Business Strategies and Growth Opportunities

SORACOM, INC.

March 25, 2025

SORACOM

Company Overview　About Us

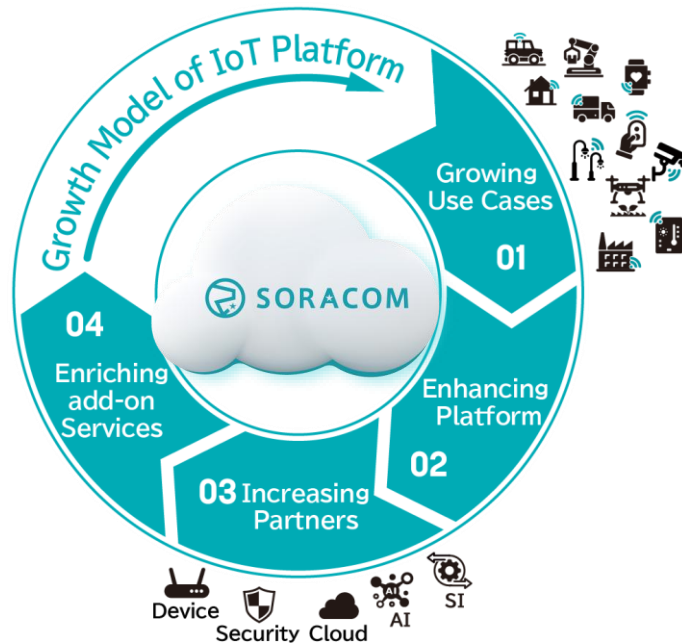|	
Name	SORACOM, INC.
Established	November 2014
Business	Head Office: Tokyo, Japan US Office: Bellevue, WA, USA UK Office: London, United Kingdom
Employees[1]	Total 176 (55 in US/Europe [2])
CEO	Ken Tamagawa
Business	Global IoT Platform Service
Shareholders[3]	KDDI CORPORATION / World Innovation Lab / SECOM CO., LTD. / SOURCENEXT CORPORATION / Sony Group Corporation / NIPPON GAS CO., LTD. / Hitachi, Ltd. / Suzuki Global Ventures

Board Members and Directors

Office Locations

Notes: (1) The number of regular employees excluding board members as of Mar 2025 (2)Employees at SORACOM GLOBAL, INC. (US) and SORACOM CORPORATION, LTD. (UK)
(3)As of Mar 2025

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VISION

The best possible human future is connected
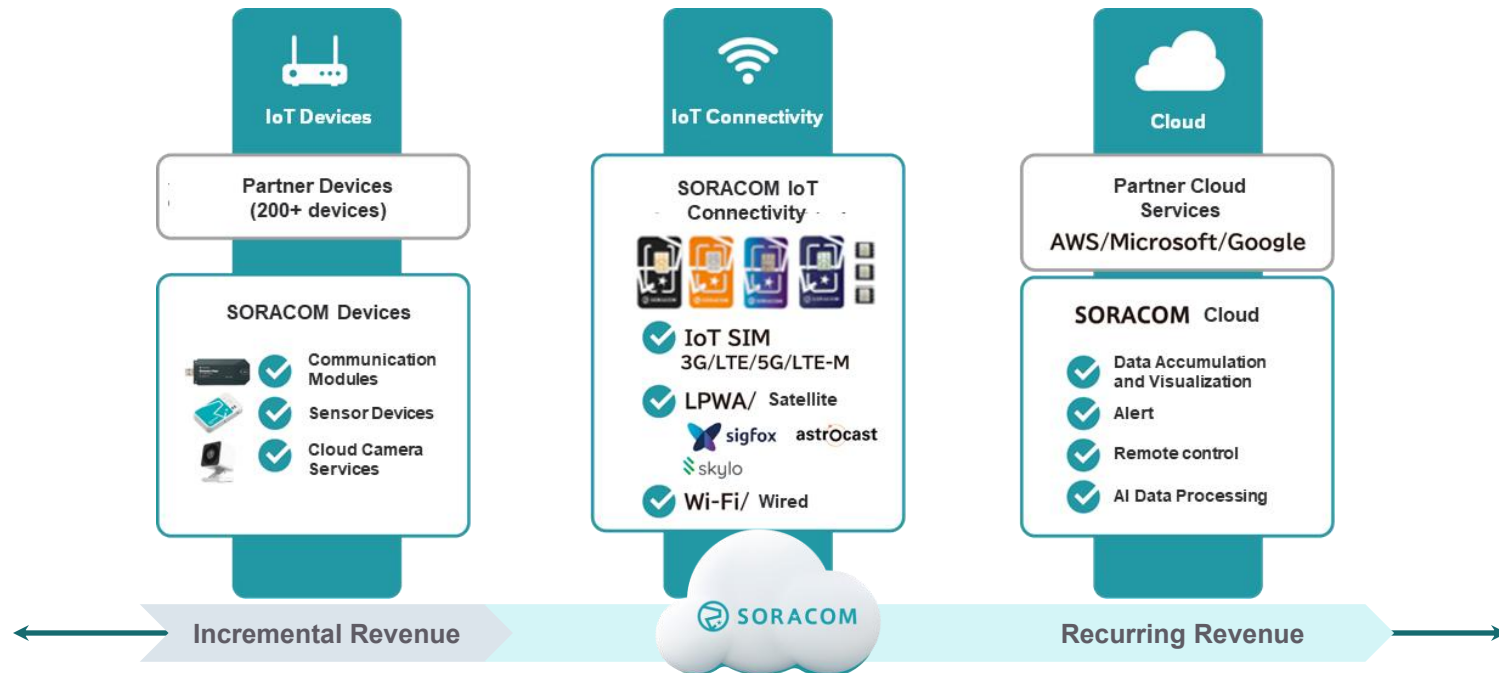
MISSION

We are the most customer centric company that enables everyone to realize their passions and visions by democratizing IoT technology and accelerating innovations

SORACOM Enables the Global IoT Ecosystem

Growth Model of IoT Platform

01 Growing Use Cases

02 Enhancing Platform

03 Increasing Partners

04 Enriching add-on Services

Device Security Cloud AI SI

A global platform that accelerates IoT product development with a focus on data communications for IoT

Our group provides comprehensive services to client companies embarking on IoT services. Specifically, we offer platform services such as IoT connectivity, data storage and visualization applications, and network services.
Client companies can purchase IoT SIM cards and devices individually from our IoT store online, enabling them to immediately start utilizing our services.

IoT Devices

Partner Devices (200+ devices)

SORACOM Devices
- ✓ Communication Modules
- ✓ Sensor Devices
- ✓ Cloud Camera Services

IoT Connectivity

SORACOM IoT Connectivity
- ✓ IoT SIM 3G/LTE/5G/LTE-M
- ✓ LPWA/ Satellite — sigfox, astrocast, skylo
- ✓ Wi-Fi/ Wired

Cloud

Partner Cloud Services AWS/Microsoft/Google

SORACOM Cloud
- ✓ Data Accumulation and Visualization
- ✓ Alert
- ✓ Remote control
- ✓ AI Data Processing

Incremental Revenue ← → **Recurring Revenue**

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Numerous Customer Cases Across a Wide Range of Industries

Smart Metering
NICIGAS

Functionality Checking
SECOM

Heat Risk Monitoring
MITSUFUJI

GPS Tracking
MIXI

Failure Prediction
THK

Store Camera
COOP SAPPORO

Temp Monitoring
MITSUBISHI ELECTRIC
Changes for the Better

AI Person Detection
SAFETY SHIELD

Healthcare & Nursing

Manufacturing

Connected Car

Energy

Finance

Primary Industry

Construction

Retail Trade

Sharing Mobility
LUUP

Smart Light
ヤマト運輸

Weather Cameras
WN weathernews

Construction System
大成建設
For a Lively World

Warehouse Ops Analysis
NX NIPPON EXPRESS 株式会社NX総合研究所

Hotel Operations DX
Hilton

Temp Monitoring
Sollatek

Bus Security
BUSPATROL

■ Use Cases in Japan　　　■ Local Use Cases in US / Europe

SORACOM DATA at a Glance FYE March 2025[1]

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Revenue[2]

8.9 Bn JPY

Operating Profit[2]

Past **6** years Positive

Connections[3]

7 Million

Global Revenue Ratio in Total Revenue

41.8 %

Global IoT Connectivity Platform

Continuing Customer Base

Global Coverage[3]

186

Countries and Regions

Carriers[3]

431

Annual Churn Rate[4]

0.4 %

NRR[5]

117 %

Notes: (1)Figures are on a consolidated basis unless otherwise stated (2)FY3/25 (3)As of Mar 2025 (4)Ratio of [Number of accounts with no recurring revenue generated over 12 months] to [Number of accounts generating recurring revenue of 1 million yen or more annually and having no period of no recurring revenue generation exceeding 12 months]
(5) Net Retention Rate from FY3/24 to FY3/25, indicating the continuation rate of recurring revenue from existing customers, calculated by the formula: [Recurring revenue of customers acquired prior to the previous period] ÷ [Recurring revenue of those customers in the previous period]

1 **Business Model & Market Landscape**

2 **Financial Highlights**

3 **Growth Strategies**

4 **Business Plan**

5 **Risk Disclosures**

1 **Business Model & Market Landscape**

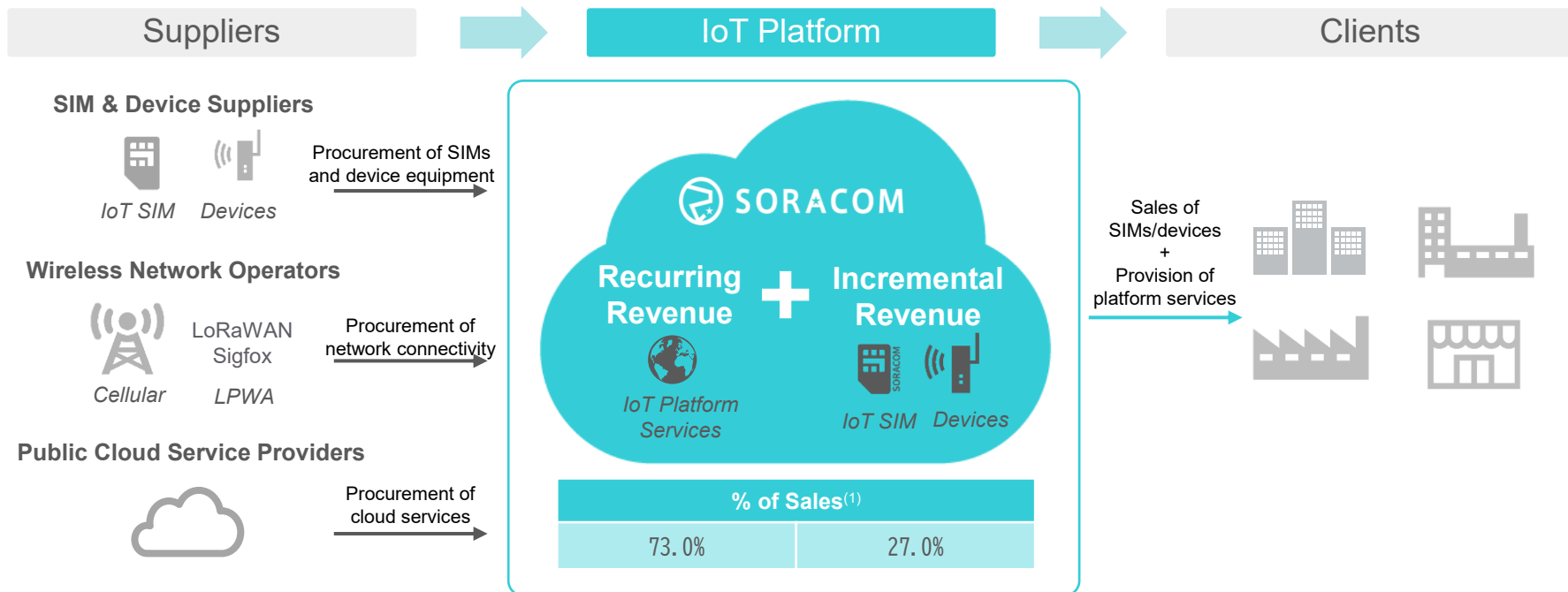**2** Financial Highlights

3 Growth Strategies

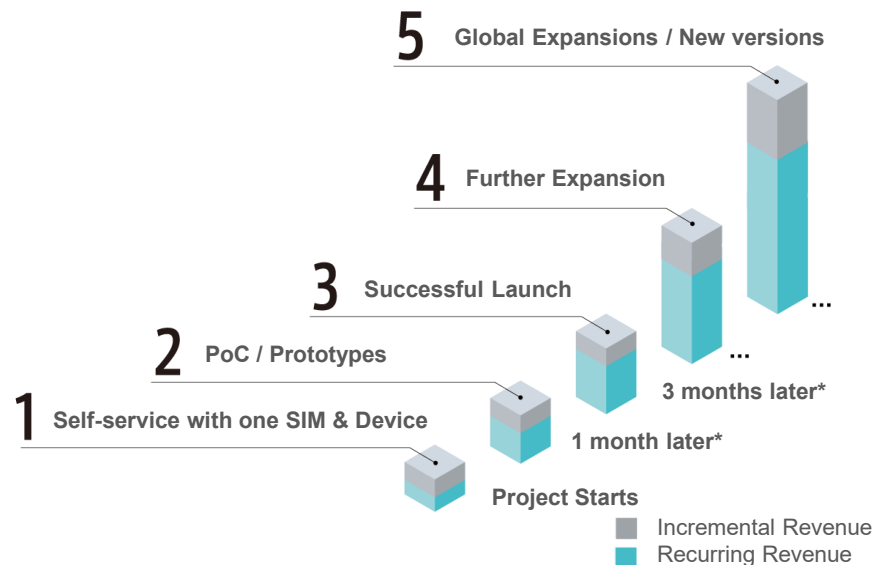**4** Business Plan

5 Risk Disclosures

Business Model

Soracom, a provider of IoT platforms, has two main revenue streams. The first is incremental revenue, which comes from the sale of SIMs and hardware during the initial implementation or expansion of IoT services. The second is recurring revenue, generated through monthly subscriptions for communication services and high-value-added features required for IoT systems and platform usage.
Currently, over 70% of our total revenue comes from recurring revenue, making it the company's primary and most stable source of income.

Suppliers	IoT Platform	Clients

SIM & Device Suppliers

IoT SIM   *Devices*

Procurement of SIMs and device equipment

Wireless Network Operators

LoRaWAN
Sigfox

Cellular   *LPWA*

Procurement of network connectivity

Public Cloud Service Providers

Procurement of cloud services

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Recurring Revenue **+** **Incremental Revenue**

IoT Platform Services   *IoT SIM* *Devices*

% of Sales[1]	
73. 0%	27.0%

Sales of SIMs/devices
+
Provision of platform services

Note: As of Mar 2025

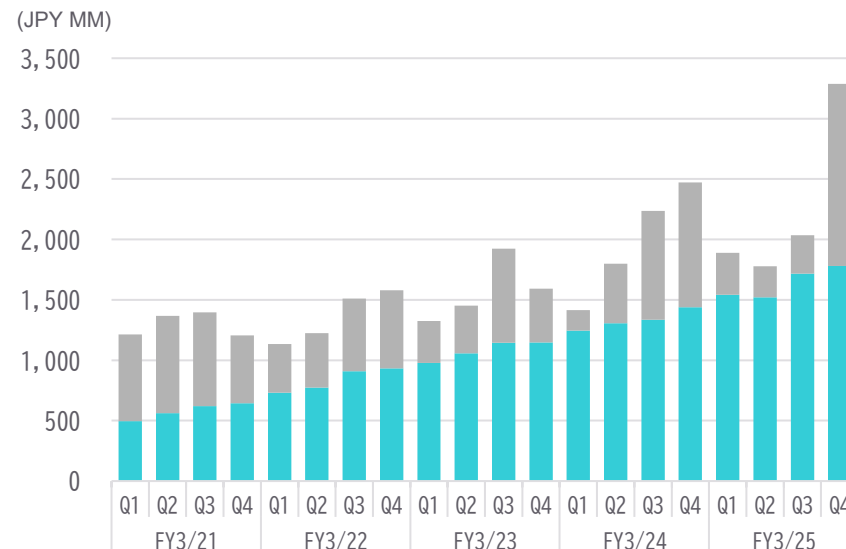## Continuous Incremental Revenue Generates Recurring Revenue

As client companies scale their IoT operations, they continuously purchase additional SIMs and devices. With each increase in incremental revenue, recurring revenue also expands in parallel. While incremental revenue may fluctuate depending on the timing of deliveries to customers, recurring revenue functions as a stock-based income stream and demonstrates stable, consistent growth over time.

Revenue Growth Image of a Client

5 Global Expansions / New versions

4 Further Expansion

3 Successful Launch

2 PoC / Prototypes

1 Self-service with one SIM & Device

Project Starts

1 month later*

3 months later*

Incremental Revenue
Recurring Revenue

*Examples of common IoT projects

Quarterly Revenue

(JPY MM)

Note: Unaudited for FY3/21

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SORACOM Enables its Advantages by its Proprietary "Mobile Core" Technology Running Directly on Public Cloud

SORACOM's Competitive Advantages

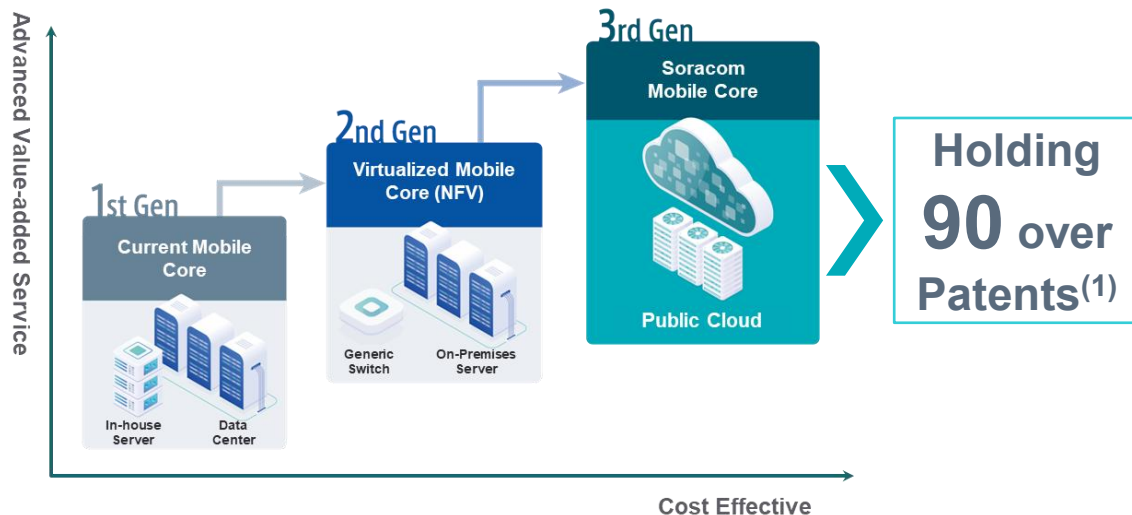Flexible Scalability / Compatibility with a Wide Range of Public Cloud Services

Multi-Protocol Support Compatible with 3G, 4G, 5G, LPWA, Sigfox, and Satellite Networks

Provides seamless global connectivity through partnerships with multiple MNOs

Flexible and Agile Development

Advanced Value-added Service

1st Gen Current Mobile Core — In-house Server, Data Center

2nd Gen Virtualized Mobile Core (NFV) — Generic Switch, On-Premises Server

3rd Gen Soracom Mobile Core — Public Cloud

Cost Effective

Holding 90 over Patents[1]

Note: As of Mar 2025

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Competitive Advantage
Value of Platform – No need to Reinvent the Wheel –

SORACOM Provides Fundamental 22 Building Blocks[1] for IoT
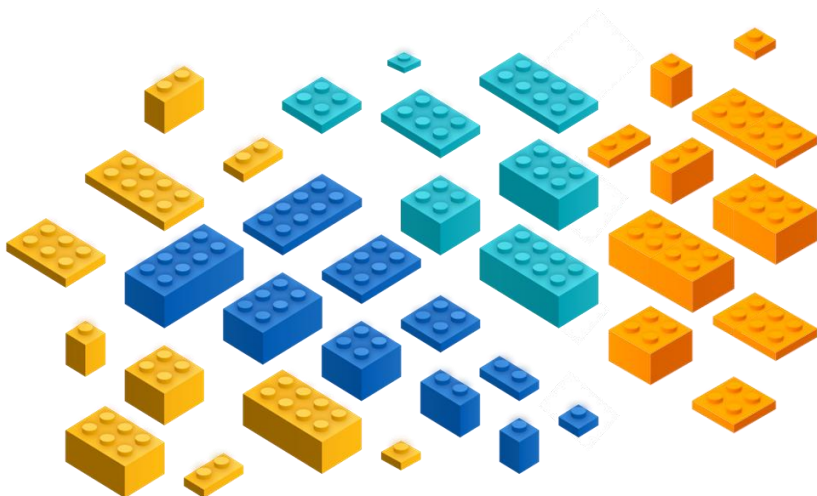
Device	Connectivity	Cloud	Solution

Allowing Customers to Choose as Needed

Customer A

Smart Metering

- Cloud Integration
- Data formatting
- Connectivity

Using Services

Customer B

Payment Terminal
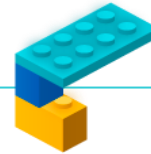
- Private Connectivity
- Security
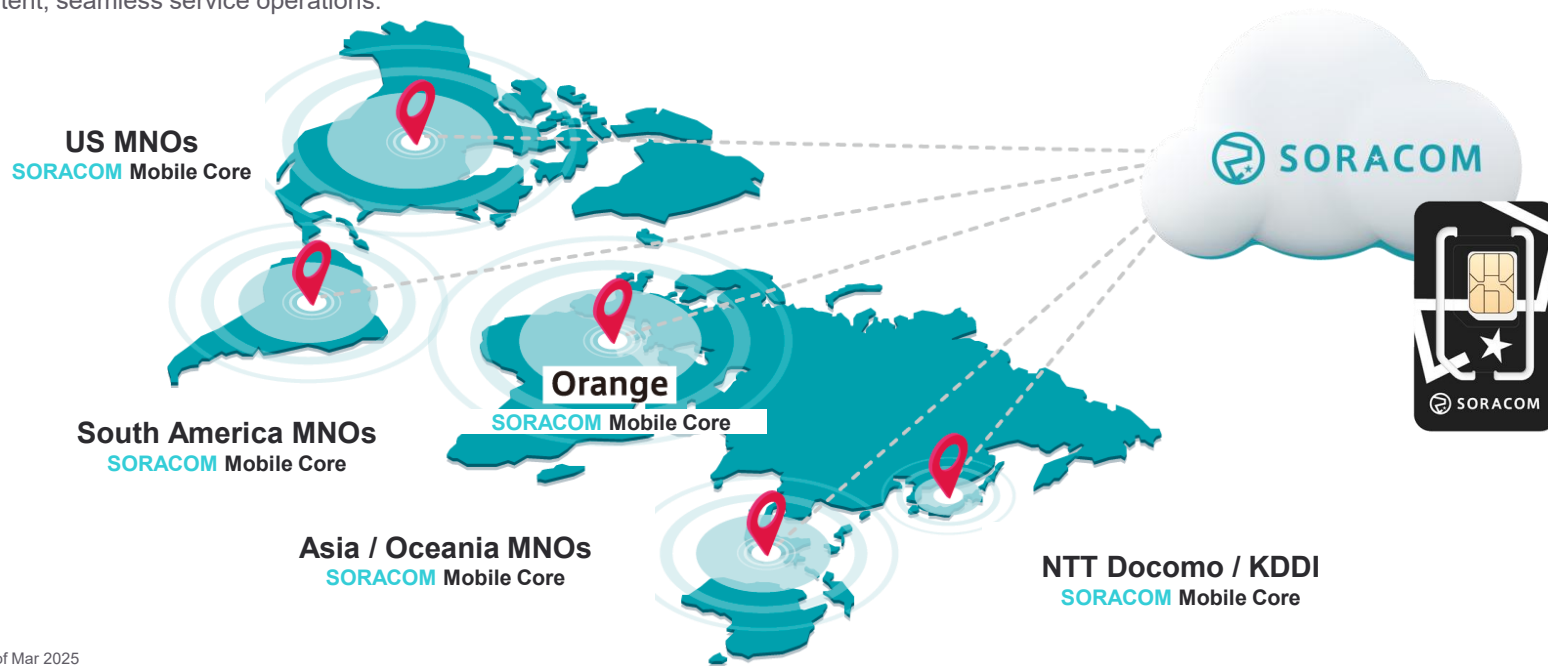- Global Connectivity

Using Services

Customer C

Vehicle Management

- Data Visualization
- Cloud Integration
- Connectivity

Using Services

Note: As of Mar 2025
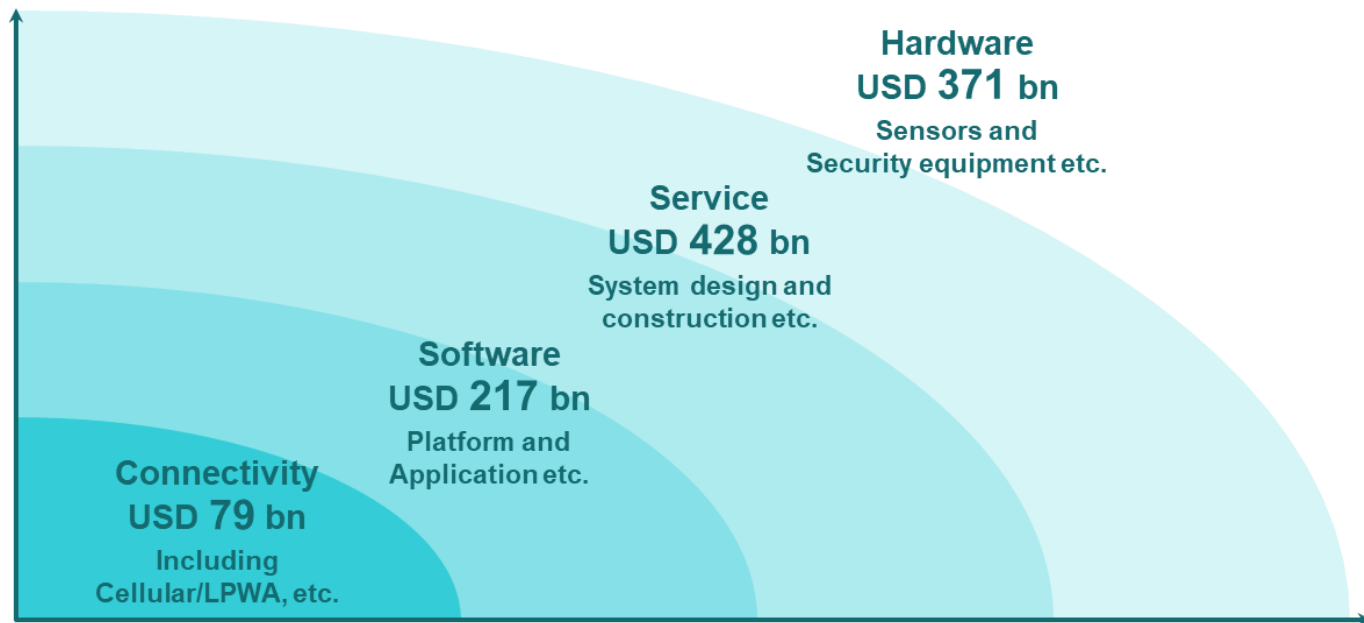
Seamless Multiple Access only with SORACOM
< 431 Carriers / 186 Countries & Regions >[1]

With our cloud-native IoT platform, SORACOM provides seamless network coverage and a multi-carrier IoT network on a global scale.
By deploying SORACOM's mobile core system as software on AWS in each region, we can easily replicate the platform and deliver globally consistent, seamless service operations.

US MNOs
SORACOM Mobile Core

South America MNOs
SORACOM Mobile Core

Orange
SORACOM Mobile Core

Asia / Oceania MNOs
SORACOM Mobile Core

NTT Docomo / KDDI
SORACOM Mobile Core

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Note: As of Mar 2025

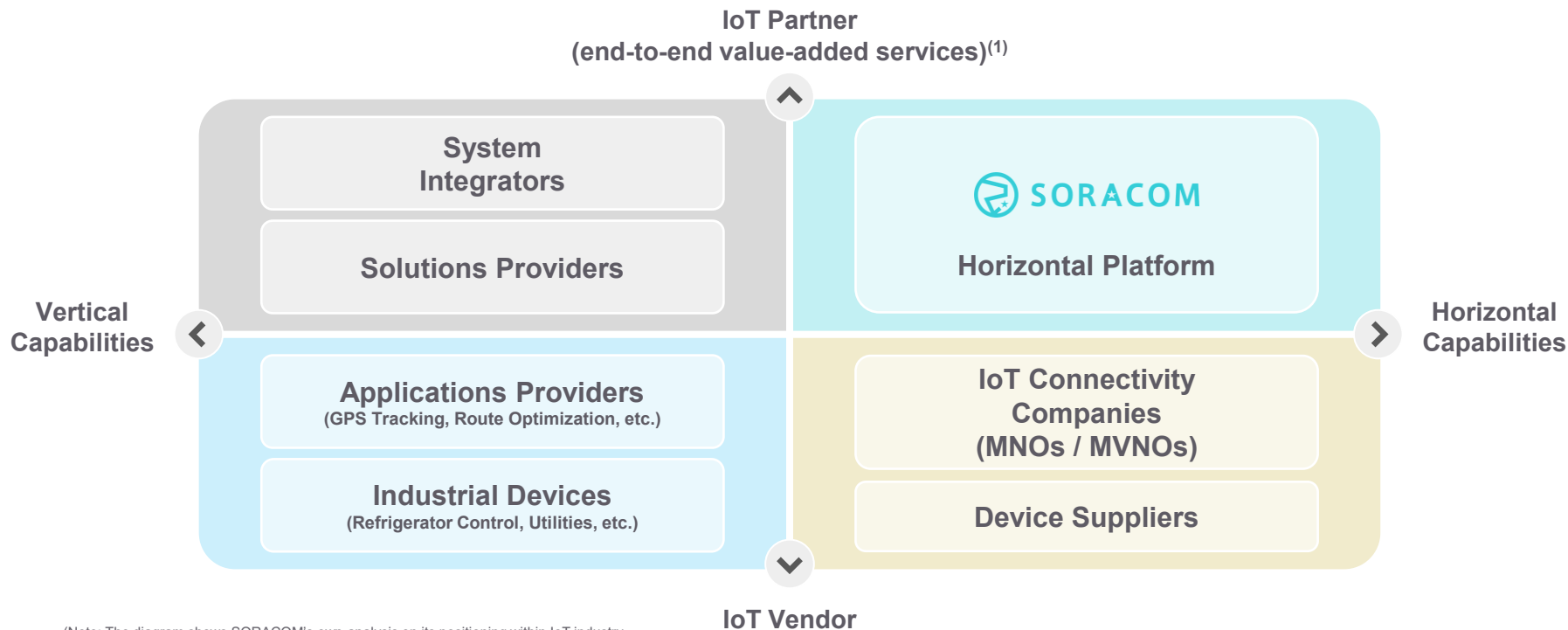## Total Global IoT Market in 2026: Approximately $1,094.6 billion

The IoT market is expected to expand rapidly, driven by digital transformation (DX) and advances in AI.As IoT adoption accelerates across various industries and more data is accumulated, the value of IoT data itself will continue to grow.The global IoT market is projected to exceed USD 1 trillion by 2026[1], and SORACOM is well positioned to serve this growth—not only by providing connectivity, but also by covering a broad range of IoT domains.

Hardware
USD 371 bn
Sensors and
Security equipment etc.

Service
USD 428 bn
System design and
construction etc.

Software
USD 217 bn
Platform and
Application etc.

Connectivity
USD 79 bn
Including
Cellular/LPWA, etc.

Source: IDC's Worldwide Internet of Things Spending Guide (May, 2023)
The figure for SORACOM shows the size of its revenue in FY3/23 relative to the overall market

SORACOM's Market Position within the IoT Industry

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SORACOM Established its Position
by Offering Comprehensive Value-added Services

IoT Partner
(end-to-end value-added services)[1]

System Integrators

Solutions Providers

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Horizontal Platform

Vertical Capabilities

Horizontal Capabilities

Applications Providers
(GPS Tracking, Route Optimization, etc.)

Industrial Devices
(Refrigerator Control, Utilities, etc.)

IoT Connectivity Companies
(MNOs / MVNOs)

Device Suppliers

IoT Vendor

(Note: The diagram shows SORACOM's own analysis on its positioning within IoT industry)

FYE March 2025 Financial Results YoY Comparison

(JPY MM)

	FY 25/3 Actual	FY 24/3 Actual	YoY
Recurring Revenue	6,562	5, 382	21.9%
% of Revenue	73.0%	67.9%	+5.1pt
Revenue	8,993	7,928	13.4%
Gross Profit	5,033	4,492	12.0%
% Margin	56.0%	56.7%	△0.7pt
SG&A	4,376	3,765	16.2%
% of Revenue	48.7%	47.5%	+1.2pt
EBITDA	833	835	△0.2%
% of Margin	9.3%	10.5%	△1.2pt
Operating Profit	656	727	△9.7%
% Margin	7.3%	9.2%	△1.9pt

- Recurring revenue increased by 21.9% YoY, reaching 6.56 Bn JPY

- Revenue grew 13.4% YoY to 8.99 Bn JPY

- Due to recurring revenue growth, gross profit increased by 12.0% YoY to 5.03 Bn JPY

- SG&A expenses increased by 16.2% YoY to 4.38 Bn yen, mainly due to M&A-related costs

- EBITDA remained flat but was profitable for sixth consecutive period

Selected Income Statement

(JPY MM)	FY 23/3 Annual	FY 24/3 Annual	FY 25/3 Annual
Recurring Revenue	4,325	5,382	6,562
% of Revenue	68.7%	67.9%	73.0%
Revenue	6,299	7,928	8,993
Gross Profit	3,270	4,492	5,033
% Margin	51.9%	56.7%	56.0%
SG&A	3,168	3,765	4,376
% of Revenue	50.3%	47.5%	48.7%
EBITDA	170	835	833
% Margin	2.7%	10.5%	9.3%
Operation Profit	101	727	656
% Margin	1.6%	9.2%	7.3%

Balance Sheet

(JPY MM)	FY 23/3 Annual	FY 24/3 Annual	FY 25/3 Annual
Cash and Deposits	3,532	7,697	8,917
Accounts Receivable	889	1,738	2,428
Other Current Assets	652	658	962
Current Assets	5,074	10,094	12,308
Tangible Assets	94	96	85
Intangible Assets	187	282	554
Investments and other assets	306	423	437
Fixed Assets	588	802	1,077
Total Deferred Assets	-	20	17
Total Assets	5,663	10,917	13,403

	FY 23/3 Annual	FY 24/3 Annual	FY 25/3 Annual
Accounts Payable	196	579	814
Contract Liabilities	1,134	972	836
Long-term loans *repayable within 1 yr	-	-	249
Other Current Liabilities	318	910	419
Current Liabilities	1,649	2,461	2,319
Lease	16	12	-
Long-term loans	-	-	687
Other Fixed Liabilities	35	38	40
Fixed Liabilities	51	51	728
Total Liabilities	1,701	2,512	3,048
Shareholder's Equity	3,744	8,039	9,878
Others	217	365	476
Total Net Assets	3,962	8,404	10,355
Total Liabilities and Net Assets	5,663	10,917	13,403

Cash Flow Statement

(JPY MM)

	FY 23/3 Annual	FY 24/3 Annual	FY 25/3 Annual
CF from operating activities	△222	456	△728
CF from investing activities	2,007	△170	△474
CF from financing activities	29	3,791	2,451
Effect of exchange rate change on cash and cash equivalents	94	87	△27
Net increase (decrease) in cash and cash equivalents	1,909	4,164	1,220
Term-end cash and cash equivalents	3,532	7,697	8,917

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SORACOM's Growth Strategies & Drivers

Further Growth Builds on Organic Growth of Recurring Revenues

Gen AI × IoT
(AI of Things)

Strategic Alliances
M&A

From Now On

Global
Expansion

Organic Growth of
Recurring Revenue

A

B

C
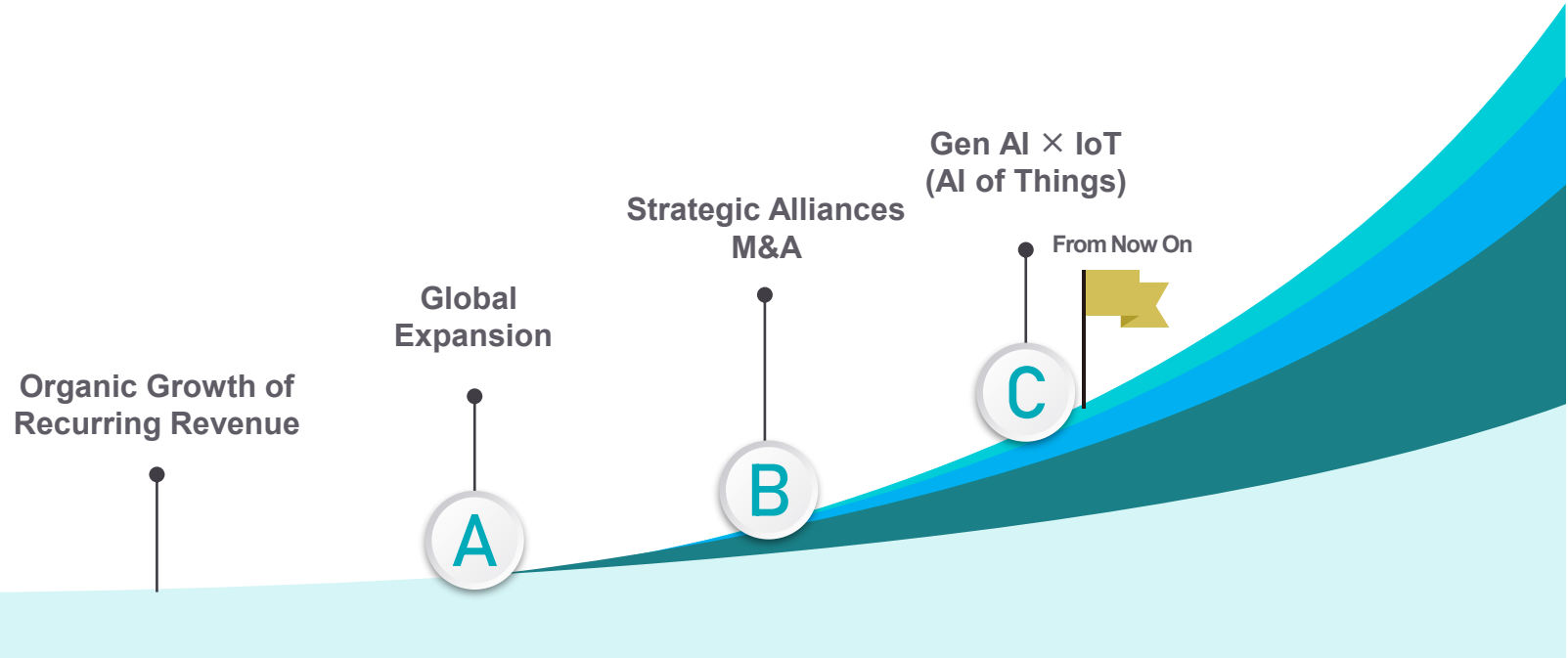
Recurring Revenue Organic Growth

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Recurring Revenue = ARPA x # of Paying Accounts

Driven by the combination of ARPA and the number of paying accounts, our recurring revenue continues to grow organically at a rate in the 20% range. This forms the solid foundation that supports SORACOM's overall growth.
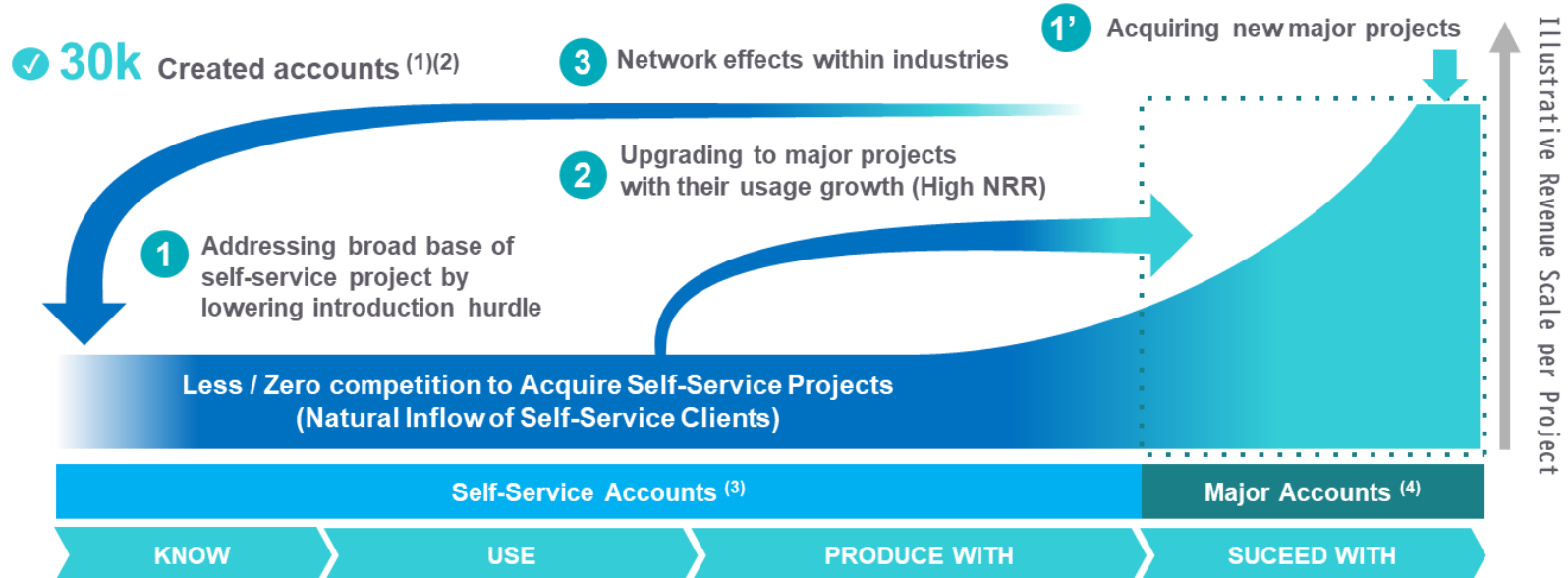
Average Recurring Revenue per Paying Account(ARPA)[1][2]

(JPY K)

FY21/3	FY22/3	FY23/3	FY24/3	FY25/3	FY26/3 (E)
394	502	589	688	760	834〜895

YoY +10%

YoY[4] +14%

of Paying Accounts[1][3]

(Account)

FY21/3	FY22/3	FY23/3	FY24/3	FY25/3	FY26/3 (E)
6.2k	7.1k	7.5k	8.0k	8.8k	9.5k

YoY +10%

YoY +8%
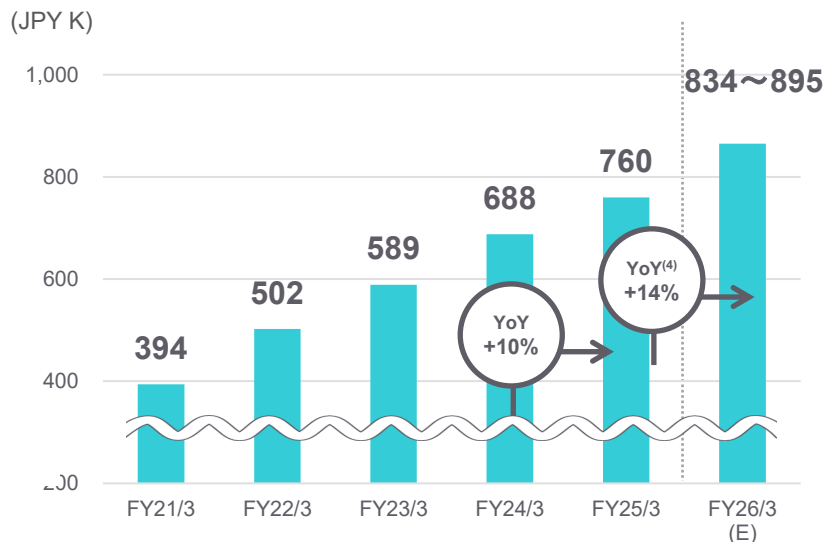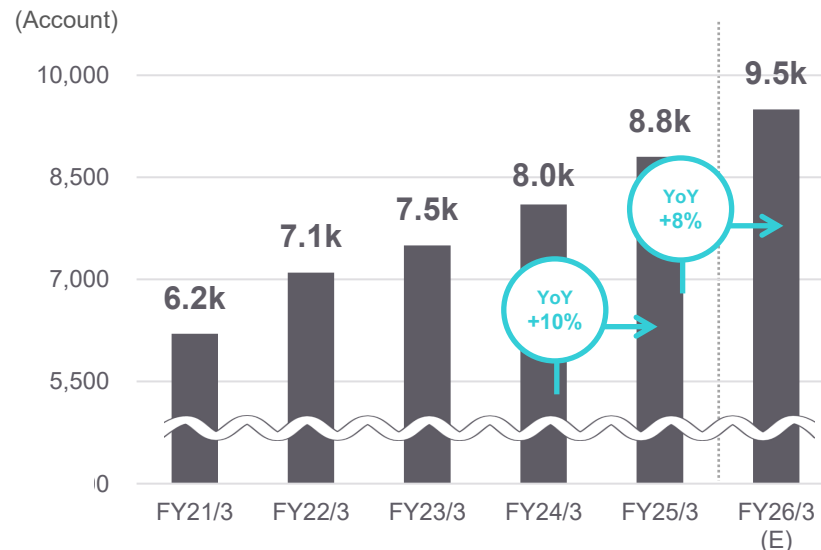
Notes: (1)Unaudited for FY3/21 (2)Recurring revenue divided by the average of the number of paying accounts at each of the beginning and the end of the relevant fiscal year (Excluding Cariot)
(3)The number of accounts at the last month of the fiscal year (excluding Cariot, new company) (4)Figures are the midpoint of the forecast range
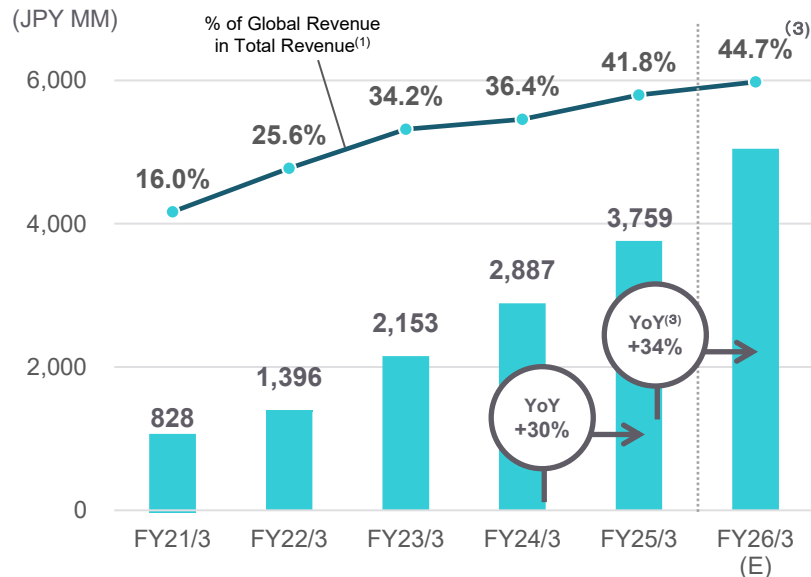
Self-Service Growth Model

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With Self-Service Growth Model, SORACOM is Available for Everyone to Access and Succeed in IoT

Our self-service customer acquisition model is the key driver behind our organic growth. Our sales and technical teams focus on supporting rapidly growing or high-potential customers. By publicly sharing successful use cases from these engagements, we inspire other customers to explore similar applications and begin using SORACOM services on a self-service basis. In recent years, as SORACOM's brand recognition has grown, we've also been increasingly involved in onboarding customers from the early planning and design stages of large-scale projects.

✓ **30k** Created accounts (1)(2)

3 Network effects within industries

1' Acquiring new major projects

2 Upgrading to major projects with their usage growth (High NRR)

1 Addressing broad base of self-service project by lowering introduction hurdle

Less / Zero competition to Acquire Self-Service Projects (Natural Inflow of Self-Service Clients)

Illustrative Revenue Scale per Project

Self-Service Accounts (3)

Major Accounts (4)

KNOW → USE → PRODUCE WITH → SUCEED WITH

Notes: (1)Including the accounts with no revenue (2)As of Mar 2025 (3) Accounts which are not supported by SORACOM's account managers, who are in charge of each project and support the project (4) Accounts which are supported by SORACOM's account managers

Global Expansion – Large-scale Projects

Global revenue continues to grow at a strong pace of over 30%
Global framework in place for large-scale deals, trusted by world-class enterprise customers

Global Revenue[1][2]

(JPY MM)

% of Global Revenue
in Total Revenue[1]

- 16.0%
- 25.6%
- 34.2%
- 36.4%
- 41.8%
- 44.7% [3]

	FY21/3	FY22/3	FY23/3	FY24/3	FY25/3	FY26/3 (E)
Revenue	828	1,396	2,153	2,887	3,759	

YoY +30%

YoY[3] +34%

Latest Deal Won

Hilton®

Hilton Hotels & Resorts

Won a contract with Hilton Hotels & Resorts, a global hotel chain
Highly recognized for global coverage, customer success, and service quality
Implemented to ensure network failover capability

Notes: (1)Ratio of revenue from Japanese customers using services in the US, Europe, and globally (2)Unaudited for FY3/21 (3)Figures are the midpoint of the forecast range

A

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SORACOM's innovative technology has also received high praise from global research firms

Kaleido Intelligence

Kaleido Score Summary for Connectivity Management Platform, Soracom: 12.3/15

CHAMPION
Connectivity Management Platform Vendor

"Kaleido Champions demonstrate leading product range and the highest quality of service to enable operator success"

Kaleido Intelligence Vendor Hub | January 2025
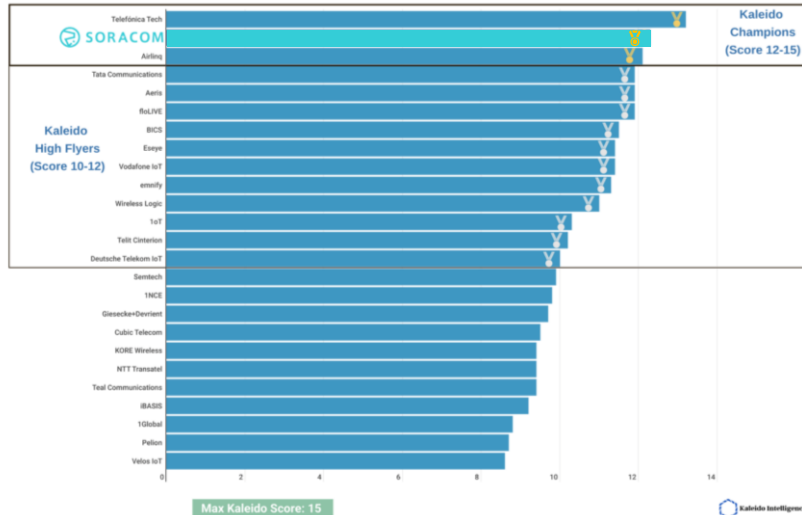
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- Named as a Champion for a 3rd consecutive year in the Connectivity Management Platform (CMP) category, achieving the 2nd-highest score among 39 vendors

- The high rating is due to SORACOM's continuous focus on delivering innovation, including the use of Gen AI, and the high fault tolerance of our cloud-native core network

In Japan, large-scale utility sector projects are progressing

NICIGAS Group

SORACOM is adopted for "Space Hotaru," an automatic gas meter reading system with over 1.5 Mn units in operation
Initiated the design and development of next-generation smart meter devices

Shizen Connect Inc.

SORACOM is adopted for "Shizen Box," enabling remote control of energy devices
Further IoT utilization in the VPP[1] sector is being promoted through a capital and business alliance

Supporting KDDI Group's IoT strategy under a comprehensive agreement
Also aiming to stabilize second-half-weighted revenue seasonality

Comprehensive Agreement Content

Connected Car

OEM provision of a cloud-native mobile core system

GenAI × IoT（AI of Things）

Etc.

Cost-Efficient IoT Platform
Global IoT Platform
Innovative & Scalable IoT Platform

Quarterly Revenue from KDDI Synergy

(JPY MM)

Comprehensive agreement stabilizes revenue/profit

| | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 |
| FY24/3 | | | | | FY25/3 | | | | FY26/3 (E) | | | |
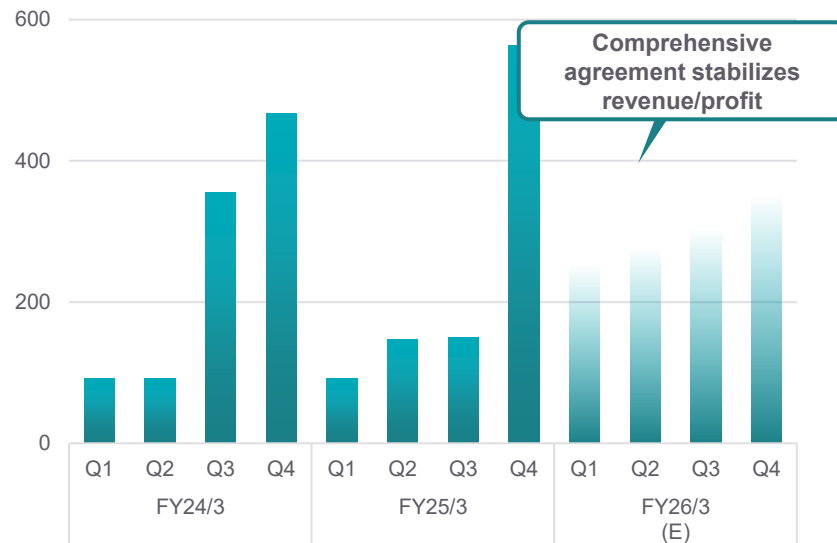
Aiming to capture the growing connected car market, focusing on the overseas business of Japanese automakers

from Japan to Global through Strategic Alliances

Tomorrow, Together
KDDI | **SORACOM**

Leveraging KDDI's overseas network with Japanese automakers, aiming to expand services in the growing connected car market

SUZUKI | **SORACOM**

Received investment through Suzuki's corporate venture capital fund, "Suzuki Global Ventures," and exploring collaboration to leverage advanced IoT technologies in global mobility services

Strategic Partnership Update

Presented a PoC[1] demo of next-generation network architecture for connected cars, developed jointly by Soracom and Toyota Motor Corporation

Started an IoT-based PoC for the commercialization of the "Electric Mobility Base Unit," providing mobility for various robots

Versatile micro e-Mobility
Platform concept

Note: (1)Proof of Concept

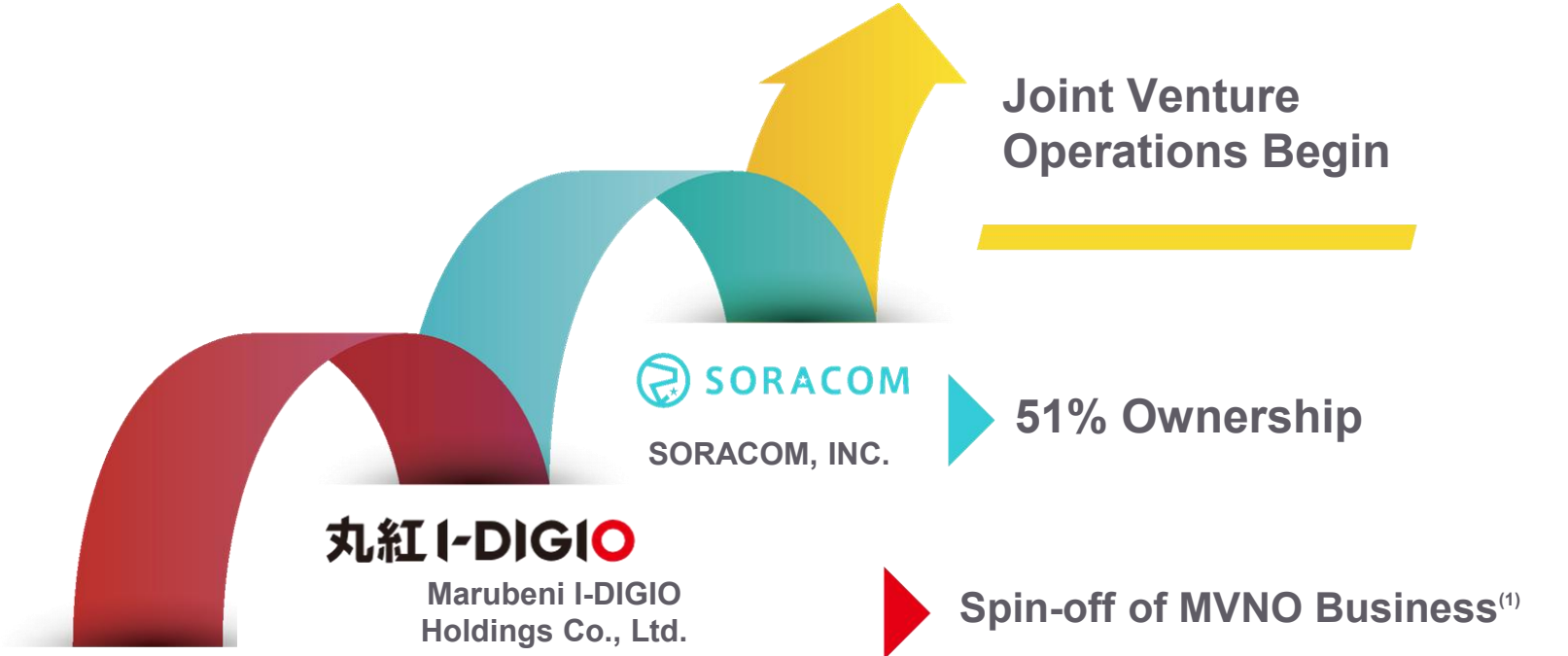**Promoting strategic collaboration across multiple domains, including the establishment of a new company**

SORACOM, INC.

【Collaboration 1】
Establishment of New Company

【Collaboration 2】
Strategic Collaboration

Marubeni Corporation

Marubeni I-DIGIO Holdings Co., Ltd.

**New company established with Marubeni I-DIGIO Holdings
SORACOM acquires 51% ownership**

**Joint Venture
Operations Begin**

SORACOM
SORACOM, INC.

51% Ownership

丸紅 I-DIGIO
**Marubeni I-DIGIO
Holdings Co., Ltd.**

Spin-off of MVNO Business[1]

Note: (1)MVNO business of Marubeni Network Solutions, a wholly owned subsidiary of Marubeni I-DIGIO HD, will be spun off

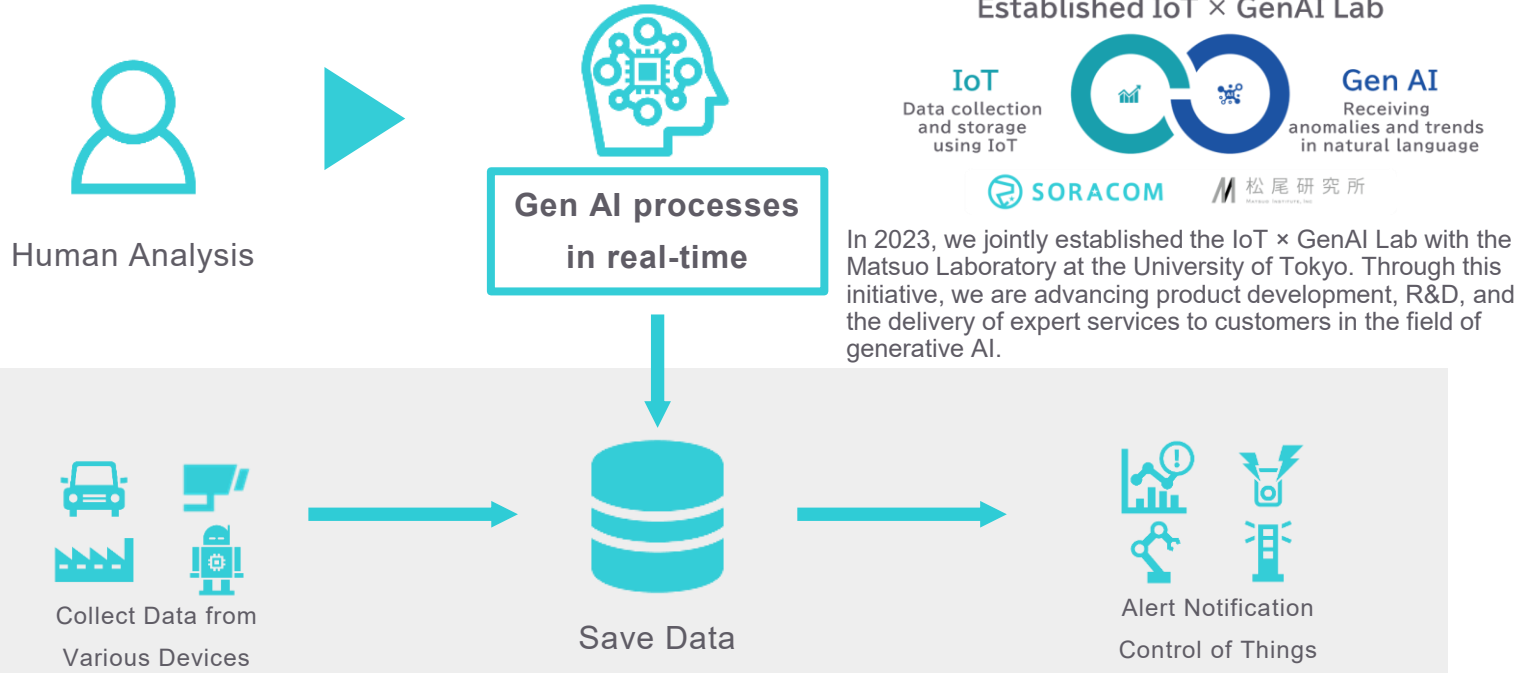# Strategic Alliances – Collaboration with Marubeni Group

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Promote DX through Marubeni Group's Domestic and Global Business Assets

Consulting & Data Analytics

SORACOM

DOLBIX CONSULTING Inc.

DX Promotion

IoT Adopting

IoT Solutions

SORACOM

Marubeni
丸紅 I-DIGIO

new company

Domestic and international business assets & customer base

Mining	Automotive	Logistics	Electricity	Water	Farming

Etc.
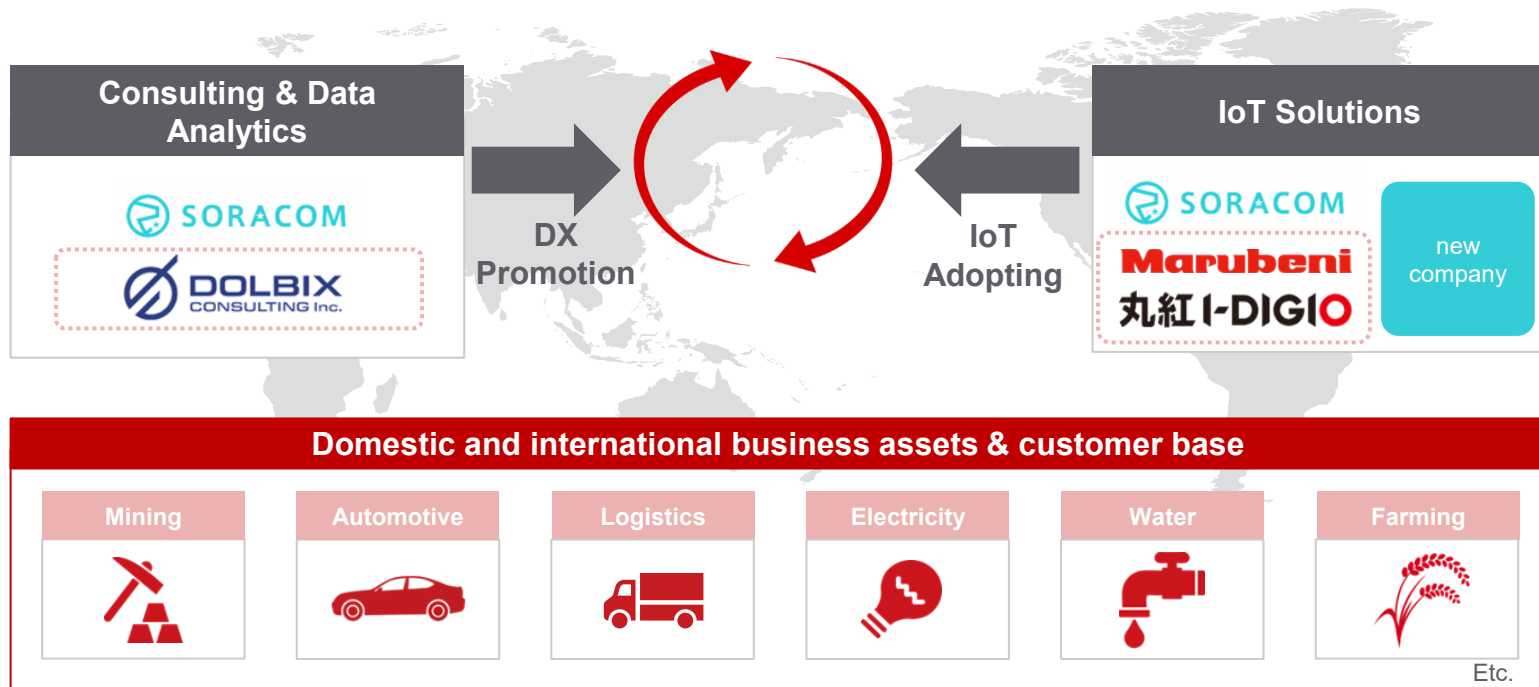
Accelerate digital transformation across all industries to realize a sustainable and smart social infrastructure

The SORACOM platform simplifies IoT data collection Multimodal Gen AI unlocks infinite potential in IoT, leading to the world of "AI of Things"

Human Analysis

Gen AI processes in real-time

Established IoT × GenAI Lab

IoT Data collection and storage using IoT

Gen AI Receiving anomalies and trends in natural language

SORACOM 松尾研究所

In 2023, we jointly established the IoT × GenAI Lab with the Matsuo Laboratory at the University of Tokyo. Through this initiative, we are advancing product development, R&D, and the delivery of expert services to customers in the field of generative AI.

Collect Data from Various Devices

Save Data

Alert Notification Control of Things

**Gaining attention for enabling easy creation of advanced IoT apps on their own
Since launch, new features have been continuously released**

2 Select Gen AI and execute processing

Microsoft Azure
OpenAI
Gemini

1 Collect Data from Various Devices

SORACOM Flux

3 Execute Various Actions
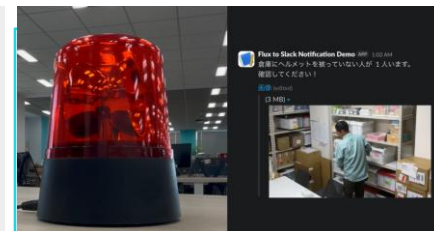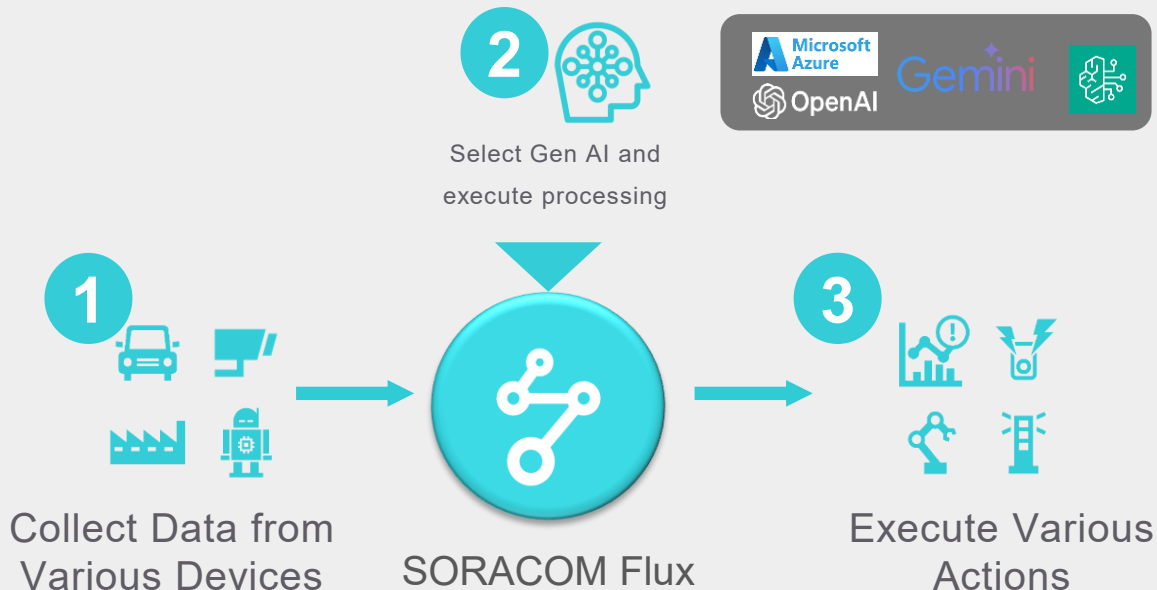
If someone is not wearing a helmet, the warning light activates

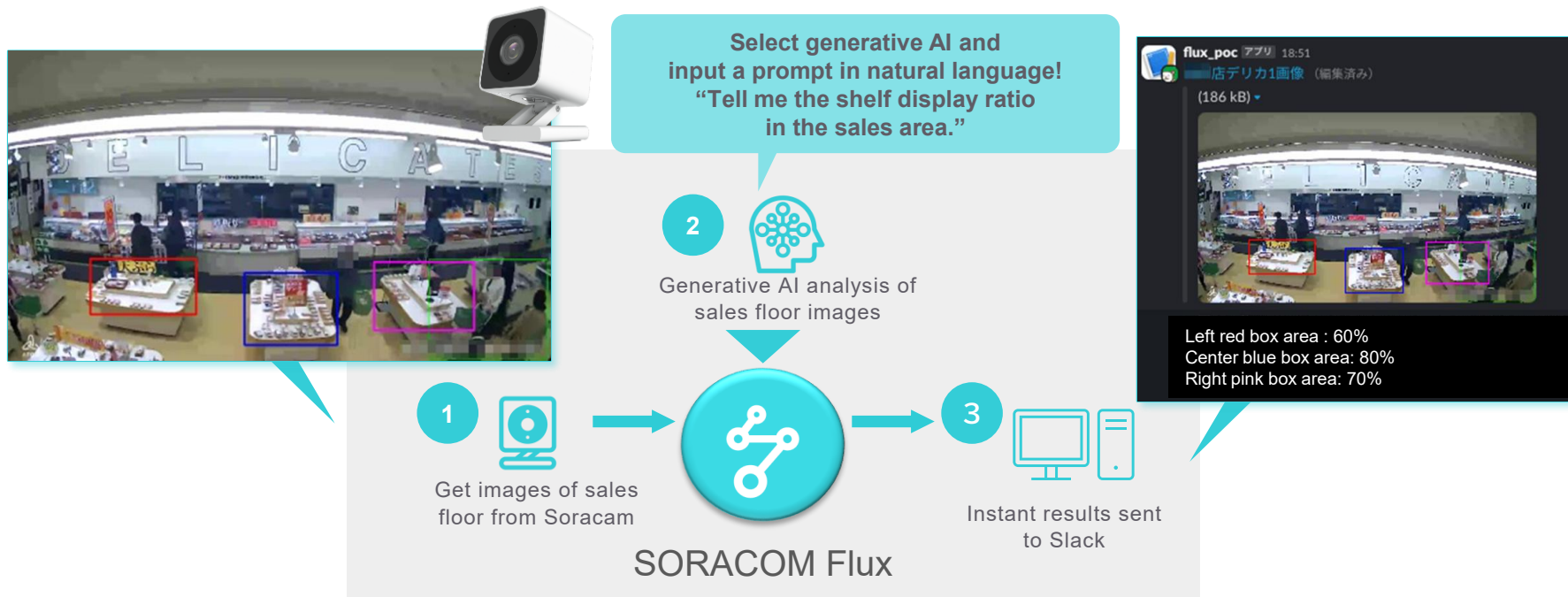If someone falls in the warehouse, an alert call is triggered

Etc.

34

Started PoC[1] for real-time anomaly detection using Gen AI to analyze camera footage, with system built in just one month

Select generative AI and input a prompt in natural language! "If someone is not wearing blue workwear, notify as a suspicious person."

2 Generative AI analysis of images where people are detected

1 Periodic still image capture from multiple warehouse cameras

SORACOM Flux

3 If a suspicious person is detected, the person in charge is notified
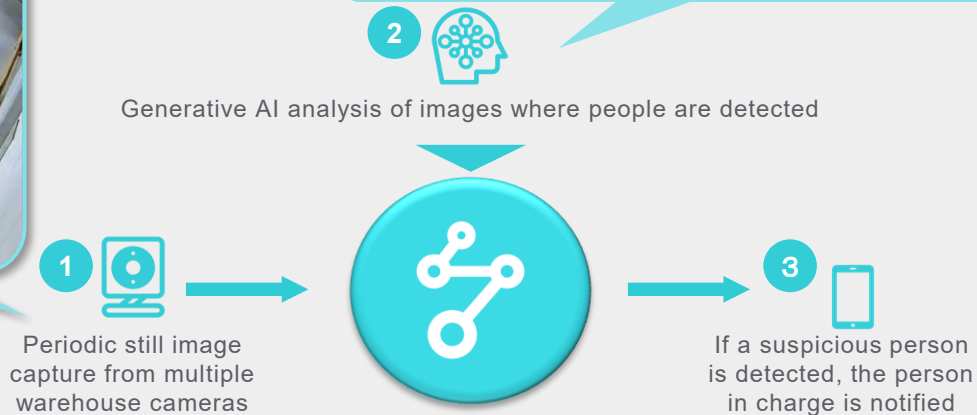
Real-time visualization of deli displays with SORACOM Flux - no patrols needed

Select generative AI and input a prompt in natural language! "Tell me the shelf display ratio in the sales area."

2 Generative AI analysis of sales floor images

flux_poc アプリ 18:51
■店デリカ1画像 （編集済み）
(186 kB)

Left red box area : 60%
Center blue box area: 80%
Right pink box area: 70%

1 Get images of sales floor from Soracam

3 Instant results sent to Slack

SORACOM Flux

Gen AI × IoT – Awarded for AI of Things

SORACOM

Globally recognized for excellence in the field of AI of Things

Frost & Sullivan

FROST & SULLIVAN

BEST

2025 PRACTICES

AWARD

GLOBAL GENERATIVE ARTIFICIAL INTELLIGENCE OF THINGS TECHNOLOGY INNOVATION LEADERSHIP AWARD

- Received the Technology Innovation Leadership Award 2025, which recognizes companies for their technological innovation and market impact, demonstrating outstanding technology leadership

"With the GenAI capabilities it has added to its connectivity platform, Soracom leverages technology advancements to push the limits of function in the pursuit of white space innovation, which no competitor has been able to reach based on the real experiences of its thousands of customers worldwide"

– Carina Gonçalves, Industry Principal

1 Business Model & Market Landscape

2 Financial Highlights

3 Growth Strategies

4 **Business Plan**

5 Risk Disclosures

FYE March 2026 Earnings Forecast

(JPY MM)

	FY 26/3 Forecast	FY 25/3 Actual	YoY[1]
Recurring Revenue	8,690〜9,410	6,562	37.9%
% of Revenue	80.5〜79.7%	73.0%	+7.1pt
Revenue	10,800〜11,800	8,993	25.7%
Gross Profit	5,700〜6,200	5,033	18.2%
% Margin	52.8〜52.5%	56.0%	△3.3pt
SG&A	5,100〜5,450	4,376	20.5%
% of Revenue	47.2〜46.2%	48.7%	△2.0pt
EBITDA[1]	1,060〜1,210	833	36.1%
% Margin	9.8〜10.3%	9.3%	+0.7pt
Operation Profit	600〜750	656	2.8%
% Margin	5.6〜6.4%	7.3%	△1.3pt

- A forecast range has been adopted to reflect uncertainties in the business environment, such as progress on customer projects, foreign exchange fluctuations, and M&A synergies

- Recurring revenue and total sales are expected to grow significantly, up 37.9% and 25.7% YoY, respectively

- Gross profit is expected to increase by 18.2% YoY, marking double-digit growth

- EBITDA is expected to grow significantly, up 36.1% YoY

Notes: (1)Figures are the midpoint of the forecast range (2)Exchange rate impact for FY26/3: 1 JPY depreciation adds 34 Mn JPY to revenue and 3 Mn JPY to operating profit

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Both recurring revenue and total revenue are expected to show substantial increases

Recurring Revenue % of Revenue[1][2]

(JPY MM)
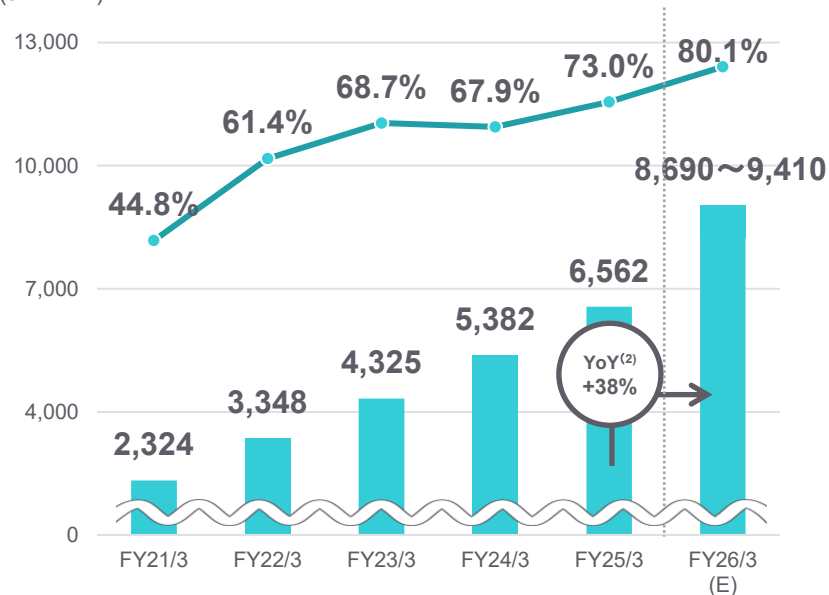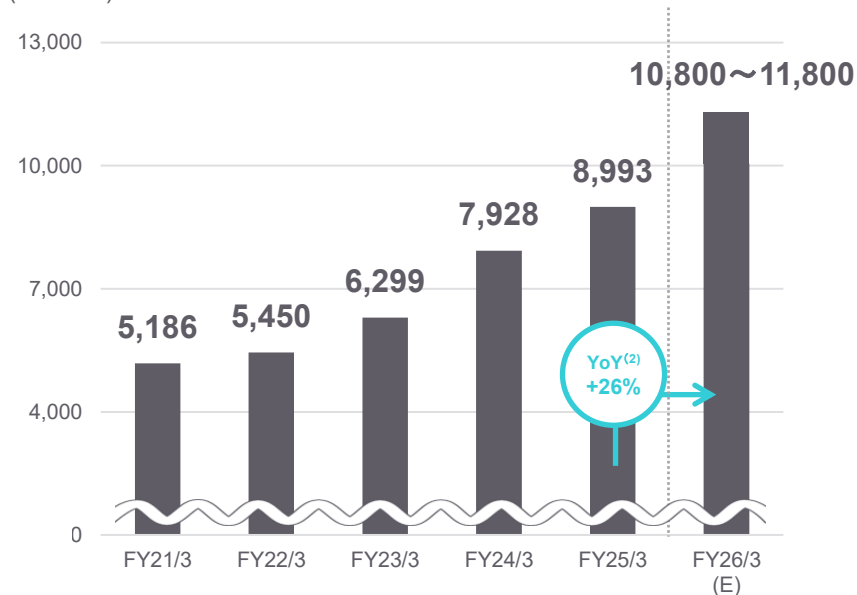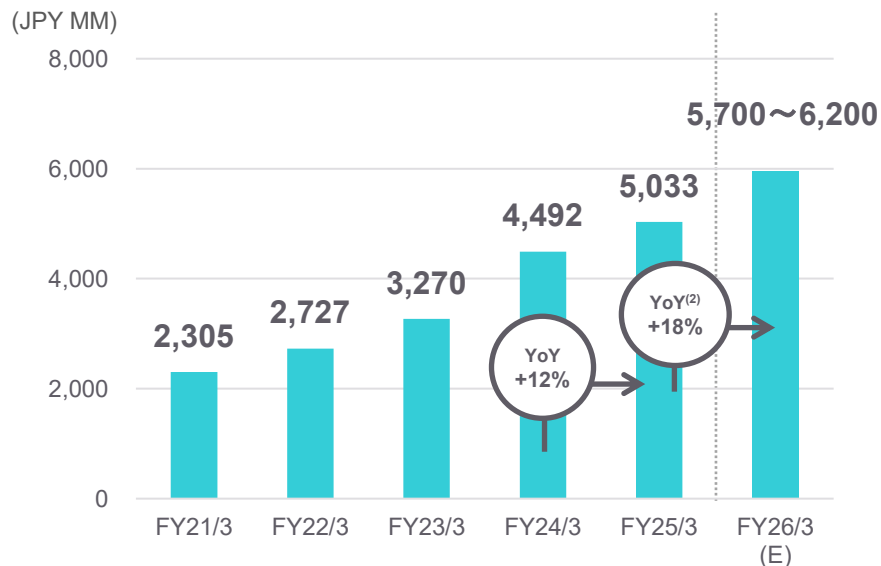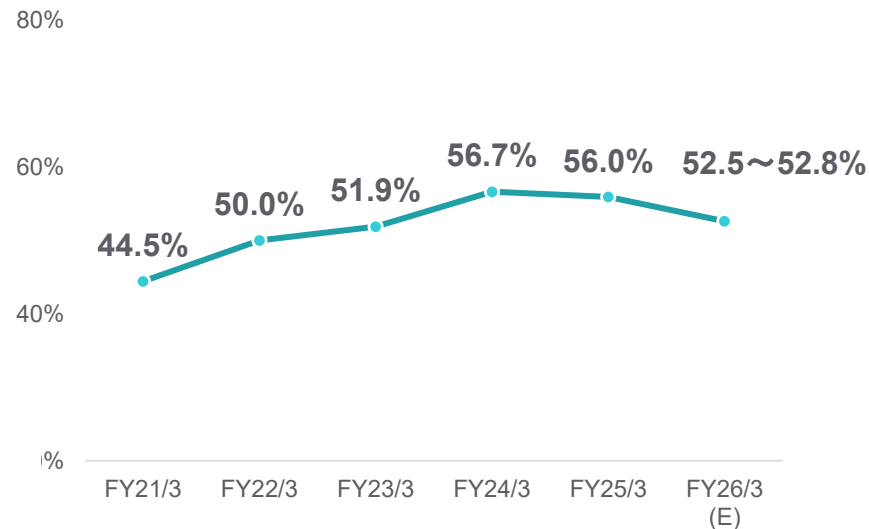
44.8% 61.4% 68.7% 67.9% 73.0% 80.1%

8,690～9,410

6,562

5,382

4,325

3,348

2,324

YoY[2] +38%

FY21/3 FY22/3 FY23/3 FY24/3 FY25/3 FY26/3 (E)

Revenue[1]

(JPY MM)

10,800～11,800

8,993

7,928

6,299

5,186 5,450

YoY[2] +26%

FY21/3 FY22/3 FY23/3 FY24/3 FY25/3 FY26/3 (E)

Notes: (1)Unaudited for FY3/21 (2)Figures are the midpoint of the forecast range

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Gross Profit Growth

Gross profit continues double-digit growth as the ratio of recurring revenue to total revenue increases

Gross Profit[1]

(JPY MM)

	FY21/3	FY22/3	FY23/3	FY24/3	FY25/3	FY26/3 (E)
	2,305	2,727	3,270	4,492	5,033	5,700~6,200

YoY +12%

YoY[2] +18%

Gross Profit Margin[1]

FY21/3	FY22/3	FY23/3	FY24/3	FY25/3	FY26/3 (E)
44.5%	50.0%	51.9%	56.7%	56.0%	52.5~52.8%

Notes: (1)Unaudited for FY3/21 (2)Figures are the midpoint of the forecast range

SG&A and EBITDA

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SG&A up from M&A, but EBITDA (close to operating cash flow) to grow significantly

SG&A Expenses

(JPY MM)

- FY24/3: **3,765** (Personnel 69%, Marketing 13%, Other 18%)
- FY25/3: **4,376** (Personnel 66%, Marketing 13%, Other 21%)
- FY26/3 (E): **5,100〜5,450** (Personnel 67%, Marketing 12%, Other 21%)

Legend: Personnel, Marketing, Other

Employees[1]

(People)

- FY24/3: **150** (Engineer 51, Business 77, Backoffice 22)
- FY25/3: **176** (Engineer 55, Business 90, Backoffice 20, Cariot 11)

Legend: Engineer, Business, Backoffice, Cariot

EBITDA / Operating Profit

(JPY MM)

EBITDA:
- FY24/3: **835**
- FY25/3: **833**
- FY26/3 (E): **1,060〜1,210**

Operating Profit:
- FY24/3: **727**
- FY25/3: **656**
- FY26/3 (E): **600〜750**

Legend: EBITDA, Operating Profit

Note: (1)Employee count excludes executive directors and reflects the number at the end of each fiscal year (2)Figures are the midpoint of the forecast range

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KPI for Achieving Profitable Growth

Growth from Both Recurring Revenue Growth and Profitable Growth

Profitable Growth = **Recurring Revenue Growth** + **EBITDA Margin** | **40% increase**
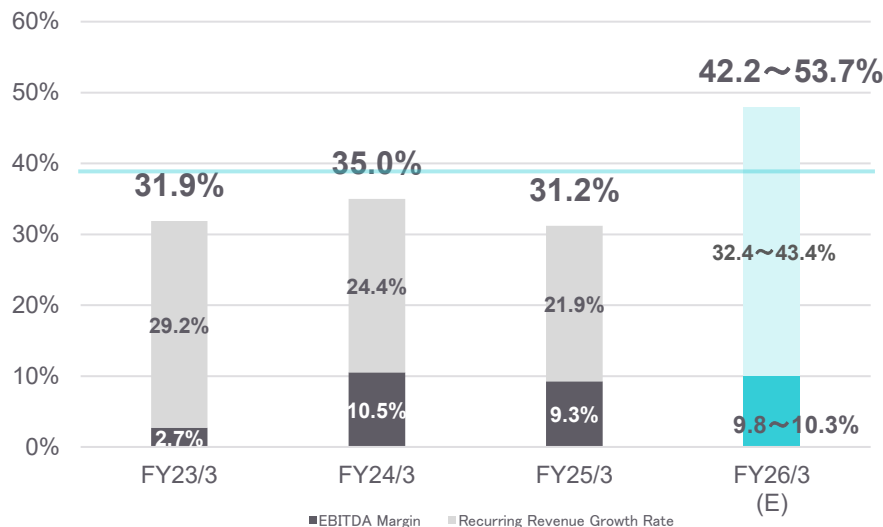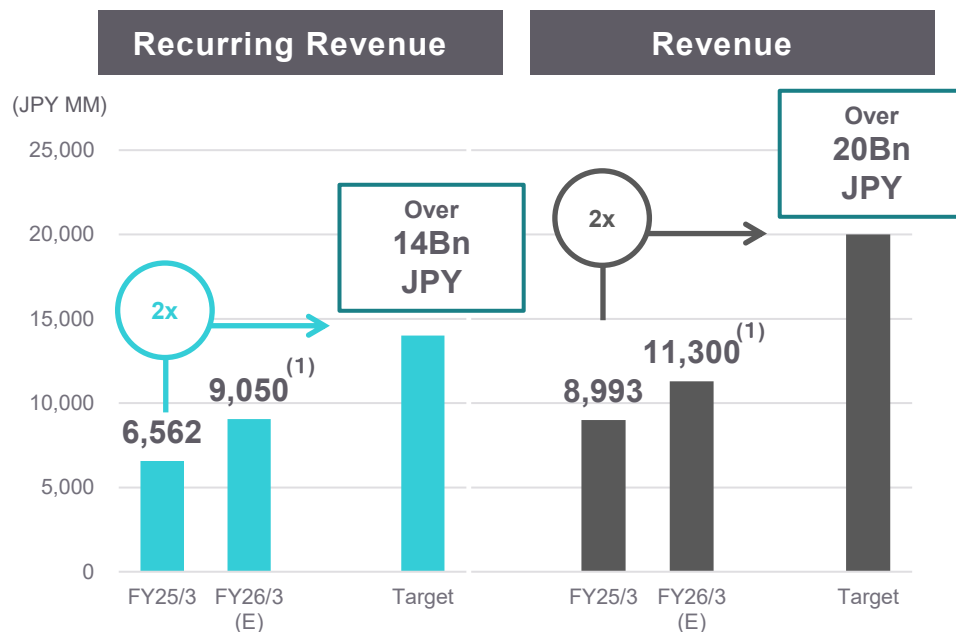

- To effectively utilize the funds raised through the IPO, we will continue to make growth investments while ensuring positive EBITDA (cash-based profit)

- Using EBITDA enables stock-based compensation to attract top talent effectively

Chart data:

- FY23/3: Total 31.9%, Recurring Revenue Growth Rate 29.2%, EBITDA Margin 2.7%
- FY24/3: Total 35.0%, Recurring Revenue Growth Rate 24.4%, EBITDA Margin 10.5%
- FY25/3: Total 31.2%, Recurring Revenue Growth Rate 21.9%, EBITDA Margin 9.3%
- FY26/3 (E): Total 42.2～53.7%, Recurring Revenue Growth Rate 32.4～43.4%, EBITDA Margin 9.8～10.3%

■ EBITDA Margin ▨ Recurring Revenue Growth Rate

Notes: (1) To help investors better understand our performance, we have adopted EBITDA—closer to operating cash flow—as a new metric, replacing the previous Non-GAAP operating margin adjusted for stock-based compensation and goodwill amortization (2)Profitable Growth on a Non-GAAP basis adjusted for stock compensation expense and goodwill amortization are FY23/3: 30.8%, FY24/3: 33.9%, FY25/3: 29.9%, FY26/3: 40.5～51.5% (3) For FY3/25, Profitable Growth based on Non-GAAP operating profit came in at 29.9%, compared to the initial forecast of 38.1%, primarily due to the timing delay of large-scale projects

Conclusion Progress Toward Mid-to-Long Term Targets

Mid-to-long term target of revenue exceeding 20Bn JPY (recurring revenue exceeding 14Bn JPY) Aim for market capitalization of over 150Bn JPY as early as possible

Recurring Revenue

Revenue

(JPY MM)

Over **14Bn JPY**

Over **20Bn JPY**

2x

2x

25,000

20,000

15,000

10,000

5,000

0

6,562

9,050 [1]

FY25/3   FY26/3 (E)   Target

8,993

11,300 [1]

FY25/3   FY26/3 (E)   Target

- Target EBITDA Margin is over 10%

- Profitable Growth Target (recurring revenue growth rate + EBITDA margin) is over 40%

Notes: (1)Figures are the midpoint of the forecast range (2) We had previously set long-term margin targets of an 85% recurring revenue ratio, 65% gross profit margin, 35% SG&A ratio, and over 30% Non-GAAP operating margin (adjusted for stock-based compensation and goodwill amortization). However, to prioritize a more balanced approach that ensures profitability while investing in future recurring revenue growth, we have now established a new mid- to long-term target for Profitable Growth. This new target aligns with the performance conditions of the stock options issued in February 2025 and replaces our previous margin targets.

The Main Risks Recognized in Management

The following are the primary risks and corresponding strategies that are recognized as having the potential to significantly impact the achievement of growth and the execution of business plans within our group as of the submission date of this document. For additional risks, please refer to the "Business Risks" section of the securities report.

Key operational risks	Summary	Solution
Sales ratio to specific clients	(Potential Manifestation: Low, Impact: Medium, Timing of Manifestation: Undetermined) In the fiscal year ended March 2025, sales to Energy Sola Platforms Co., Ltd.—a wholly owned subsidiary of NIPPON GAS CO., LTD.—accounted for 10.7% of our consolidated revenue. Through this relationship, we provide communication services and devices to the energy sector, and we expect revenue from this customer to remain at a high level going forward. In addition, sales to KDDI CORPORATION, one of our major shareholders, accounted for 10.6% of consolidated revenue. Under our business alliance agreement with KDDI, we provide technical development and related services. In FY2025, we continued joint efforts aimed at new business development, resulting in strong performance in project-based revenues (incremental revenue) from commissioned work.	Our group will continue to strive for a strong relationship with our top clients while also focusing on acquiring new customers to reduce dependency on them.
Procurement of communication lines	(Potential Manifestation: Low, Impact: High, Timing of Manifestation: Undetermined) Our group operates as a Mobile Virtual Network Operator (MVNO), sourcing our communication lines (mobile phone networks), which serve as the operational foundation of our business, from domestic and international Mobile Network Operators (MNO). Some of these lines may have no viable alternatives, and any disruption in their procurement due to various factors could potentially impact our group's business operations. Additionally, any future increase in the cost of procuring these lines could affect our group's financial performance and fiscal condition.	Our group aims to maintain good relationships with existing procurement sources while also aiming to secure additional procurement sources, taking into account business expansion and efficient network operations, to ensure stable procurement of communication lines.
Purchasing of SIM cards and devices	(Potential Likelihood: Moderate, Impact: Moderate, Timing of Manifestation: Undetermined) Our group procures certain SIM cards and IoT device products (including our proprietary specifications) from external overseas suppliers for some communication services. However, if continued and stable procurement becomes challenging due to factors such as supply capacity of the manufacturer, availability of semiconductors and other components, and other developments in the supply chain, or in cases where significant defects arise in alternative difficult-to-source products, it may pose constraints on our group's business expansion. This could potentially affect our group's financial performance and fiscal condition.	Our group intends to implement measures aimed at securing stable product inventory by selecting appropriate procurement sources and expanding our supplier base, taking into account recent challenges such as electronic component shortages.

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We intend to disclose updates to this document on an annual basis, targeting late June each year.

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