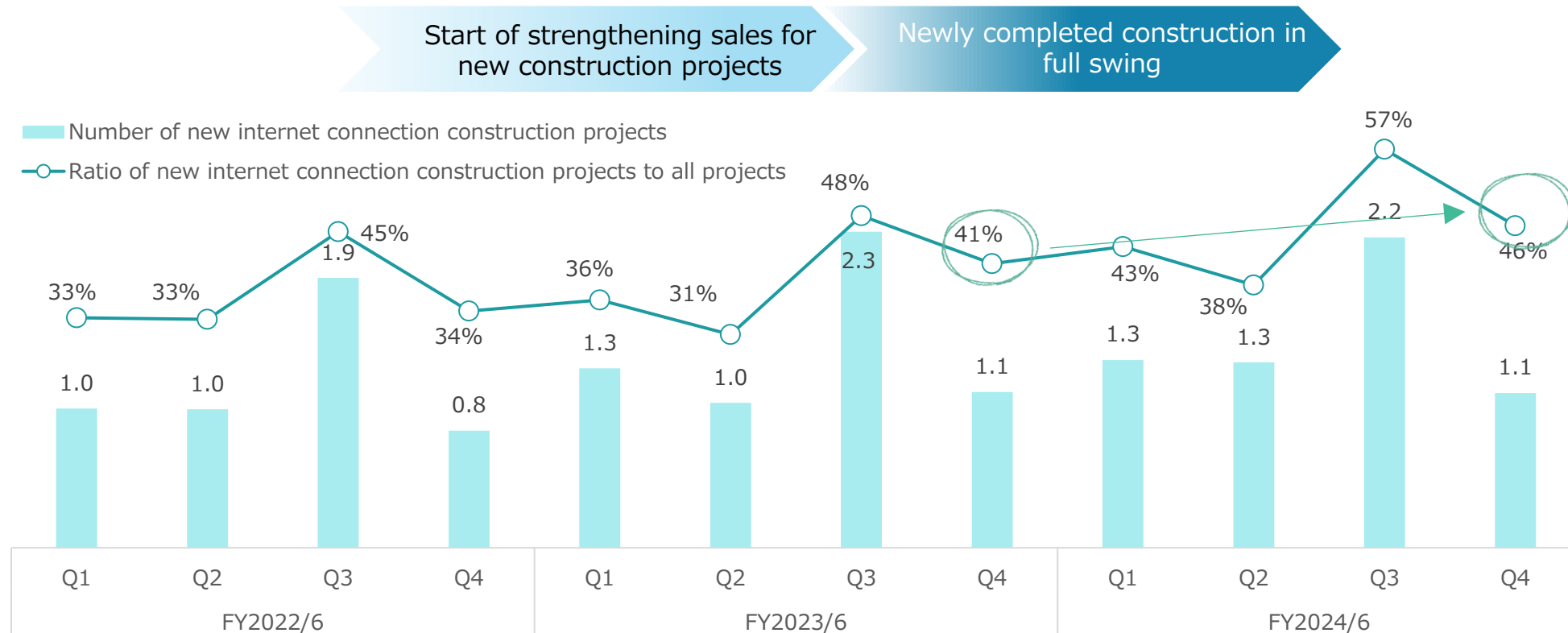
Main office-related

Initial forecast **+0.23**billion yen : Productivity improvements have led to progress in reducing labor costs

Home-Use Business: Number of Houses Opened

- The number of houses opened for new construction projects in Q4 of FY2024/6 was roughly at the same level as that of the previous year. The ratio of houses opened for new construction projects to the total number of houses opened increased from 41% in the previous year to 46%.
- The number of units is down compared with Q3; this is because new construction projects, unlike existing construction projects, are inevitably affected by seasonality. Considering the risk of existing potential projects dwindling as the penetration rate of network connections increases, it is recognized that a trend increase in the ratio of new construction projects is essential.

Home-Use Business Trends of the Number of New Internet Connection Construction Projects

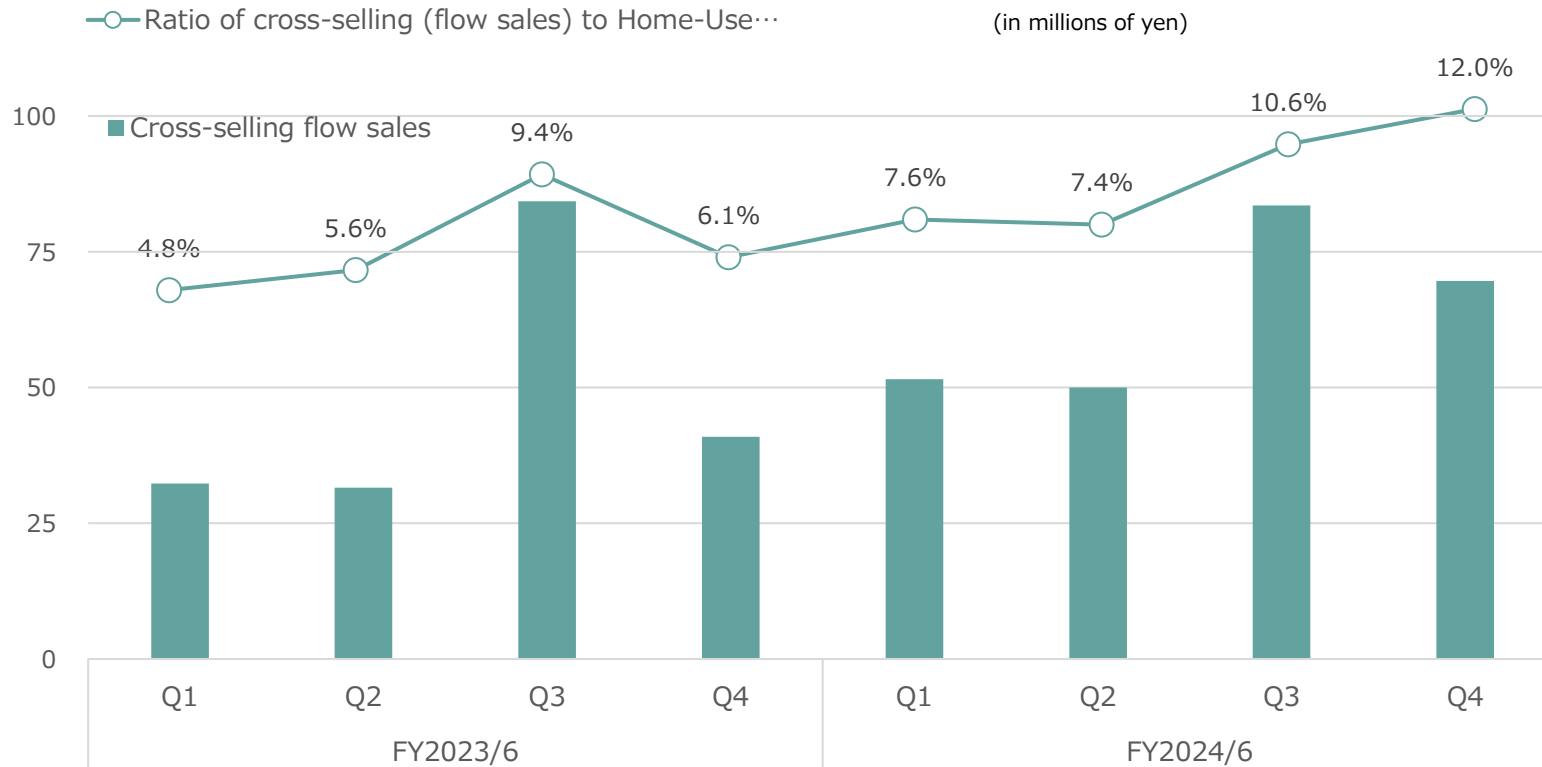


*Index showing the number of new internet connection construction projects in FY2022/6 Q1 set at 1

Home-Use Business: Cross-selling Status

- Cross-selling, which the company began to focus on in earnest from FY2023/6, is positioned as an approach to drive the growth of the home-use business. Flow sales (recorded at the time of introduction), which is a leading indicator of the business, totaled approximately 70 million yen on an accrual basis in Q4. Sales volume gradually increased due to active expansion.
- The share of flow sales of the home-use business exceeded 10% for two consecutive quarters. While the contribution of seasonal factors such as an increase in the number of completed new construction projects in Q3 cannot be ruled out, the cross-selling sales ratio increased even after the impact of the pandemic subsided in Q4, which is seen as a major step forward for the cross-selling strategy.

Cross-selling flow sales trends



FG Smart Call



FGTV



Network camera



Delivery box installation service



Smart lock/smart sensor



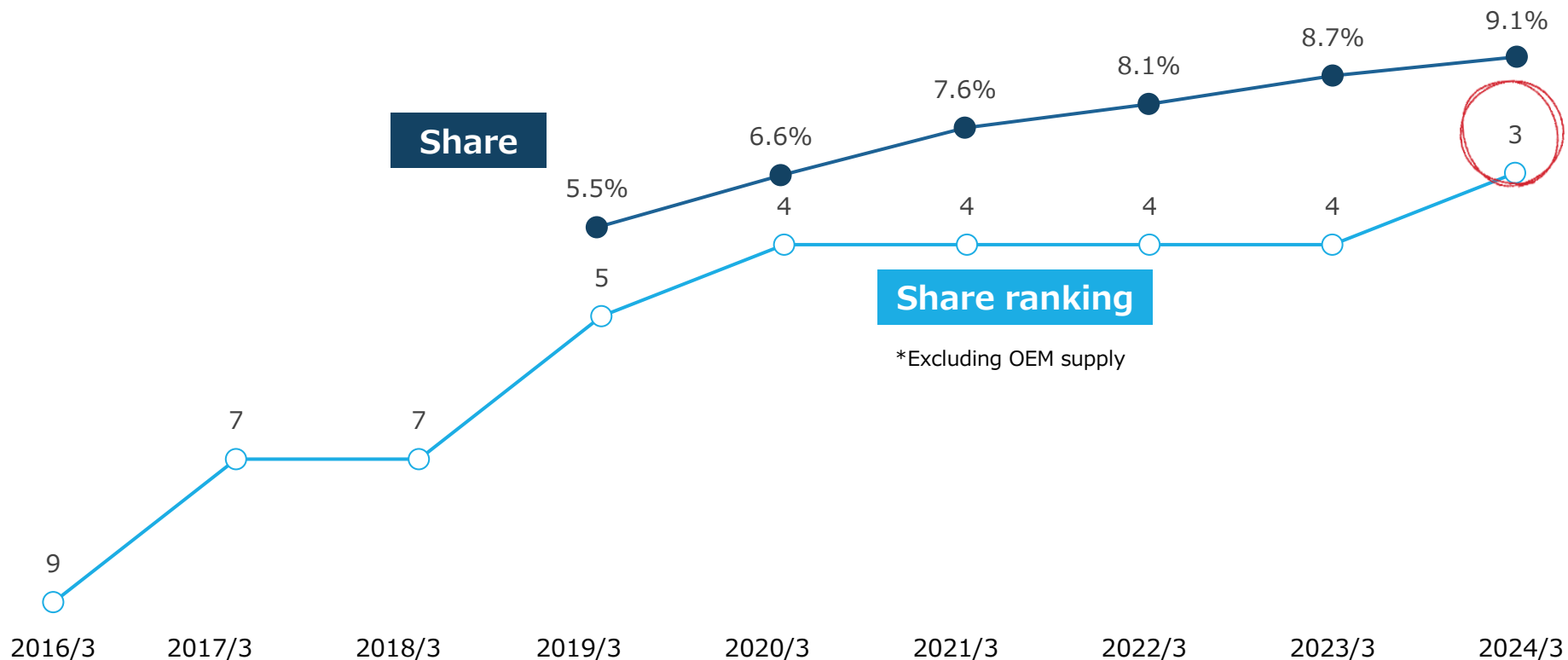
EV charging station



(Reference) MM Research Institute Share Survey

- According to MM Research Institute's survey of property-wide condominium ISP share, the most recent share of the company was 9.1%. The company's share ranking rose from 4th place last year to 3rd place.
- Over time, both the company's market share and ranking have steadily increased. Even within the industry, the company's home-use business has a strong presence.

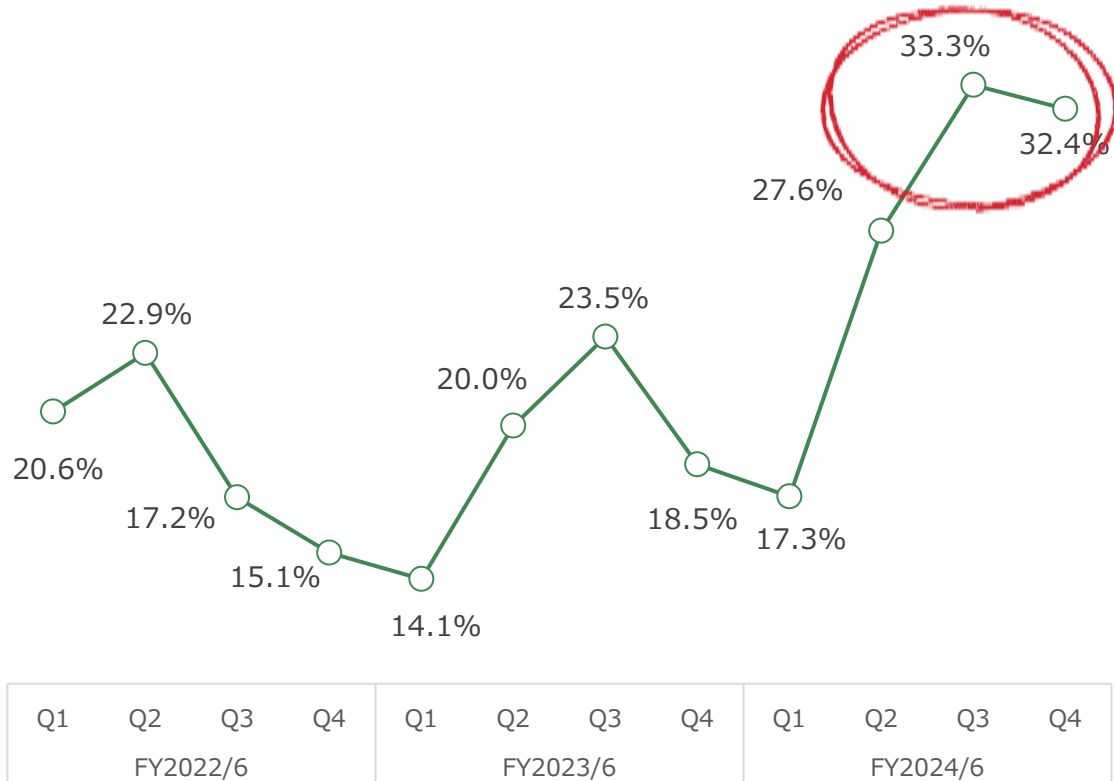
MM Research Institute Survey of property-wide condominium ISP share*



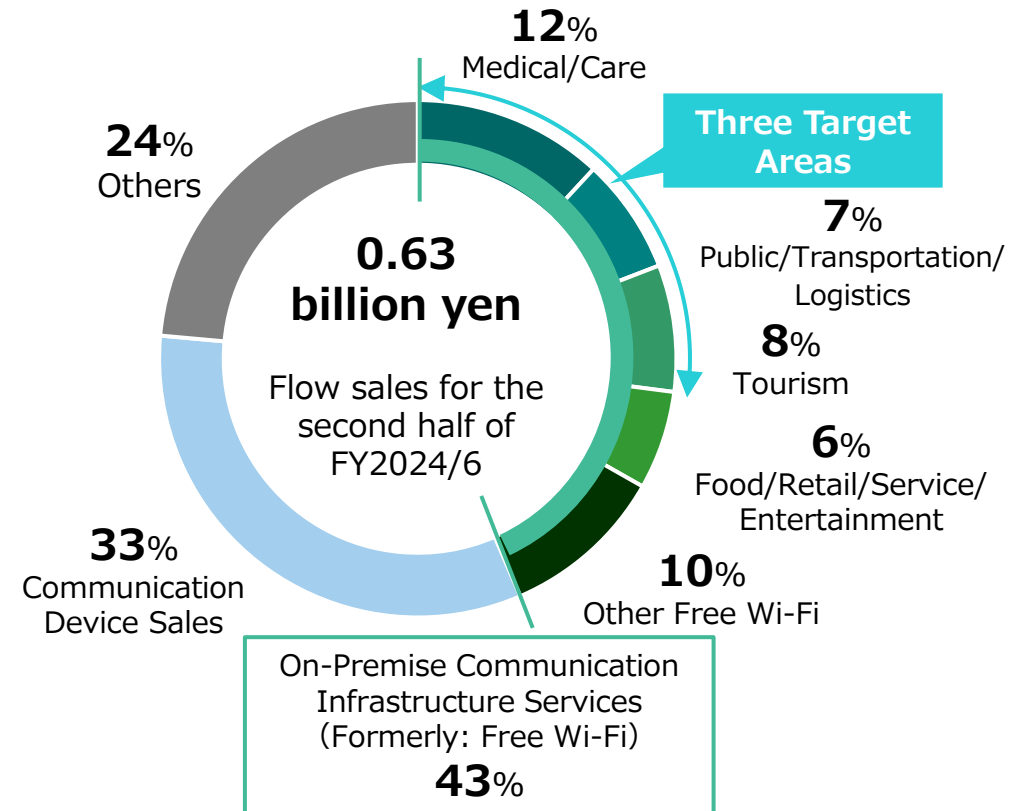
Operating Income Margin and Customer Attributes

- The business-use business continues to grow. The operating income margin has been maintained at around 30% since Q3, improving to a level comparable to that of the home-use business.
- The breakdown of flow sales in the second half of the year is as follows: On-premise communication infrastructure services 43%, communication device sales 33%, and others 24%. Free Wi-Fi sales are expanding steadily in the three target areas of medical care/nursing care, public/transportation/logistics, and tourism, which comprise the mainstay of the business. This is followed by food/retail/services/entertainment.

Business-Use Business
Trends in operating income margin



Business-Use Business
Breakdown of customer attributes for sales during second half of term



Trends in Key Indicators

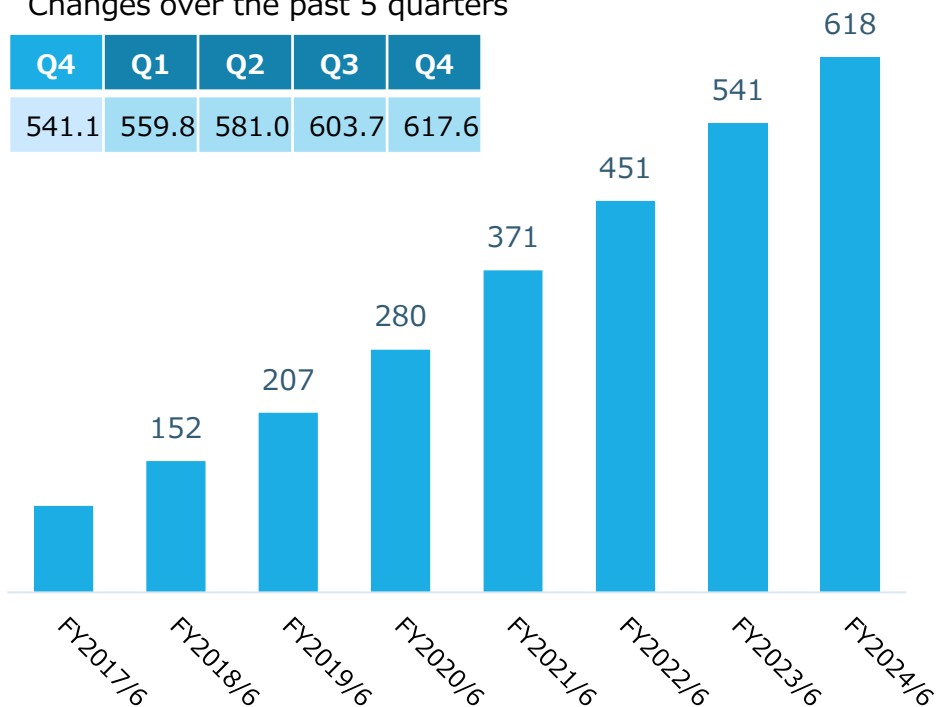
- The number of homes connected to the residence Wi-Fi service at the end of Q4 was approximately 620,000. The pace of increase in the number of connected homes slowed slightly to 14,000 per quarter.
- Sales of flow business, which is a leading indicator for business-use, totaled 960 million yen. This is a recovery of 1.5 times the level recorded in the June 2022 period, which fell sharply due to the COVID-19 pandemic. Along with the increase in flow sales, stock sales also steadily rose to higher levels.

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

(thousands of houses)

Changes over the past 5 quarters

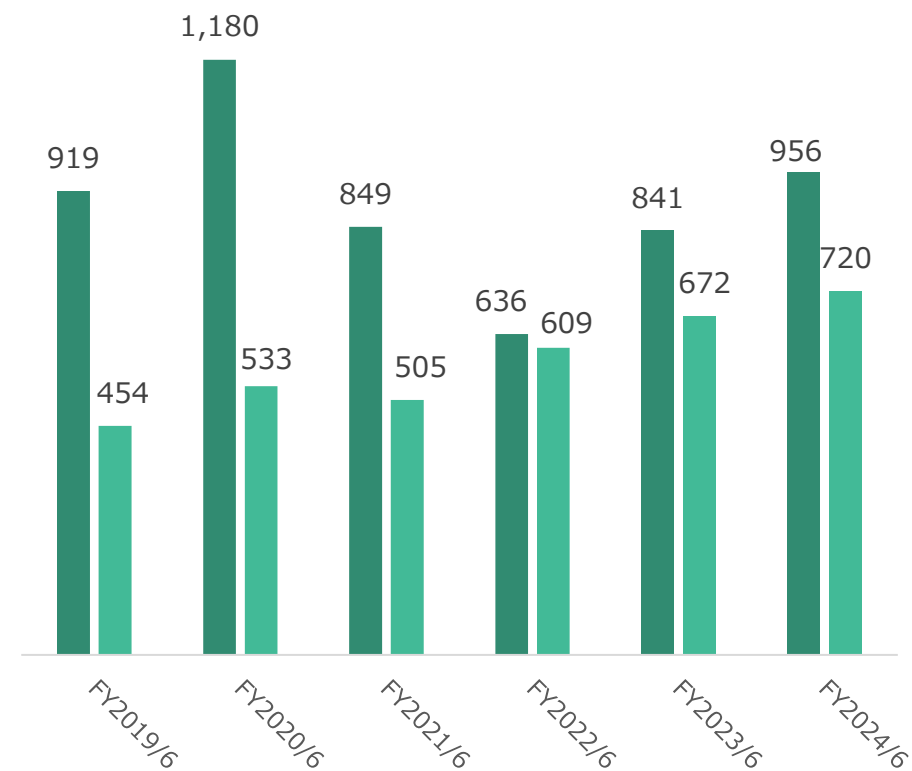
Q4	Q1	Q2	Q3	Q4
541.1	559.8	581.0	603.7	617.6



Trends in Business-Use sales by flow/stock

■ Flow ■ Stock

(in millions of yen)



Consolidated Financial Summary (Balance Sheet)

- The equity ratio at the end of the term was 44.3%. This also reached the highest level since the company's listing. Going forward, the focus will shift from fiscal soundness to leveraging.
- Total assets increased slightly. Although cash and cash equivalents and real estate inventory decreased, this was due to an increase in accounts receivable due to increased telecommunications sales and an increase in related fixed assets. Regarding the credit side, while the company has continued to reduce contract liabilities and reduce borrowings, net assets have increased significantly due to increased business performance.

(in millions of yen)		FY2022/6	FY2023/6	FY2024/6	FY2023/6 increase/ decrease comparison	
Current Assets		6,028	5,559	5,339	▲220	Use of cash to increase accounts receivable and acquire fixed assets
	Cash and deposits	2,303	2,382	2,120	▲262	
	Accounts receivable	1,375	1,585	1,772	+186	Communications-related sales growing steadily
	Inventory (Communications)	654	637	666	+29	
	Inventory (Real estate)	1,426	655	489	▲165	Selling progressing
Fixed Assets		7,057	7,203	7,736	+532	
	Tangible fixed assets	6,204	6,565	7,200	+635	Increase in telecommunications-related assets due to increase in Wi-Fi contracts
Total Assets		13,087	12,764	13,076	+311	
Liabilities		9,808	8,005	7,240	▲765	
	Interest-bearing liabilities	6,653	4,672	4,442	▲229	Borrowings once again on a downward trend
	Contract liabilities	1,958	1,638	1,317	▲321	
Net Assets		3,279	4,758	5,836	+1,077	Equity ratio 44.3%
Total Liabilities and Net Assets		13,087	12,764	13,076	+311	

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

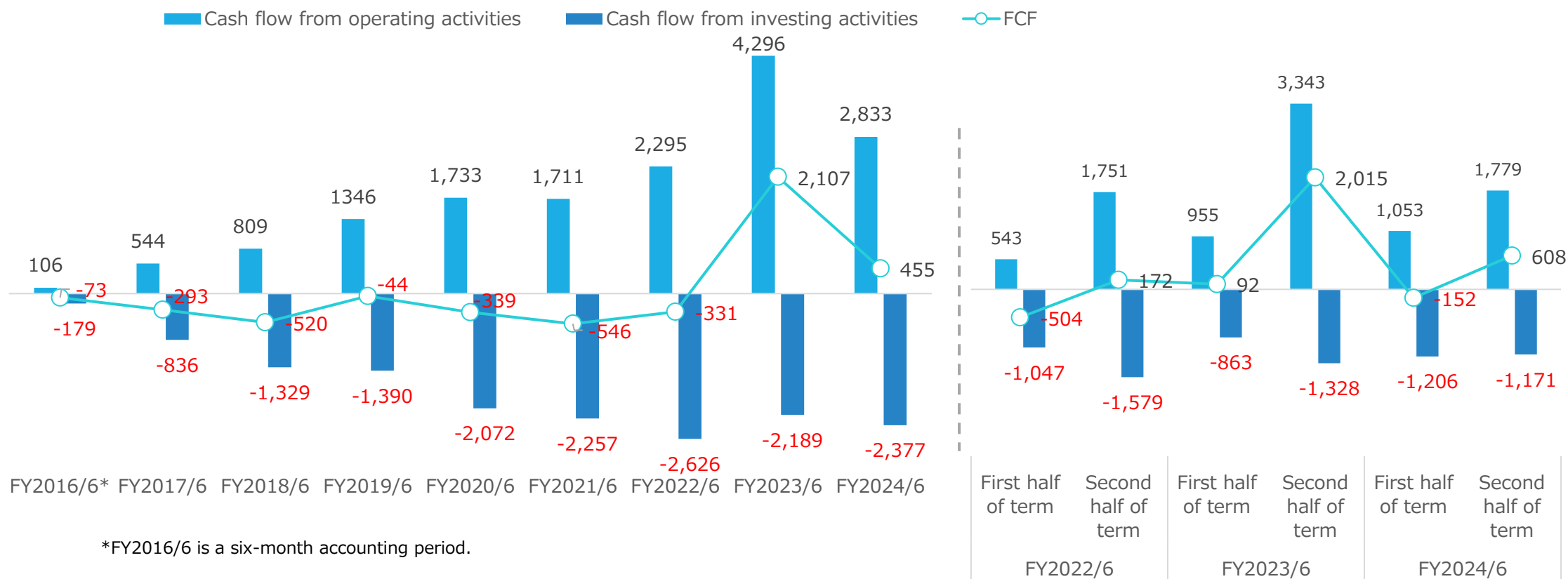
- Free cash flow (FCF) for FY2024/6 was positive (460 million yen). Positive FCF was achieved for two consecutive terms despite declining real estate sales.
- Since the company's listing, the business structure has been one in which business expansion would lead to greater investment burdens, but this trend has now completely reversed.

Long-term Cash Flow Trends

(in millions of yen)

(Full-year trends)

(Half-year trends)





Mid-term Vision and Future Plans

Previous Stages and New Growth Stage

Fibergate Inc. Concept of growth stages of the company

- 2000
- Founded as an NTT agency
 - Start of free Wi-Fi service FGBB.
 - for condominium residents
 - Promotion of private brand (PB) strategy

- 2015
- Start of telecommunications equipment manufacture by Taiwanese subsidiary
 - Construction of a one-stop system for products to services

- 2009
- Start of free Wi-Fi service for businesses
 - Expanding business areas to include home-use and business-use

- 2018
- Listing as a public company
 - Building a growth strategy and internal structure that can withstand the pressure of external shareholders
 - Expanding into real estate and renewable energy fields

2024
Change in business model to meet a **changing environment**

Stage 5

Independent Wi-Fi solutions company

Becoming an on-premise infrastructure integrator





On-Premise Infrastructure Integrator (OPIIer)

Comprehensive provision of optimal communication environments to users

Network camera



FG Smart Call



FGTV



PBX



Peripheral devices/IoT services

Wi-Fi, Anywhere



Renewable Energy

Solar Panels



Energy Storage



High-Voltage Power Services



EV charging station



Telecommunications equipment

Smart Lock
Smart Sensor



Real Estate

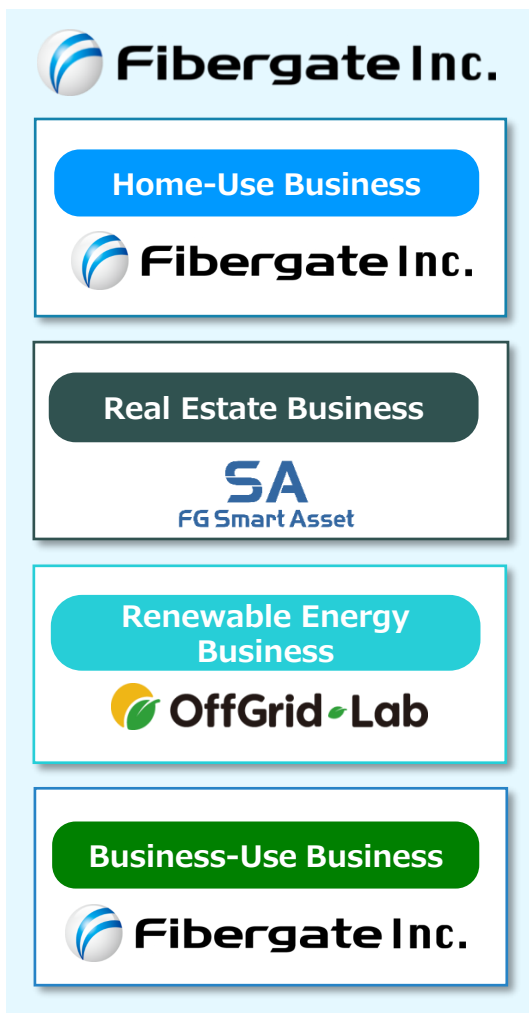
Delivery box installation service



Kagitouban

Router





Providing the optimal communication environment for each user, with **no excess and no lack**



Small and medium-sized businesses/business owners unfamiliar with network creation



Shops



Local governments



Nursing homes



Lodging facilities



Entertainment facilities



Educational facilities



Medical facilities



Apartments/condominiums



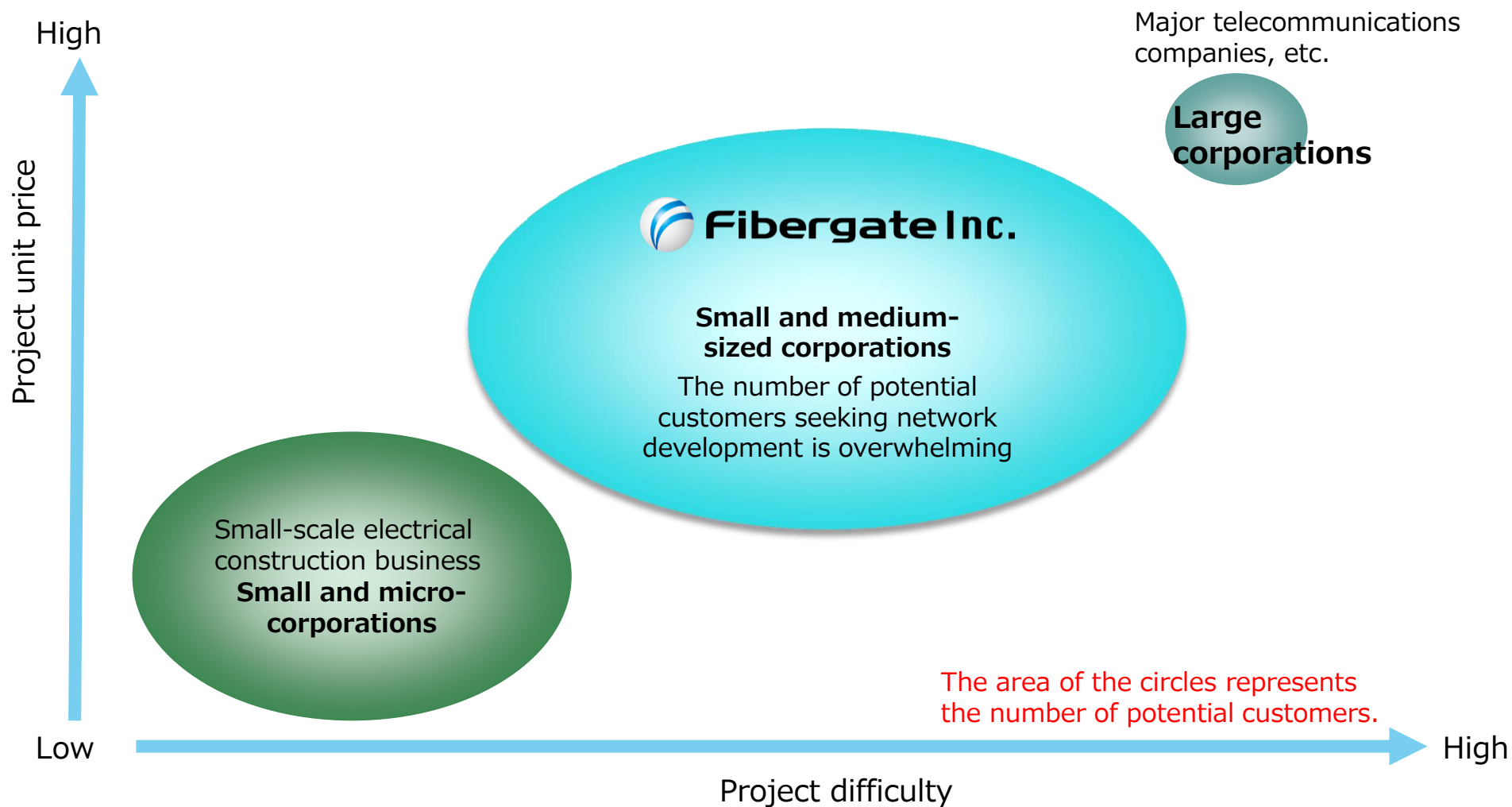
Transportation

Concerns of small and medium-sized businesses/business owners

- Major vendors only supply unnecessarily high-spec specifications
- Proposals from small and medium-sized vendors often lack scalability and functionality

Target Market Position of the Company

- Many small and medium-sized enterprises need to build their own infrastructure, but it is non-core and inefficient.
- The company can cover areas that are difficult for large companies to handle due to their scale.



Growth stage 5



Future growth stage



Mid-term Vision

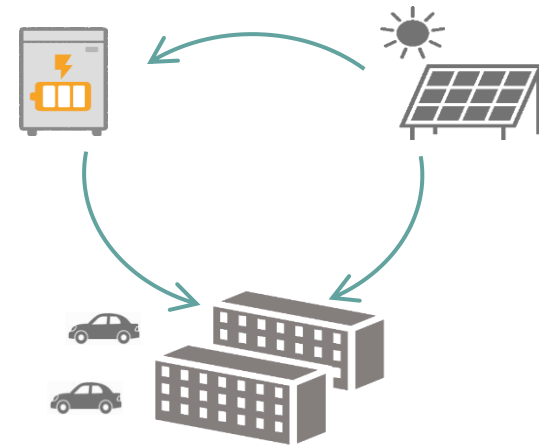
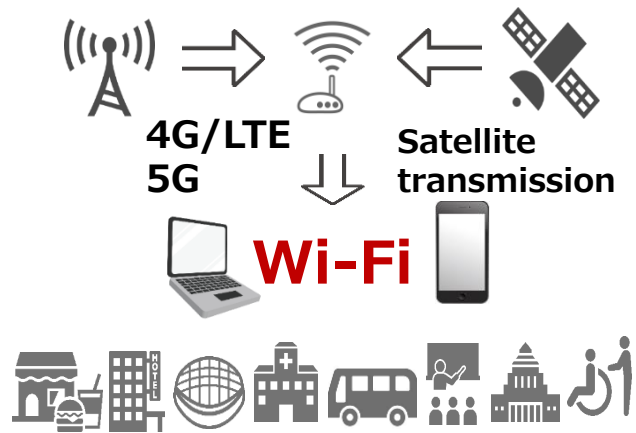
Step1
“Wi-Fi anywhere”
 Realizing our Alternative Carrier vision

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



Step2
 Realizing the future of infrastructure created by telecoms and renewable energy

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

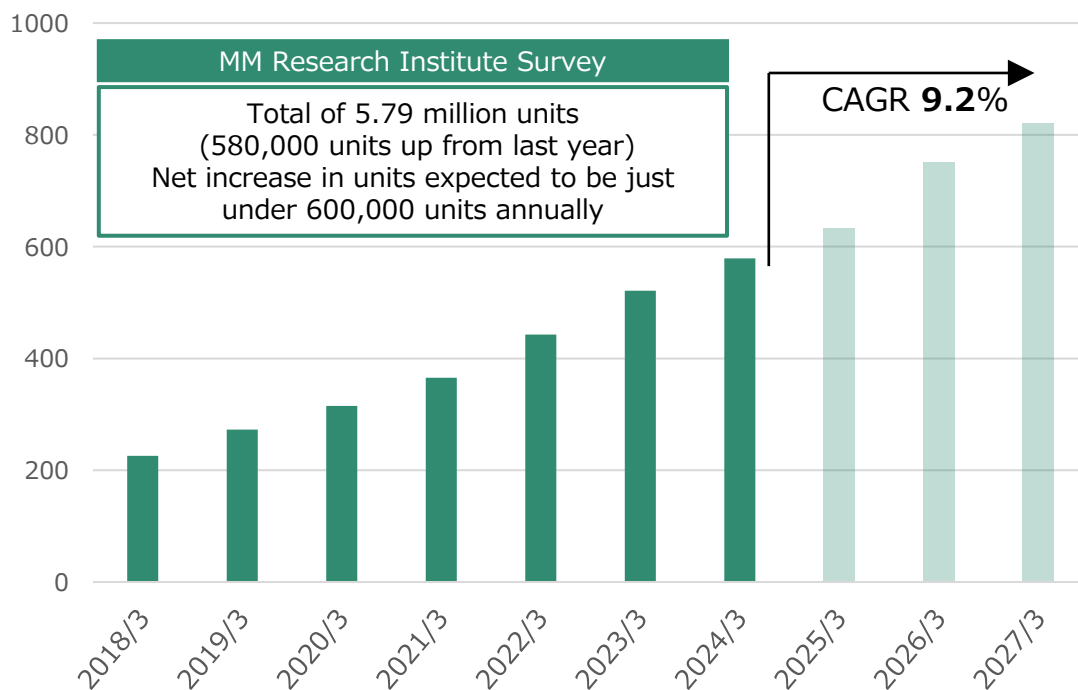


Home-use Business Strategy

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

Number of property side condominiums with ISP provision

(Unit: 10,000 units)



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

Initiatives until FY2024/6

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

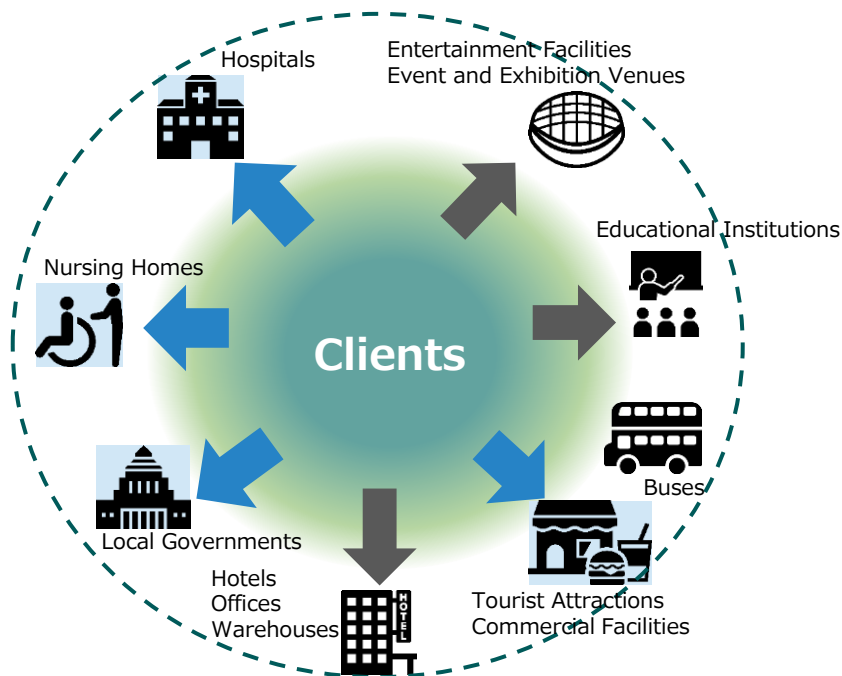
Future measures including the above

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

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

Business-use Business Strategy

- Continue to focus on three target areas (hospitals/nursing homes, tourism, and public services)
- High demand for hospital rooms, care DX, tourism, and venues.
- Strengthening key sales, and enhancing expertise to meet needs



Initiatives until FY2024/6

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

Future measures including the above

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

【 Partial market data for key industries 】

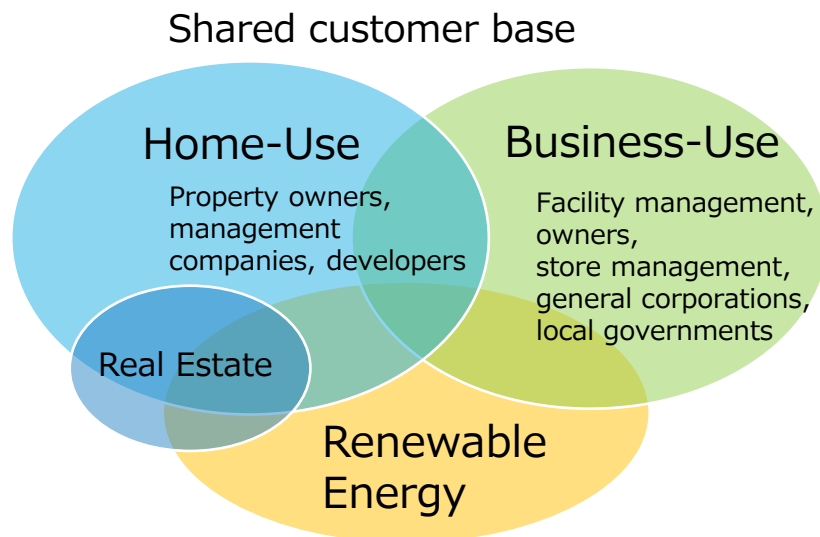
- ✓ General hospitals: 7,314 facilities
- ✓ General clinics: 102,105 facilities
- ✓ Nursing care and welfare facilities: 8,494 facilities
- ✓ Housing for the elderly with home-care services provided: 287,687homes
- ✓ Charter buses: 43,649 buses
- ✓ Municipalities : 1,724

Source: 2022 Ministry of Health, Labour and Welfare Medical Facility Trends Survey / 2022 Ministry of Health, Labour and Welfare Medical Facility Trends Survey / Overview of the 2022 Ministry of Health, Labour and Welfare Survey on Nursing Care Facilities/Businesses / 2024 Ministry of Land, Infrastructure, Transport and Tourism: Current Status of Housing for the Elderly with Home-care Services Provided / 2021 Nihon Bus Association "Bus Business in Japan"

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

Growth Potential of Non-telecommunications Infrastructure (Renewable Energy and Real Estate) Businesses

- The third pillar, the renewable energy business, is the next growth driver
- Develop businesses with a shared customer base



Renewable energy has a high affinity with existing sales channels for telecommunication services, and cross-selling between telecommunication services and renewable energy (electricity) services can also be expected.

Promote the Expansion of Renewable Energy Services

Initiatives until FY2024/6

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

Future measures including the above

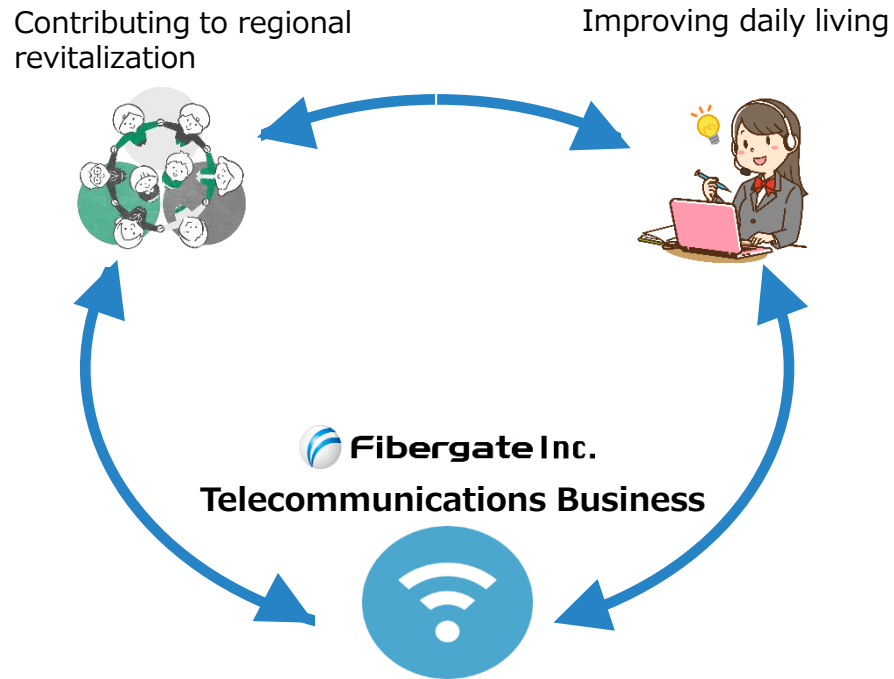
- ✓ Starting offering shared area plans and private area plans for apartment complexes
- ✓ Continuing to promote expansion into local government projects
- ✓ Starting construction and proposal of on-site VPP service models

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

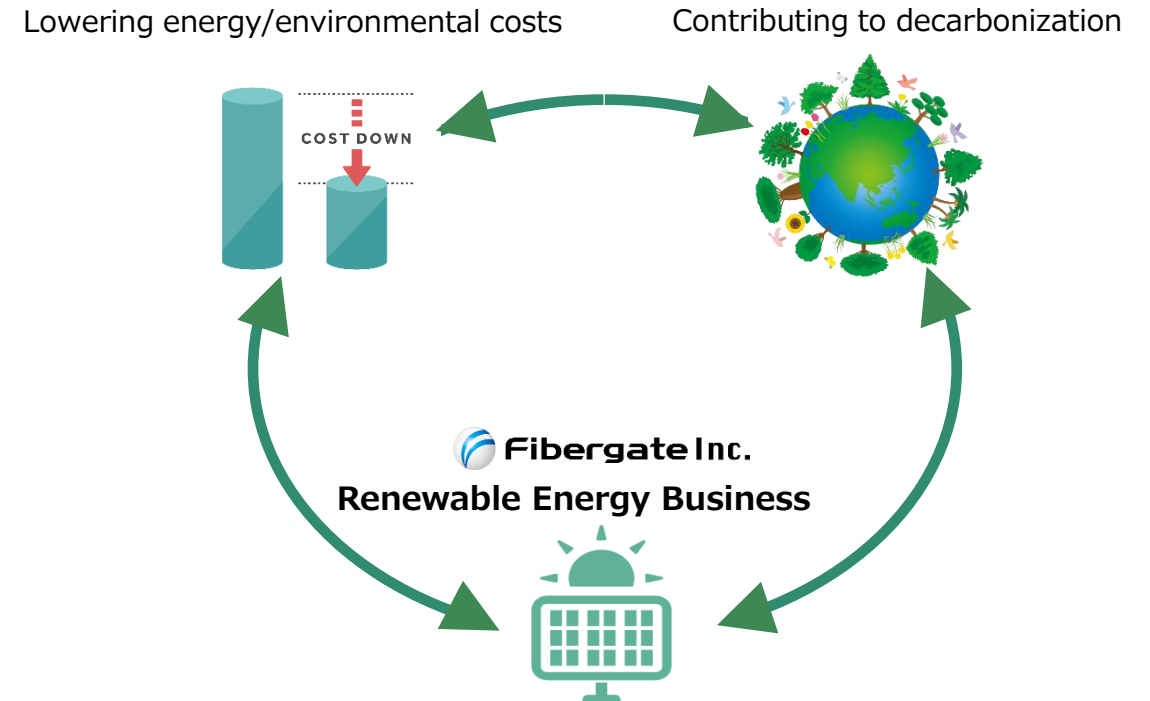
Promotion of Sustainability Management Creating Synergistic Effects

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

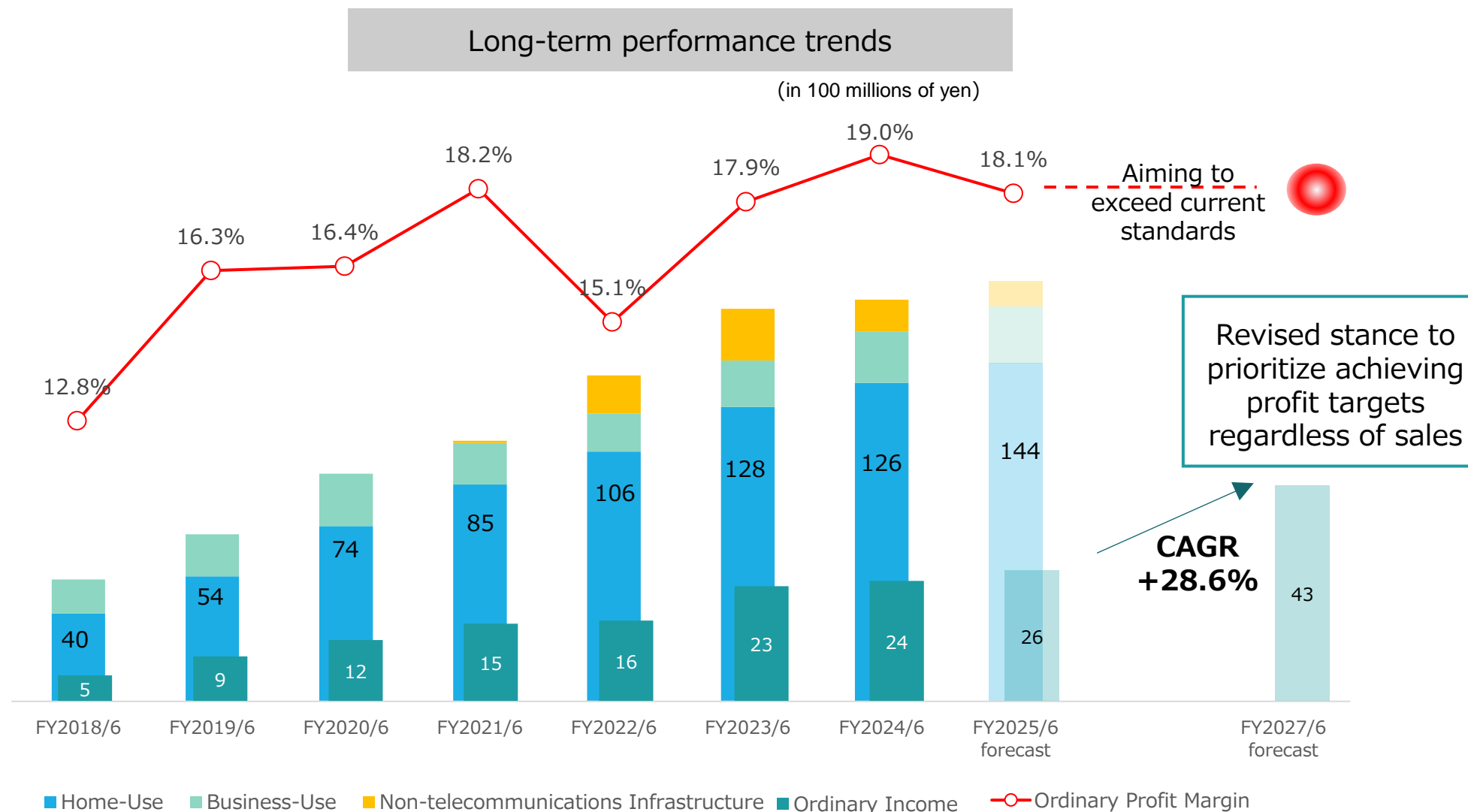
Contributing to society through telecommunications solutions



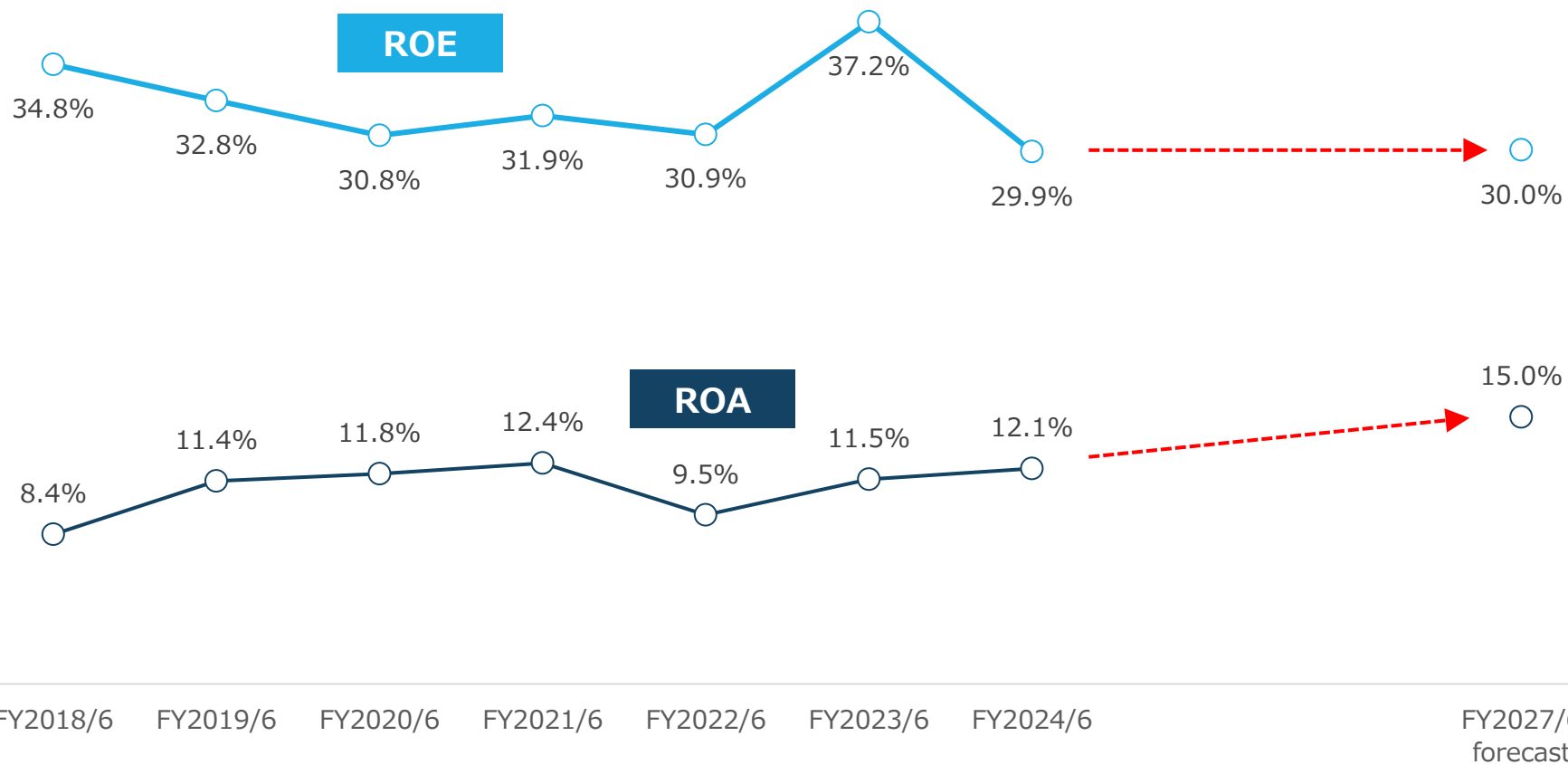
Promoting carbon offsetting



Mid-Term Business Performance Target



Long-term performance trends

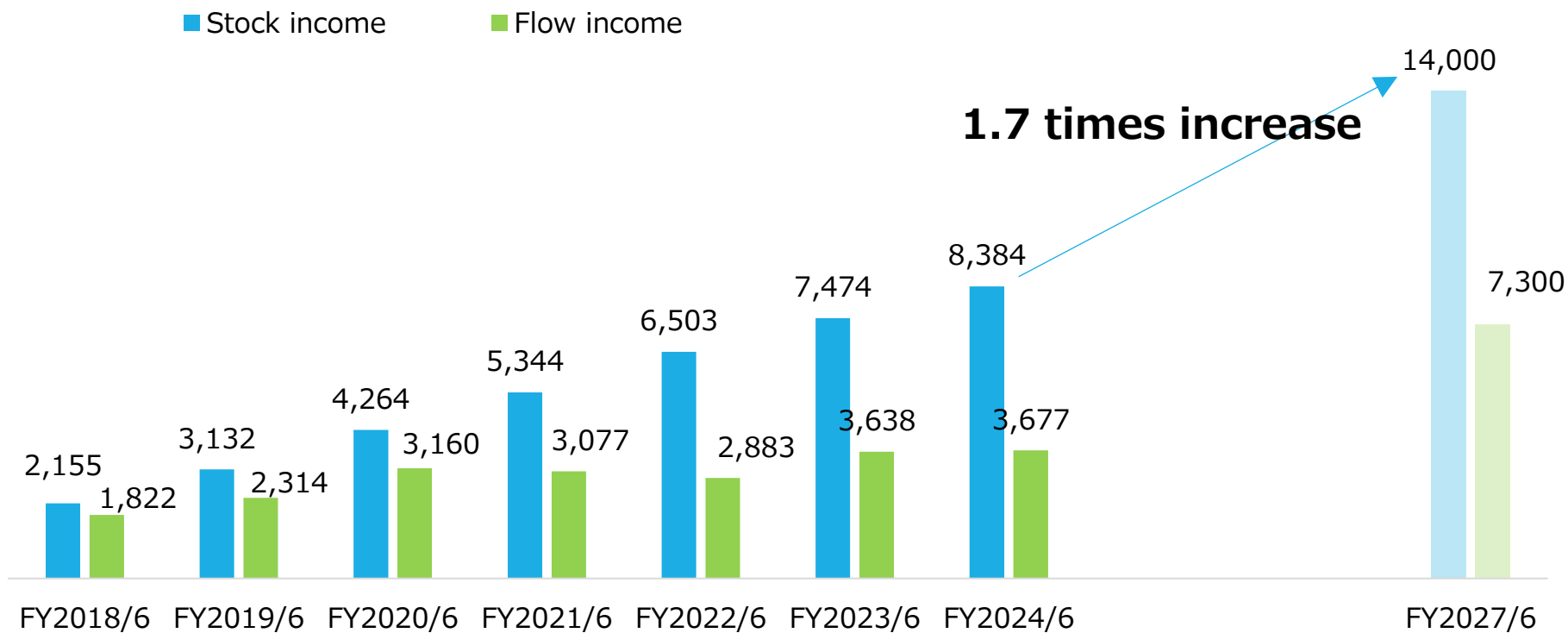


Trends in Stock and Flow Income

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

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

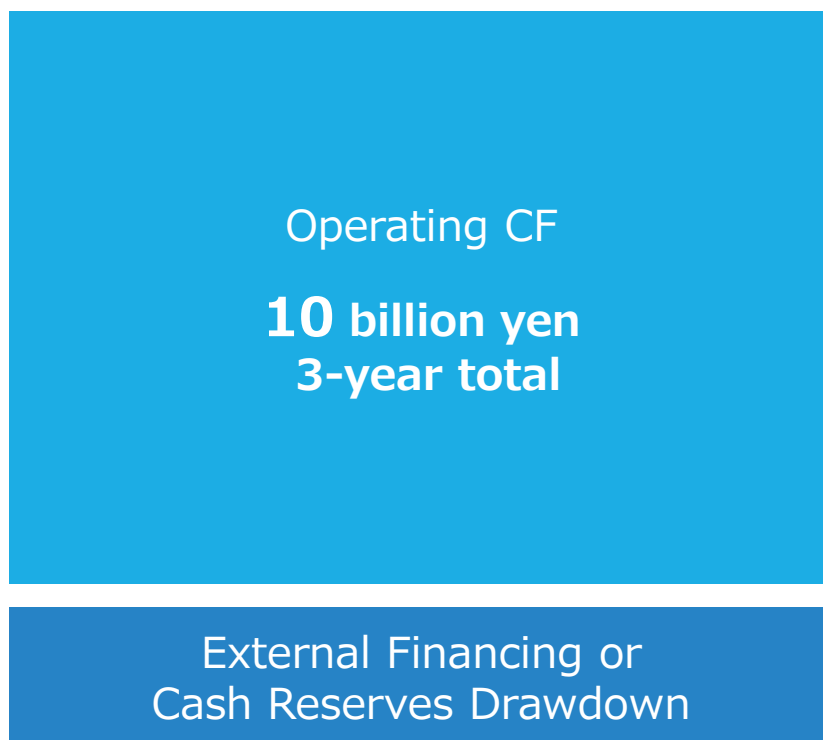
(in millions of yen)



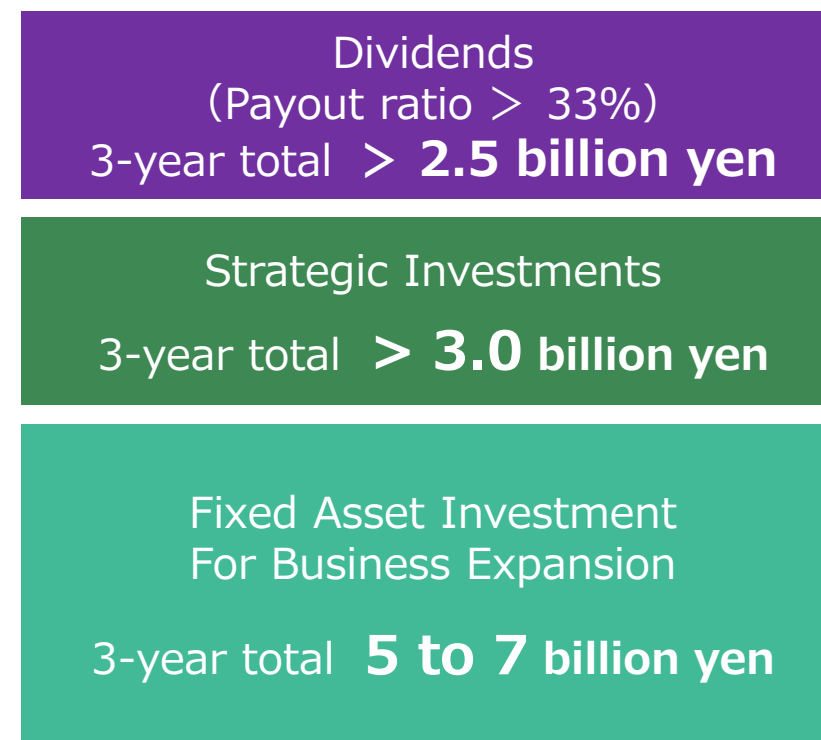
Estimated Capital Allocation

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

Capital Sourcing



Capital Allocation





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

Forecast of Consolidated Financial Results for FY2025/6

- Revenue is expected to increase by 14% and ordinary income by 9% in FY2025/6. In the telecommunications-related field, business-use sales will continue to grow rapidly, and even in non-telecommunications fields, sales recognition for renewable energy and other areas will likely begin, driving revenue growth. In terms of profit and loss, the ordinary income margin is expected to be somewhat conservative, but double-digit profit growth is again in sight.
- By segment, home-use is stable, business use is favorable, and real estate and others are expanding rapidly. However, all of these are expected to reach new highs. While the company expects an increase in main office costs to strengthen the corporate structure, this will be absorbed by an increase in home-use stock, increase in business-use flow, and increase in non-telecommunications sales.

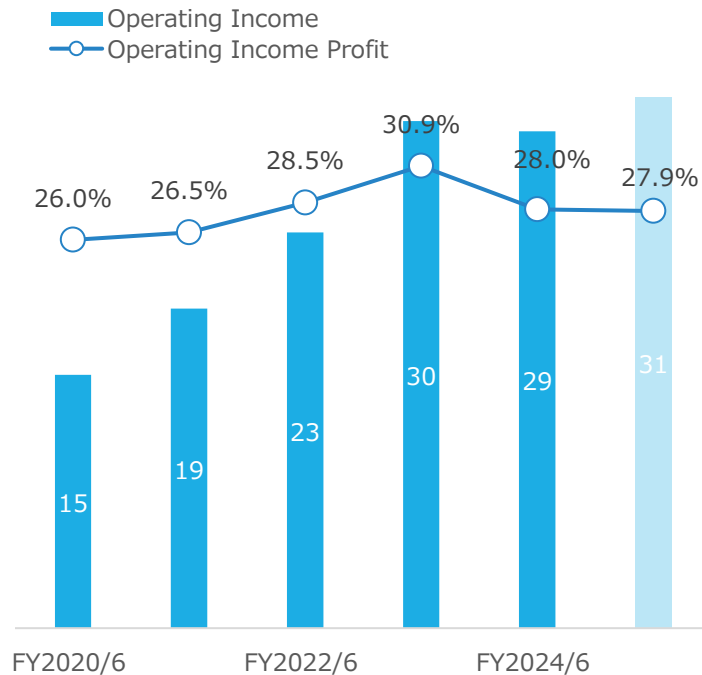
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Home-Use	8,141	9,600	10,386	11,140	+753	+7.3%
Business-Use	1,244	1,512	1,675	2,220	+544	+32.5%
Real Estate/Renewable Energy/Other	1,238	1,682	551	1,010	+458	1.8x
Operating Income	1,652	2,320	2,387	2,620	+232	+9.7%
Home-Use	2,318	2,970	2,910	3,110	+199	+6.8%
Business-Use	235	289	480	690	+209	+43.6%
Real Estate/Renewable Energy/Other	52	138	64	180	+115	2.7x
Adjusted	▲953	▲1,078	▲1,068	▲1,360	▲291	▲27.3%
Ordinary Income	1,604	2,290	2,395	2,600	+204	+8.5%
Ordinary Income Margin	15.1%	17.9%	19.0%	18.1%	▲0.9pp	-
Parent Company Current Net Income	1,073	1,482	1,567	1,650	+82	+5.3%

Forecast of Consolidated Financial Results by Segment for FY2025/6

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

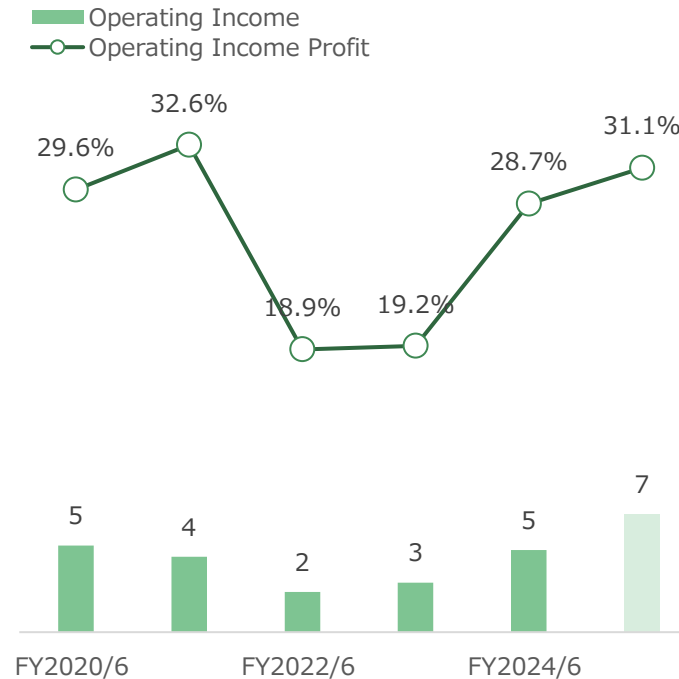
Home-Use Business

(in 100 millions of yen)



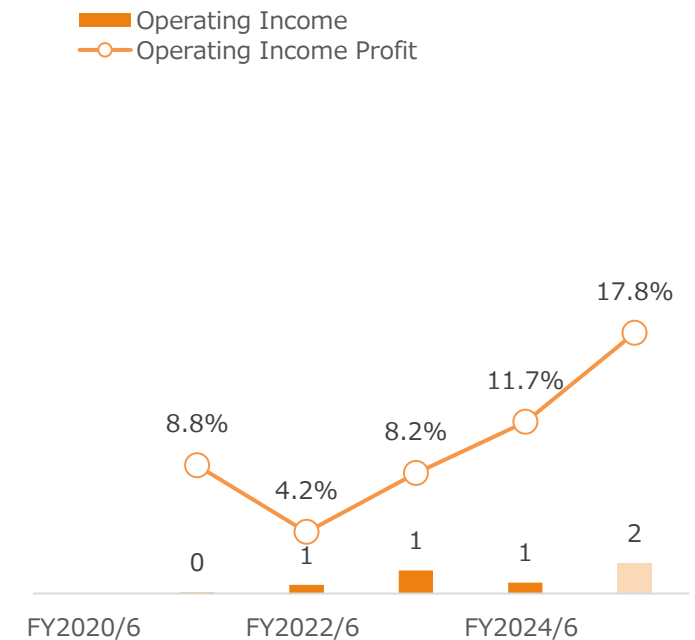
Business-Use Business

(in 100 millions of yen)



Non-Telecommunications Business

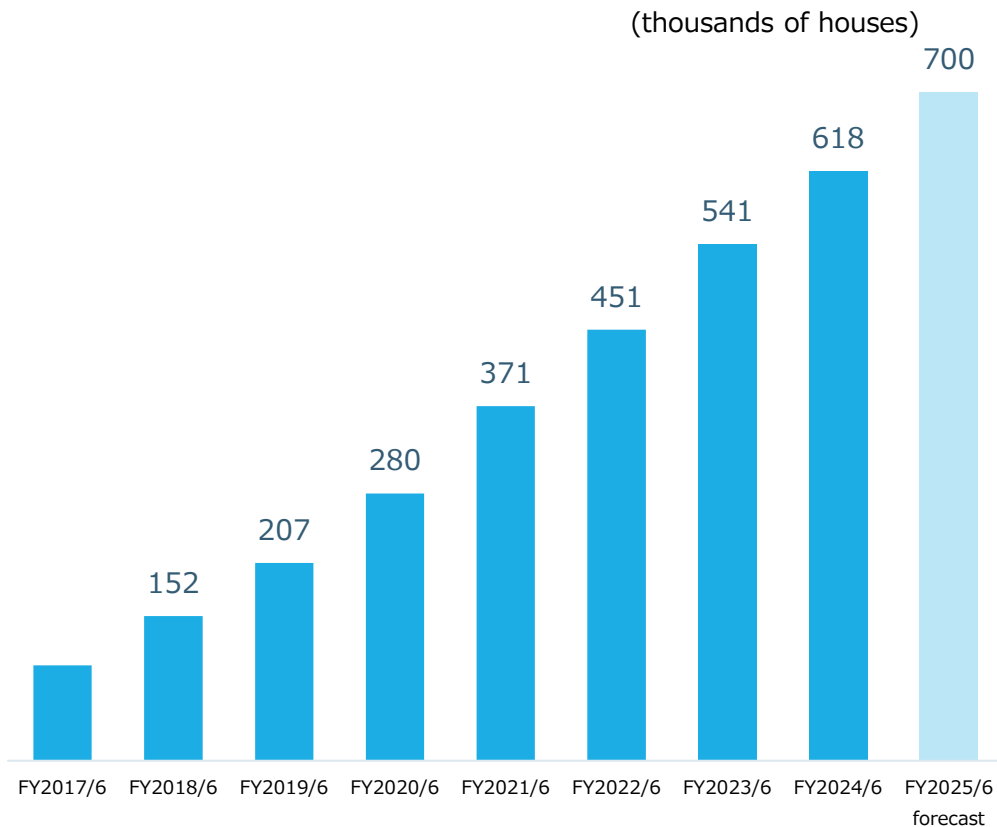
(in 100 millions of yen)



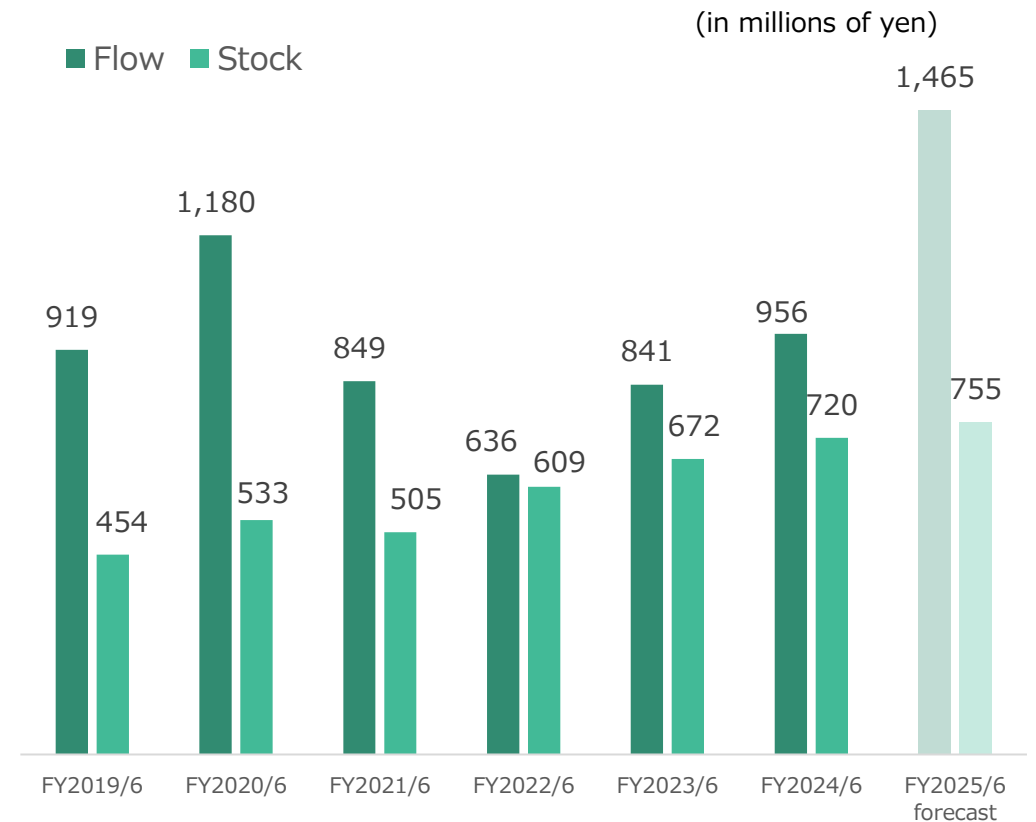
Key Assumptions for the FY2025/6 Consolidated Financial Forecast

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

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



Trends in Business-Use Sales by Flow/Stock



- The company has started transformation to become an on-premise infrastructure integrator (OPIer), preparing to build a profitable business structure and developing strategies to withstand the next growth stage.
- The goal is to ensure a profitable structure that can raise the level of operating income per person. In addition to the effects of business expansion, it is aimed to increase operating income per person by about 50% in FY2027/6.

Strengthening the corporate structure to withstand growth

- ✓ Labor productivity improvement
 - ✓ Core system/analytical tool introduction*
 - ✓ Human capital investment (regular salary increases, office facility development)
 - ✓ Utilizing outsourcing (changing non-core operations into variable costs)
 - ✓ Increasing flexibility in sales methods
 - ✓ Promoting the sale of telecommunications equipment in the home-use business (reducing assets + reducing future tax burden)

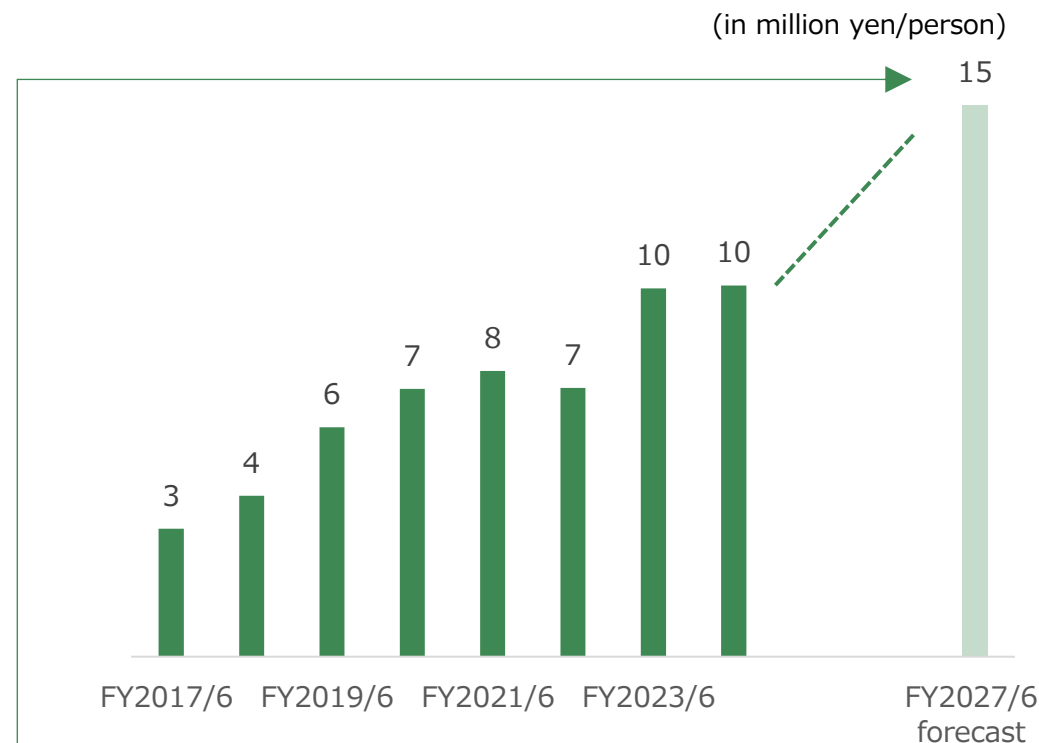
Strategic investment for growth

- ✓ Strengthening of telecommunications construction work*
 - ✓ Focus on core businesses that require expertise
 - ✓ Also explore ways to shorten time by utilizing M&A

▶ Foundation for increasing operating income per employee

Targeted for a three-year cumulative strategic investment budget of over 3 billion yen

Trends in operating income per person



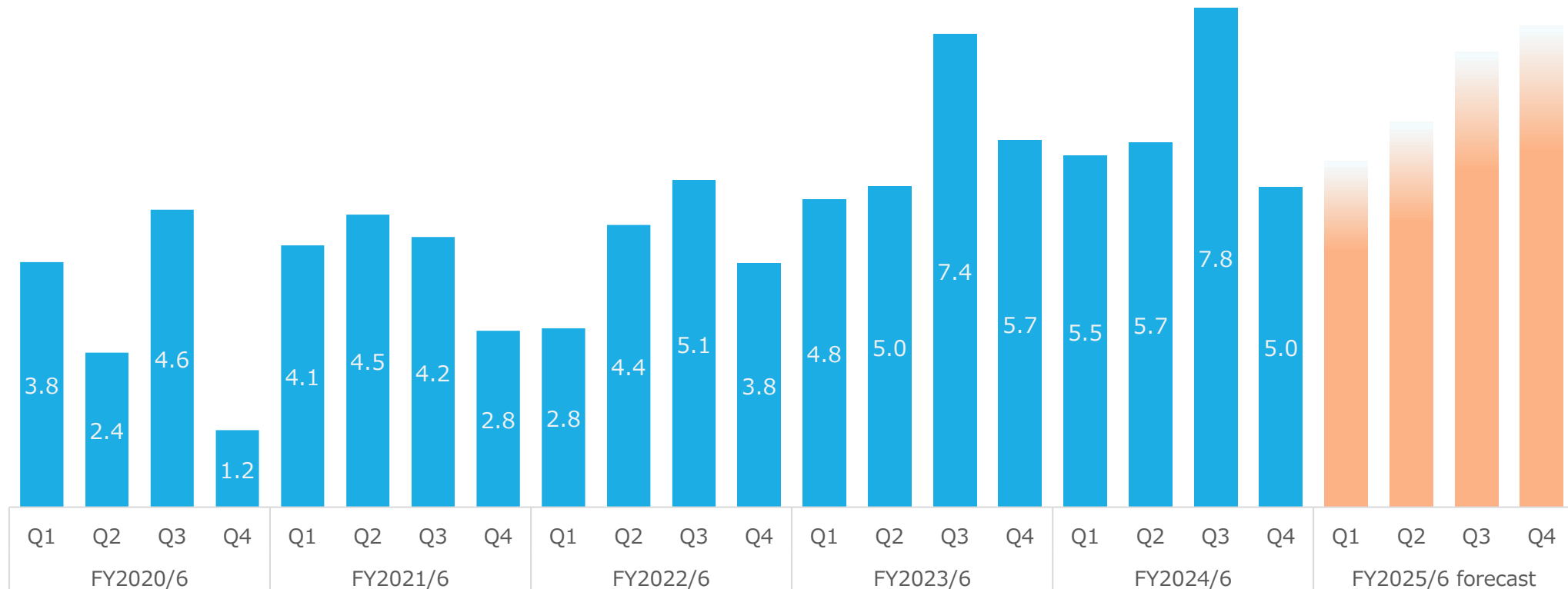
Forecast of Consolidated Financial Results for FY2025/6

Quarterly Overview

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

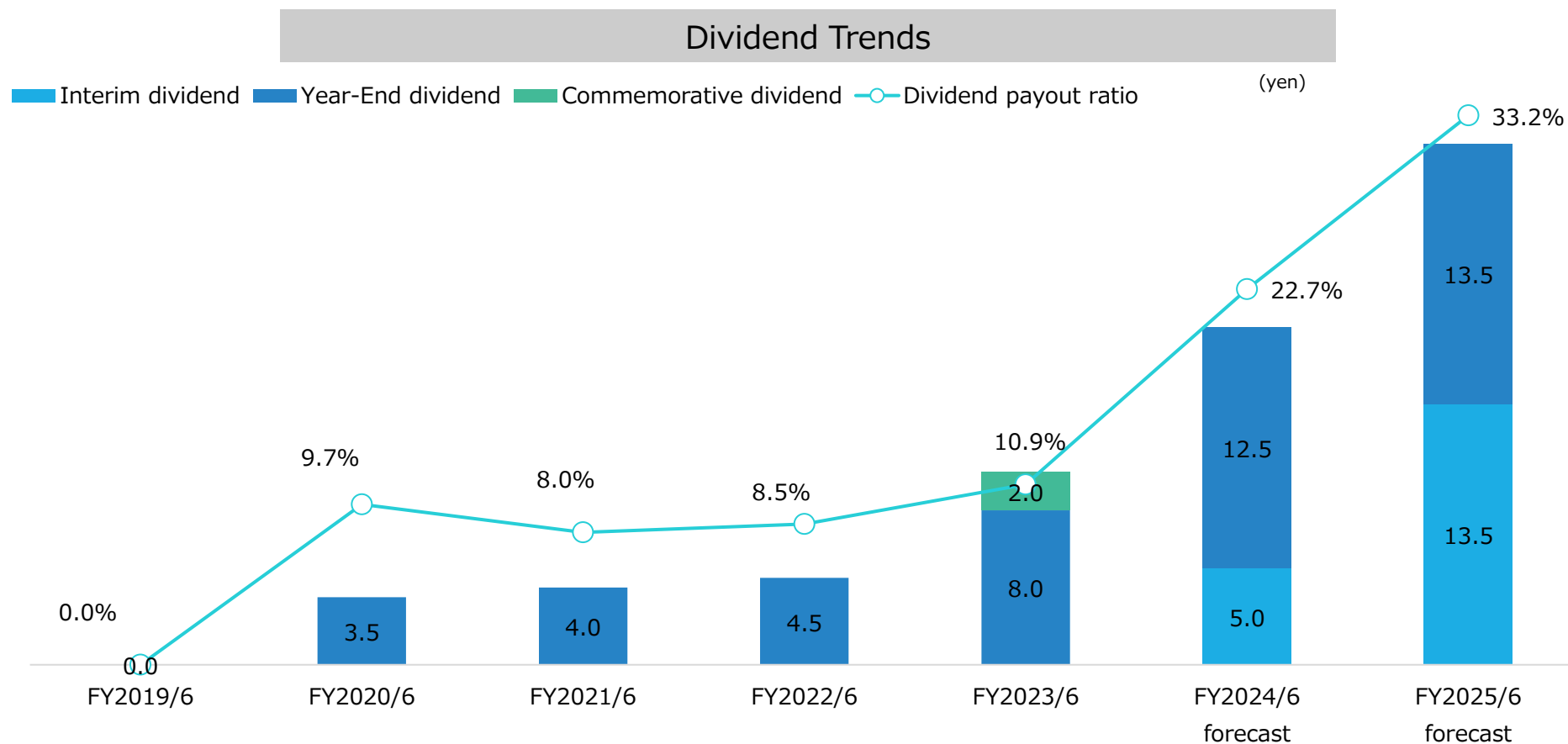
Image of Trends in Ordinary Income by Quarter

(in 100 millions of yen)



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

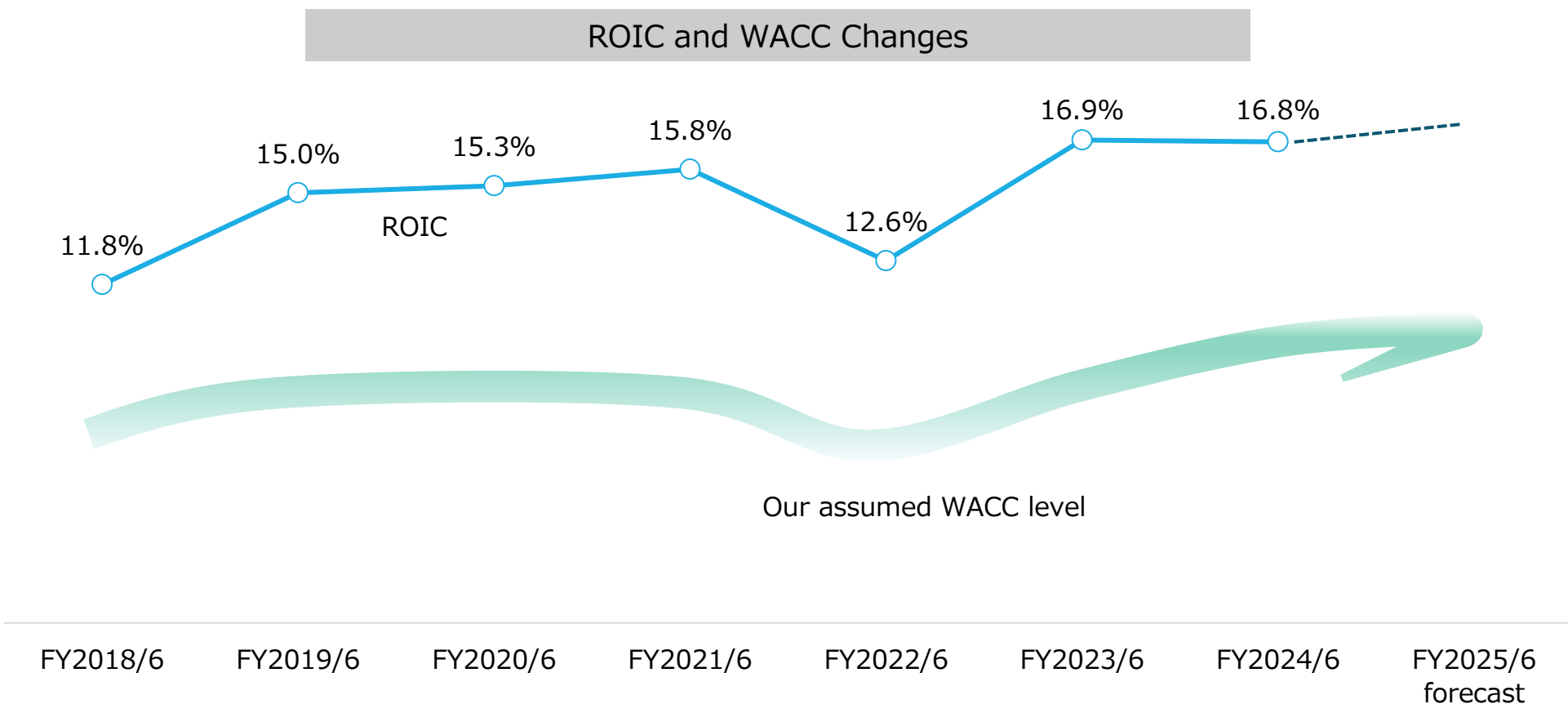
- As previously expected, dividends for FY2024/6 are planned to be 17.5 yen per share, an increase of 7.5 yen from the previous year. The dividend payout ratio is expected to be 22.7%.
- Dividends for FY2025/6 are expected to be 27 yen. The dividend payout ratio is set at 33.2% to achieve a healthy and sustainable profit distribution and realize favorability in growth, shareholder returns, and strengthening of financial standing.



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

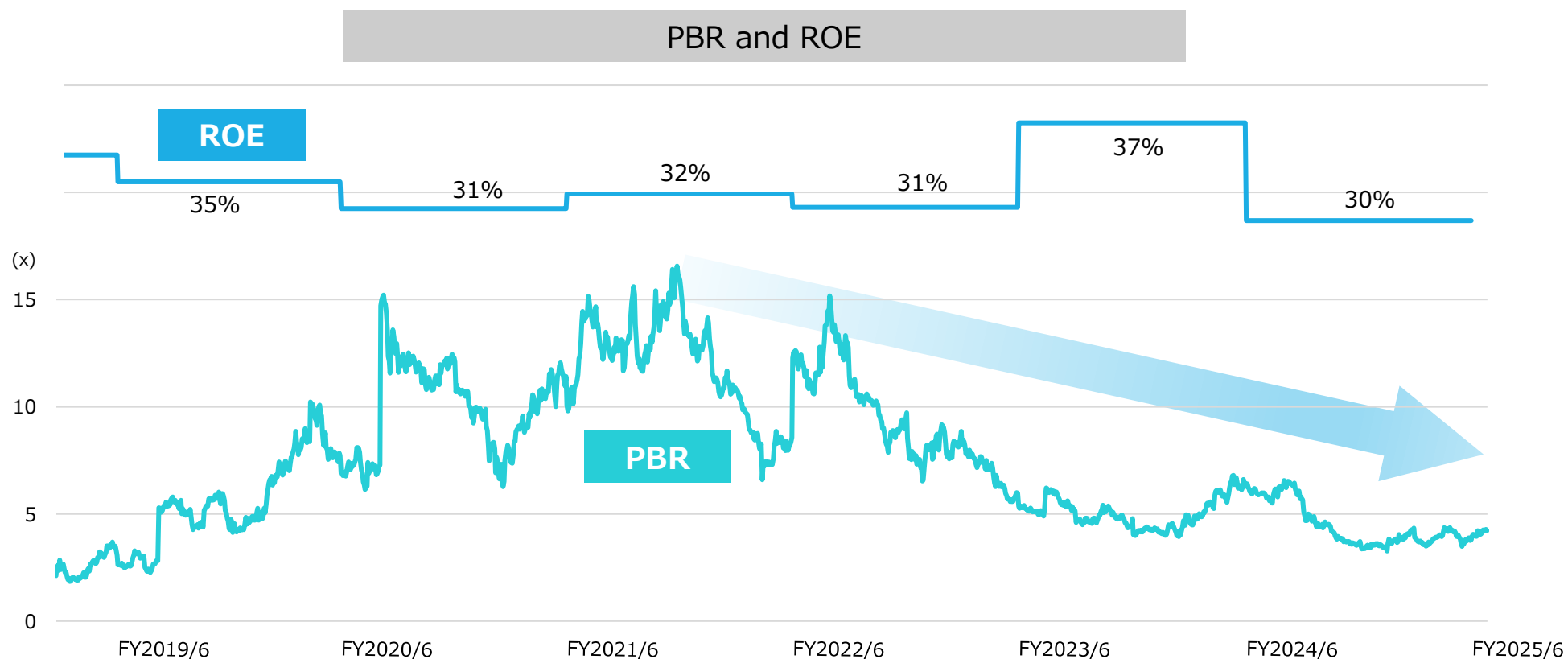
Cost of Capital-Conscious and Stock Price(Update)

- Historically, the company's ROIC has far exceeded expected WACC. Increasing corporate value is regarded as a top priority.
- The company plans to maintain ROIC at just over 15% in FY2025/6. However, WACC is expected to gradually rise due to increasing interest rates and improving equity ratio. The company will work to curb WACC while promoting the establishment of highly efficient management in order to improve ROIC to a level greater than the increase in WACC.



Cost of Capital-Conscious and Stock Price(Update)

- ROE is expected to remain at around 30% in FY2025/6. Despite favorable business performance, the expansion of equity capital will be curbed by increasing dividends, etc.
- However, the long-term downward trend in PBR remains unchanged. While the company is making progress in increasing corporate value, it is recognized that the effects may be offset by a decline in growth expectations. The company pursues a growth scenario that raises market expectations by evolving from a Wi-Fi solutions company to an infrastructure integrator.





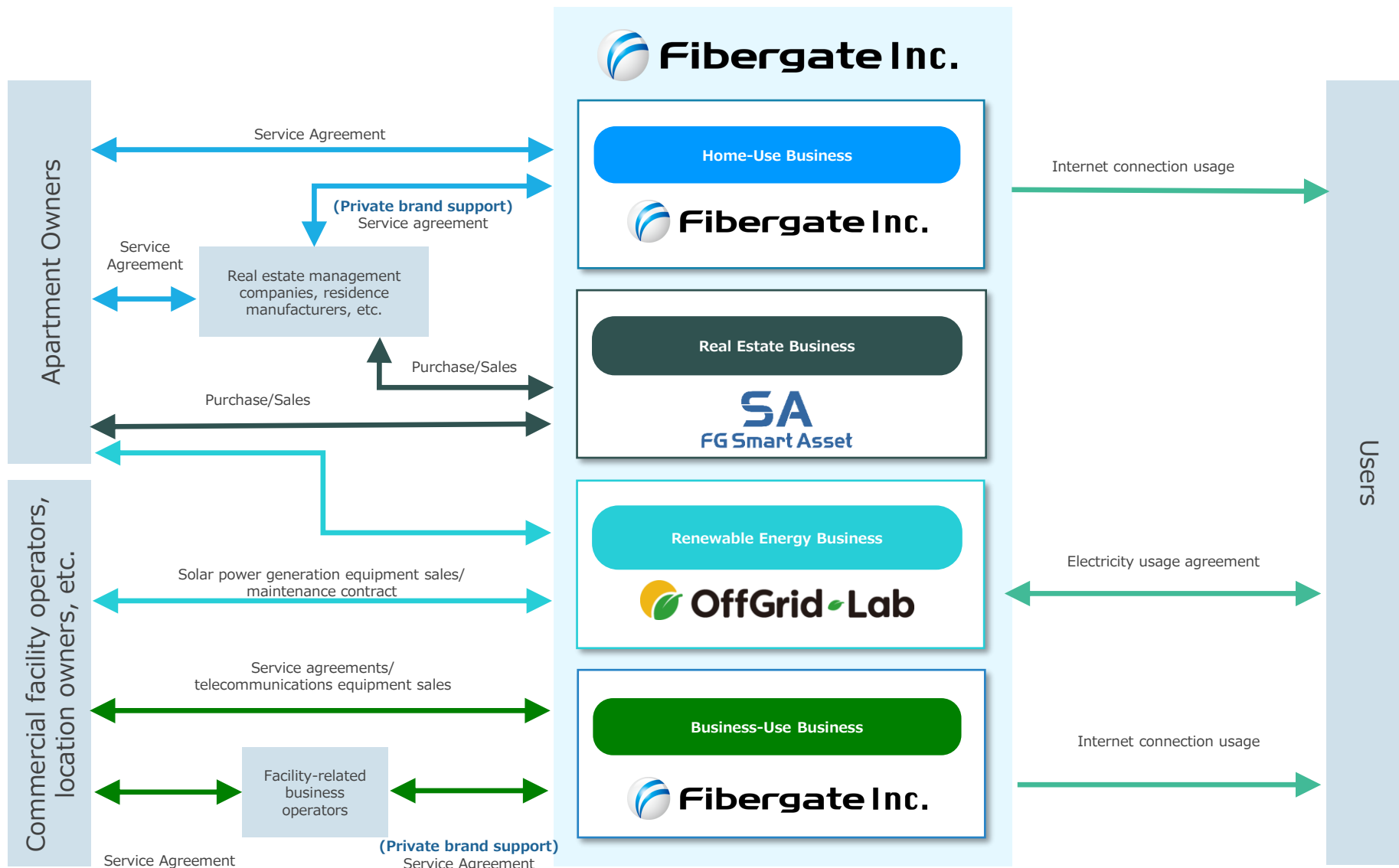
Appendix



**A future infrastructure company that
comprehensively develops
communications and renewable energy,
starting as an independent Wi-Fi
solutions company***

***Independent Wi-Fi solutions company**

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



- Aiming to provide “Wi-Fi to all facilities,” the company aims to enrich daily living by building an infrastructure environment centered on communications, and to focus on management that is conscious of the sustainable development of society by solving various issues.

Identifying important issues (materiality) in the group's sustainability management

Materiality	Details
Contribution to society through communication solutions	① Contribution to everyday living ② Contributing to community revitalization
Promoting carbon offsets through renewable energy projects	① Reduction of CO2 emissions through the installation of solar power generation systems
Promotion of human capital management	① Employee health management ② Improvement of employee skills ③ Development of executive candidates ④ Improvement of per employee profitability

Sustainability Affiliates

地方創生 SDGs
官民連携
プラットフォーム

[Regional Revitalization SDGs
Public-Private Partnership
Platform](#)



TCFD Consortium



[Human Capital
Management Consortium](#)



GX League



[General Incorporated Association](#)

Year	Event
2000	➤ Founded in Wakabayashi Ward, Sendai City for the purpose of handling subscriptions for domestic and international telephone services.
2003	<ul style="list-style-type: none"> ➤ Head office relocated to Chuo Ward, Sapporo City ➤ Building networks for companies with multiple locations and selling broadband lines over the Internet established as the company's main businesses
2004	➤ Residential Wi-Fi business launched
2005	➤ Wi-Fi broadband service launched
2006	➤ Free internet service for apartment complexes through private brand support launched
2009	➤ Free Wi-Fi service business launched
2013	➤ Established subsidiary NOIS, which handles computerware planning and development and provides Internet line agency services.
2014	<ul style="list-style-type: none"> ➤ Started sales business for telecom devices developed by the company (Wi-Fi product business) ➤ Launched Wi-Fi service for stores and commercial facilities through private brand support
2015	<ul style="list-style-type: none"> ➤ Acquired Telecommunications Contractor Authorization (Governor of Hokkaido Authorization) ➤ Established Fibergate Taiwan Inc. as a wholly owned subsidiary in Taiwan ➤ Obtained a license for telecommunications business under the Telecommunications Business Act
2018	➤ Listed on the Tokyo Stock Exchange Mothers Index
2019	<ul style="list-style-type: none"> ➤ Changed listing market to the First Section of the Tokyo Stock Exchange (currently the Prime Market) ➤ Listed on the Sapporo Securities Exchange
2020	➤ Established product development subsidiary FG-Lab
2021	<ul style="list-style-type: none"> ➤ Established subsidiary FG Smart Asset to operate real estate-related business ➤ Established subsidiary Off Grid Lab to operate renewable energy business
2022	➤ Acquired shares in TM Asset, a real estate trading and holding company
2023	➤ Renewable energy business began operations
2024	➤ Established Enepulse Inc., a joint venture company that operates as an energy agency

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

"Wi-Fi, Anywhere"

~Realizing our Alternative Carrier vision~

< Note Regarding Forecasts >

The contents of this presentation are based on certain assumptions and do not constitute a promise or guarantee of the realization of future planned figures or policies.

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