



Financial Results for the Fiscal Year Ended June 2024 [Japan GAAP] (Consolidated)

August 14, 2024

Name of listed company	Fibergate Inc.		Exchange listed on: Tokyo Stock Exchange (Prime Market); Sapporo Securities Exchange	
Securities code number	9450	URL https://www.fibergate.co.jp/en/		
Representative	(Position)	CEO	(Name) Masanori Inomata	
Contact person in charge	(Position)	Senior Managing Director, Chief Director of Business Planning	(Name) Takafumi Hamauzu	(TEL) 011(204)6121
Scheduled date of Annual Meeting of Shareholders	September 26, 2024		Scheduled commencement date of dividends payment	September 27, 2024
Scheduled filing date of the securities report	September 27, 2024			
Preparation of supplementary explanatory materials for financial results: Available	(Supplementary explanatory materials for financial results will be posted on our website as appropriate.)			
Convening financial results briefing: Yes	(Targeted at institutional investors and analysts)			

(Amounts rounded down to the nearest millions of yen)

1. Consolidated Financial Results for the FY Ended June 2024 (from July 1, 2023 to June 30, 2024)

(1) Consolidated Operating Results

(Percentage figures represent quarter-on-quarter changes.)

	Sales		Operating income		Ordinary income		Net income attributable to the parent company's shareholders	
	million yen	%	million yen	%	million yen	%	million yen	%
FY ended June 2024	12,613	△1.4	2,387	2.9	2,395	4.6	1,567	5.7
FY ended June 2023	12,795	20.4	2,320	40.4	2,290	42.8	1,482	38.1

(Note) Comprehensive income FY ended June 2024 1,573 million yen (6.0%) FY ended June 2023 1,483 million yen (38.0%)

	Net income per share	Net income per share (diluted)	Return on equity	Return on assets	Operating income margin
	Yen	Yen	%	%	%
FY ended June 2024	77.20	76.95	29.9	18.5	18.9
FY ended June 2023	72.70	72.58	37.2	17.7	18.1

(2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	million yen	million yen	%	Yen
FY ended June 2024	13,076	5,836	44.3	285.59
FY ended June 2023	12,764	4,758	36.8	230.12

(Reference) Shareholders' equity FY ended June 2024 5,789 million yen FY ended June 2023 4,696 million yen

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	million yen	million yen	million yen	million yen
FY ended June 2024	2,833	△2,377	△723	2,120
FY ended June 2023	4,296	△2,189	△2,027	2,382

2. Dividends

	Annual dividends					Total dividends	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	End of Q1	End of Q2	End of Q3	End of period	Total			
	Yen	Yen	Yen	Yen	Yen	million yen	%	%
FY ended June 2023	—	0.00	—	10.00	10.00	204	13.8	5.1
FY ended June 2024	—	5.00	—	12.50	17.50	305	22.7	6.8
FY ended June 2025 (Forecast)	—	13.50	—	13.50	27.00		33.2	

(Note) The year-end dividend of 10.00 yen for the FY ended June 2023 is made up of the ordinary dividend of 8.00 yen and commemorative dividend of 2.00 yen of the Company's 20th anniversary

3. Forecast of Consolidated Results for the FY Ending June 2025 (from July 1, 2024 to June 30, 2025)

(Percentage figures represent quarter-on-quarter changes.)

	Sales		Operating income		Ordinary income		Net income attributable to the parent company's shareholders		Net assets per share
	million yen	%	million yen	%	million yen	%	million yen	%	Yen
Full-year	14,370	13.9	2,620	9.7	2,600	8.5	1,650	5.3	81.40

※ Notes:

(1) Changes in major subsidiaries during the period (change in specific subsidiaries resulting in a change in scope of consolidation) : None

(2) Changes in accounting policies or estimates and retrospective restatements

1) Change in accounting policies in accordance with revision of accounting standards : None

2) Change in accounting policies other than item 1) above : None

3) Change in accounting estimates : None

4) Retrospective restatements : None

(3) Number of shares issued (common shares)

1) Number of shares issued at the end of the period (including treasury shares)

FY ended June 2024	20,593,600 shares	FY ended June 2023	20,591,200 shares
FY ended June 2024	322,207 shares	FY ended June 2023	181,172 shares
FY ended June 2024	20,306,773 shares	FY ended June 2023	20,398,817 shares

2) Number of treasury shares at the end of the period

3) Average number of shares during the period

(Reference) Summary of Non-consolidated Results

1. Non-consolidated Results for the FY Ended June 2024 (from July 1, 2023 to June 30, 2024)

(1) Non-consolidated Operating Results

(Percentage figures represents quarter-on-quarter changes.)

	Sales		Operating income		Ordinary income		Net income	
	million yen	%	million yen	%	million yen	%	million yen	%
FY ended June 2024	11,643	8.3	2,004	2.4	2,016	3.8	1,323	△7.2
FY ended June 2023	10,753	20.5	1,958	52.4	1,942	53.9	1,426	67.5

	Net income per share	Net income per share (diluted)
	Yen	Yen
FY ended June 2024	65.18	64.97
FY ended June 2023	69.92	69.81

(2) Non-consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	million yen	million yen	%	Yen
FY ended June 2024	12,094	4,611	38.1	227.51
FY ended June 2023	11,290	3,784	33.3	184.45

(Reference) Shareholders' equity FY ended June 2024 4,611 million yen FY ended June 2023 3,764 million yen

2. Forecast of Non-consolidated Results for the FY Ending June 2025 (from July 1, 2024 to June 30, 2025)

(Percentage figures represent quarter-on-quarter changes.)

	Sales		Operating income		Ordinary income		Net income per share
	million yen	%	million yen	%	million yen	%	Yen
Full-year	13,240	13.7	2,310	14.6	1,510	14.1	74.49

※ Financial Results are not subject to audit procedures by Certified Public Accountants or audit firms.

※ Explanation of appropriate use of the financial forecast and other special remarks

(Notes to the forward-looking statements)

The forward-looking statements, such as the financial forecast, provided in this material are based on information currently available to Fibergate Inc. ("Company") and certain assumptions that the Company believes are reasonable, and are not intended as a guarantee that the Company will achieve the same. In addition, actual results may significantly differ due to various factors. For notes on the assumptions used for the financial forecast and instructions on how to use the financial forecast, please see "1. Overview of Operating Results, etc. (5) Future outlook" on Page 5 in the attachment.

(Method of obtaining contents of the financial results briefing)

The Company plans to hold the financial results briefing for institutional investors and analysts on August 15, 2024.

The materials to be used at the briefing will be posted on the Company's website immediately after the briefing.

(Method of obtaining supplementary explanatory materials for the financial results)

The supplementary explanatory materials will be disclosed on TDnet on that day and posted on the Company's website as well.

※ Information on treasury shares

322,207 shares at the end of the consolidated FY ended June 2024 is accounted for by including in the Company's treasury shares, meaning they are included in the treasury shares to be deducted in the calculation of the average number of shares during the period to calculate net income per share and net income per share (diluted).

(232,827 shares at the end of the consolidated FY ended June 2024)

○Appendix Table of Contents

1. Overview of Operating Results, etc	2
(1) Overview of operating results for the FY ended June 2024	2
(2) Overview of financial position for the FY ended June 2024	4
(3) Overview of cash flows for the FY ended June 2024	5
(4) Basic policy regarding distribution of incomes and dividends for the subject and next period	6
(5) Future outlook	6
(6) Material events with regard to assumptions for going concern	6
2. Basic Approach towards Selection of Accounting Standard	7
3. Consolidated Financial Statements and Key Notes	8
(1) Consolidated balance sheet	8
(2) Consolidated statement of income and consolidated statement of comprehensive income	10
Consolidated statement of income	10
Consolidated statement of comprehensive income	11
(3) Consolidated statement of changes in equity	12
(4) Consolidated statement of cash flows	13
(5) Notes to consolidated financial statements	14
(Notes to assumptions for going concern)	14
(Segment information)	14
(Per-share information)	19
(Important subsequent events)	20

1. Overview of Operating Results, etc.

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

(1) Overview of operating results for the FY ended June 2024

(Millions of yen)

	Sales	Operating income	Operating income	Net income attributable to the parent company's shareholders	Net income per share (Yen)
Current consolidated fiscal year	12,613	2,387	2,395	1,567	77.20
Previous consolidated fiscal year	12,795	2,320	2,290	1,482	72.70
Percent change from the same period last year (%)	-1.4	2.9	4.6	5.7	6.2

The Japanese economy during the current consolidated fiscal year (July 1, 2023 to June 30, 2024), while experiencing an increase in foreign tourists, resumption of various domestic events, and DX acceleration due to labor shortages, is still in a critical condition in which higher interest rate due to the removal of the negative interest rate policy or increased material procurement costs due to the Yen's depreciation are concerned.

Under such circumstances, our group will continue to steadily implement the medium-term management plan on March 17th, 2023. In order to realize the medium-term visions stated in this plan, we are engaging ourselves to achieve this plan based on Step 1 "Wi-Fi in all facilities" and Step 2 "realization of future infrastructures created by telecommunications and renewable energy."

The effect of stock business accumulation for the Home-Use business is continuing on the contrary to the heat up of competition and the slowdown in the specific customer sales channel have been seen. In addition, the sales scale of cross-sell-products including "FG smart call," network camera- and intercom-compatible systems, that drives the growth of Home-Use business is increasing due to an aggressive business expansion.

On the other hand, the operating profit margin is on a declining trend due to the increasing trends of depreciation expenses associated with investment in telecommunication facilities and selling expenses due to the strengthening of the sales structure, as well as temporary struggles in flow sales.

As a result of the above, the segment sales increased to 10,386 million yen (+8.2% YoY), and the segment income decreased to 2,910 million yen (-2.0% YoY).

In the business use business, the long lead time from order acquisition to sales posting had been a bottleneck, but our long-time efforts to date have been paid off, and sales of premises-communication-infrastructure-services to medical and nursing care facilities, public facilities, and tourist facilities, grew significantly.

The sales related to development projects for equipment that meet the individual needs of each client at FG-Lab, our subsidiary, remained steady.

Also, increase in large-scale projects and opportunities to provide high-value-added services pushed up the Operating income margins for each project leading to an increasing trend in the operating income margin of Business-Use business as a whole.

As a result of the above, the segment sales increased to 1,675 million yen (+10.8% YoY), and the segment income also increased to 480 million yen (+65.9% YoY).

The sales and segment income, although there were several real estate sales at FG Smart Asset, decreased as projects were concentrated in the previous fiscal year.

As a result of the above, the segment sales decreased to 523 million yen (-68.7% YoY), and the segment income also decreased to 57 million yen (-58.0% YoY).

Regarding other business segments, including Renewable Energy, sales were recorded for the Higashikagura of Hokkaido complex related to the installation of an All-in-one generation and consumption solar energy system.

As a result of above, the segment sales increased to 27 million yen (+221.2% YoY), and the segment income also increased to 7 million yen (+286.3% YoY).

As a result, for the current consolidated fiscal year, we report net sales of 12,613 million yen (-1.4% YoY), operating income of 2,387 million yen (+2.9% YoY), ordinary income of 2,395 million yen (+4.6% YoY), and net income attributable to shareholders of the parent company of 1,567 million yen (+5.7% YoY).

(2) Overview of financial position for the FY ended June 2024

	At the end of previous consolidated fiscal year	At the end of current consolidated fiscal year	Percent change (%)
Total assets (million yen)	12,764	13,076	2.4
Net assets (million yen)	4,758	5,836	22.6
Shareholders' equity ratio (%)	36.8	44.3	20.4
Net assets per share (yen)	230.12	285.59	24.1

(Assets)

Total assets for the current fiscal year increased by 311 million yen from the end of the previous fiscal year to 13.076 billion yen. This was due to an increase of 532 million yen in fixed assets, despite a decrease of 220 million yen in current assets.

The decrease in current assets was due to a decrease of 262 million yen in cash and deposits and 165 million yen in real estate for sale despite an increase of 186 million yen in accounts receivable and 29 million yen in commodity. The increase in fixed assets was due to a decrease of 100 million yen in deferred tax assets, despite an increase of 608 million yen in communication equipment and 28 million yen in buildings for the provision of our telecommunications services.

(Liabilities)

Total liabilities for the current fiscal year decreased by 765 million yen from the end of the previous fiscal year to 7.240 billion yen.

This was mainly due to a decrease of 321 million yen in contract liabilities, 160 million yen in short-term borrowings, and 69 million yen in long-term borrowings (including current portion of long-term borrowings).

(Net Assets)

Total net assets for the current fiscal year increased by 1.077 billion from the end of the previous fiscal year to 5.836 billion. This was mainly due to an increase of 1,262 million yen in retained earnings, despite an increase of 168 million yen in treasury share.

(3) Overview of cash flows for the FY ended June 2024

(Millions of yen)

	Prior period	Current period	Percent change (%)
Cash flows from operating activities	4,296	2,833	△34.1
Cash flows from investing activities	△2,189	△2,377	△8.6
Cash flows from financing activities	△2,027	△723	64.3
Change in cash and cash equivalents	78	△262	△432.6
Beginning balance of cash and cash equivalents	2,303	2,382	3.4
Cash and cash equivalents at end of period	2,382	2,120	△11.0

The balance of cash and cash equivalents (hereinafter referred to as "funds") at the end of the current consolidated fiscal year is 2.120 billion yen, a decrease of 262 million yen from the end of the previous consolidated fiscal year.

The status of cash flows for the current fiscal year and their factors are as follows.

(Cash flows from operating activities)

In the current consolidated fiscal year, funds obtained from operating activities amounted to 2.833 billion yen (4,296 million yen was acquired in the previous consolidated fiscal year). This was mainly due to net income before taxes of 2.304 billion yen and depreciation expenses of 1.650 billion yen.

(Cash flows from investing activities)

In the current consolidated fiscal year, funds used through investment activities amounted to 2.377 billion yen (compared to 2.189 billion yen in the previous consolidated fiscal year). This was mainly due to expenditures of 2.331 billion yen from the acquisition of tangible fixed assets.

(Cash flows from financing activities)

In the current consolidated fiscal year, funds used through financing activities amounted to 723 million yen (compared to 2.027 billion yen in the previous consolidated fiscal year). This was mainly due to income from long-term borrowings of 1.050 billion yen, while expenditures of 1.119 billion yen from repayment of long-term borrowings, 305 million yen from dividend payments, and 188 million yen from acquisition of treasury stock.

(Reference) Trends in indicators related to cash flows

	June 2021	June 2022	June 2023	June 2024
Shareholders' equity ratio (%)	39.1	25.1	36.8	44.3
Market value based Shareholders' equity ratio (%)	333.6	148.2	237.8	172.2
Cash Flow Interest Bearing Debt Ratio (years)	2.6	2.9	1.1	1.6
Interest Coverage Ratio (times)	91.3	93.2	146.4	121.6

Shareholders' equity ratio:

Shareholders' equity / Total assets

Market value based Shareholders' equity ratio:

Market capitalization / Total assets

Cash Flow Interest Bearing Debt Ratio:

Interest-bearing debt / Cash flow

Interest Coverage Ratio:

Cash flow / Interest payment

(Notes) 1. All calculations are based on consolidated financial figures.

2. The market capitalization is calculated based on the number of shares issued excluding treasury share.

3. Cash flow is based on operating cash flow.

4. Interest-bearing debt refers to short-term borrowings and long-term borrowings (including current portion of long-term borrowings), and corporate bonds (including current portion of corporate bonds) for which interest is paid among the liabilities reported on the consolidated balance sheet. For interest payment, we use the amount of interest paid in the consolidated statements of cash flows.

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

The Group aims to expand its business performance through growth investments and regards the return of profits to shareholders as one of the most important management issues.

Profits for each fiscal year will be divided into three major divisions, and in principle, one-third of them will be used as a source of profit dividends as a return to shareholders, another one-third of them will be used for returns to executives and employees, which are important human capital, and business investments for further growth of the Company, and the remaining one-third will be retained earnings.

Based on this, the year-end dividend for the current fiscal year will be 12.5 yen per share. The interim dividend was 5.0 yen per share. Therefore an annual dividend of 17.5 yen per share.

For the next fiscal year, based on the above basic policy, we plan to pay an interim dividend of 13.5 yen per share and a year-end dividend of 13.5 yen per share.

(5) Future Forecast

As for the forecast for the next fiscal year, the Home-Use business is expected to continue to perform strongly and make a significant contribution to business results. The Business-Use business will The Company will further strengthen its sales structure and enhance its expertise to meet diverse customer needs, develop sales channels, and expand sales. Although the real estate business is entering a transitional period for projects, as we will start full-scale sales activities in the renewable energy (electric power) business, and a large increase in revenues is expected.

On the other hand, head office expenses are expected to increase due to the strengthening of the organizational structures of core system development and introduction of financial analysis tools.

The calculation of the consolidated earnings forecast is based on the information and forecasts currently available.

(Forecast of consolidated business results)

(unit: million yen)

	June 2024 Result	June 2025 Result	Percentage change (%)
Sales	12,613	14,370	13.9
Operating income	2,387	2,620	9.7
Ordinary income	2,395	2,600	8.5
Net income attributable to owners of the parent	1,567	1,650	5.3

(Forecast of consolidated segment sales)

(unit: million yen)

Segment		June 2024 Result	June 2025 Result	Percentage change (%)
Wi-Fi business	Home-Use business	10,386	11,140	7.3
	Business-Use business	1,675	2,220	32.5
Real estate business		523	410	△21.8
Others		27	600	2,071.9
Total		12,613	14,370	13.9

Based on the background described above, we expect sales of 14,370 million yen, operating income of 2,620 million yen, ordinary income of 2,600 million yen, and net income attributable to owners of the parent of 1,650 million yen for the fiscal year ending June 2025.

Please note that the above forecasts are based on information available as of the date of publication of this document, and actual results may differ from the forecasts due to various factors in the future. Please refer to the financial results briefing released on the same date.

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

There are no applicable matters.

2. Basic Approach towards Selection of Accounting Standard

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

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

3. Consolidated financial statements and Key Notes

(1) Consolidated Balance Sheets

(Millions of yen)

	Previous consolidated fiscal year (June 30, 2023)	Current consolidated fiscal year (June 30, 2024)
Assets		
Current assets		
Cash and deposits	2,382	2,120
Accounts receivable	1,585	1,772
Contract Assets	217	208
Commodity	635	665
Real estate for sale	655	489
Work in progress	0	0
Supplies	0	0
Others	87	87
Allowance for doubtful accounts	△6	△5
Total current assets	5,559	5,339
Fixed asset		
tangible fixed assets		
Building (net)	6	35
Tools, furniture & fixtures(net)	9	10
Communication equipment (net)	6,544	7,153
Construction in progress	3	0
Total tangible fixed assets	6,565	7,200
Intangible assets		
Software	57	67
Software in progress	21	20
Total intangible assets	79	88
Investments and other assets		
Investment securities	51	11
Deposit	35	46
Deferred tax assets	472	372
Claims in bankruptcy, reorganization, etc.	0	1
Others	1	18
Allowance for doubtful accounts	△1	△1
Total investments and other assets	559	447
Total fixed assets	7,203	7,736
Deferred assets		
Inaugural expenses	0	0
Total deferred assets	0	0
Total assets	12,764	13,076

(単位：百万円)

	Previous consolidated fiscal year (June 30, 2023)	Current consolidated fiscal year (June 30, 2024)
Liabilities		
Current liabilities		
Accounts payable	633	623
Short-term borrowings	300	140
Current portion of long-term borrowings	1,096	1,203
Income taxes payable	515	358
Contract liabilities	1,638	1,317
Provision for bonuses	86	88
Provision for stock-based remuneration	5	—
Others other	409	356
Total current liabilities	4,685	4,086
Fixed liabilities		
Corporate bond	50	50
Long-term borrowings	3,226	3,049
Retirement benefit liability	44	53
Total fixed liabilities	3,320	3,153
Total liabilities	8,005	7,240
Net assets		
Shareholders' equity		
Capital	494	494
Capital surplus	426	423
Retained earnings	3,963	5,225
Treasury share	△188	△356
Total shareholders' equity	4,694	5,786
Other comprehensive income cumulative amount		
Valuation difference of other securities	△0	0
Foreign currency translation adjustment account	1	3
Other comprehensive income cumulative amount	1	3
Share award rights	19	—
Non-controlling interest	42	46
Total net assets	4,758	5,836
Total liabilities and net assets	12,764	13,076

(2) Consolidated profit and loss statement and consolidated comprehensive income statement

(Consolidated profit and loss statement)

(Millions of yen)

	Previous consolidated fiscal year (from July 1, 2022 to June 30, 2023)	Current consolidated fiscal year (from July 1, 2023 to June 30, 2024)
Sales	12,795	12,613
Cost of goods sold	7,054	6,795
Gross profit	5,741	5,817
Selling, general and administrative expenses	3,421	3,430
Operating income	2,320	2,387
Non-operating income		
Interest income	0	0
Dividend income	0	0
Surrender value of insurance policies	2	—
Point revenue	5	5
Insurance income	—	26
Others/other	1	2
Total non-operating income	8	34
Non-operating expenses		
Interest expenses	29	23
Foreign exchange loss	3	2
Amortization of bond issuance costs	0	0
Loan cancellation penalty	4	—
Others/other	0	0
Total non-operating expenses	38	26
Ordinary income	2,290	2,395
Extraordinary income		
Gain from sale of fixed asset	24	—
Gain from sale of investment securities	0	—
Total Extraordinary Income	24	—
Extraordinary loss		
Loss on disposal of fixed assets	33	51
Loss on devaluation of investment securities	—	39
Impairment loss	110	—
Total extraordinary losses	144	91
Net income before income taxes	2,171	2,304
Income taxes-current	686	631
Income taxes-deferred	1	100
Total income taxes	687	732
Net income	1,483	1,572
Net income attributable to non-controlling interests	0	4
Profit attributable to owners of parent	1,482	1,567

(Consolidated comprehensive income statement)

(Millions of yen)

	Previous consolidated fiscal year (from July 1, 2022 to June 30, 2023)	Current consolidated fiscal year (from July 1, 2023 to June 30, 2024)
Net income	1,483	1,572
Other comprehensive income		
Other valuation difference on available-for-sale securities	0	0
Foreign currency translation adjustment account	0	1
Other comprehensive income total	0	1
Comprehensive income	1,483	1,573
(Breakdown)		
Comprehensive income related to shareholders of the parent	1,483	1,568
Comprehensive income related to non-controlling interests	0	4

(3) Consolidated Statement of Changes in Shareholders' Equity
 Previous consolidated fiscal year (from July 1, 2022 to June 30, 2023)

(Millions of yen)

	Shareholders' Equity					Cumulative amount of other comprehensive income			Share award rights	Non-controlling interest	Total net assets
	Capital	Capital surplus	Retained earnings	Treasury share	Total shareholder's equity	Other valuation difference on available-for-sale securities	Foreign currency translation adjustment account	Total cumulative amount of other comprehensive income			
Balance at the beginning of the fiscal year	494	411	2,572	△200	3,277	△0	1	1	—	—	3,279
Fluctuations in the current fiscal year											
Dividend of surplus			△91		△91						△91
Profit attributable to owners of parent			1,482		1,482						1,482
Changes in equity due to capital increase of consolidated subsidiaries		8			8						8
Acquisition of treasury share				△4	△4						△4
Disposal of treasury share		6		16	22						22
Changes in items other than shareholders' equity for the current fiscal year (net)						0	0	0	19	42	62
Total changes for the current fiscal year	—	14	1,391	12	1,417	0	0	0	19	42	1,479
Balance at the end of the current fiscal year	494	426	3,963	△188	4,694	△0	1	1	19	42	4,758

Current consolidated fiscal year (from July 1, 2023 to June 30, 2024)

(Millions of yen)

	Shareholders' Equity					Cumulative amount of other comprehensive income			Share award rights	Non-controlling interest	Total net assets
	Capital	Capital surplus	Retained earnings	Treasury share	Total shareholder's equity	Other valuation difference on available-for-sale securities	Foreign currency translation adjustment account	Total cumulative amount of other comprehensive income			
Balance at the beginning of the fiscal year	494	426	3,963	△188	4,694	△0	1	1	19	42	4,758
Fluctuations in the current fiscal year											
Issuance of new share	0	0			0						0
Dividend of surplus			△305		△305						△305
Profit attributable to owners of parent			1,567		1,567						1,567
Acquisition of treasury share				△188	△188						△188
Disposal of treasury share		△2		20	17						17
Changes in items other than shareholders' equity for the current fiscal year (net)						0	1	1	△19	4	△13
Total changes for the current fiscal year	0	△2	1,262	△168	1,091	0	1	1	△19	4	1,077
Balance at the end of the current fiscal year	494	423	5,225	△356	5,786	0	3	3	—	46	5,836

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	Previous consolidated fiscal year (from July 1, 2022 to June 30, 2023)	Current consolidated fiscal year (from July 1, 2023 to June 30, 2024)
Cash flows from operating activities		
Net income before income taxes	2,171	2,304
Depreciation expenses	1,442	1,650
Impairment loss	110	—
Gain from sale of fixed asset	△24	—
Amortization of goodwill	21	—
Stock-based remuneration expenses	48	△7
Amortization of bond issuance expenses	0	—
Loss on disposal of fixed assets	33	51
Gain or loss from sale of investment securities (△ denotes gain)	△0	—
Gain or loss from devaluation of investment securities (- denotes gain)	—	39
Changes in allowance for doubtful accounts (△ denotes decrease)	△0	△0
Changes in provision for bonuses (△ denotes decrease)	6	1
Changes in retirement benefit liability (△ denotes decrease)	8	9
Changes in Shareholder Benefit Allowances (△ denotes decrease)	△32	—
Interest income and Dividend income	△0	△0
Interest expenses	29	23
Changes in accounts receivable (△ denotes increase)	△211	△186
Changes in contract assets (△ denotes increase)	△19	9
Changes in inventory (△ denotes increase)	1,149	125
Changes in purchase payables (△ denotes decrease)	145	19
Changes in contract liabilities (△ denotes decrease)	△320	△321
Foreign exchange gain and loss (△ denotes gain)	1	△3
Others	132	△73
Subtotal	4,690	3,640
Amount of interest and dividends received	0	0
Amount of interest paid	△29	△23
Amount of income taxes paid	△364	△784
Cash flows from operating activities	4,296	2,833
Cash flows from investing activities		
Expenditures from the acquisition of investment securities	△0	△0
Gain from sale of investment securities	1	—
Expenditures from acquisition of tangible fixed assets	△2,413	△2,331
Gain from sale of tangible fixed assets	254	—
Expenditures from acquisition of intangible assets	△29	△30
Expenditure by deposit	△2	△14
Others	0	△0
Cash flows from investing activities	△2,189	△2,377
Cash flows from financing activities		
Changes in short-term borrowings (△ denotes decrease)	△418	△160
Proceeds from long-term borrowings	728	1,050
Expenditures due to repayment of long-term borrowings	△2,188	△1,119
Redemption of bonds	△50	—
Repayments of lease obligations	△2	—
Expenditures from acquisition of treasury share	△4	△188
Amount of dividends paid	△91	△305
Proceeds from exercise of stock option	—	0
Cash flows from financing activities	△2,027	△723
Effect of exchange rate change on cash and cash equivalents	△0	5
Changes in cash and cash equivalents (△ denotes decrease)	78	△262
Balance of cash and cash equivalents at the beginning of the fiscal year	2,303	2,382
Cash and cash equivalents at end of period	2,382	2,120

(5) Notes to consolidated financial statements

(Notes to assumptions for going concern)

There are no applicable matters.

((Segment information, etc)

【Segment information】

1 . Overview of reporting segments

The Group's reporting segments are subject to periodic review by the Board of Directors in order to determine the allocation of management resources and evaluate business performance, for which financial information is available separately among the Group's business constituent units.

The method used to identify reporting segments is by product and service, and there are three reporting segments:

- ① Home use business
Construction, maintenance, operation, support, PB provision, etc.
- ② Business use business
Construction, maintenance, operation, support, PB provision, etc.
- ③ Real estate business
Buying, selling, leasing, etc. of real estate

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

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

Profit in the reported segment is based on operating income.

3. Information on the amount of sales, profits or losses, assets, liabilities, and other items for each reporting segment
Previous consolidated fiscal year (from July 1, 2022 to June 30, 2023)

(Millions of yen)

	Reporting Segments				Others (Notes 1)	Total	Adjustment amount (Notes 2)	Amount reported on the consolidated financial statements (Notes 3)
	Home use business	Business use business	Real estate business	Total				
Sales								
Sales to external customers	9,600	1,512	1,674	12,787	8	12,795	—	12,795
Internal sales or transfers between segments	—	—	—	—	—	—	—	—
計	9,600	1,512	1,674	12,787	8	12,795	—	12,795
Segment Profit	2,970	289	136	3,396	1	3,398	△1,078	2,320
Segment Assets	8,625	366	655	9,647	1	9,648	3,116	12,764
Other items								
Depreciation expenses	1,374	16	10	1,401	0	1,402	39	1,442
Amount of increase of Property, plant and equipment, and Intangible Assets	2,391	24	—	2,415	—	2,415	76	2,491

(Notes) 1. 「The "Other"」 category is a business segment that is not included in the reporting segment and includes the renewable energy (electricity) business.

2. The amount of adjustment is as follows.

- (1) The adjustment of segment profit of -1,078 million yen is general and administrative expenses that have not been allocated to each reporting segment.
- (2) The adjusted amount of 3,116 million yen in segment assets is a company-wide asset that has not been allocated to each reporting segment. Company-wide assets consist mainly of surplus funds under management (cash and deposits).
- (3) The adjustment for depreciation and amortization of 39 million yen is a depreciation expense related to company-wide assets that have not been allocated to the reporting segment.
- (4) The adjustment for the increase in property, plant and equipment and intangible assets of 76 million yen is the increase in fixed assets related to company-wide assets that are not allocated to reporting segments.

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

Current consolidated fiscal year(from July 1, 2023 to June 30, 2024)

(Millions of yen)

	Reporting Segments				Others (Notes 1)	Total	Adjustment amount (Notes 2)	Amount reported on the consolidated financial statements (Notes 3)
	Home use business	Business use business	Real estate business	Total				
Sales								
Sales to external customers	10,386	1,675	523	12,585	27	12,613	—	12,613
Internal sales or transfers between segments	—	—	—	—	—	—	—	—
計	10,386	1,675	523	12,585	27	12,613	—	12,613
Segment Profit	2,910	480	57	3,448	7	3,456	△1,068	2,387
Segment Assets	9,375	430	489	10,295	5	10,300	2,775	13,076
Other items								
Depreciation expenses	1,590	20	10	1,621	0	1,621	28	1,650
Amount of increase of Property, plant and equipment, and Intangible Assets	2,185	77	—	2,262	4	2,267	96	2,364

(Notes) 1. 「The "Other"」 category is a business segment that is not included in the reporting segment and includes the renewable energy (electricity) business.

2. The amount of adjustment is as follows.

- (1) The adjustment of segment profit of -1,068 million yen is general and administrative expenses that have not been allocated to each reporting segment.
- (2) The adjusted amount of 2,775 million yen in segment assets is a company-wide asset that has not been allocated to each reporting segment. Company-wide assets consist mainly of surplus funds under management (cash and deposits).
- (3) The adjustment for depreciation and amortization of 28 million yen is a depreciation expense related to company-wide assets that have not been allocated to the reporting segment.
- (4) The adjustment for the increase in property, plant and equipment and intangible assets of 76 million yen is the increase in fixed assets related to company-wide assets that are not allocated to reporting segments.

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

【Related information】

Previous consolidated fiscal year (from July 1, 2021 to June 30, 2022)

1 . Information for each product and service

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

2 . Regional information

(1) Sales

As there is no sales to external customers outside of Japan, there is no applicable matter

(2) tangible fixed assets

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

3 . Key customer-specific information

(Millions of yen)

Name or surname of the customer	Sales	Relevant Segment Name
USEN-NEXT LIVING PARTNERS. Inc.	1,996	Home use business
Ichigo Owners Inc.	1,581	Real estate business

Current consolidated fiscal year(from July 1, 2023 to June 30, 2024)

1 . Information for each product and service

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

2 . Information by Region

(1) Sales

Since sales to external customers in Japan exceed 90% of sales in the consolidated income statement, the description has been omitted.

(2) tangible fixed assets

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

3 . Key customer-specific information

(Millions of yen)

Name or surname of the customer	Sales	Relevant Segment Name
USEN-NEXT LIVING PARTNERS. Inc	2,669	Home use business

【Information on impairment losses on fixed assets by reported segment】

Previous consolidated fiscal year (from July 1, 2022 to June 30, 2023)

(Millions of yen)

	Home use business	Business use business	Real estate business	Total	Others	Adjustment amount	Amount reported on the consolidated financial statements
Impairment loss	24	5	80	110	—	—	110

Current consolidated fiscal year (from July 1, 2023 to June 30, 2024)

There is no applicable matters.

【Information on amortization of goodwill and undepreciated balances by reporting segment】

Previous consolidated fiscal year (from July 1, 2022 to June 30, 2023)

(Millions of yen)

	Home use business	Business use business	Real estate business	Total	Others	Adjustment amount	Amount reported on the consolidated financial statements
Depreciation for the period	—	—	21	21	—	—	21
Balance at the end of the current fiscal year	—	—	—	—	—	—	—

Current consolidated fiscal year (from July 1, 2023 to June 30, 2024)

There is no applicable matters.

【Information on Gains on Negative Goodwill by Reporting Segment】

There is no applicable matter.

(Information per share)

	Previous consolidated fiscal year (from July 1, 2022 to June 30, 2023)	Current consolidated fiscal year (from July 1, 2023 to June 30, 2024)
Net assets per share	230.12 yen	285.59 yen
Net income per share	72.70 yen	77.20 yen
Diluted Net income per share	72.58 yen	76.95 yen

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

	Previous consolidated fiscal year (from July 1, 2022 to June 30, 2023)	Current consolidated fiscal year (from July 1, 2023 to June 30, 2024)
Net income per share		
Profit attributable to owners of parent (million yen)	1,482	1,567
Amounts not attributable to common shareholders(million yen)	—	—
Net income attributable to owners of parent related to common stock (million yen)	1,482	1,567
Average number of shares of common stock during the period (shares)	20,398,817	20,306,773
Diluted Net income per share		
Adjusted amount of Profit attributable to owners of parent (million yen)	—	—
Increase in common share (shares)	33,313	64,459
(of which Stock acquisition rights (shares))	(33,313)	(64,459)
Since it does not have a dilution effect, it was not included in the calculation of net income per share after adjusting for potential shares	—	—

(Significant Aftermath)

We have established a joint venture company with H-Power Holdings Inc. (hereinafter referred to as “H-Power Holdings”)

(1) Background of Joint Venture Establishment

Our group, as a part of development of a service combining our telecommunication and renewable energy fields together, have established a joint venture company EnePulse Inc. (hereinafter referred to as “EnePulse”) with H-Power Holdings, which is a consolidated subsidiary of HIKARI TSUSHIN, INC., aiming to expand the sales channels and to increase the corporate values of both companies through the collaboration.

At EnePulse, the strengths of Fibergate Group in the telecommunications field and the strength of H-Power Holdings in energy filed are combined to provide infrastructure with both telecommunication service and energy service functions for not only apartment complexes, medical and nursing care facilities, and hotels, but also new markets.

(2) Summary of the Joint Venture

(1) Trade name	EnePulse Corporation
(2) Address	2-10-12 Shiba-Daimon, Minato-ku, Tokyo
(3) Title and name of representative	Taichi Yamaji, President and Representative Director
(4) Business	Outsourced sales of telecommunications services Contract sales of renewable energy services Contract sales of energy services
(5) Capital stock	20 million yen
(6) Date of Establishment	July 23rd, 2024
(7) Accounting period	June
(8) Major shareholders and shareholding ratio	Fibergate Inc. 51% H-Power Holdings. Inc. 49%