

Fibergate Inc.

February 14, 2024

# Financial Results Briefing for Q2 FY 6/2024



**Listing Exchange:** TSE Prime Market;  
SSE Main Market

**Securities Code:** 9450

**Financial Results for 2Q FY 6/2024\_P4**

**Forecast of Results for FY 6/2024\_P18**

**Topics\_P25**

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## **2Q FY 6/2024 Results : 12% increase in sales and 14% increase in recurring profit**

- ✓ Both 2Q cumulative total and 2Q accrual basis reached record highs
- ✓ No change in the structure of the Home Use driving growth. Business Use has yet to accelerate. Renewable Energy sales also started to be recorded.

2

## **FY 6/2024 Outlook : 7% increase in sales and 10% increase in recurring profit**

- ✓ The current outlook remains unchanged. The slowdown in growth is due to the transitional period for real-estate projects. Telecommunications business alone is expected to secure a 16% increase in sales, almost the same level of growth as in the previous year.
- ✓ By segment, Home Use remained strong, driven by new-build projects. Business Use also to expand, driven by an increase in flow income as a leading indicator.

3

## **Cost of Capital-Conscious and Stock Price**

4

## **Topics**



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# Actual results for 2Q FY2024

## Overview of Consolidated Financial Results 2Q FY 6/2024

- 2Q FY 6/2024 saw a 20% YoY increase in sales and a 14% increase in recurring profit, and the recurring profit margin improved by 0.4pp and remained above 19%. Following 1Q, 2Q cumulative sales and recurring profit expanded steadily without slowing down. 2Q cumulative sales and recurring profit reached record highs.
- There is no change in the composition of Home Use as the growth driver. On the other hand, Business Use which is the focus of the company's efforts, has yet to accelerate its growth, with sales remaining flat. In other businesses, the recording of renewable energy-related sales has started in earnest.

(Millions of JPY) Rounded down to nearest million; Percentages rounded to nearest 0.1%	2Q FY 6/2023 Actual	2Q FY 6/2024			FY2024	
		Actual	Prior Year Difference	Prior year's ratio	Forecast	Progress Rate
Net sales	5,203	<b>5,806</b>	+602	+11.6%	13,710	42.4%
Home Use	4,501	<b>5,086</b>	+585	+13.0%	11,020	46.2%
Business Use	680	<b>683</b>	+3	+0.5%	1,860	36.8%
Real estate	22	<b>36</b>	+14	+63.9%	830	4.4%
Operating profit	991	<b>1,098</b>	+106	+10.8%	2,530	43.4%
Home Use	1,389	<b>1,482</b>	+92	+6.7%	3,290	45.0%
Business Use	116	<b>154</b>	+38	+32.8%	460	33.7%
Real Estate	▲4	<b>10</b>	+14	turned profitable	80	13.0%
Adjustment	▲509	<b>▲548</b>	▲38	increase in deficit	▲1,300	42.2%
Ordinary Income	981	<b>1,117</b>	+136	+13.9%	2,520	44.3%
Ordinary Income Margin	18.9%	<b>19.2%</b>	+0.4pp	–	18.4%	–
Parent Company Net Profit	676	<b>731</b>	+55	+8.2%	1,680	43.6%

## Summary of Consolidated Financial Results by Quarter

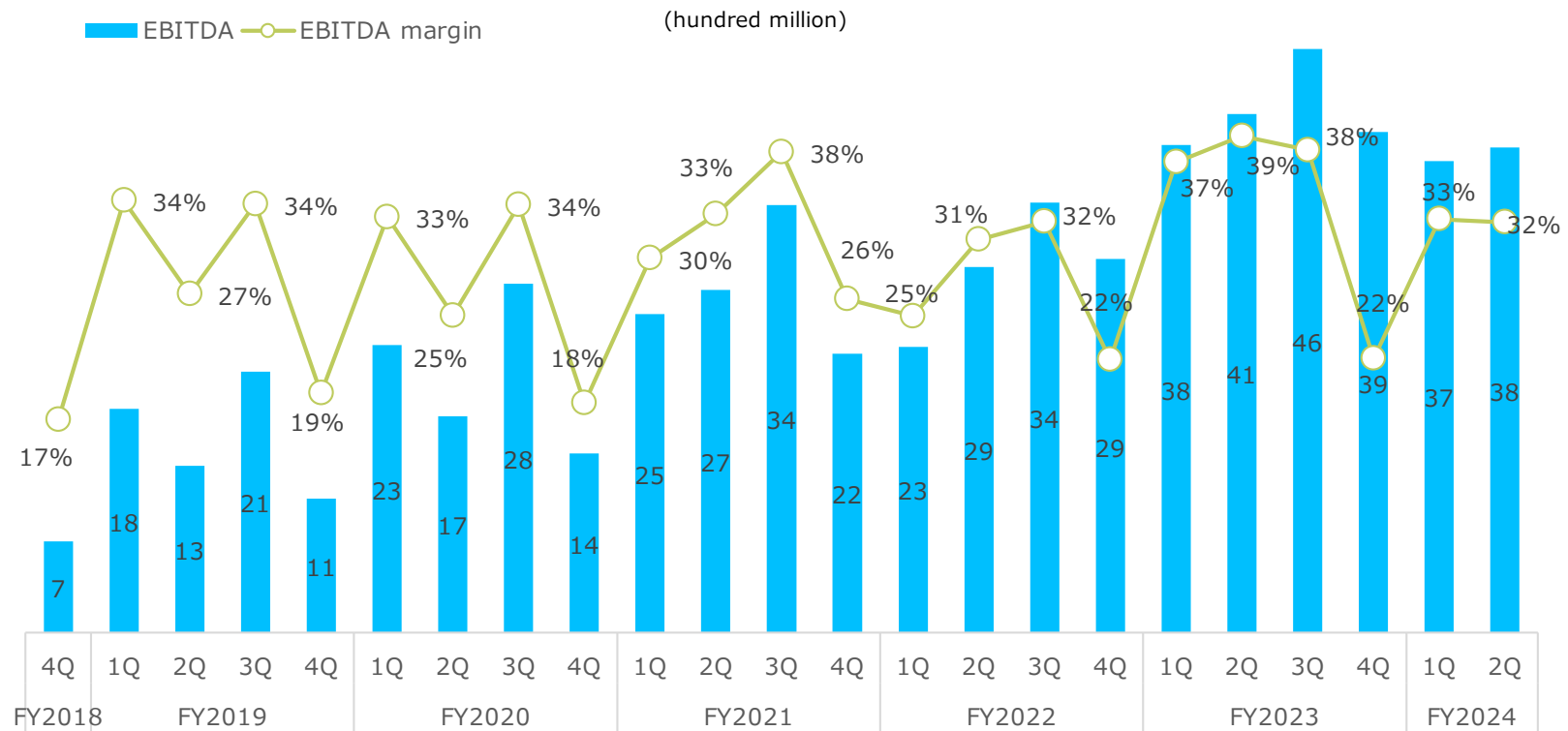
- On an accrual basis, both sales and profits reached record highs in 2Q. Home Use was the driving force behind a double-digit increase in sales and profit compared to the 2Q of the previous year. Business Use also made steady progress in customer development but failed to achieve a sense of acceleration.
- Both sales and income increased compared to the 1Q. The former trend of adjustments in the 2Q compared to the 1Q has almost disappeared. Although demand fluctuates due to seasonal factors, the structure has been established in which the effect of stock business accumulation contributes more than the demand fluctuation.

(Millions of JPY) Rounded down to nearest million; Percentages rounded to nearest 0.1%	FY 6/2023				FY 6/2024		1Q vs 2Q	2Q YoY
	1Q	2Q	3Q	4Q	1Q	2Q		
Net sales	2,591	2,612	3,024	4,567	2,852	<b>2,953</b>	<b>+100</b>	<b>+340</b>
Home Use	2,256	2,245	2,632	2,466	2,521	<b>2,565</b>	<b>+44</b>	<b>+320</b>
Business Use	329	350	381	450	327	<b>356</b>	<b>+28</b>	<b>+5</b>
Real estate	5	16	10	1,650	4	<b>31</b>	<b>+27</b>	<b>+15</b>
Operating profit	480	511	745	582	525	<b>573</b>	<b>+48</b>	<b>+62</b>
Home Use	671	717	897	683	714	<b>767</b>	<b>+53</b>	<b>+49</b>
Business Use	46	70	89	83	56	<b>98</b>	<b>+41</b>	<b>+28</b>
Real Estate	▲8	4	▲2	145	▲4	<b>14</b>	<b>+19</b>	<b>+10</b>
Adjustment	▲229	▲280	▲238	▲329	▲241	<b>▲307</b>	<b>▲66</b>	<b>▲26</b>
Ordinary Income	480	500	737	571	548	<b>569</b>	<b>+21</b>	<b>+68</b>
Ordinary Income Margin	18.5%	19.2%	24.4%	12.5%	19.2%	<b>19.3%</b>	<b>+0.1pp</b>	<b>+0.1pp</b>
Parent Company Net Profit	337	338	499	306	370	<b>361</b>	<b>▲9</b>	<b>+22</b>

## 7 Changes in EBITDA

- EBITDA has not changed its expansion trend since being listed on the stock exchange. 2Q EBITDA was 3.8 billion yen on a 12-month conversion basis.
- EBITDA margin was 32%, maintaining almost the same level as 1Q results and remaining at a high level of around 30%. Cash generating ability is recognized as solid.

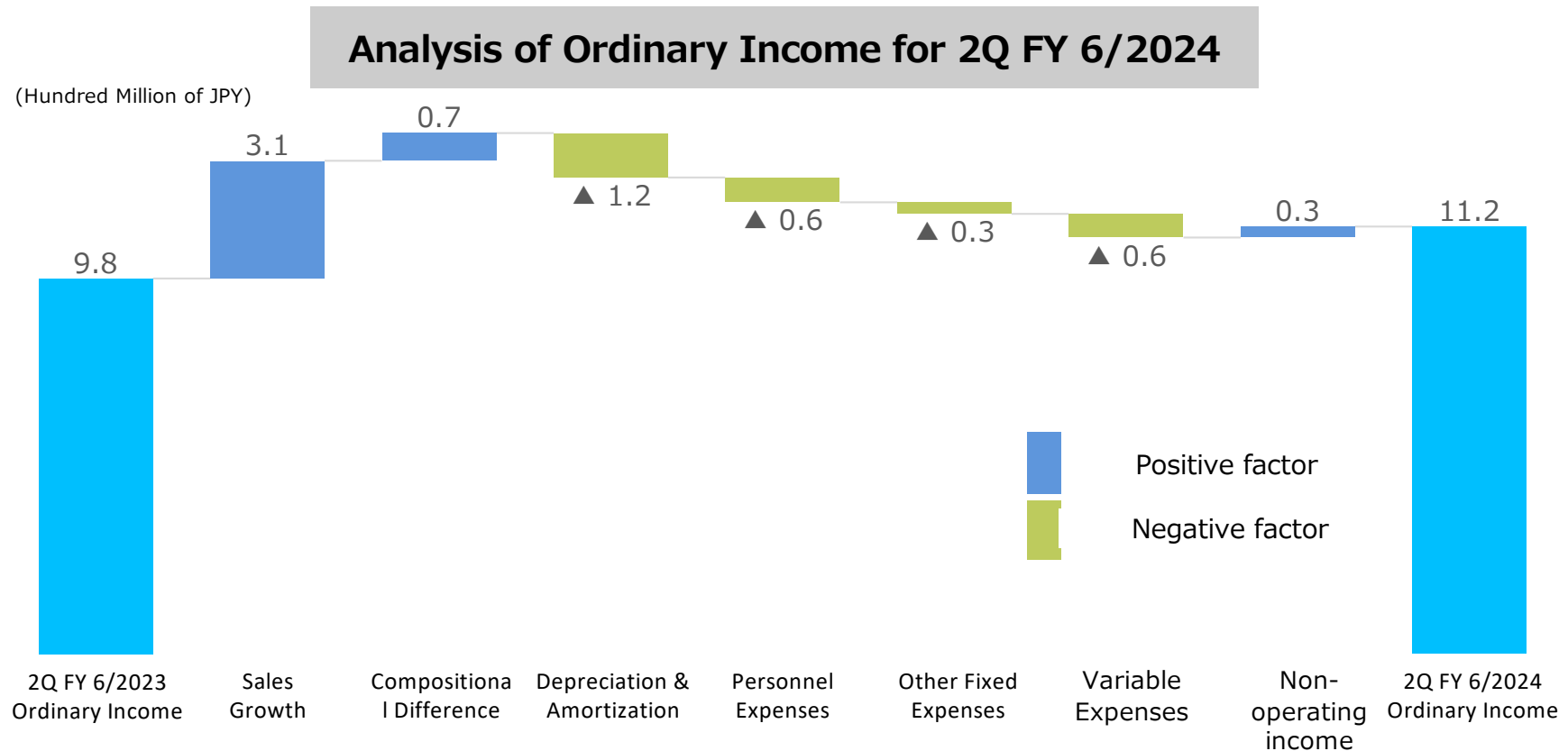
### Changes in EBITDA (12-month conversion basis.)



note) EBITDA = Defined as operating income + depreciation

# 8 Analysis of Ordinary Income

- The main reasons for the increase in recurring profit compared to the 2Q of the previous year were the continued increase in revenue due to higher sales and the rise in profit margin due to an improved sales mix. The increase in sales was due to the strong performance of the home-use business, while the improvement in the sales composition was due to the full-fledged recording of renewable energy sales.
- Although costs have remained under control compared to the past, increased personnel and depreciation costs continue to put pressure on earnings. As for variable costs, the change from a pay-as-you-go system to a fixed system for line usage contracts had a negative impact on costs in the first half of the period. (Conversely, the cost of sales ratio is expected to decline in the second half of the fiscal year due to an increase in sales.)

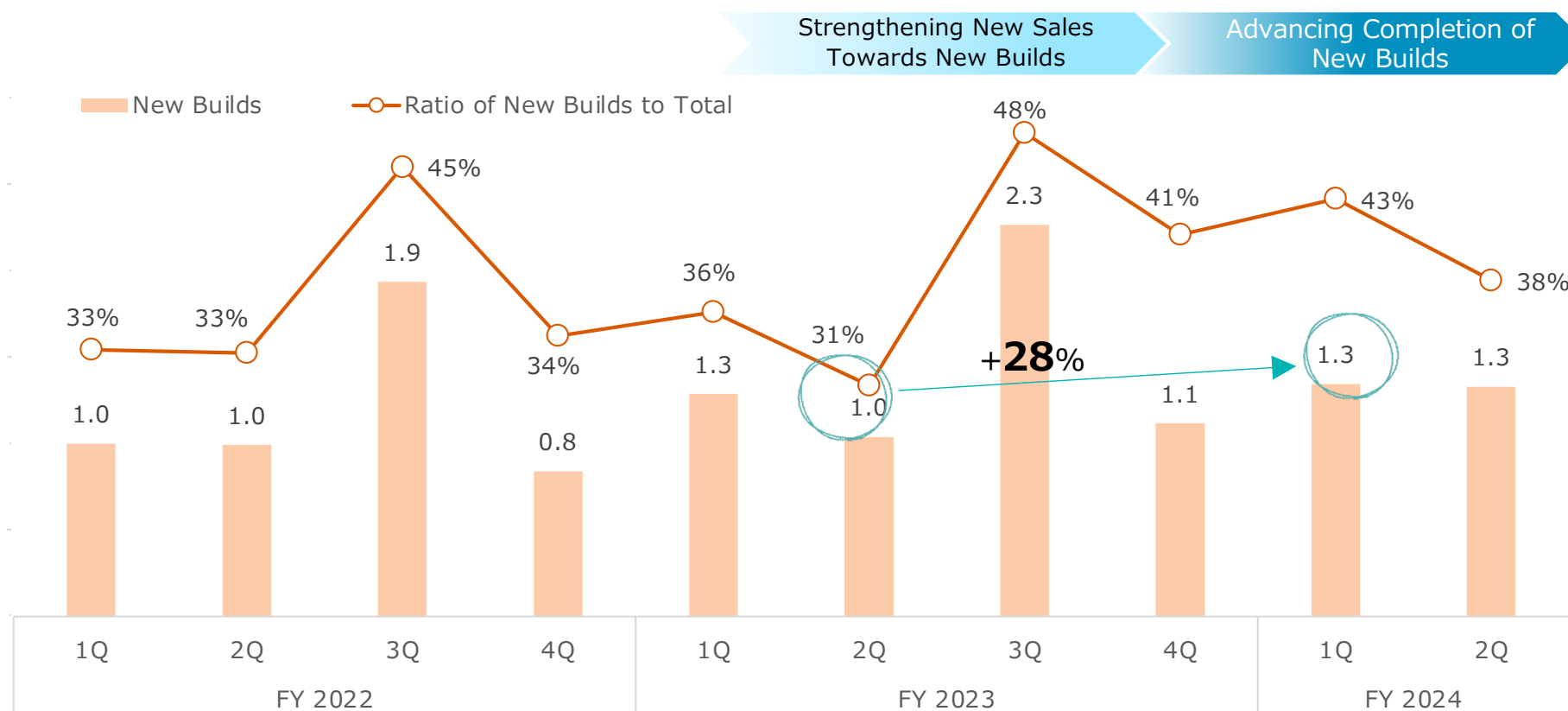




## Home Use Business - Breakdown of New Connections

- The number of new Home Use connections opened in the 2Q increased by 28% YoY. The results of sales promotion for new construction projects are steadily emerging. Although growth was limited in 1Q, the number of new construction projects grew significantly.
- However, the ratio of new construction projects to the total number of units opened declined slightly to 38%. While the ratio remains high, the growth of existing construction projects was strong in 2Q. The ratio of new construction projects to the total number of units opened is now at around 40%, which is considered a steady state.

### Home Use Trends in the number of units opened for new construction projects

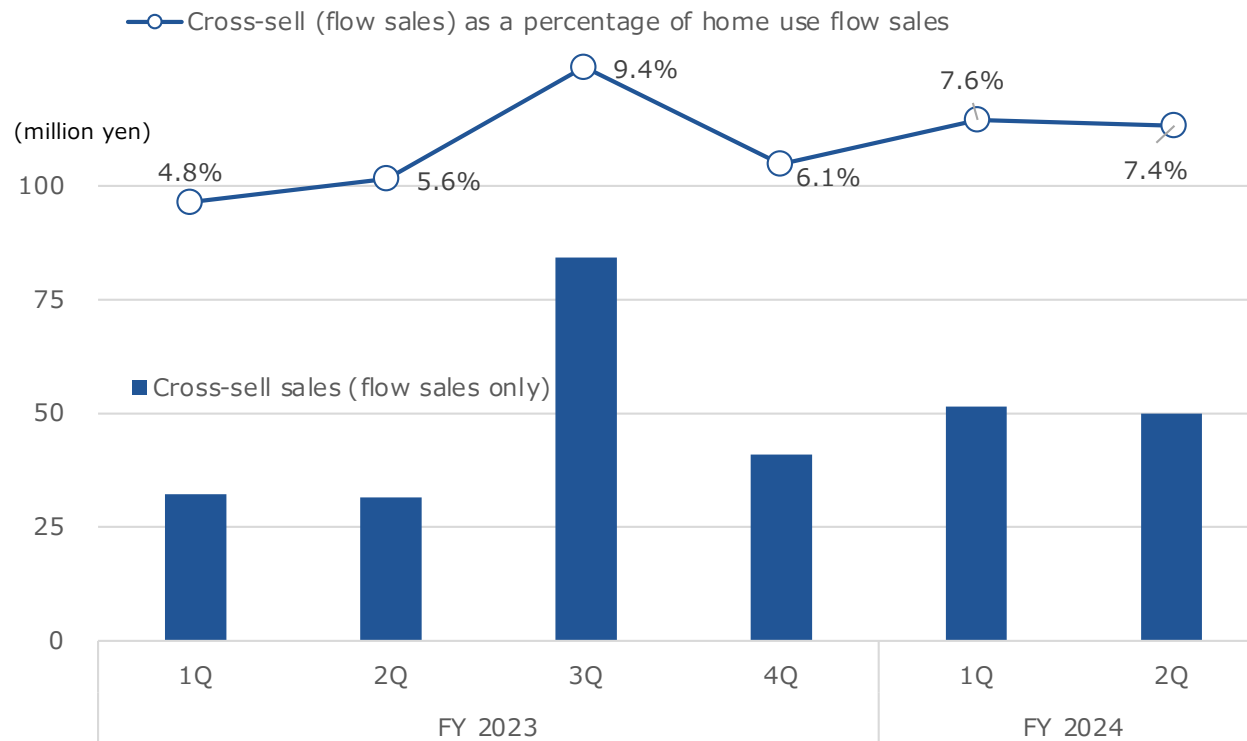


\*Number of new 1Q FY2022/6 connections = 1.0

# 10 Home Use : Status of Cross-selling

- Cross-selling, which the company began to focus on in earnest from FY2023, has been growing at a total sales scale (sum of flow sales and stock sales) of about 100 million yen/quarter. Flow sales (recorded at the time of introduction), which are a leading indicator of the business, were approximately 0.5 billion yen in 2Q.
- Flow sales have been on an upward trend, but have yet to show signs of acceleration (the rapid expansion in the previous 3Q was due to seasonal factors resulting from the concentration of new construction). Cross-selling sales accounted for 7.4% of home-use flow sales as of 2Q, almost unchanged from the previous quarter.

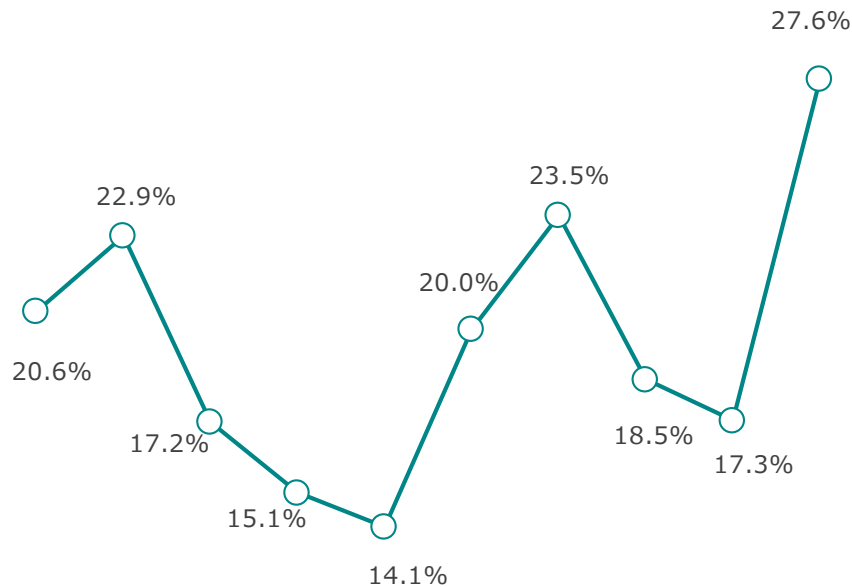
Cross-sell flow sales trends



# Business Use : Toward Accelerating Growth

- Business use business has yet to accelerate growth, but preparations for acceleration are steadily progressing.
- The acceleration of growth is the product of an increase in the number of orders and improvement in the content of orders, and the content of orders is already improving. Operating profit margin is at its highest level since the Corona disaster, supported by the provision of high value-added services, etc
- While increasing the number of orders is still an issue, the number of sales partners has increased by 30% in the past year. The impact of these factors will emerge in the future.

## Business use Trends in Operating Income Margin



1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
FY 2022				FY 2023				FY 2024	

## <Toward Accelerating Growth>

### Improvement of order details

- Large-scale project acquisition
- Provide high value-added services

### Improvement in operating margin

FY 2024/6  
 1Q 2Q  
 17.3% → **27.6%**

### Increase in number of orders

- Focus on public institutions, medical care, and tourism

### Expansion of sales partners

As of 2022/6 As of 2024/1  
 60 → **81**  
 companies companies

**Preparations for acceleration  
 make steady progress**

## 12 Progress in Renewable Energy Business

- Renewable energy business moved from the demonstration phase to Phase 2, which is the actual installation of renewable energy in various locations.
- Currently starting business negotiations with existing customers, focusing on multi-family housing.

✓ Phase1 : 2021/7~ storage battery/Started demonstration tests for control system development.



2022/1~ Demonstration experiment started at a model housing complex in Kawaguchi City, Saitama Prefecture.  
Experimental cooperation/Considering joint experiments with sponsors

Phase2 : 2023~ Began installation in local government buildings, schools, wide-area evacuation centers, and housing complexes



2024~ Start business negotiations with home-use business customers (apartment complexes, etc.)

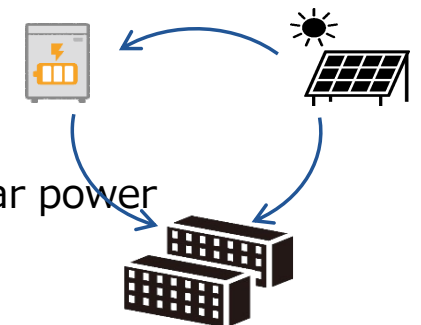
Phase3 : Around 2025~ Launched local (on-premises) VPP service



Phase4 : Around 2030~ More than 30,000 housing complexes installed  
Aiming to generate power equivalent to one nuclear power plant  
(about 1,000,000 kW)



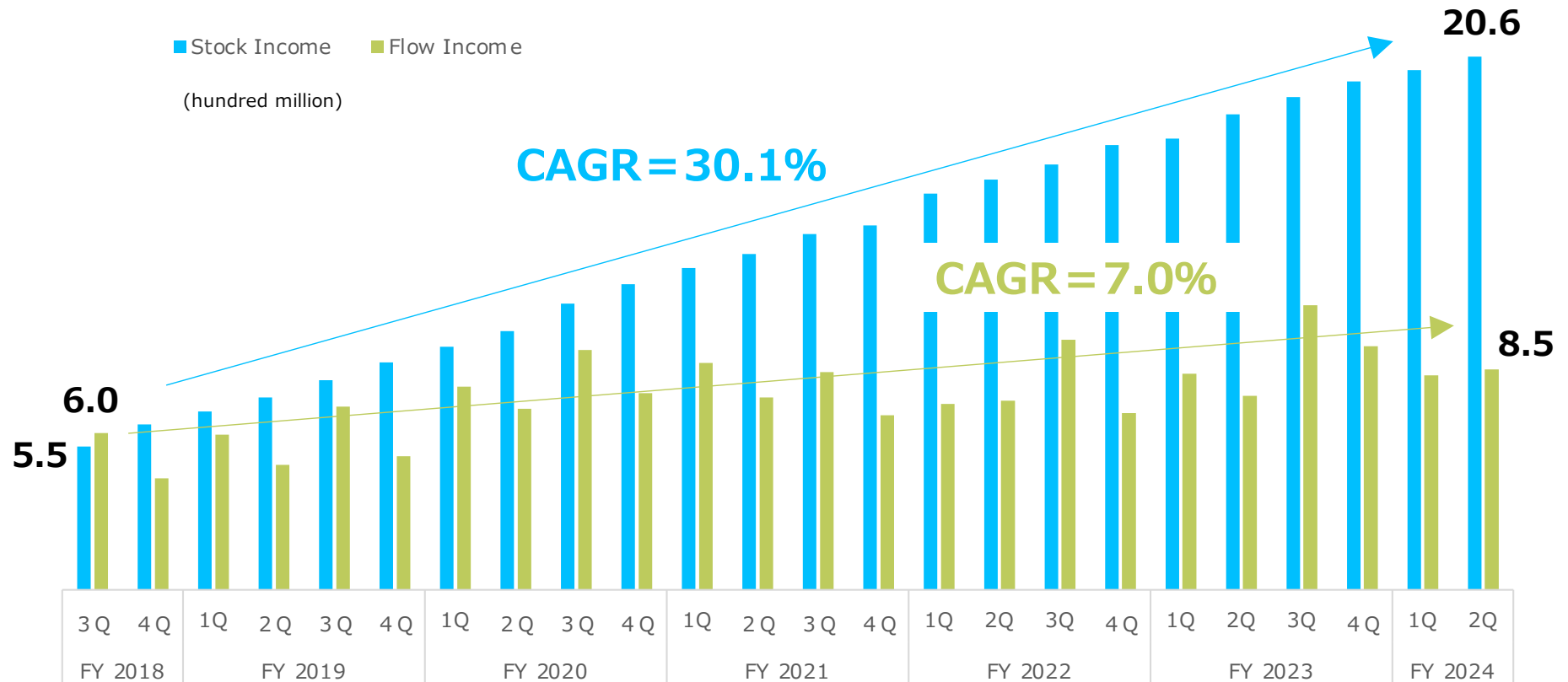
**Off-grid system to be established**



# 13 Changes in stock and flow income

- Steady accumulation of stock income. Stock income has increased for 23 consecutive quarters since listing. Although a gradual decline in the growth rate is inevitable as the scale of the company expands, the average annual growth rate remains above 30%.
- On the other hand, flow revenues have remained unchanged in a back-and-forth trend

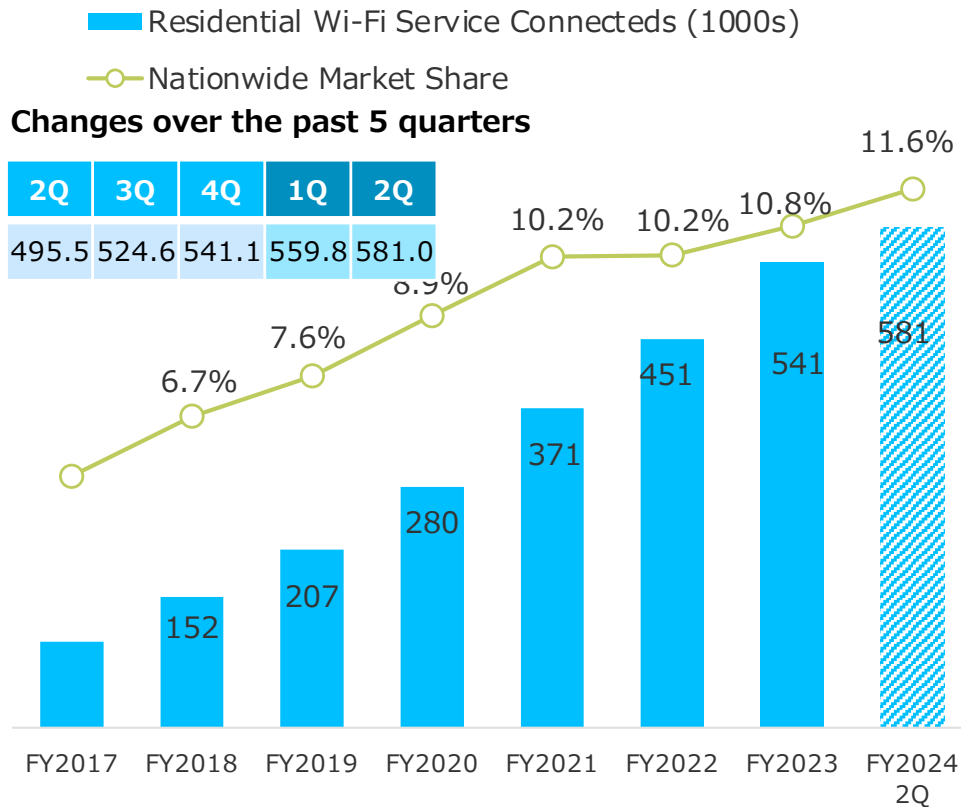
Quarterly Stock and Flow Income (Excluding Real Estate)



# 14 Trends in Key Indicators

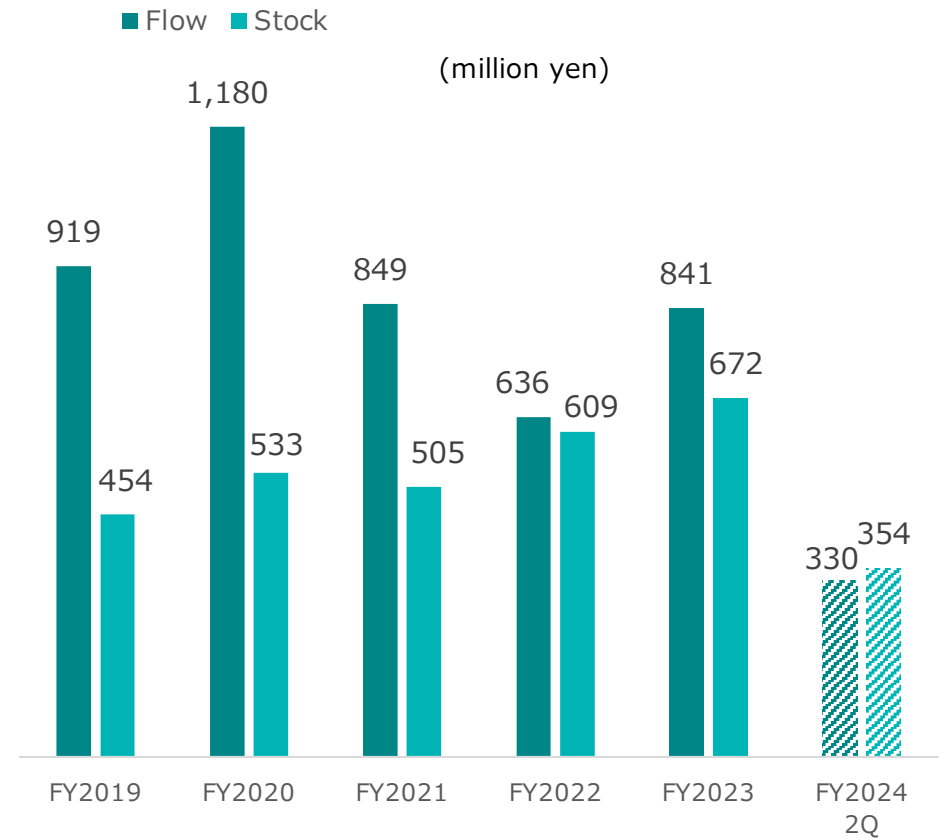
- The number of Residence Wi-Fi services connected at the end of the fiscal year was 580,000 units. The number of connected units increased at a steady pace of 20,000 units per quarter.
- Flow business sales, a leading indicator for Business Use, are not yet showing signs of acceleration due to the large number of long-lived projects. However, stock business sales continue to be positive YoY.

Residence Wi-Fi Service-Connected Units and Nationwide Shares\*



\*The nationwide share is calculated by dividing the total number of condominium ISPs offered for all condominiums (as of the end of each March) according to MM Research Institute's announcement by the actual number of contracted units at the end of our fiscal year (or the end of the most recent quarter).

Business Use Sales by Flow/Stock



## Consolidated Financial Results (Balance Sheet)

- Equity ratio increased to 37.8%. Financial soundness recovered to a comparable level after overcoming the impact of the adoption of the revenue recognition standard.
- In 2Q, in addition to the usual increase in fixed assets associated with telecom business expansion, the company procured equipment-related inventories ahead of schedule. This was offset by a reduction in cash and an increase in borrowings.

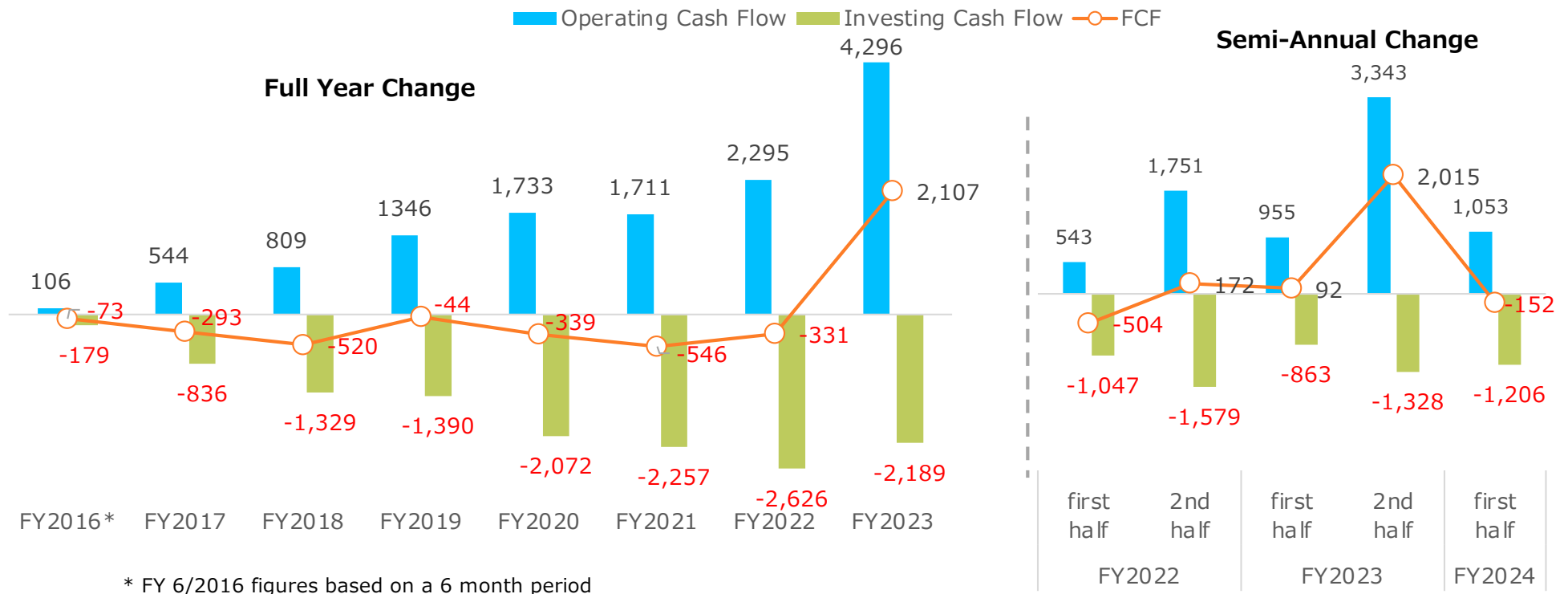
(million yen)	FY2022	FY2023	2Q FY2024	Increase/de crease from FY2023	
Current assets	6,028	5,559	<b>5,743</b>	+183	Cash outflows ahead due to inventory increase, etc.
Cash and deposits	2,303	2,382	<b>2,001</b>	▲381	Advance procurement of equipment-related inventory
Accounts receivable	1,375	1,585	<b>1,621</b>	+36	
Inventories (telecommunications)	654	637	<b>1,075</b>	+438	No real estate sales in 2Q
Inventories (Real estate)	1,426	655	<b>765</b>	+110	
Fixed assets	7,057	7,203	<b>7,614</b>	+410	Increase in telecom business related assets due to increase in Wi-Fi contracts
property, plant and equipment	6,204	6,565	<b>7,006</b>	+441	
Total assets	13,087	12,764	<b>13,358</b>	+594	Borrowings to be maintained at current level
Liabilities	9,808	8,005	<b>8,235</b>	+229	
Interest-bearing debt	6,653	4,672	<b>4,834</b>	+162	Equity ratio 37.8%
Contractual liabilities	1,958	1,638	<b>1,473</b>	▲165	
Net assets	3,279	4,758	<b>5,123</b>	+365	
Total liabilities and net assets	13,087	12,764	<b>13,358</b>	+594	

\*Figures are rounded down to the nearest million yen, rounded down to the nearest 0.1%

- FCF for 2Q FY2024/6 was a loss of 150 million yen. This is the first time in four quarters that the company has posted a loss, albeit a small one. The main reason for the FCF loss was a temporary increase in inventory. Excluding this impact, the company would have remained in the black.
- By business segment, the telecommunications business remained profitable despite a large inventory buildup. There is no change in the perception that the company is moving from the cash-tight situation it has faced since its establishment to the next stage. On the other hand, the real estate business posted a loss due to prior acquisition of projects.

### Long-term Cash Flow Trends

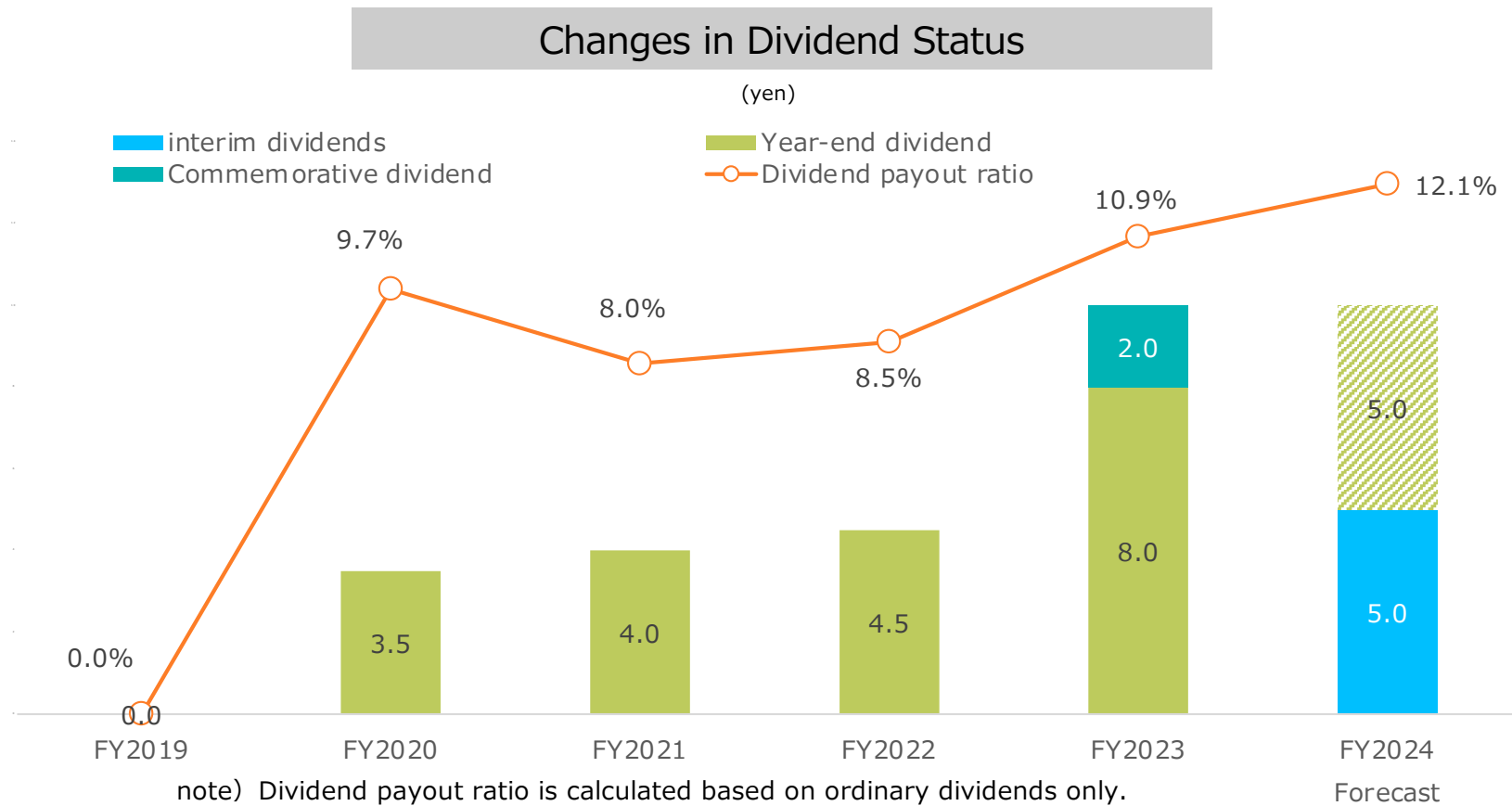
(million yen)





## 17 Interim dividend

- In FY2024, the company will pay an interim dividend for the first time since its establishment. The company plans to pay an annual ordinary dividend of 10 yen per share, an increase of 2 yen from the previous year (including the commemorative dividend, which will remain unchanged). Assumed payout ratio for the full year is 12%.
- The interim dividend is intended to raise shareholder return opportunities. The company believes that this will benefit shareholders by shortening the time gap between business performance and shareholder returns.





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# Forecast for the Fiscal Year Ending June 2024

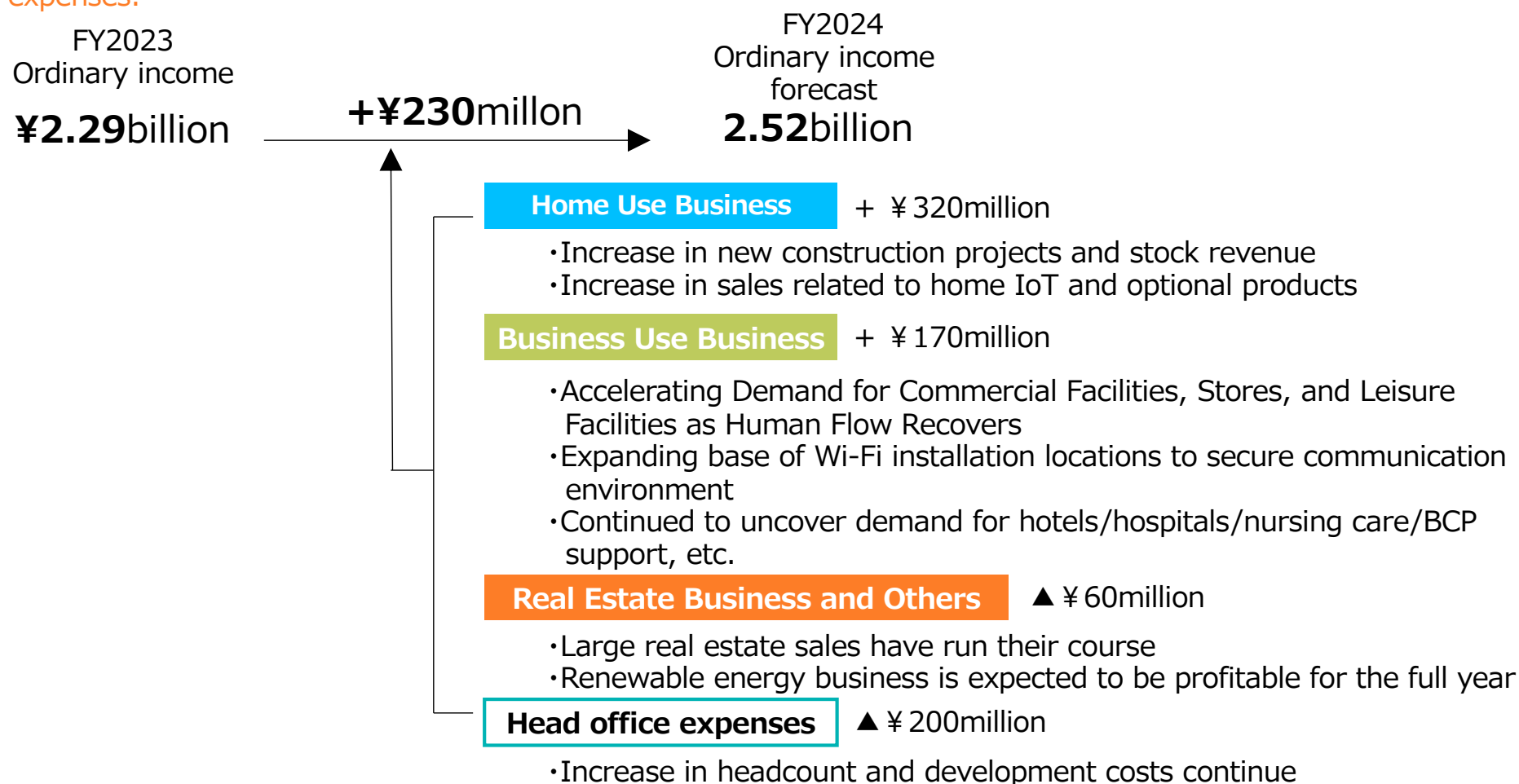
# FY2024 Consolidated Financial Forecast① Summary Table

- Forecasts for FY2024/6 are unchanged. We expect a 7% increase in sales and a 10% increase in recurring profit. Although the growth pitch is expected to slow from the previous year, this is due to the real estate business, which is in the off-season for projects. The telecommunications business is expected to maintain a high level of growth at around the previous year's level, with a 16% increase in sales.
- By segment, home-use business remained strong with contributions from new construction projects. Business use is also pursuing flow revenue growth for commercial/tourist facilities as human flow recovers. Aiming for the highest growth in this fiscal year, recovering from the delay in lead time.

(Millions of yen. Figures rounded down to the nearest million yen)	FY2022	FY2023	FY2024 Forecast	Year-on-year change	
				Change	Percentage change
Net sales	10,624	12,795	<b>13,710</b>	+914	+7.1%
Home Use	8,141	9,600	<b>11,020</b>	+1,419	+14.8%
Business Use	1,244	1,512	<b>1,860</b>	+347	+23.0%
Real Estate	1,238	1,682	<b>830</b>	▲852	▲50.7%
Operating income	1,652	2,320	<b>2,530</b>	+209	+9.0%
Home Use	2,318	2,970	<b>3,290</b>	+319	+10.8%
Business Use	235	289	<b>460</b>	+170	+58.7%
Real Estate	52	138	<b>80</b>	▲58	▲42.2%
Others	▲953	▲1,078	<b>▲1,300</b>	▲221	▲20.6%
Ordinary income	1,604	2,290	<b>2,520</b>	+229	+10.0%
Ordinary profit ratio	15.1%	17.9%	<b>18.4%</b>	+0.5pp	-
Net income	1,073	1,482	<b>1,680</b>	+197	+13.3%

# FY2024 Consolidated Financial Forecast② Analysis of Changes in Ordinary Income

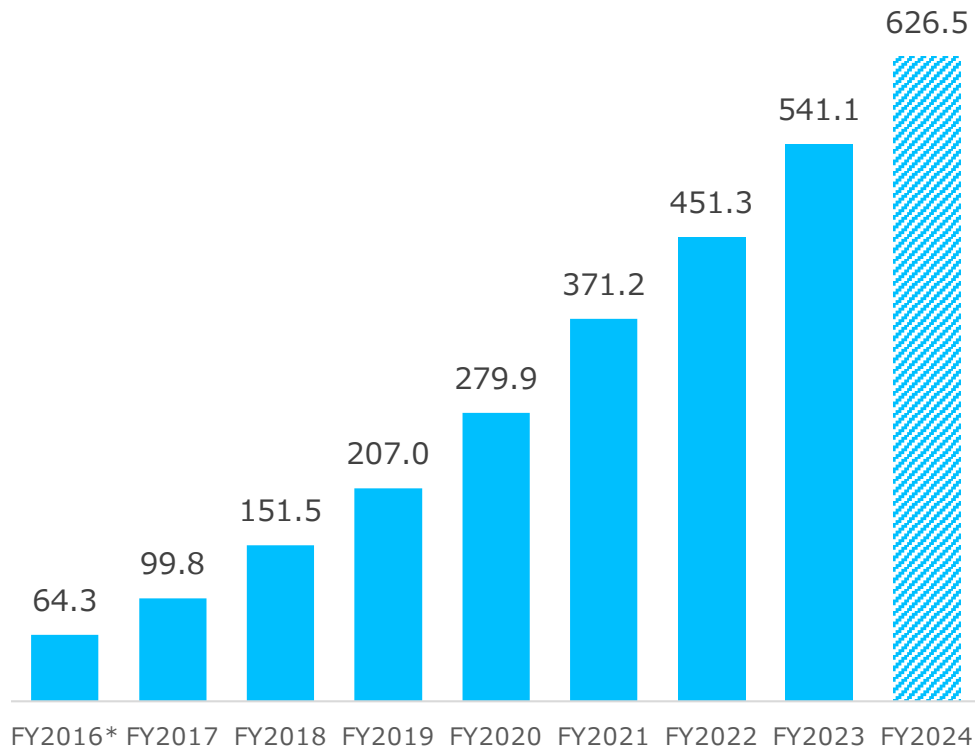
- The company expects the home-use business to continue to be the largest contributor to the forecast of 230 million yen in recurring profit growth from the previous year. Business-use business, which is positioned as a key area of focus, is also expected to benefit from the various strategic moves it has made.
- On the other hand, the real estate business and others are in the off-season for projects. However, the renewable energy business is expected to secure a certain level of profit.
- Assumption is that costs will continue to rise, mainly due to personnel and development costs in head office and other expenses.



- The assumption for the number of newly connected residential Wi-Fi units is an increase of over 92,000 units. The cumulative number of units is set at 626,000. The expansion pitch is expected to remain almost at the same level as before. The weight of new construction is expected to increase due to the full-scale completion of new construction.
- In business use, we expect to further increase flow sales. Focus on sales in focused areas such as hospitals, nursing care facilities, and tourist facilities, as well as on penetration of unique products such as "one-touch Wi-Fi," which is easy to install.

## Residence Wi-Fi Contracted Units

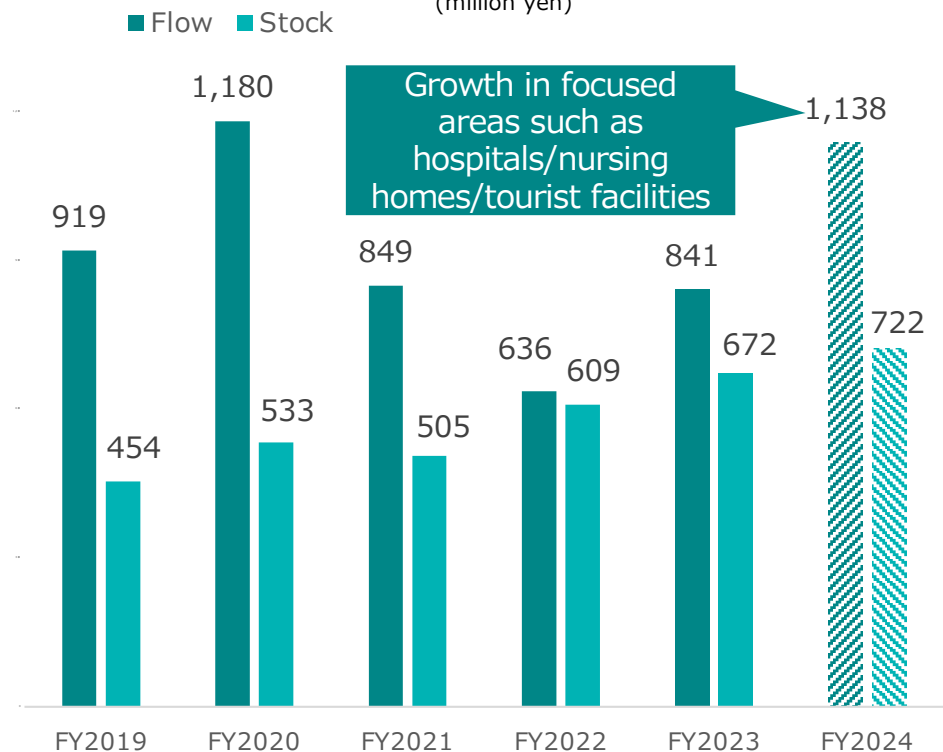
(unit : Thousand rooms)



\* Figures for FY2016 are six months

## Business Use Sales by Flow/Stock

(million yen)



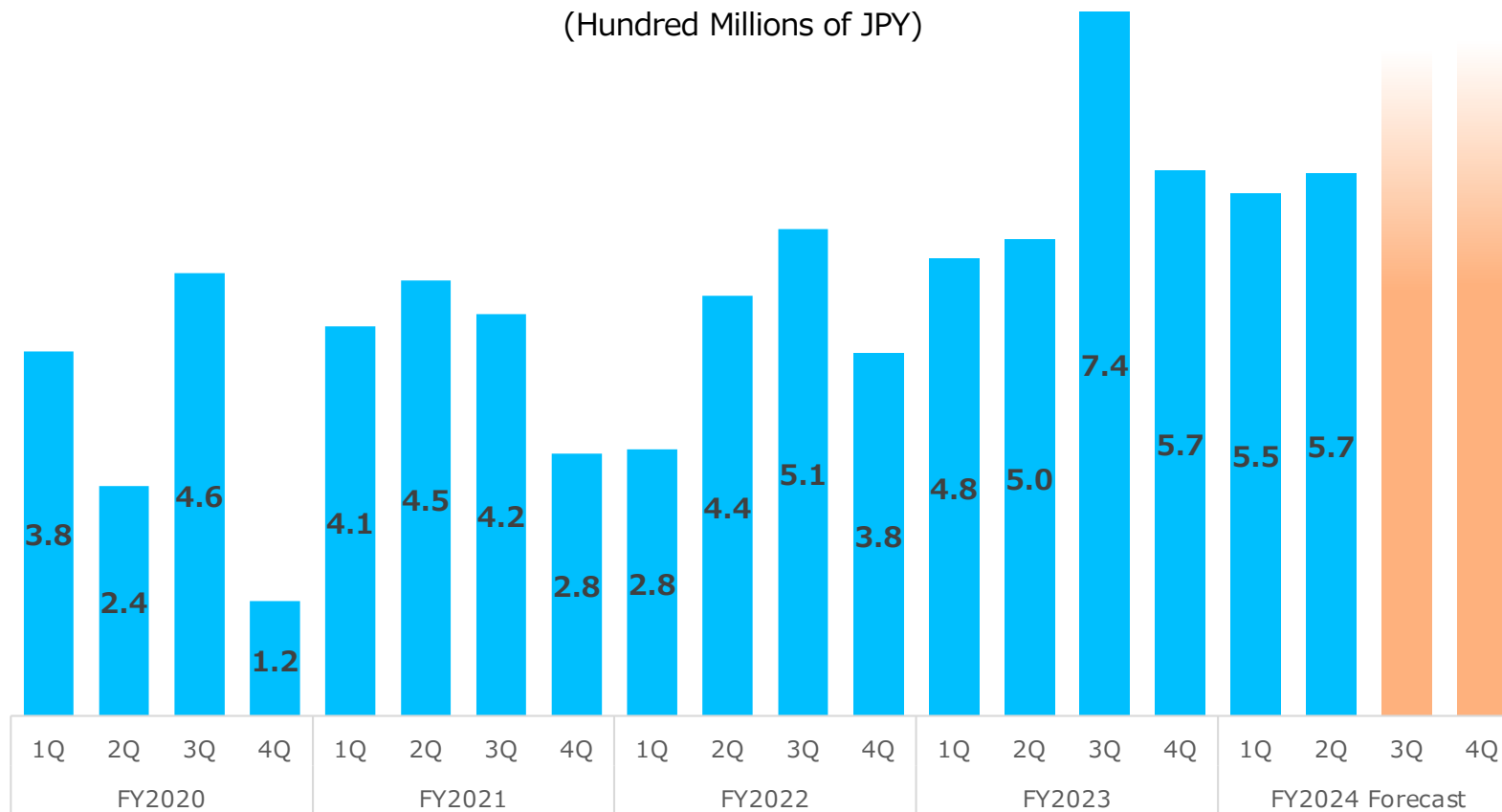
## Forecast of Consolidated Financial Results for FY 6/2024 ④

### - Quarterly Visualization

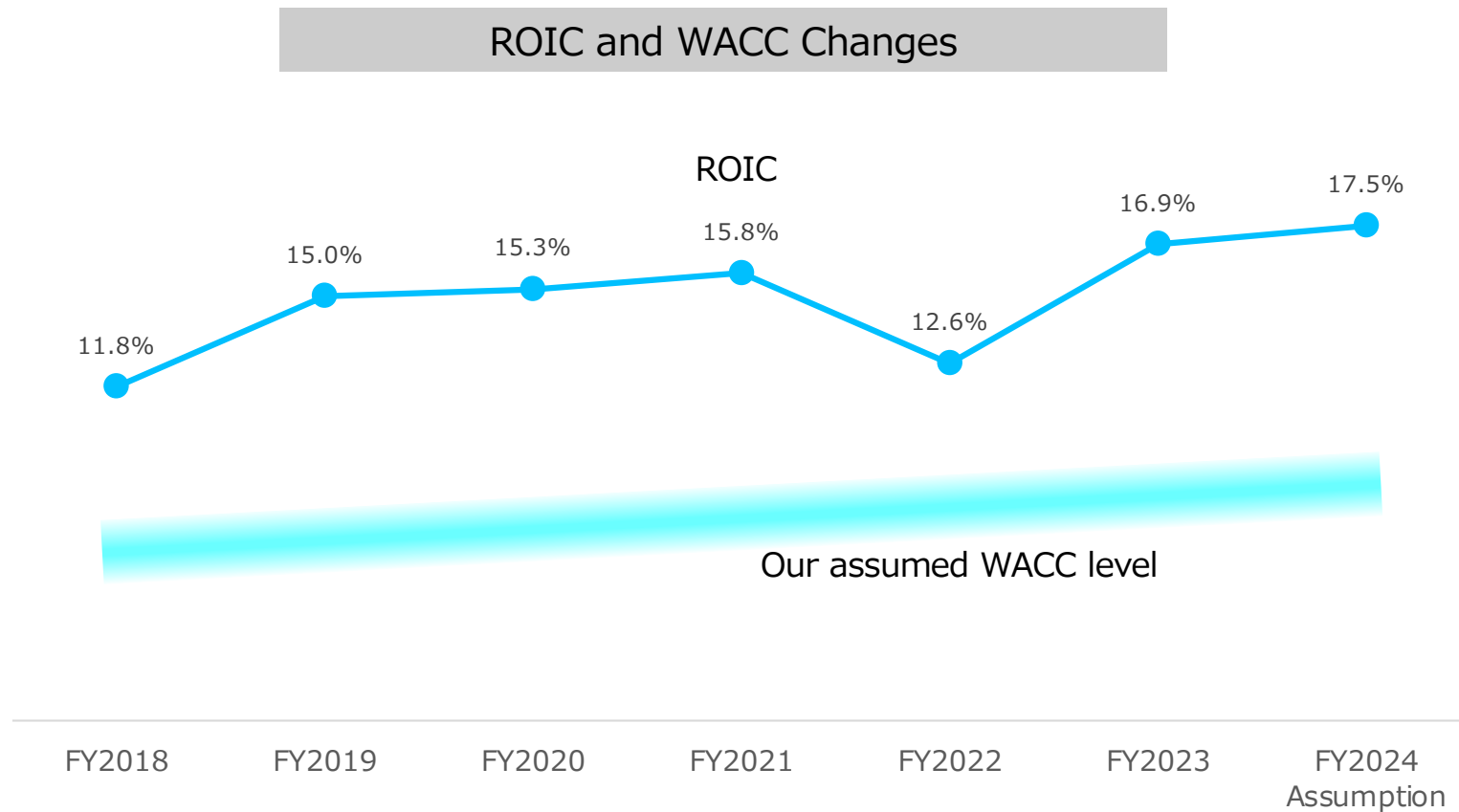
- Quarterly recurring profit is expected to rise further from 3Q, which corresponds to the peak season in the rental housing market, to 4Q, the end of the fiscal year
- The company assumes that sales in the real estate business will be concentrated in 4Q. Depending on the timing of the booking of projects, there is a possibility that there will be a delay in the timing of profit booking.

#### Visualization of Quarterly Ordinary Income Trends

(Hundred Millions of JPY)

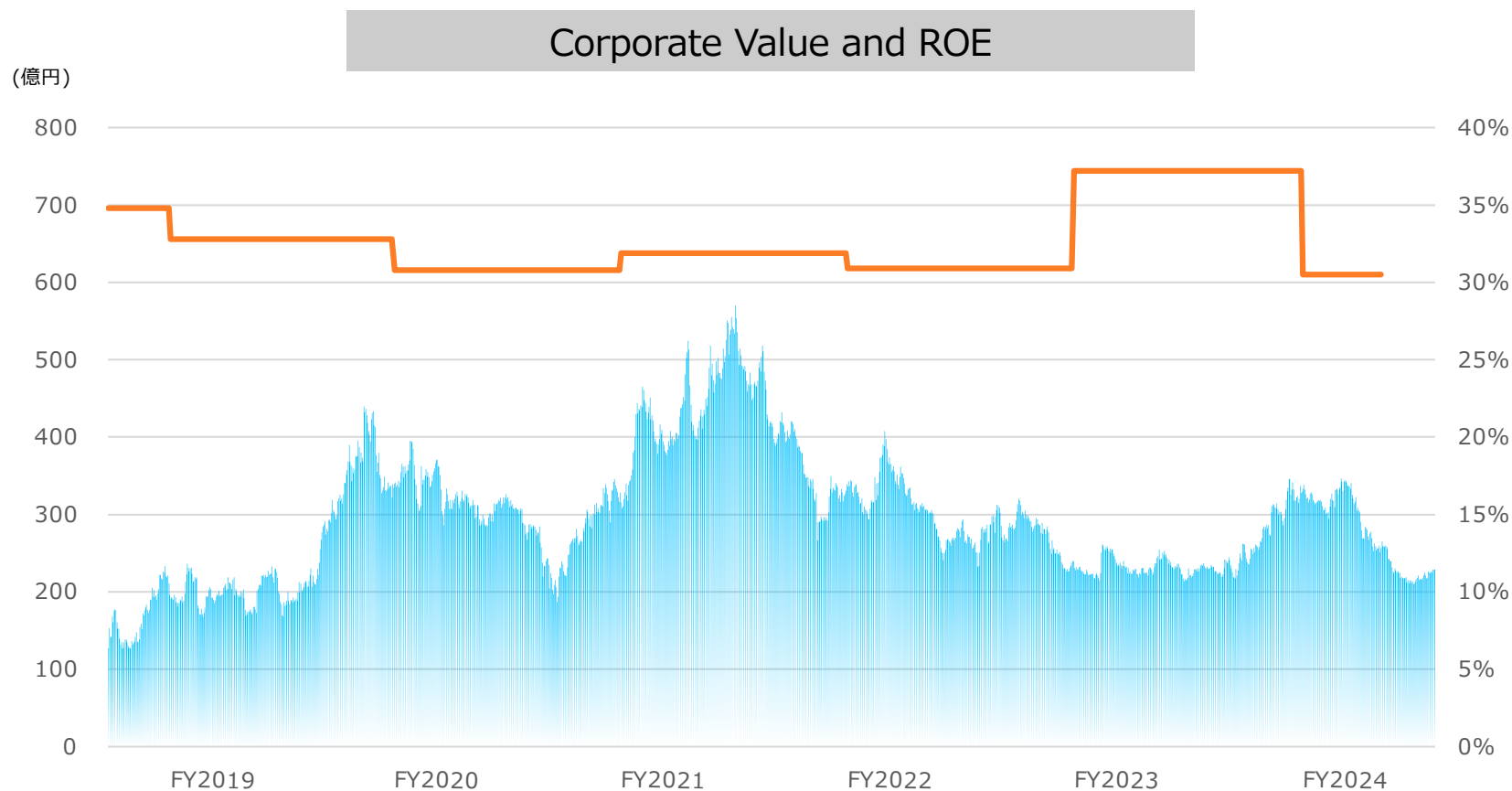


- Our ROIC has been steadily improving since FY2018, and is expected to exceed 17% in FY2024
- ROIC has never fallen below WACC since listing. Stable returns in excess of cost of capital



## 24 Cost of Capital-Conscious and Stock Price②

- ROE remains at a very high level, basically above 30%.
- However, the company's corporate value has fallen by about half from its highest level in the past. The company aims to increase its corporate value by increasing its financial leverage and raising its valuation in the capital market.



note) Defined as enterprise value = market capitalization + interest-bearing debt - cash and cash equivalents





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# Topics

- 1 Home Use : First Introduction of FG Smart Call by ESLEAD Inc.**
- 2 Business Use : Hirosaki University Hospital introduced Wi-Fi in hospital rooms.**
- 3 Business Use : Wi-Fi for Outpatients Introduced at Hokkaido Cardiovascular Hospital**
- 4 Product : FGN2000" router with built-in switch function**
- 5 Renewable energy : Solar Power Generation System Installed in Higashikagura Town**

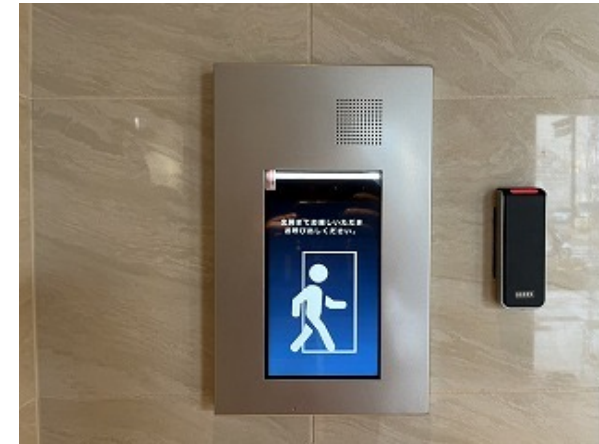
## Major condominium developer **E** エスリード First FG Smart Call to be introduced to ESLEAD Residence Umeda Marks (1/26/2024)

### FG スマートコール

Powered by  **Fibergate Inc.**  
 株式会社ファイバークート

- ✓ Intercom response via app
- ✓ Visitor list/management
- ✓ Automatic answering message
- ✓ Timeline function
- ✓ Remote application operation
- ✓ Nickname notification function

**IoT enables condominium life,  
 IoT contributes to high value-  
 added condominiums.**



<b>Name</b>	ESLEAD Residence Umeda Marks
<b>Location</b>	2-11-17 Oyodo-naka, Kita-ku, Osaka-shi, Osaka
<b>Structural Scale</b>	Reinforced concrete, 11 floors above ground
<b>Total units</b>	100units
<b>Completion Date</b>	January 26, 2024
<b>Delivery Date</b>	January 26, 2024

## Business Use : Hirosaki University Hospital introduced Wi-Fi in hospital rooms.

### Constructed Wi-Fi environment in hospital rooms of Hirosaki University Hospital in collaboration with Amenity Co.



株式会社 アメニティ

Developing amenity support systems for the medical and nursing care industry

#### ■ Selection Points

- Advanced configuration design
- Construction schedule with consideration for hospitalized patients and staff
- Track record of Wi-Fi installations in a variety of facilities

#### ■ Construction points

- ① Separation from hospital network ② Improvement of line stability ③ Redundancy and higher speed

#### ■ Installation status

- Location : Hirosaki University Hospital, Inpatient Wing East / Ward 2, sickrooms and staff lounge
- Installed equipment : Routers×2、 Access Points×127、 Switching Hubs×18

**Contribute to improving the quality of life (QOL) of hospitalized patients**



Hirosaki University  
Hospital

Location : 〒036-8563 53 Honmachi, Hirosaki-shi, Aomori  
Date Established : 1949

One of the prefecture's core disaster base hospitals, a hospital with specific functions that is also designated as a Type II designated medical institution for infectious diseases



## Business Use : Wi-Fi for Outpatients Introduced at Hokkaido Cardiovascular Hospital

Constructed free Wi-Fi for outpatients and displayed the hospital's original contents with a redirection function.

### ■ Background of Introduction

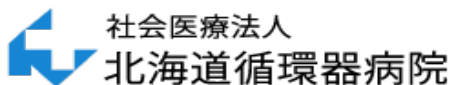
Provided free Wi-Fi for outpatients to promote awareness of the Heart Failure Center, cardiac rehabilitation, and other initiatives of the hospital.

### ■ Construction points

- Our original videos can be displayed after Wi-Fi authentication
- Easy and concise authentication
- Clear boundary of responsibility for security
  - ⇒ Risk hedging by only requiring approval of Terms of Use
- Flexible setting of passwords, channels, etc. can be changed.
  - ⇒ Secure the quality required for operation

⇒ Possible to introduce our hospital's activities to a wide range of people

⇒ No inquiries to staff  
(At the end of 2 months of operation)



Location : 1-30, Minami 27-jo Nishi 13-chome, Chuo-ku, Sapporo  
hospital specialties : Cardiology, Cardiovascular Surgery, Diabetes, Respiratory Medicine, Internal Medicine, Surgery, Rehabilitation Medicine, Anesthesiology (Junichi Sato), Radiology  
Number of sickbeds : general sickbed 95beds (CCU・ICU 6beds)



## Development of New Router "FGN®2000" Focusing on Ease of Installation and Maintenance and Operational Efficiency (11/22/2023)

<New Router「FGN®2000」>

- ✓ Communication equipment originally developed as a successor to our FGN®1300 product
- ✓ Mainly for use in multi-family housing, the device is equipped with a switching hub function in addition to the router function.
- ✓ Designed with an emphasis on maintenance and operational efficiency to reduce the number of devices installed and improve capital investment efficiency
- ✓ WAN port can be used in combination with satellite lines, etc.

User Benefits

Realization of a comfortable communication environment

Benefits for Installers

Reduction of capital investment

Service Operator Benefits

WAN circuit redundancy

BCP measures, etc.

<Product Specifications>

External dimensions : 230×120×27

mass : 792g

Maximum power consumption : 11.5w

operating environment : Temperature -10~50°C Humidity 90% or less

Total Ports : 10

transmission speed : 2.5G 2Port, 1G 8Port FlashROM : 128MB

New Router「FGN®2000」



## Renewable energy : Solar Power Generation System Installed in Higashikagura Town

### Installed a self-generating, self-consuming solar power generation system at the Higashikagura Town complex.

Aiming to reduce CO2 emissions to the highest level in the province, installed and operated a solar power generation system at a cultural hall and a clinic.

#### <Solar Power Generation System Overview>

- Solar panels were installed on the rooftop of the Cultural Hall, and a power conditioner was also installed on the rooftop along with the solar panels.
- The clinic has solar panels on the roof, and a power conditioner and storage batteries are installed in the indoor common area (storage battery room).
- The clinic is equipped with storage batteries as a countermeasure against power outages.



#### <Higashikagura Town Complex>

Aiming for completion in March 2024, the complex will be reconstructed together with surrounding facilities to gather the town's main public functions, including the town hall, a clinic, and a 450-seat cultural hall. The project will be designed by internationally acclaimed architect Sousuke Fujimoto.



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# Appendix





Independent Wi-Fi solutions company\* as a starting point  
**Telecommunications x Renewable Energy**  
A future infrastructure company that comprehensively deploys

### **\*Independent Wi-Fi solutions company**

independent public wireless LAN provider that offers a full range of services, from the development of communications equipment to the provision of services.

In the public wireless LAN (Wi-Fi) access service sector, there are currently 15 companies with national reach under the jurisdiction of the Ministry of Internal Affairs and Communications (Communications Bureau, Business Policy Division), and we rival the major carriers.

## Telecommunications Business: Wi-Fi systems



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### **Real Estate Business:**

Wi-Fi, IoT, developing green energy apartments and making property lineups



### **Renewable Energy Business:**

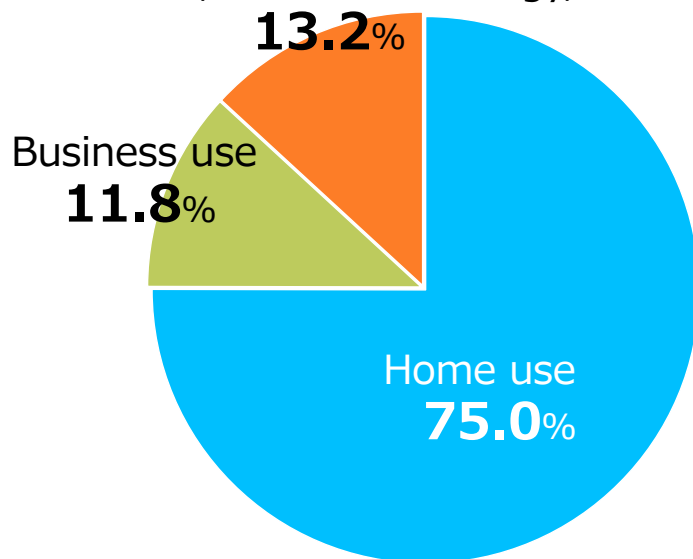
All-in-one generation and consumption energy systems

- We have 3 businesses: 2 in telecoms and 1 in real estate. Our main strength is residential Wi-Fi, which contributed 76.6% of sales in the most recent reporting period.
- We are focusing efforts on our highly profitable private brand support (behind-the-scenes business).

## Sales Breakdown

FY 6/2023 Results

Real estate, renewable energy, etc.



## Our main telecommunications businesses

Home use



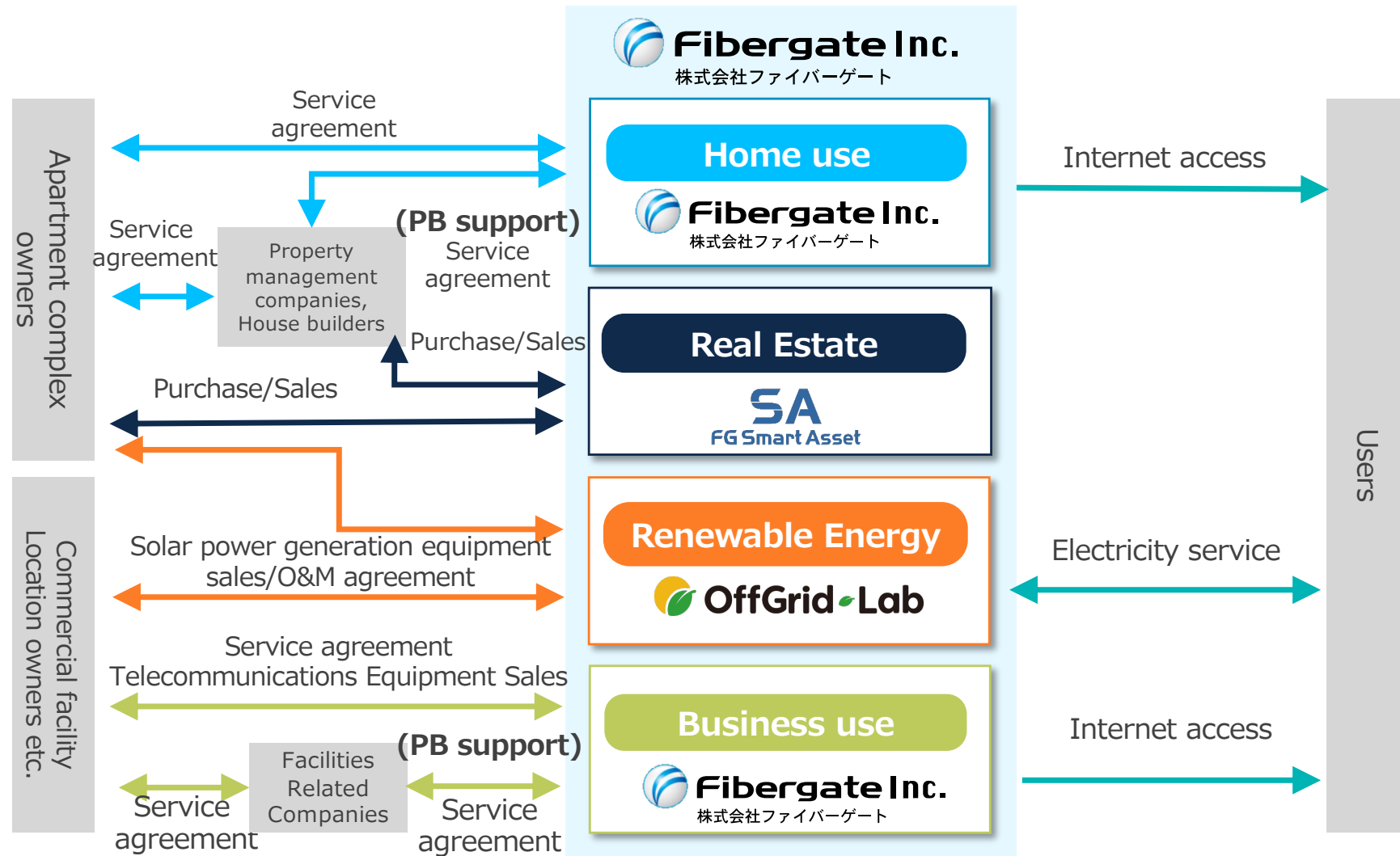
- Internet services for entire apartment complexes
- Customers are apartment complex owners

Business use



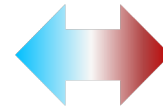
- Free Wi-Fi Business (for sightseeing, commercial facilities)
- Corporate Network Business (such as internet provider services)
- Wi-Fi Product Business (production and sale of telecom devices)
- Customers are tourism organizations, owners of commercial facilities etc.)

- We offers four services: telecommunications (Home and Business Use), Real Estate, and Renewable Energy. We receive remuneration from our service contractors: end users pay nothing.
- In the telecommunications business, Supporting our customers with their private brands is our forte.

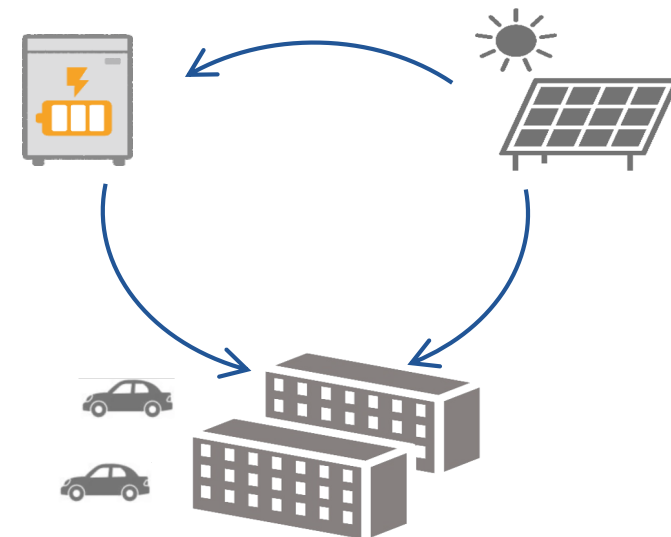
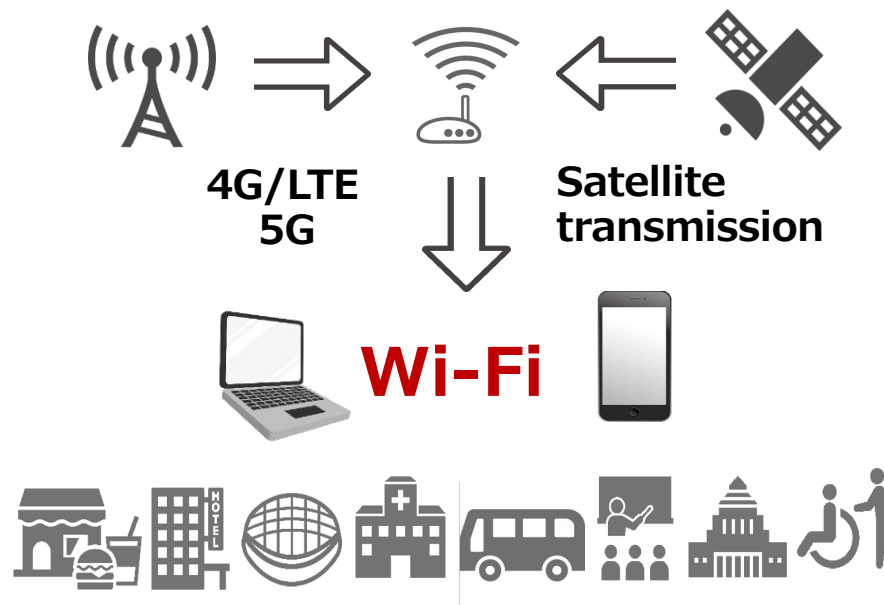


- We will create high value-added infrastructure through the synergy between our renewable energy and core telecoms businesses

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



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



Year	Contents
2000	➤ Established in Wakabayashi Ward, Sendai, to broker telephone services domestically and internationally
2003	<ul style="list-style-type: none"> <li>➤ Moved headquarters to Sapporo Chuo Ward</li> <li>➤ Core business: selling broadband lines online and building a network of multiple brick-and-mortar locations</li> </ul>
2004	➤ Began the residence Wi-Fi business
2005	➤ Began offering broadband services
2006	➤ Began providing free internet private brand services for communal housing
2009	➤ Began the free Wi-Fi service business
2013	➤ Established NOIS Inc. as a subsidiary to plan and develop computer hardware and software, and to act as an internet line agency
2014	<ul style="list-style-type: none"> <li>➤ Began selling telecom devices produced in-house (Wi-Fi product business)</li> <li>➤ Began providing private brand Wi-Fi services for stores and commercial facilities</li> </ul>
2015	<ul style="list-style-type: none"> <li>➤ Acquired Telecommunications Contractor Authorization (Governor of Hokkaido Authorization)</li> <li>➤ Established Fibergate Taiwan Inc. as a wholly-owned subsidiary in Taiwan</li> <li>➤ Acquired a license as a telecommunications business in accordance with the Telecommunications Business Act</li> </ul>
2018	<ul style="list-style-type: none"> <li>➤ Listed on the TSE Mothers Index</li> <li>➤ Carried out a 2-for-1 stock split</li> </ul>
2019	<ul style="list-style-type: none"> <li>➤ Moved to the TSE 1<sup>st</sup> Section</li> <li>➤ Listed on the Sapporo Stock Exchange</li> <li>➤ Carried out a 2-for-1 stock split</li> </ul>
2020	➤ Established FG-Lab Inc. as a subsidiary for product development
2021	<ul style="list-style-type: none"> <li>➤ Established the subsidiary FG Smart Asset Inc., which deals in real estate</li> <li>➤ Established OffGrid-Lab Inc., which deals in renewable energy</li> </ul>
2022	➤ Acquired all shares of TM Asset Inc., which deals in real estate holdings and sales
2023	➤ Began renewable energy business operations.

# Financial Highlights

Fiscal Year End		FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
Sales	(million yen)	3,977	5,446	7,424	8,491	10,624	12,795
Ordinary income	(million yen)	510	886	1,215	1,543	1,604	2,290
Net Profit	(million yen)	312	550	722	1,019	1,073	1,482
Capital	(million yen)	401	426	479	488	494	494
Total issued shares	(thousand shares)	4,761	9,807	20	20,487	20,591	20,591
Net Assets	(million yen)	1,380	1,981	2,710	3,677	3,279	4,758
Total Assets	(million yen)	4,364	5,311	6,984	9,397	13,087	12,764
Net assets per share	(yen)	144.92	202.06	133.52	180.40	160.74	230.12
Earnings per share	(yen)	81.62	57.60	36.19	50.11	52.60	72.70
Equity ratio	(%)	31.62	37.30	38.80	39.13	25.06	36.80
ROE	(%)	34.82	32.77	30.81	31.92	30.86	37.19
Cash flow from operating activities	(million yen)	808	1,345	1,732	1,710	2,295	4,296
Cash flows from investing activities	(million yen)	▲1,328	▲1,389	▲2,071	▲2,256	▲2,626	▲2,189
Cash flows from financing activities	(million yen)	868	▲15	699	1,326	436	▲2,027
Cash and cash equivalents	(million yen)	1,118	1,058	1,415	2,196	2,303	2,382
Employees	(Persons)	141	159	180	221	231	232

# Wi-Fi, Anywhere

## ~Realizing the Alternative Carrier Concept~

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### < A warning regarding company outlook >

The contents of this presentation are based on certain assumptions, and do not ensure or guarantee that forecast figures or measures will come to pass.

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