Fiscal Year Ending July 2026 Second Quarter Financial Results Presentation Material

Liberaware Co., Ltd.

Securities Code: 218A

March 13, 2026

IBIS

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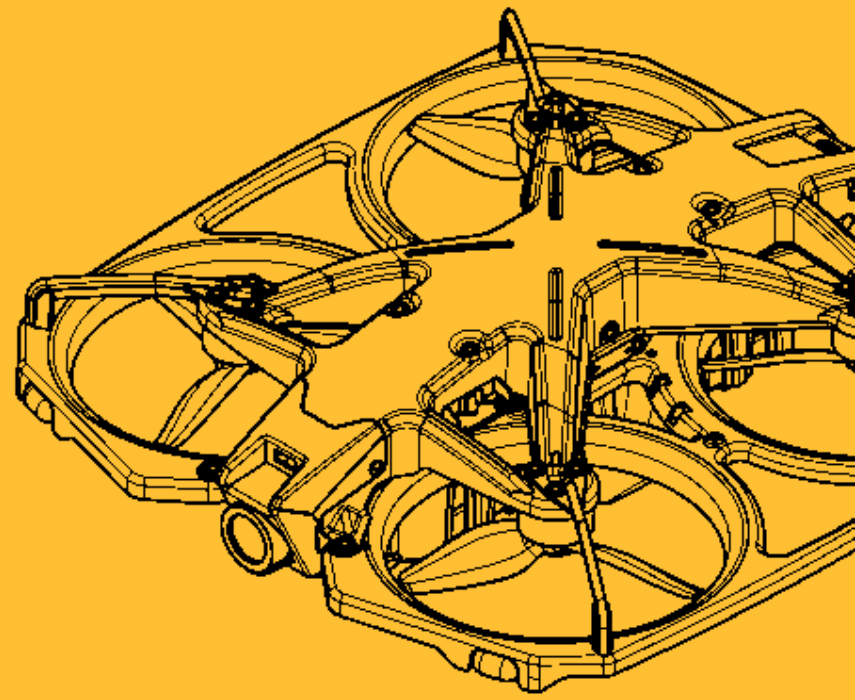
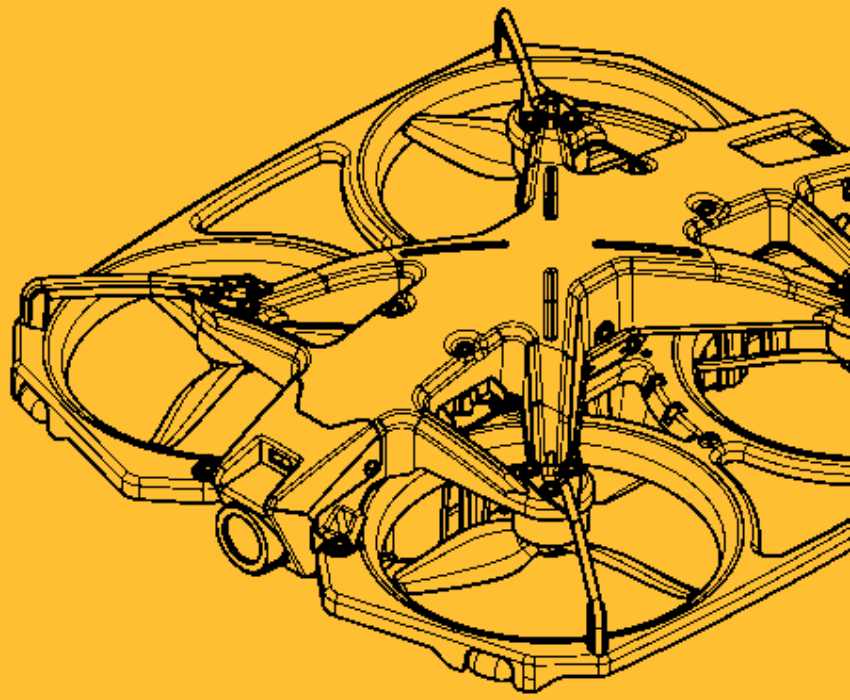


01 Financial Results Summary



Financial Results Summary: Continued Revenue Growth with Limited Growth Rate, High Profitability Maintained

- **This quarter focused on growth strategy activities for medium- to long-term growth,** and while net sales growth was limited, a high gross profit margin of 46% was maintained. **Liberaware Co., Ltd. determined that this can be covered from the third quarter onward, which is the peak season, and the earnings forecast remains unchanged.**
- Due to an increase in expenses such as R&D costs for new products, "ordinary profit/loss excluding SBIR impact" saw an expanded loss compared to the same period of the previous year.

Unit : million yen	Fiscal Year Ending July 2025 (Q2)	Fiscal Year Ending July 2026 (Q2)	Year-over-Year Change	Rate of Change (%)
Net Sales	615	697	**+82**	**+13%**
Gross profit (Profit Margin)	270 (44%)	322 (46%)	**+52 (+2 points)**	**+19%**
Ordinary profit/loss	▲244	▲515	▲271	SG&A / Increase in SBIR expenses
Ordinary profit/loss excluding SBIR R&D expenses and subsidy income Ordinary profit/loss	▲50	▲298	▲248	Same as above

Note: The SBIR (Small Business Innovation Research) system is a program designed to promote research and development by startups and other entities, smoothly implement the results into society, and thereby foster innovation in Japan.
At the same time, one of its objectives is to lead to the resolution of various social issues facing Japan by implementing innovative technologies into society.
The Cabinet Office serves as the command center, setting budget expenditure targets and providing consistent support through cooperation among various ministries and agencies, from the early stages of R&D to government procurement and civilian use.
It aims to promote innovation and create unicorns.

Financial Results Summary: Moving Toward the Stage of Scaling Up and Market Penetration After the Expansion Phase

▶ Following the expansion phase of the fiscal year ending July 2025, 2Q results for the fiscal year ending July 2026 continued to be supported by social issues, policy trends, and market growth, **achieving net sales of 697 million yen, up +13% year-on-year,** and maintaining a stable level with a **gross profit margin of 46%.** In particular, **toward the standardization of IBIS in the sewer domain, Liberaware Co., Ltd. is promoting a wide range of collaborations with core industry companies, industry organizations, and local governments across the country.**

▶ Against the earnings forecast for the fiscal year ending July 2026, the progress rate for net sales was 31%, lower than the 43% in the same period of the previous year, but the proportion of total sales is large.
Drone sales increased significantly by +124% year-on-year, and revenue excluding drone sales also **saw order backlogs and other items accumulate to 61% of the earnings forecast.**
(As of the financial results announcement date), progress is within expectations against the earnings forecast.

▶ Various growth strategies are progressing steadily.

- ü **New product: Automatic patrol camera "Torinosu"** : PoC and sales promotion activities are underway to expand recognition and create use cases.
- ü **Railway environment-specific drone PJ** : Currently in the mass-production prototype phase toward the start of business in April 2028. Related systems are also under development.
- ü **Construction DX solution PJ** : Promoting business model construction, field verification, and development toward the start of business in July 2026.
- ü **Overseas expansion** : Building an overseas market foundation through three strategic layers: policy dialogue/market formation, human resource foundation building, and Dual Use collaboration.

Capital and Business Alliance with Core Companies Involved in Social Infrastructure such as Sewage Systems

- Against the backdrop of increasing needs for drone/robot utilization and DX in the infrastructure sector, major players in each field evaluated the implementation potential and scalability of Liberaware Co., Ltd.'s technology and participated in the collaboration.
- Particularly in the sewage sector, companies that play a core role in the value chain from planning and design to maintenance and renewal participated simultaneously.

日水コン

Core company for water and sewage planning and design
Promoting evaluation standards and standardization

NIPPON HUME 日本ヒューム株式会社

Core company for pipeline renewal and rehabilitation
Connecting inspection data to renewal decisions

KANSEI 管清工業株式会社

Top company for sewage maintenance and management
Leading on-site implementation and operational design

山田商会

Long-established company for social infrastructure construction
Promoting expansion of adoption and operational standardization

Together, Toward Building Safe and Secure Future Infrastructure

Expected effects of this alliance: Advanced development | Accelerated social implementation | Expansion of sales and adoption

Movements Accelerating in Various Fields Toward the Popularization of Drones in Sewer Inspections

- Promoting drone market formation and use case expansion in sewer inspections by simultaneously promoting capital alliances with core industry companies, building cooperation systems for standardization with industry organizations, and expanding demonstrations and introductions in municipalities nationwide.

01 Capital and Business Alliance with Core Companies in the Sewer Industry

日水コン
NIPPON HUME 日本ヒューム株式会社
KANSEI 管清工業株式会社

Planning
Design
Manufacturing/Construction
Maintenance/ Management

From planning and design to maintenance and management, with core companies in the sewer value chain
Implemented capital and business alliances

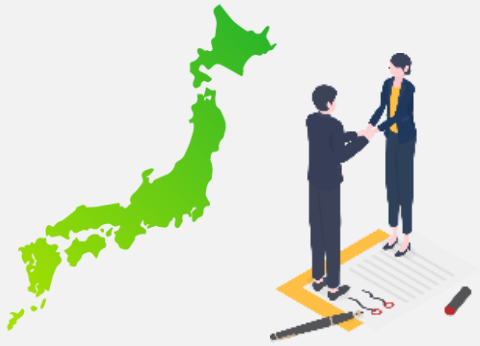
02 Collaborating with industry organizations Promoting drone standardization

公益社団法人 日本下水道協会

公益社団法人 日本下水道管路管理業協会
JAPAN SEWER COLLECTION SYSTEM MANAGEMENT ASSOCIATION

Joined the Japan Sewage Works Association and the Japan Sewer Collection System Management Association, and established a cooperation system for the standardization of sewer inspections using drones

03 Conducting inspections in municipalities nationwide



Conducted and received orders for sewer inspections at more than 10 new locations nationwide (over 40 locations in total). Continuing topromote awareness improvement and use case creation

Overseas Business: Building Overseas Market Foundations through Three Strategic Layers

- Promoting the construction of market foundations for medium- to long-term business growth in overseas markets through three strategic layers: policy dialogue and market formation in South Korea, human resource ecosystem construction in Southeast Asia, and participation in international discussions in the Dual Use (*1) field.

Building Overseas Market Foundations

Policy and Market Formation

✓ Liberaware Korea CEO Kim participated as a panelist in the "National Assembly Discussion on Building Cooperative Governance for Strengthening Urban Disaster Response Capabilities" held at the South Korean National Assembly.

✓ Promoting the establishment of policy and market presence by positioning IBIS as a tool for urban safety infrastructure that supports urban disaster response.

Implementation and Human Resource Foundation

✓ Utilizing the Ministry of Economy, Trade and Industry's Global South subsidy project, conducted IBIS training and skill transfer.

✓ Developing and operating instructors in Southeast Asia, establishing a human resource foundation.

✓ Conducted IBIS training for employees of Sankyu's Southeast Asian local subsidiaries by local trainers.

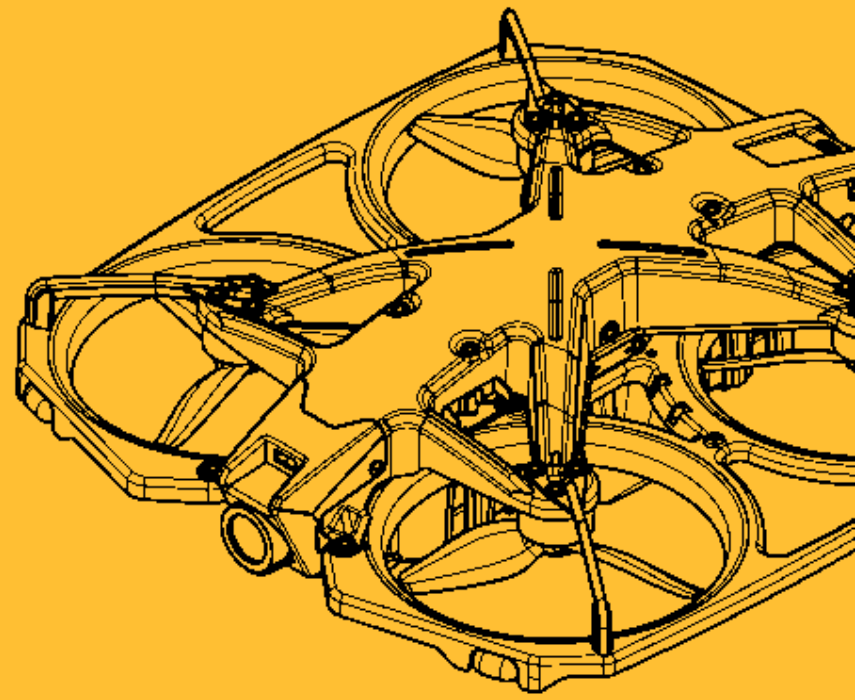
Dual Use Collaboration

✓ Conducted a joint presentation on Dual Use with the Ukrainian Chamber of Commerce and Industry in Japan at CEATEC (*2).

✓ At the MARS Program (*3, 4) hosted by the Daniel K. Inouye Asia-Pacific Center (USA), introduced cases of Noto Peninsula disaster response and life-saving search activities, presenting a Japanese Dual Use model that contributes to disaster response and social safety.

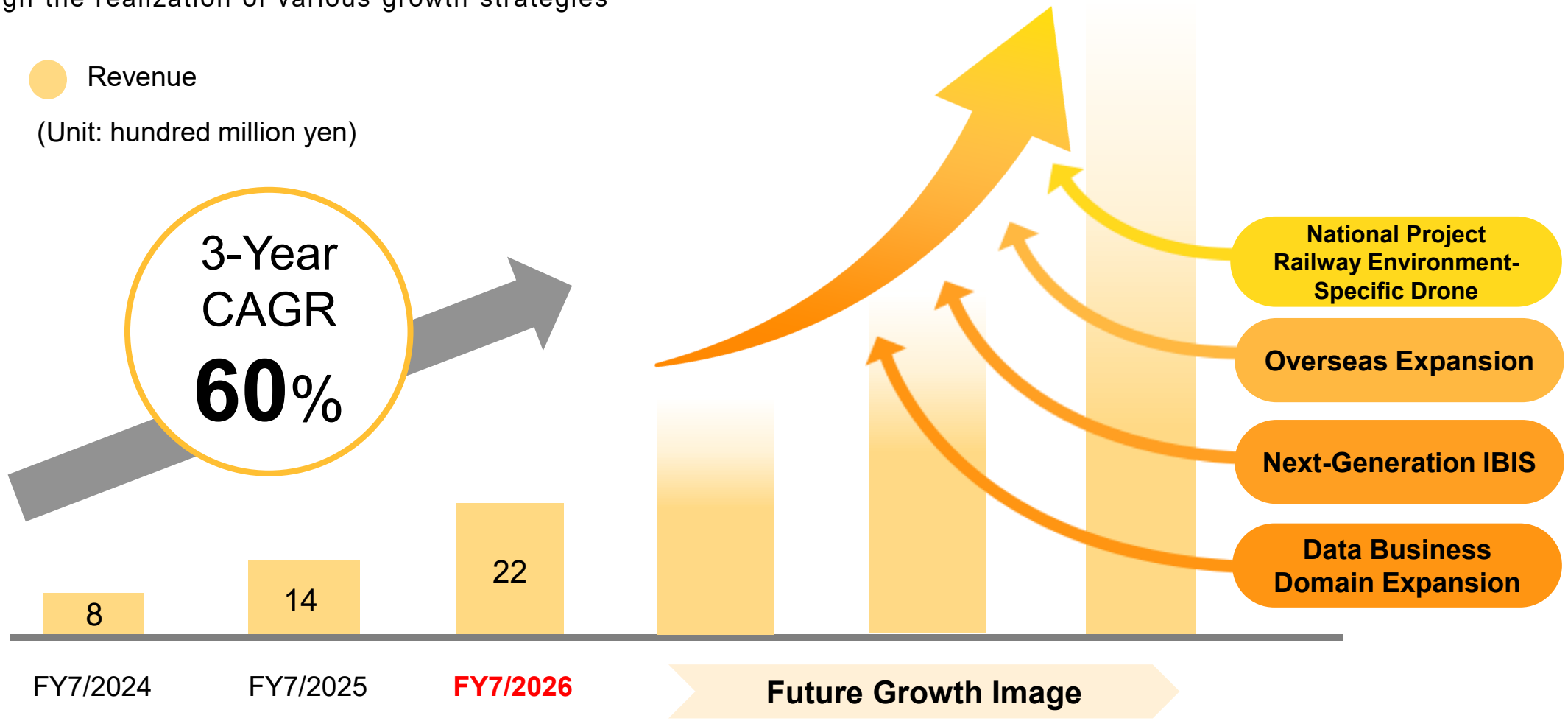
(*1) Dual Use: Refers to "dual-use" technologies and products developed for civilian use that can also be used for military purposes, or vice versa. Typical examples include AI, drones, and semiconductors.
(*2) CEATEC: One of Asia's largest comprehensive exhibitions of digital innovation. It serves as a venue for business creation where cutting-edge technologies and products such as AI, IoT, robotics, and electronic components gather to solve social issues and realize the future society "Society 5.0." This presentation was a lecture held jointly with the Ukrainian Chamber of Commerce and Industry in Japan under the theme "From Dual Use to Dual Growth: A New Bilateral Value Chain between Ukraine and Japan." (*3) The Daniel K. Inouye Asia-Pacific Center is a security research institute established and operated by the U.S. Department of Defense. (*4) MARS Program (Multinational Armaments Resilience Seminar) is a newly established in-person/dialogue-based program aimed at strengthening and collaborating on defense industry foundations in the Indo-Pacific region. IBIS2 is listed in the Ministry of Foreign Affairs' Official Security Assistance (OSA) support technology catalog and promotes Dual Use limited to peaceful purposes such as life-saving and disaster response (SAR: Search and Rescue).

02 Growth Strategy Summary



Maintaining high growth rate while growth strategy realization drives exponential growth

- Following the establishment of the indoor drone market, Liberaware Co., Ltd. expects CAGR of 60% growth along with the growth of the drone market
- In the short to medium term, while maintaining a high organic growth rate, Liberaware Co., Ltd. aims for non-linear growth through the realization of various growth strategies



CAGR: Based on (FY7/26 revenue/FY7/24 revenue)^{1/(3 years-1 year)}-1, rounded down to the tens place

Growth Strategy - SUMMARY

Creating a safe society for everyone

Next-Generation IBIS

- ✓ Expanded Application Range through Performance Enhancement
- ✓ Increased Added Value through Options
- ✓ Significant Industry Expansion and Application Diversification through Remotization and Autonomization

Data Business Domain Expansion

- ✓ Construction DX Business (SBIR)
- ✓ Expanding spatial data business domain in line with IBIS evolution
- ✓ Increased Added Value through AI Diagnosis/Judgment
- ✓ Industry-Specific Digital Twin Platform

Overseas Expansion

- ✓ Establishment of Korean Indoor Drone Market
- ✓ East and Southeast Asia Partner Strategy
- ✓ Deployment of IBIS and Railway Drones in Europe and the United States, the Largest Market

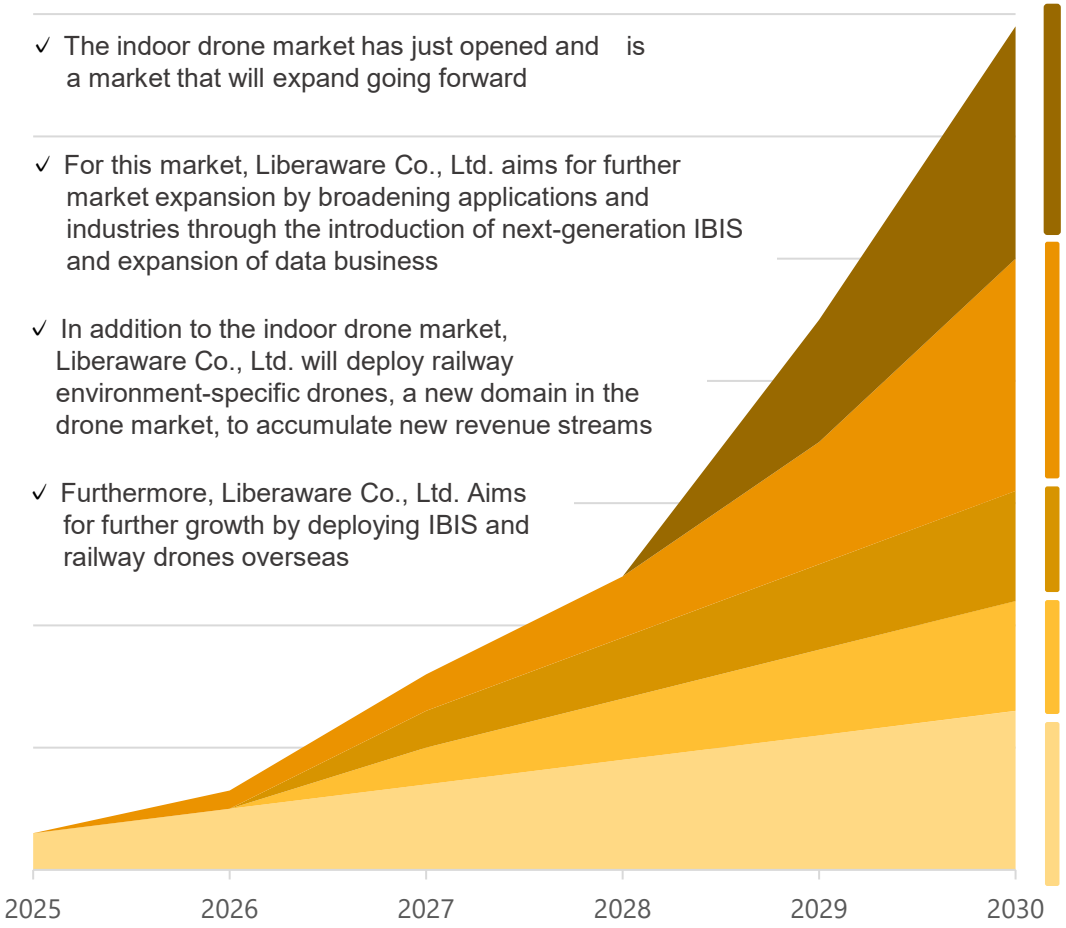
National Project Railway Environment-Specific Drone

- ✓ Railway Drone Solution (SBIR)
- ✓ Game Changer for Railway Maintenance Operations
- ✓ Deployment of High-Performance, Safety-Assured Domestic Outdoor Drones Beyond Railway Operations
- ✓ Acquisition of Indoor and Outdoor Inspection Drone Standard in the Japanese Market Together with IBIS

Growth Image—All Growth Strategies Target Large-Scale Markets with Growth Potential

Image of Accumulation of Various Growth Strategies

- ✓ The indoor drone market has just opened and is a market that will expand going forward
- ✓ For this market, Liberaware Co., Ltd. aims for further market expansion by broadening applications and industries through the introduction of next-generation IBIS and expansion of data business
- ✓ In addition to the indoor drone market, Liberaware Co., Ltd. will deploy railway environment-specific drones, a new domain in the drone market, to accumulate new revenue streams
- ✓ Furthermore, Liberaware Co., Ltd. Aims for further growth by deploying IBIS and railway drones overseas



Railway Environment Specialized Drones

Overseas Expansion

Data Business Domain Expansion

Next-Generation IBIS

Existing Business Scale Expansion

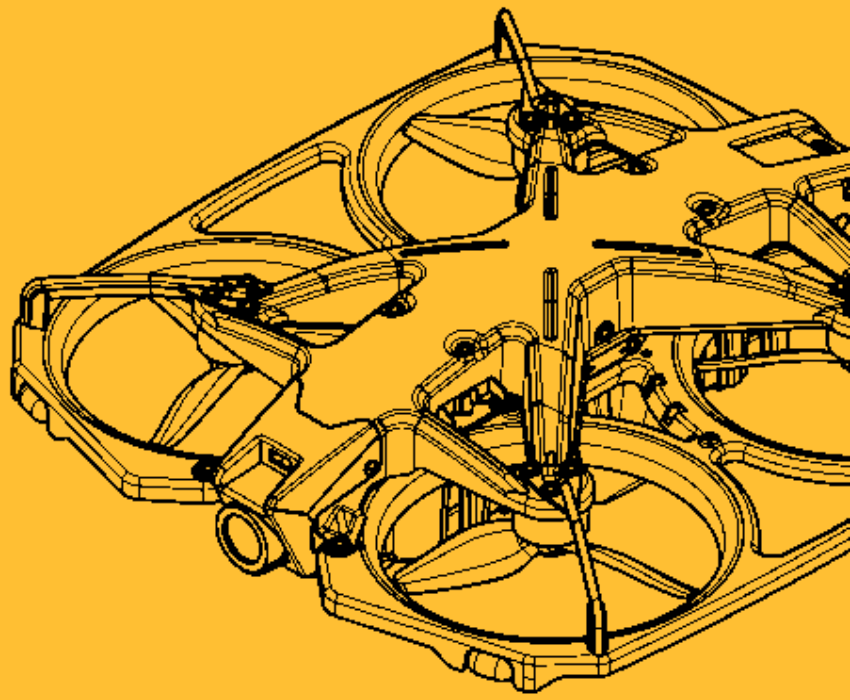
Market Potential of Various Growth Strategies

Railway Environment Specialized Drones	SOM (Domestic Railway Operators Only)	200 billion yen	TAM (Railway Operators Worldwide) 13 trillion yen
Overseas Expansion	TAM (Global Drone Market)	2025: 5.9 trillion yen	2030: 8.6 trillion yen
Data Business Domain Expansion / Next-Generation IBIS	TAM (Domestic DX Market) (Manufacturing Industry)	2025: 1.5 trillion yen	2030: 3 trillion yen
Existing Business Scale Expansion	TAM (Domestic Drone Market)	2025: 500 billion yen	2030: 1 trillion yen

Note: *1 USD = 150 yen for calculation

Source: Impress Research Institute "Drone Business Survey Report 2025," Fuji Keizai "2025 Digital Transformation Market Future Outlook Market Edition from Manufacturing Industry," Drone Industry Insights "Drone Market Report 2025-2030"

03 Fiscal Year Ending July 2026 Second Quarter Financial Results Report



Q2 Financial Results Highlights

- Net sales were below target as the ramp-up of non-drone sales was slow, despite strong drone sales due to the start of the domestic distributor system
- Gross profit margin progressed steadily. Excluding the impact on sales, profit at each stage progressed as expected

FY7/2026
Q2 Results

	FY7/2025 Q2 Cumulative Results	FY7/2026 Q2 Cumulative	Year-over-Year Change	
Net Sales	615 million yen	697 million yen	+82	(+13%)
Gross profit	270 million yen	322 million yen	+52	(+19%)
(Gross Profit Margin)	44.0 %	46.3 %	+2.3 percentage points	-
Ordinary profit/loss	▲ 244 million yen	▲ 515 million yen	▲ 271	-
<SBIR R&D Expenses>	(260 million yen)	(658 million yen)	(+398)	
Interim Net Income (Loss)	▲ 246 million yen	▲ 516 million yen)	▲ 270	-

- Net sales **increased by 82 million yen year-over-year**. Positive factors include a significant increase in drone sales from 104 million yen in FY7/2025 Q2 to 232 million yen in FY7/2026 Q2 due to the start of the distributor system. Negative factors include many free-of-charge sewer surveys and small projects, resulting in inspection solutions and data processing/analysis services falling short of sales targets.

- **Gross profit margin was 46.3%**, securing a high profit margin relative to the scale of net sales. This result demonstrates the high gross profit margin of drone sales.

- Due to the transition to the mass-production prototype phase, SBIR R&D expenses were large at 658 million yen. Although the superficial ordinary loss expanded, it was as expected.

- Other personnel and expenses were also consumed as expected, and the progress of profit at each stage from a cost perspective was as expected.

Q2 Business Highlights

- Implemented many activities such as business development for further sales channel expansion in the sewage sector and IBIS, and important technology development projects
- Growth strategies for future non-linear growth are progressing steadily

Our Business	• Continuing from the previous fiscal year, promoting collaboration with core industry companies, industry groups, and local governments nationwide toward the standardized use of drones in the sewage sector • Five companies joined the domestic dealership system for IBIS2, which started this fiscal year, accelerating the nationwide rollout of IBIS2
Our Technology Development /Products	• Promoting a micro-drone project for the investigation of the interior of the Unit 3 primary containment vessel at the Fukushima Daiichi Nuclear Power Plant
Growth Strategy	• National Project (SBIR): **Development of drone solutions related to railway business inspection** is progressing steadily. Transitioned to the mass-production prototype phase. Building a solution that supports railway inspection from end-to-end, from work requests to drone flights and 3D modeling • National Project (SBIR): **Development of DX solutions for construction sites using drones and digital twins** is progressing steadily. Advancing the refinement ofa business model for the automation of construction site management by combining remote autonomous drones with 3D modeling technology and AI. • **Regarding overseas strategy, in South Korea,** Liberaware Co., Ltd. continues to expand awareness and create use cases toward market formation. Also spoke at adiscussion session held at the National Assembly. **In Southeast Asia,** Liberaware Co., Ltd. is developing an instructor training and operational humanresource basewhile utilizing subsidies. Also conducted IBIS training for SANKYU Southeast Asia's local subsidiary.
Finance / IR	• Since the full-scale use of SBIR R&D expenses will be centered in the third quarter, SBIR R&D expenses are expected to increase thereafter • Following Kyushu Electric Power, the third-party allotment of new shares from a core sewage industry company is a fundraising in line with the growth strategy of Liberaware Co., Ltd., which has continued to grow through co-creation with industry leaders, and serves the dual purposes of "expansion of business domains" and"formation of high entry barriers through acquisition of industry knowledge."

Fiscal Year Ending July 2026 Second Quarter Financial Results Report <Numerical Report>

Detailed Business Performance

- Net Sales increased by +13% year-over-year, and Gross Profit Margin rose by 2 points due to increased drone sales
- Selling, General and Administrative Expenses were affected by an increase in business-side personnel in the second half of the previous fiscal year and an increase in SBIR R&D expenses due to the transition to mass-production prototype development

(Unit: million yen)	FY7/2026	FY7/2025 (Previous)		FY7/2026 (Forecast)	
	Q2 Results	Q2 Results	Rate of Change	Full-year Forecast	Progress Rate
Net Sales	697	615	13%	2,220	31%
Gross profit	322	270	19%	1,123	28%
Gross Profit Margin	46.3%	44.0%	-	50.6%	-
Selling, General and Administrative Expenses	1,265	577	119%	3,535	35%
Personnel Expenses and Operating Expenses R&D Expenses (Excluding SBIR) SBIR R&D Expenses	460 146 658	281 35 260	63% 317% 153%	869 330 2,335	- - -
Operating profit/loss	▲942	▲306	-	▲2,412	-
Non-Operating Income	443	66	571%	2,244	-
Non-Operating Expenses	16	4	300%	9	-
Ordinary profit/loss	▲515	▲244	-	▲177	-
Interim Net Income (Loss)	▲516	▲246	-	▲178	-

Year-over-Year Comparison

Net Sales
Increase in drone sales of +128 million yen, decrease in inspections of (21) million yen, and decrease in digital twin of (46) million yen, resulting in only a slight increase

Gross profit
Increased sales of high-margin drones and increased rental sales led to a year-over-year increase

Operating profit/loss
Impacted by an increase in railway SBIR R&D expenses
Also impacted by increased costs due to investment in business-side human resources and scale expansion for both personnel and operating expenses

Ordinary profit/loss
Recorded 441 million yen as SBIR subsidy in 2Q

Excluding the impact of SBIR-related expenses and income, ordinary profit/loss decreased by (248) million yen year-over-year
Main factors are increases in SG&A personnel expenses and R&D expenses

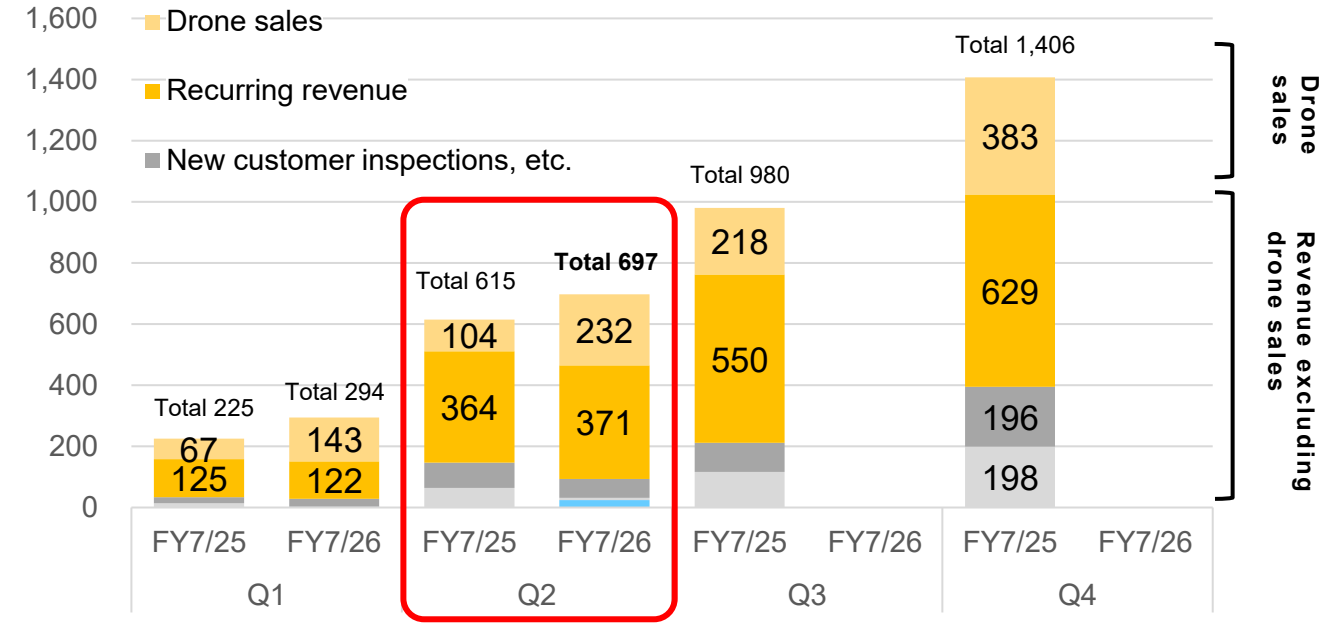
Year-over-Year Comparison of Drone Sales and Revenue Excluding Drone Sales

- Drone sales reached 29.5 sets in the first half, significantly exceeding the same period of the previous year and progressing in line with full-year forecasts.
- Recurring revenue as a percentage of revenue excluding drone sales remained at almost the same level as the previous year, as the scale of sales was similar.

Year-over-Year Comparison by Revenue

(Unit: million yen)

(Cumulative Basis)



Drone sales

High value-added products with an average unit price of 8 million yen per set (*1)

Unit: sets (*1)	Q1	Q2	Q3	Q4	Total
FY7/25	8.5	5.5	14.5	20.5	49
FY7/26	18.5	11			29.5

Normally 1 set consists of 2 IBIS2 units; a 0.5 count is for 1 IBIS2 unit

Recurring Revenue and Ratio (*2)

Amount	Q1	Q2	Q3	Q4
FY7/25	125	364	550	629
FY7/26	122	**371**		

Ratio	Q1	Q2	Q3	Q4
FY7/25	79 %	71 %	72 %	61 %
FY7/26	82 %	**84 %**		

Recurring Revenue amount was approximately the same as the previous year

Recurring Revenue ratio increased due to the impact of ongoing development projects

Note: *1: In principle, sold as 1 set of 2 drones. Sales of 1 drone are counted as 0.5 sets.
*2: Recurring revenue: Total of net sales from existing customers in inspection solutions (including related data processing and analysis services), rental services, TRANCITY license fees, and net sales from ongoing projects from the previous year in solution development.

Trends in Various KPIs Related to Recurring Revenue (Quarterly)

- No significant changes in various KPIs
- For inspection/data processing services, repeat orders from existing major companies have been increasing towards the end of March, so sales are about the same as the same period last year.

KPI Indicators	Fiscal Year Ending July 2024	Fiscal Year Ending July 2025				Fiscal Year Ending July 2026		Comments
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	
Percentage of Net Sales from Repeat Customers for Inspection/Data Processing Services	59%	72%	71%	71%	59%	45%	68%	As projects from major repeat customers such as JR East have begun to launch, the repeat ratio is at the same level as the previous year.
Number of Rental Sets	33	32	32	32	36	36	35	Due to the focus on aircraft sales, there has been no significant increase or decrease in the number of accounts.
TRANCITY Number of Accounts	115	125	127	135	148	147	156	The increase in the number of accounts is limited due to the focus on increasing the unit price for existing clients.
Solution Development Number of Ongoing Projects	4	6	9	10	12	10	11	The number of projects remained at the same level as many are ongoing development projects from previous fiscal years.

Various Profit Indicators

- Gross Profit Margin is on an upward trend due to increased recurring revenue and high-margin drone sales
- While SG&A expenses have a strong fixed-cost element, the current level is rising due to investment in future human resources and spot costs
- Continuing R&D investment while suppressing the cash flow burden by utilizing SBIR subsidies

01 Gross Profit Margin

Fiscal Year Ending July 2025 Q2 Results	Fiscal Year Ending July 2026 Q2 Results
44%	**46%**

As a revenue model capable of generating profit, Liberaware Co., Ltd. aims to further increase the profit margin by continuing to build up recurring revenue and high-margin drone sales

02 SG&A Expenses (Excluding R&D Expenses)

Fiscal Year Ending July 2025 Q2 Results	Fiscal Year Ending July 2026 Q2 Results
281 million yen	**460** million yen

In the first half of the current fiscal year, due to investment in human resources to promote growth strategies in the second half of the previous fiscal year and spot costs incurred in the first half of the current fiscal year, SG&A expenses increased compared to typical years

03 R&D Expenses

Fiscal Year Ending July 2026 Q2 Results

Amount excluding subsidy-eligible expenses from R&D expenses

146* million yen

R&D Expenses Amount recorded in PL

804 million yen

Balancing continued investment for the realization of growth strategies with the suppression of cash outflows through R&D activities utilizing subsidies, including SBIR

Note: * Calculated by deducting R&D expenses eligible for subsidies, including SBIR, from the R&D expenses recorded in the PL

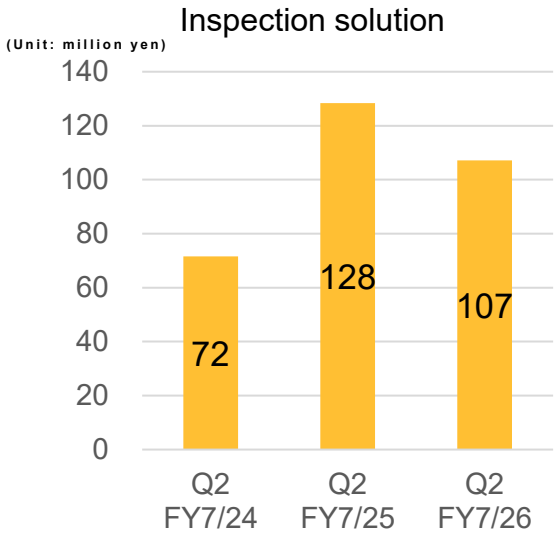
Net Sales by Business Segment/Service Category (Year-over-Year Comparison)

- Drone sales were strong, but the start-up of inspection and digital twin services continued to be slow in the current quarter, resulting in a year-over-year decrease

Drone Business

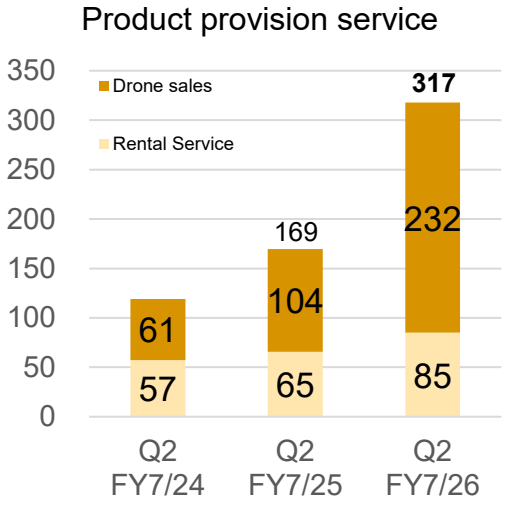
Inspection solution

In the current quarter, there were many free-of-charge sewer inspections and small-scale projects, resulting in a year-over-year decrease



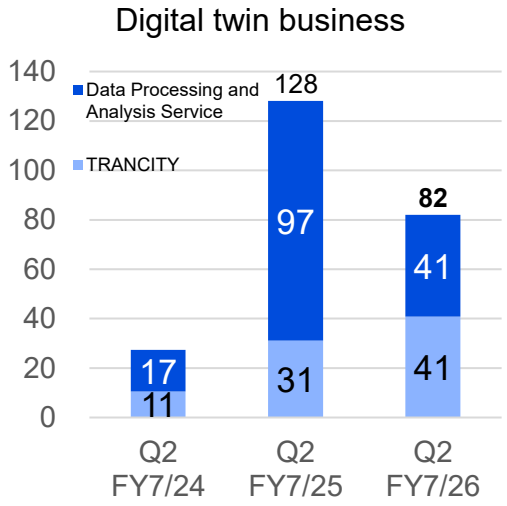
Product provision service

Drone sales increased steadily
Rental services also grew steadily



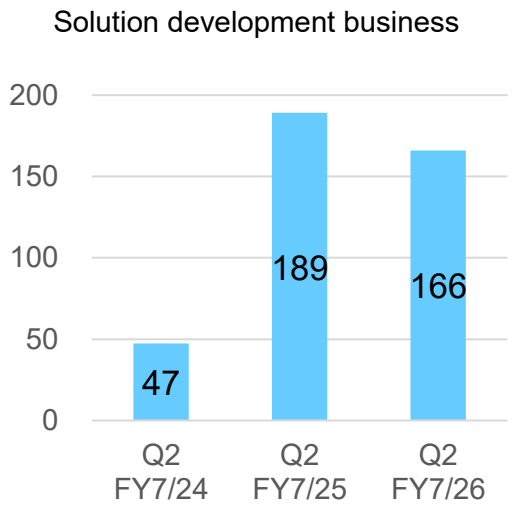
Digital twin business

Data processing sales linked to inspection solutions were low, Therefore,it decrease from previous year.



Solution development business

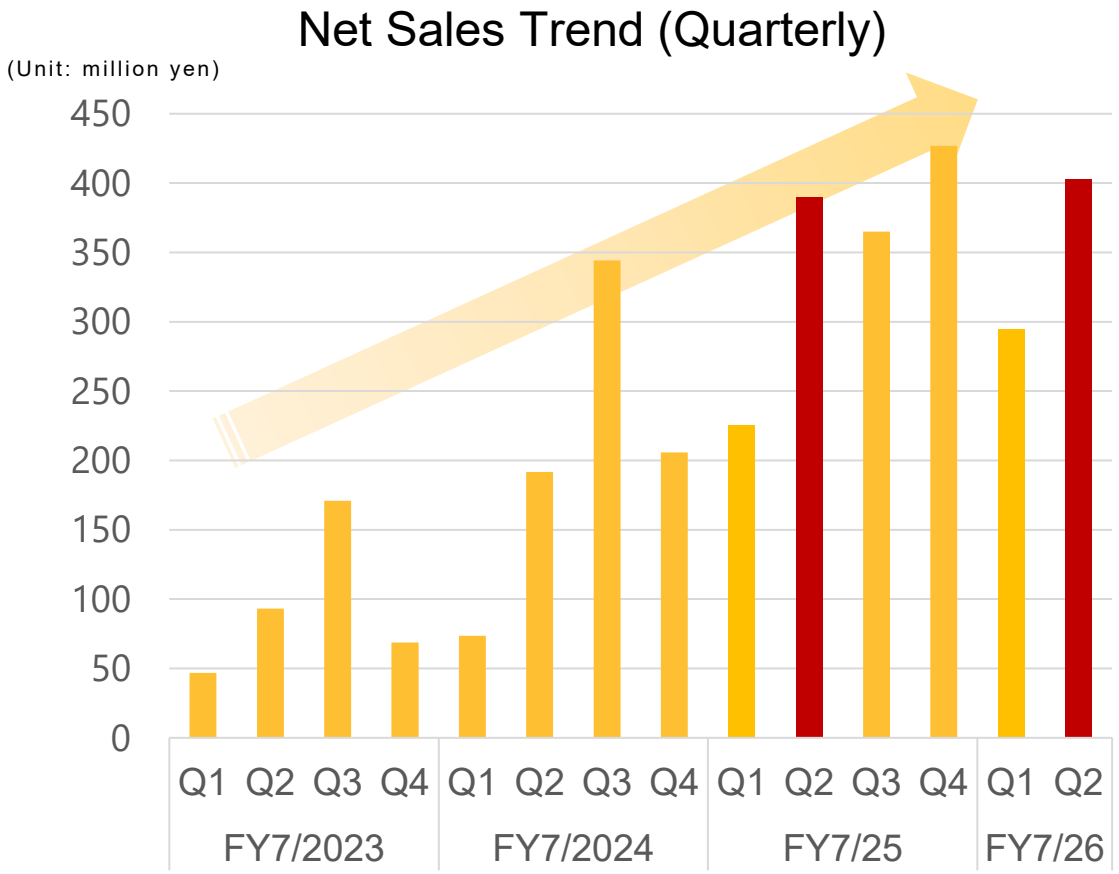
Projects continued from the previous fiscal year accounted for the majority. In the current period, many projects are scheduled for completion in March, resulting in a slight decrease

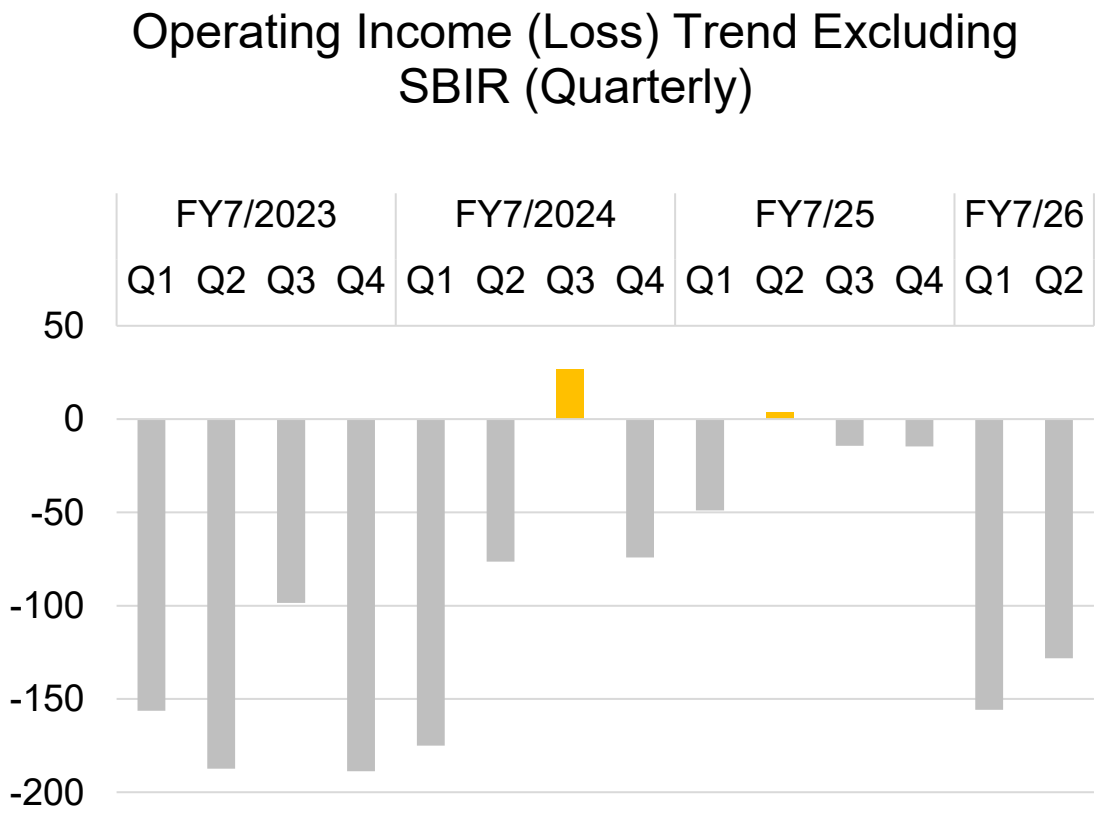


New Areas Q2 net sales were 24 million yen

Quarterly Trends in Net Sales and Operating Income (Loss)

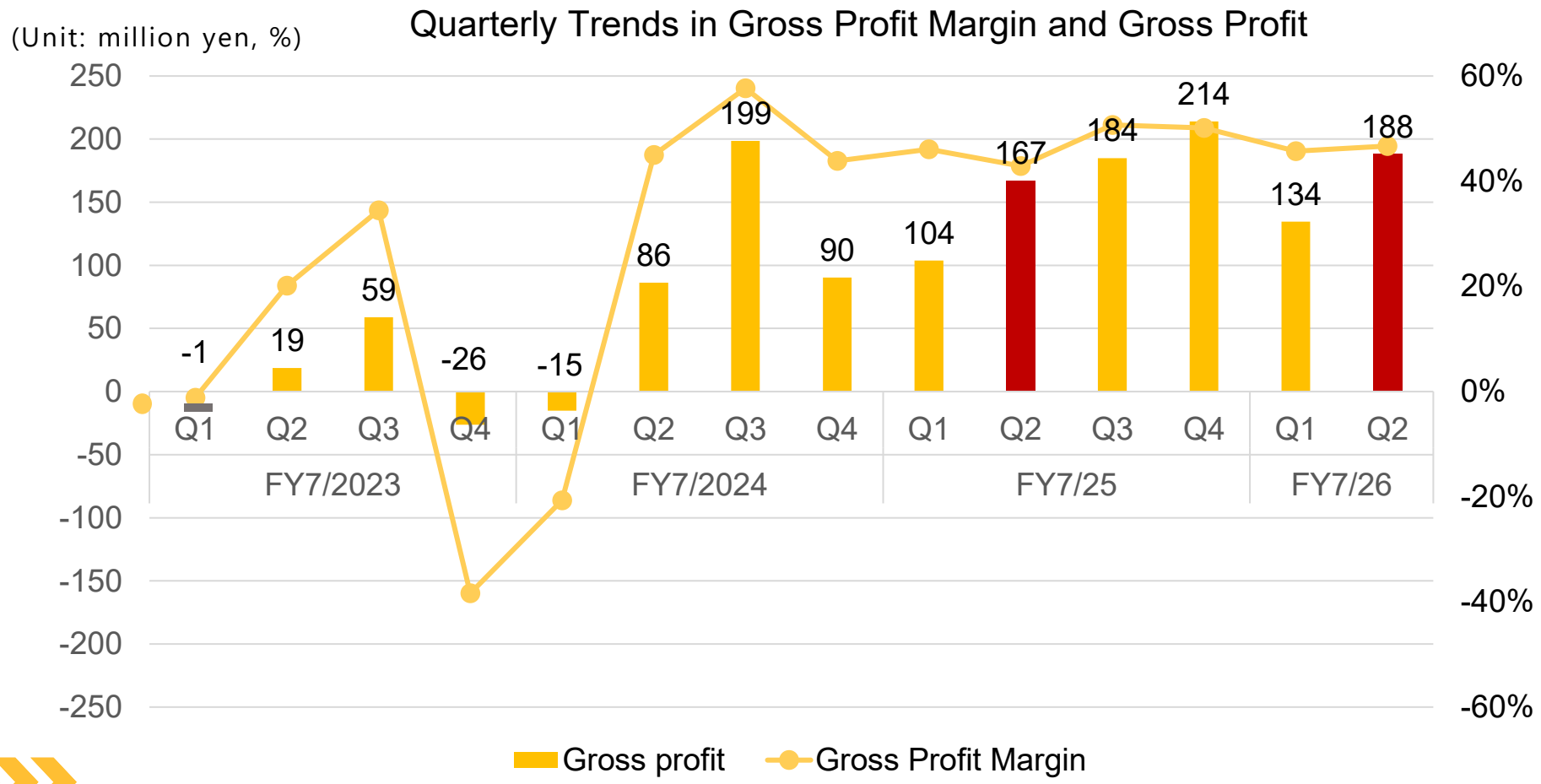
- Net Sales: Although on an increasing trend on a quarterly basis, 2Q remained at the same level as the previous year
- Operating income (loss) excluding SBIR R&D expenses: Loss expanded as fixed costs could not be absorbed relative to the scale of net sales





Trends in Gross Profit Margin and Gross Profit (Quarterly)

- Gross profit margin has remained stable at 40% or higher since FY7/2024 2Q, demonstrating the high profitability of Liberaware Co., Ltd.'s business
- Sufficient profit margins were secured in both the previous and current periods, regardless of sales scale



Gross Profit Margin

- Since FY7/2024 2Q, although there is seasonality in net sales, the gross profit margin has remained stable at 40% or higher

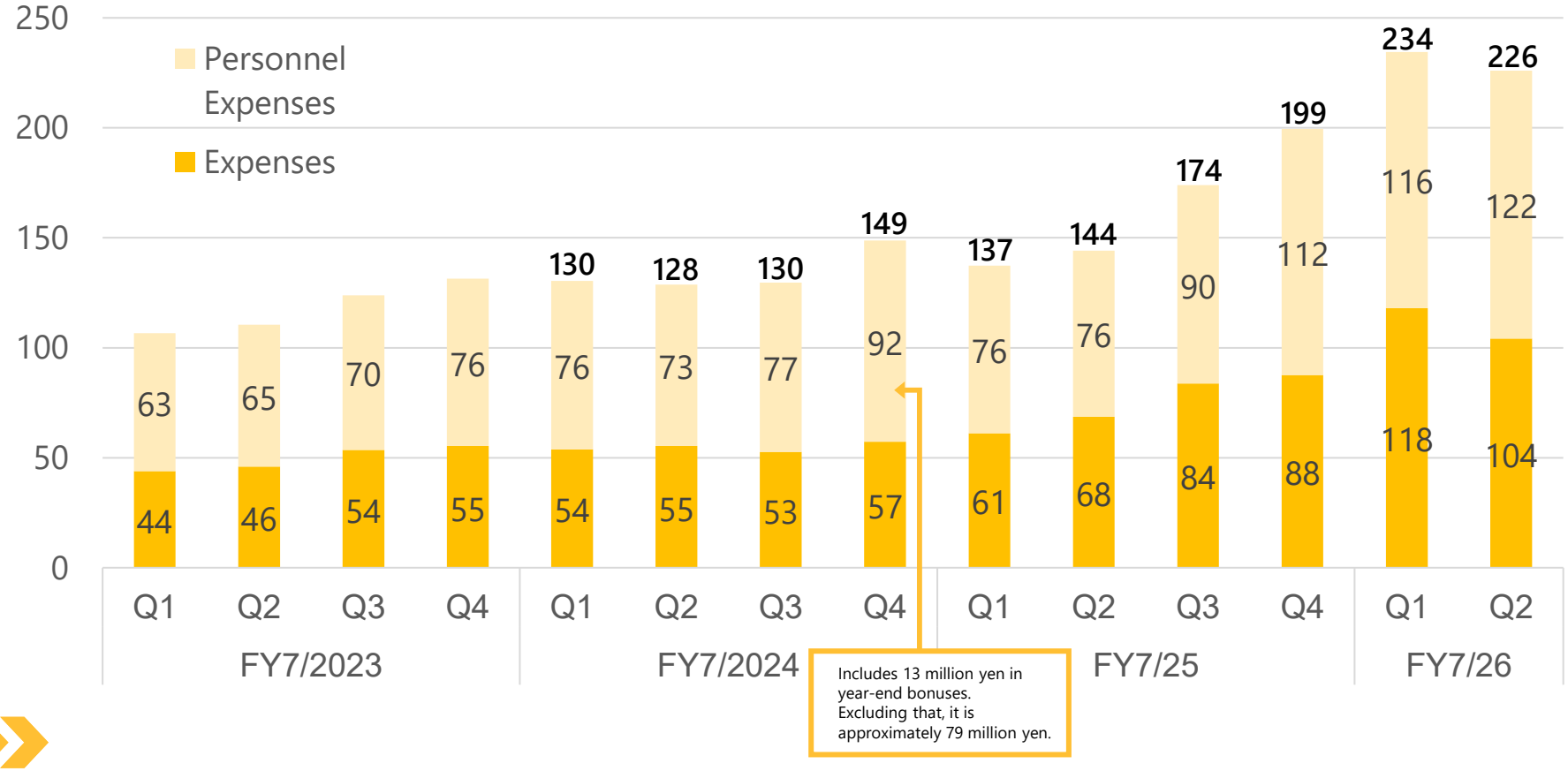
Gross profit

- Since the profit margin is stable, the amount of profit is growing in proportion to the increase in sales, and profit is being secured along with sales growth

Trends in SG&A Expenses (Excluding R&D Expenses) (Quarterly)

- Personnel expenses have a strong fixed-cost element and trended at around 70 to 80 million yen in previous years. Recently, they have trended at around 120 million yen due to the impact of business-side personnel increases for business expansion.
- Some expense items, such as travel and transportation and advertising, increase in response to higher sales activity, but the extent of the increase is limited.

(Unit: million yen) Quarterly Trends in SG&A Expenses (Excluding R&D Expenses)



Personnel Expenses

- Remained stable at 70M to 80M until FY7/2025 2Q
- Increased from the second half of FY7/2025 due to further business expansion, with an increase of 13 business-side personnel, etc.
- This quarter was roughly at the same level as the previous quarter

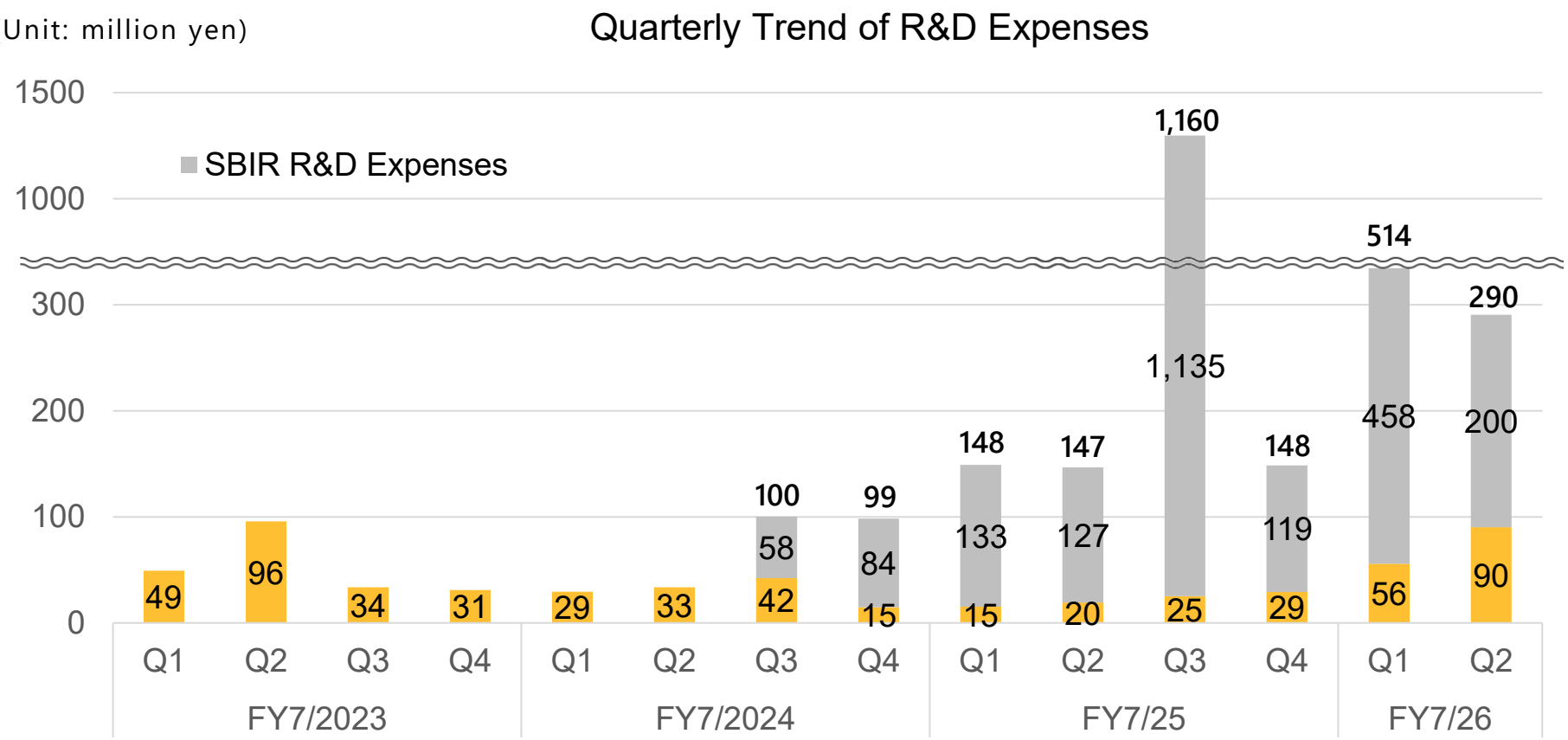
Expenses

- Mainly recruitment and training, advertising, travel and transportation, and professional fees, etc.
- Travel and transportation, advertising, etc. increased from the second half of FY7/2025 due to an increase in personnel and expansion into overseas markets and local governments nationwide
- Thereafter, steady-state expenses are expected to trend at around 90M to 110M
- 1Q includes 14M in spot outsourcing costs, etc., but 2Q returns to steady-state levels

Trend of R&D Expenses (Quarterly)

- SBIR project started from 2H of FY7/2024, and expenses increased significantly in 3Q of FY7/2025 due to overlapping system deliveries, etc.
- No noteworthy items for the current quarter; spending is proceeding according to budget
- R&D expenses excluding SBIR are on an upward trend due to the development of the new product "Torinosu" and next-generation IBIS

(Unit: million yen)



SBIR R&D Expenses

- R&D expenses are proceeding according to budget
- R&D expenses are expected to be high in 3Q of FY7/2026 as well due to overlapping system deliveries

R&D expenses related to existing businesses

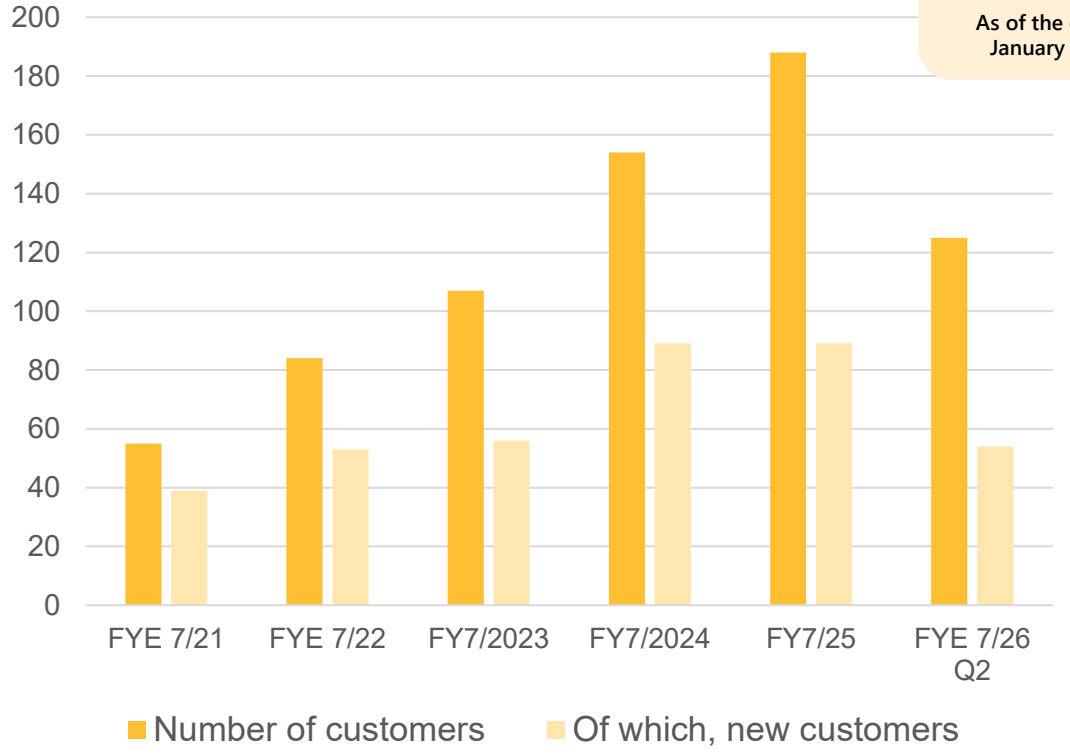
- R&D expenses are on an upward trend as the development of next-generation IBIS moves from the planning and design stage to the implementation and development phase

Trends in Number of Customers and Number of Major Industry Customers

- New customers are increasing steadily, **and existing customers continue to use the services frequently**
- Many major industry players use the services, and Liberaware Co., Ltd. aims for industry-standard positioning by expanding use cases through adoption by major companies

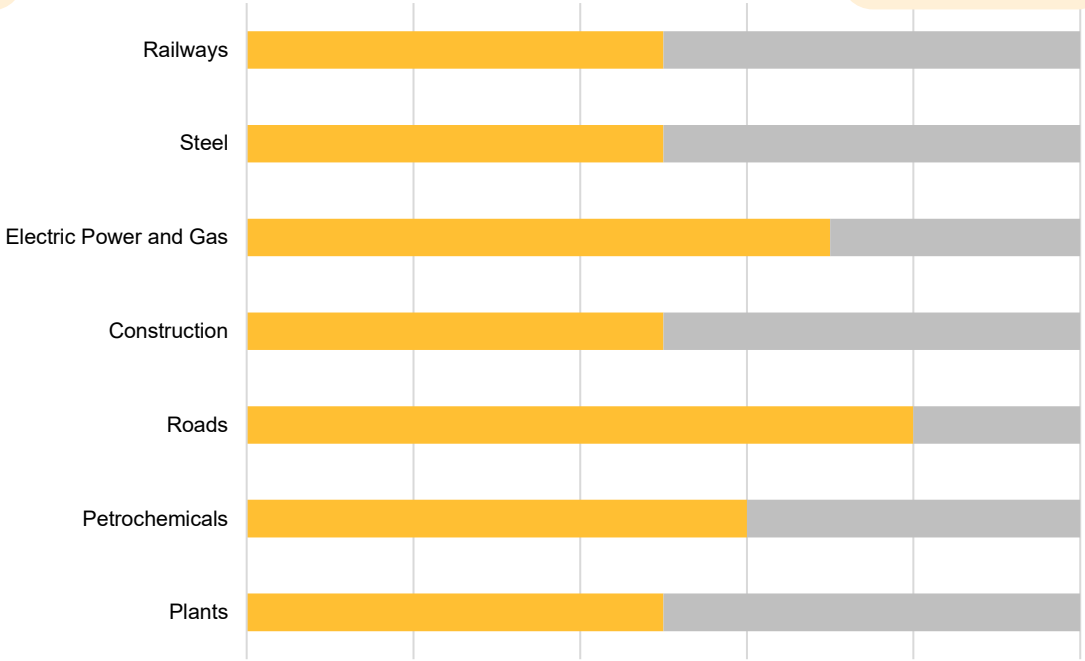
Trends in Number of Customers

Cumulative Number of Customer Companies
410 companies
As of the end of January 2026



Transaction Record with Major Industry Players

Transaction Record with Major Industry Players
Approx. **50** %
As of the end of January 2026



Number of customers: Calculated based on end users

Definition of major industry players: Within the top 10 in terms of Net Sales by industry. Number of customers is calculated based on end users

Balance Sheet (Comparison with End of Previous Period)

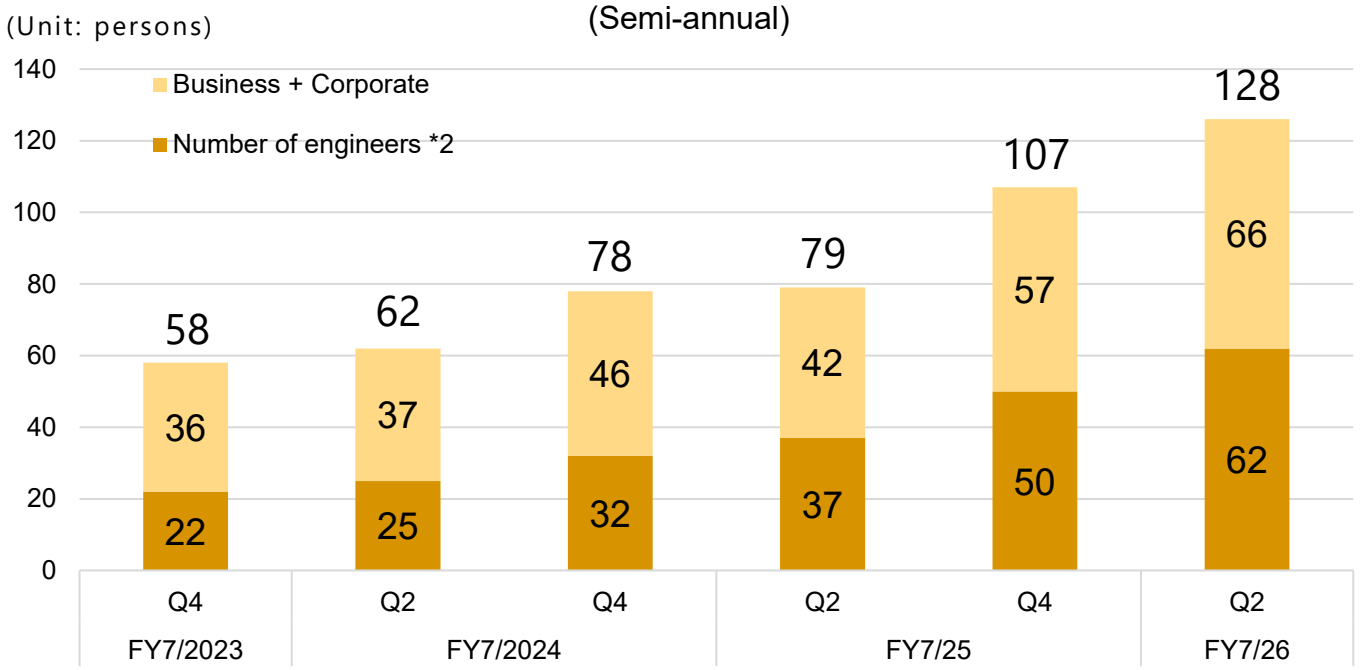
- Expenditure of cash and deposits preceded due to the time lag between SBIR R&D expense expenditure and receipt of subsidies
- Implemented new short-term borrowings of 100 million yen

(Unit: million yen)			End of FY7/2025	FY7/2026 Q2	Change from End of Previous Period	Overview
Assets	Current assets	Cash and deposits	751	532	▲219	Mainly due to increased expenses associated with SBIR R&D expenditures
		Other	710	636	▲74	Mainly due to accrued consumption tax, etc. associated with consumption tax refund ▲68
	Fixed assets	Tangible and intangible fixed assets	133	114	▲19	-
		Investments and other assets	105	102	▲3	-
	Total assets		1,700	1,385	▲315	
Liabilities	Interest-bearing debt		492	559	+67	New short-term borrowings +100, decrease due to repayment ▲33
	Other		275	336	+61	Mainly due to accrued expenses +23, contract liabilities +24
Net assets	Capital stock (including capital surplus)		864	916	+52	Capital increase through third-party allotment +49
	Retained earnings		54	▲461	▲515	Interim net loss ▲516
	Other		13	33	+20	-
Total liabilities and net assets			1,700	1,385	▲315	

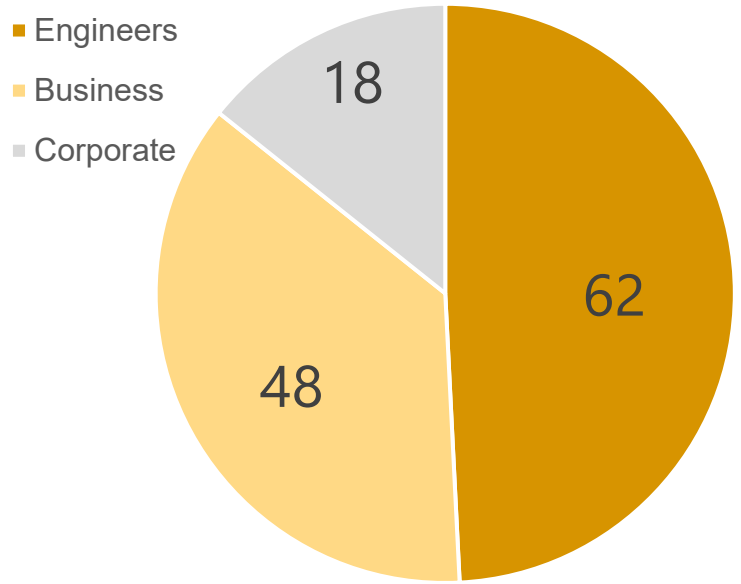
(Semi-annual) Trend in Number of Executives and Employees (As of January 31, 2026)

- Liberaware Co., Ltd. continues to actively recruit engineers who support our technology and promotes projects that form the basis of various growth strategies
- Personnel on the business side and corporate side are also being increased according to the scale of the business, and the main increase in the first half was an increase of 4 people at the Korean subsidiary

Trend in Number of Executives and Employees (*1)



Composition of Executives and Employees



Note: *1 Excluding non-executive officers, including temporary employees
*2 Engineers are defined as those who have specialized knowledge and skills in engineering and information technology and are involved in development, manufacturing, quality control, image processing, etc.

Quarterly Net Sales Breakdown

(Unit: million yen) (Actual totals are rounded down to the nearest million yen)	FY7/2024				FY7/2025				FY7/2026		FY7/2026
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Full-year Forecast
Total Net Sales	73	191	344	205	225	389	364	426	294	402	2,220
Total Drone Business	51	138	221	160	151	143	205	304	218	206	1,158
Inspection solution	24	46	62	36	51	76	56	100	31	76	369
Product provision service (Drone sales)	0	60	127	92	67	36	114	165	143	89	591
Product provision service (Rental)	26	31	31	31	32	32	34	38	44	41	198
Digital twin business	8	18	50	35	31	96	66	29	29	52	412
Solution development business	13	34	72	9	42	146	93	93	44	121	450
New Areas	0	0	0	0	0	0	0	0	2	22	200

Fiscal Year Ending July 2026 Second Quarter Financial Results Report <Activity Report>

Tailwinds for Sewer Drone Utilization Expanding from Both National Budget and Policy Perspectives

- The Ministry of Land, Infrastructure, Transport and Tourism (MLIT) FY2026 water and sewerage-related budget is being expanded, and the trend toward aging infrastructure countermeasures, safety, and DX promotion is accelerating.
- Within this policy direction, Liberaware Co., Ltd.'s IBIS has been featured in budget-related materials, and its recognition as a powerful implementation tool for sewer pipe inspections is growing.

Strengthening Aging Infrastructure Countermeasures in Basic Policy for Water and Sewerage Budgets

MLIT FY2026 Water and Sewerage-Related Budget Increase

令和８年度　上下水道関係予算の内訳

［個別補助金・事業調査費等］　（単位：百万円）

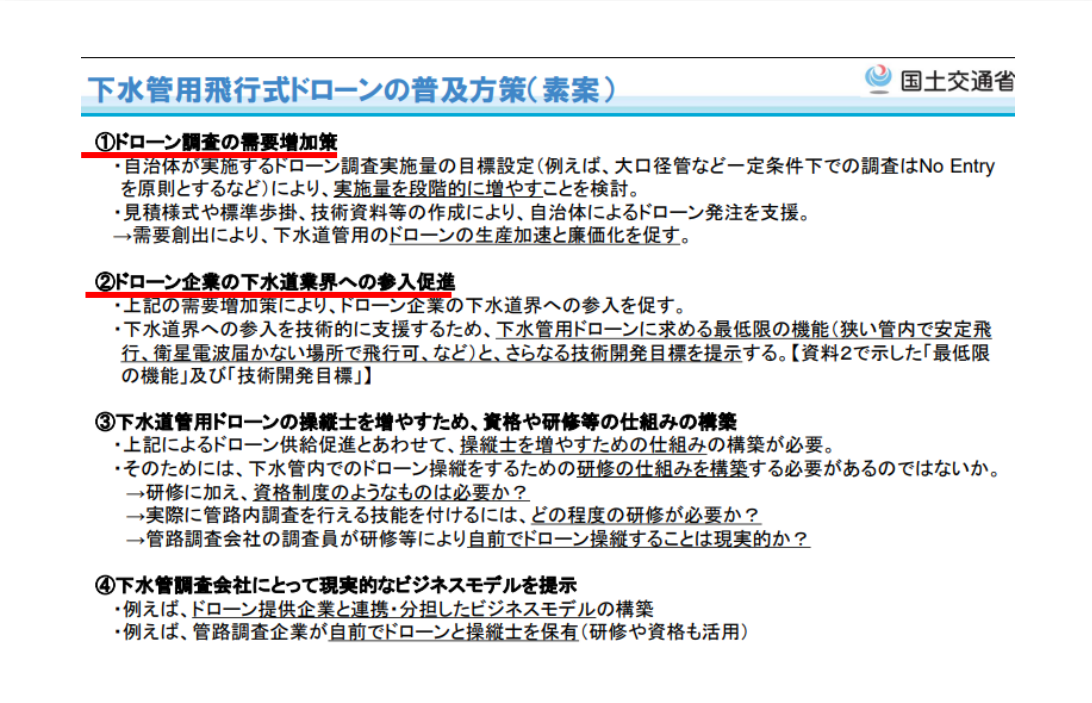
	事業名	令和８年度予算額	令和７年度予算額	対前年度倍率
上下水道	**上下水道一体効率化・基盤強化推進事業費** ・上下水道一体での効率化・基盤強化に向けた取組を支援	3,913	3,600	1.09
上下水道	**上下水道一体効率化・基盤強化推進事業調査費等** ・国が自ら行う上下水道関係の技術実証事業等	2,813	2,809	1.00
水道	**水道施設整備費** ・計画的・集中的な耐震化・老朽化対策や水道事業の事業運営の一体化、安全で良質な給水を確保するための施設整備等の取組を支援	20,417	20,194	1.01
水道	**水道施設整備事業調査費** ・国が自ら行う水道関係の調査等	75	75	1.00
下水道	**下水道防災事業費** ・計画的・集中的な耐震化・老朽化対策や大規模な雨水処理施設の整備、河川事業と一体的に実施する事業等の取組を支援	122,250	102,250	1.20
下水道	**下水道事業費** ・下水道事業の事業運営の一体化や温室効果ガス削減に資する事業、PPP/PFI手法等を活用した事業、下水汚泥資源の肥料化等の取組を支援	9,836	8,564	1.15
下水道	**下水道事業調査費** ・国が自ら行う下水道関係の調査等	883	883	1.00
合計		**160,187**	**138,375**	**1.16**

Excerpt from MLIT "Overview of FY2026 Water and Sewerage-Related Budget," P1 and P2

Institutional Design for the Proliferation of Sewer Drones Takes Shape; Liberaware Co., Ltd. Leads the Way in Implementation

- MLIT presents more specific proliferation measures and utilization schemes for sewer pipe drones
- Ahead of this, Liberaware Co., Ltd. has been collaborating with core industry companies, industry groups, and local governments to promote business development in line with policy directions

Proposals for proliferation measures for sewer pipe drones



下水管用飛行式ドローンの普及方策（素案）

国土交通省

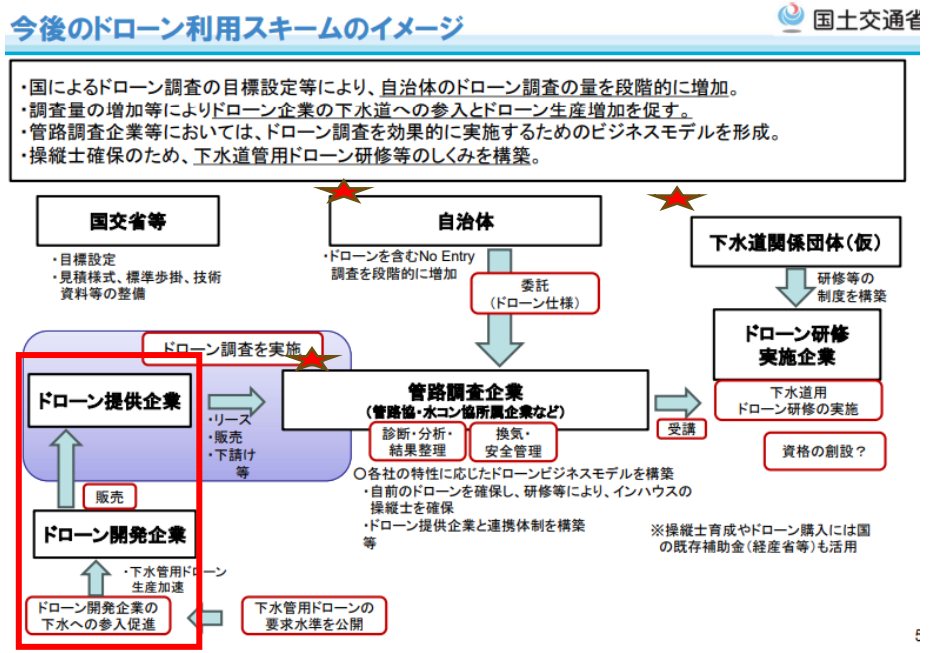
①ドローン調査の需要増加策
・自治体が実施するドローン調査実施量の目標設定（例えば、大口径管など一定条件下での調査はNo Entryを原則とするなど）により、実施量を段階的に増やすことを検討。
・見積様式や標準歩掛、技術資料等の作成により、自治体によるドローン発注を支援。
→需要創出により、下水道管用のドローンの生産加速と廉価化を促す。

②ドローン企業の下水道業界への参入促進
・上記の需要増加策により、ドローン企業の下水道界への参入を促す。
・下水道界への参入を技術的に支援するため、下水管用ドローンに求める最低限の機能（狭い管内で安定飛行、衛星電波届かない場所で飛行可、など）と、さらなる技術開発目標を提示する。【資料2で示した「最低限の機能」及び「技術開発目標」】

③下水道管用ドローンの操縦士を増やすため、資格や研修等の仕組みの構築
・上記によるドローン供給促進とあわせて、操縦士を増やすための仕組みの構築が必要。
・そのためには、下水管内でのドローン操縦をするための研修の仕組みを構築する必要があるのではないか。
→研修に加え、資格制度のようなものは必要か？
→実際に管路内調査を行える技能を付けるには、どの程度の研修が必要か？
→管路調査会社の調査員が研修等により自前でドローン操縦することは現実的か？

④下水管調査会社にとって現実的なビジネスモデルを提示
・例えば、ドローン提供企業と連携・分担したビジネスモデルの構築
・例えば、管路調査企業が自前でドローンと操縦士を保有（研修や資格も活用）

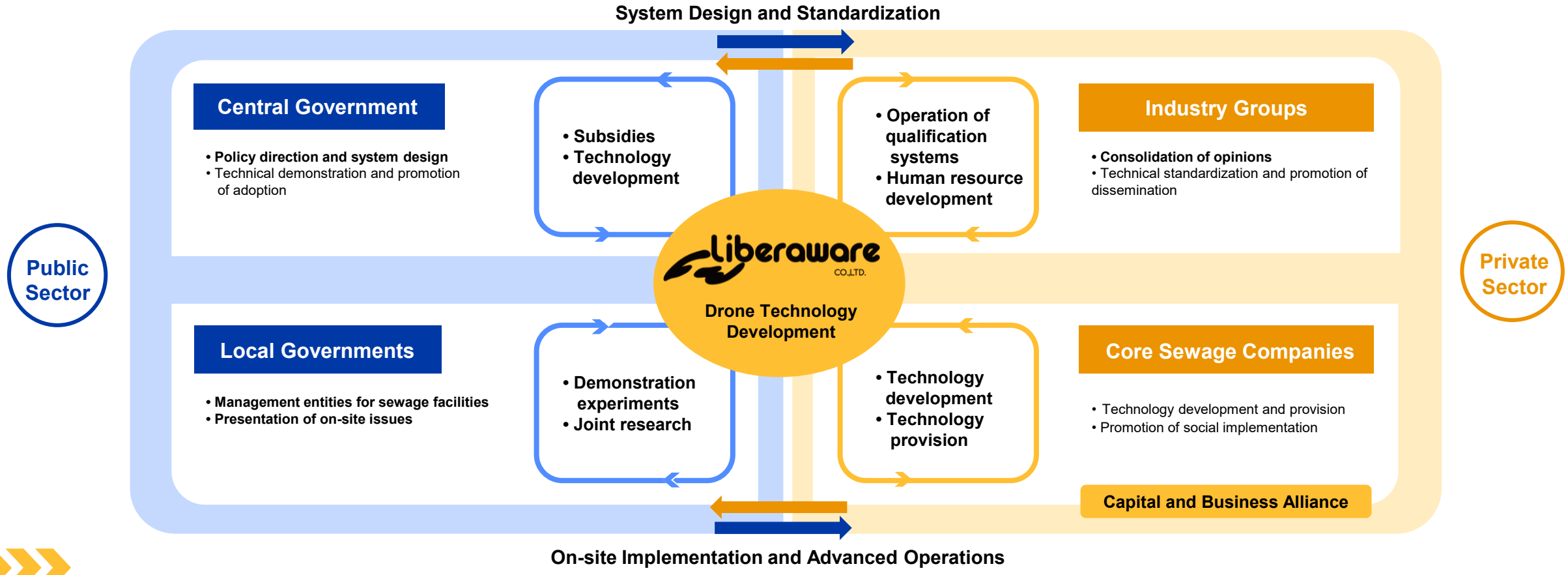
Drone utilization schemes align with the direction of Liberaware Co., Ltd.'s activities



Excerpt from MLIT "Overview of FY2026 Water and Sewerage-Related Budget," P1 and P2

Collaboration with Core Industry Companies, Industry Groups, and Local Governments Nationwide

- In the private sector, Liberaware Co., Ltd. has formed capital and business alliances with core sewage companies and joined major industry groups such as the Japan Sewage Works Association to build a cooperative framework.
- Local governments conduct numerous sewage surveys nationwide. Liberaware Co., Ltd. has been commissioned by the MLIT for FY2025 applied research (sewage) and is currently conducting research.



Short- to Medium-Term: Establishing Status as Standard Equipment for Infrastructure Inspection through Accumulation of Case Studies

- Accumulate numerous case studies through collaboration with core industry companies, industry groups, and local governments nationwide in the sewer sector, and become the standard equipment for sewer investigations
- Furthermore, aiming to establish a position as standard equipment in the nationwide infrastructure inspection market, not limited to the sewer sector

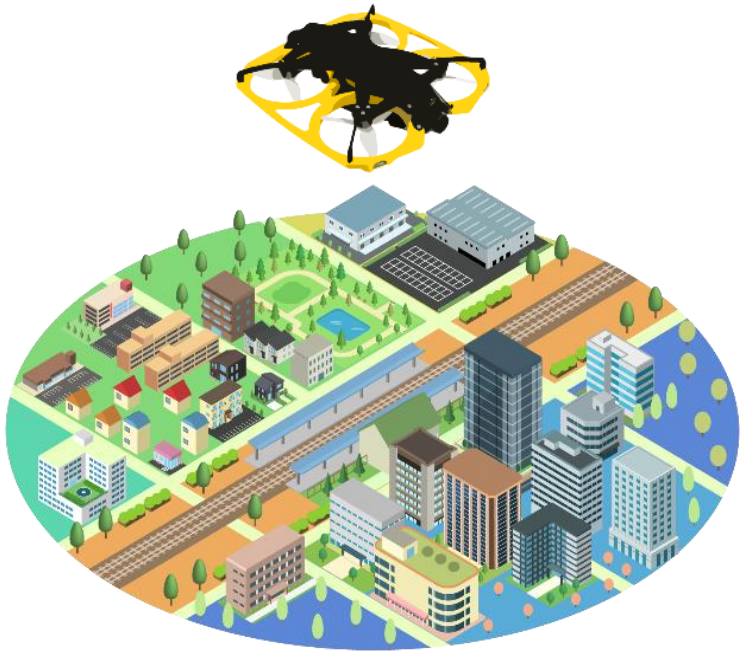
Short-term → **Medium-term**

Accumulation of case studies

Re-evaluation

- Operation flow
- Inspection accuracy
- Data reproducibility

Toward standard equipment for infrastructure inspection



Two New Domestic Distributors for IBIS2 Confirmed, Boosting Nationwide Expansion

Yamada Shokai Holdings Co., Ltd. (Chukyo)

Kyuden Drone Service Co., Ltd. (Kyushu)

Kantool Co., Ltd. (South Kanto)

Newly Joined as Gold Partner Distributors from Q2 Onward!

NEW

MAX Kogyo (Kyushu)

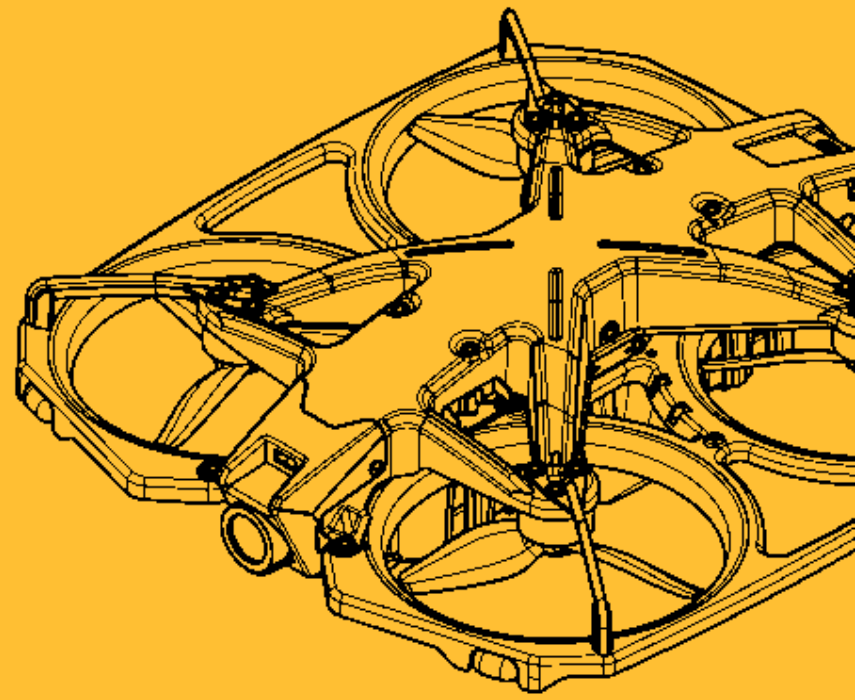
A Kyushu-based, site-oriented company engaged in plant and infrastructure facility construction, also handling domestic drone sales and utilization proposals. Possesses high on-site knowledge cultivated at construction and maintenance sites, along with proposal capabilities based on facility understanding.

NEW

Japan System Bank (Hokuriku)

A company that operates coin-operated parking lots and handles sales and maintenance of parking equipment nationwide. Also manages drone schools and inspection operations. Strengths include a nationwide network and end-to-end operational capabilities covering everything from introduction to operation and maintenance.

04 FY 2026/7 Business Forecast Outlook



FY2026/7 Plan Policy: Maintaining High Revenue Growth Rate and Continuing Future Investments

01 Revenue and Gross Profit Margin

Initial plan is set at a level based on prior year results and growth outlook for the indoor drone market, etc.

- ✓ Revenue incorporates organic growth of existing businesses based on past year results and market growth rates, plus partial revenue contributions from overseas and new products
- ✓ Gross profit margin is planned based on growth rates up to the previous fiscal year, anticipating the impact of increased high-margin drone sales revenue

02 SG&A expenses excluding R&D expenses

Despite demand expansion, increase in sales expenses is limited, but investments for overseas expansion and medium- to long-term growth are on an increasing trend

- ✓ With the transition to the expansion phase, demand continues to increase, and by growing revenue from existing customers, the increase in operating expenses is limited. Investment in human resources for medium- to long-term growth continues
- ✓ For expenses other than personnel costs, Liberaware Co., Ltd. anticipates a certain increase in costs associated with business expansion and advertising expenses. Investment related to overseas expansion, including Korea, continues

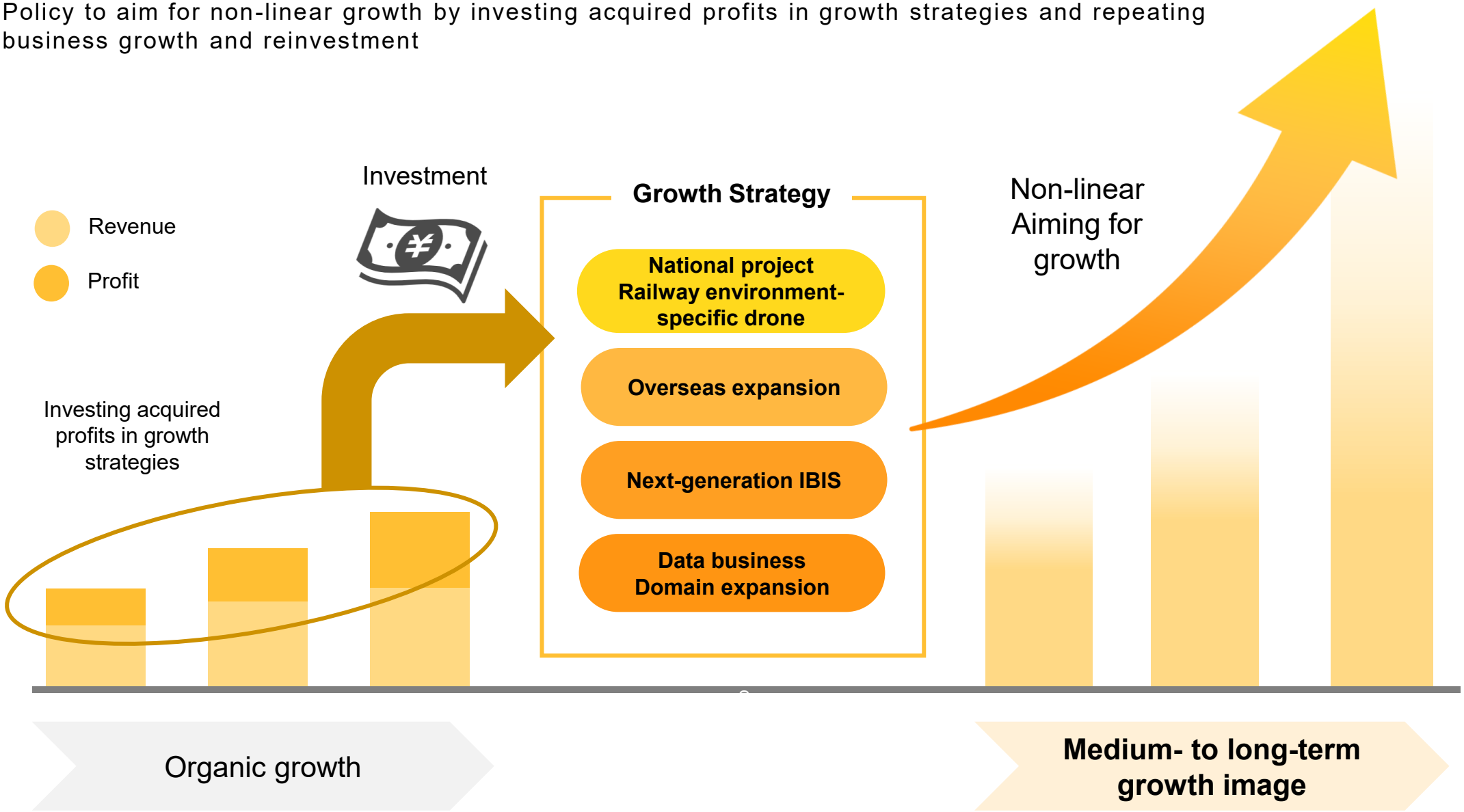
03 Research and development expenses

Overall R&D expenses increase due to phase transitions of national projects and next-generation IBIS products

- ✓ As in the previous year, R&D expenses for two national projects (SBIR) are planned according to the period of each project, taking into account the schedule for receiving subsidies
- ✓ Multiple R&D projects other than national projects are planned. Among them, R&D expenses for next-generation IBIS will increase as development activities accelerate

Continuing investment to realize growth strategy

- Policy to aim for non-linear growth by investing acquired profits in growth strategies and repeating business growth and reinvestment



Full-year earnings forecast for FY 2026/7

- Reflecting strong performance, revenue is expected to increase significantly, but R&D investment for future growth continues
- Ordinary income excluding timing differences in SBIR subsidy income and stock-based compensation expenses is expected to be in the black

(Unit: million yen)	FY2025/7 (Actual)	FY2026/7 (Plan)	Year-on-year Change	Year-on-year Change rate	Overview
Net sales	1,406	2,220	+814	+57%	Aiming to maintain historical growth rate
Gross Profit	669	1,123	+454	+67%	Gross profit margin is expected to increase by 3 percentage points
Gross profit margin	*47.6%*	*50.6%*	*+3 percentage points*		
Selling, general and administrative expenses	2,258	3,535	1,277		
Personnel expenses and operating expenses	654	869	+215		
R&D expenses excluding SBIR	89	330	+241		
SBIR R&D expenses	1,514	2,335	-+821		
Operating loss	(1,588)	(2,412)	(824)		
Non-operating income	1,647	2,244	+597		Mainly subsidy income related to SBIR
Non-operating expenses	11	9	(2)		
Ordinary Profit/Loss	46	(177)	(223)		Decreased profit mainly due to timing differences in SBIR subsidy income
(Adjusted ordinary income)	-	3	-		Ordinary income from core business is expected to be in the black
Net income	46	(178)	(224)		Decreased profit mainly due to timing differences in SBIR subsidy income

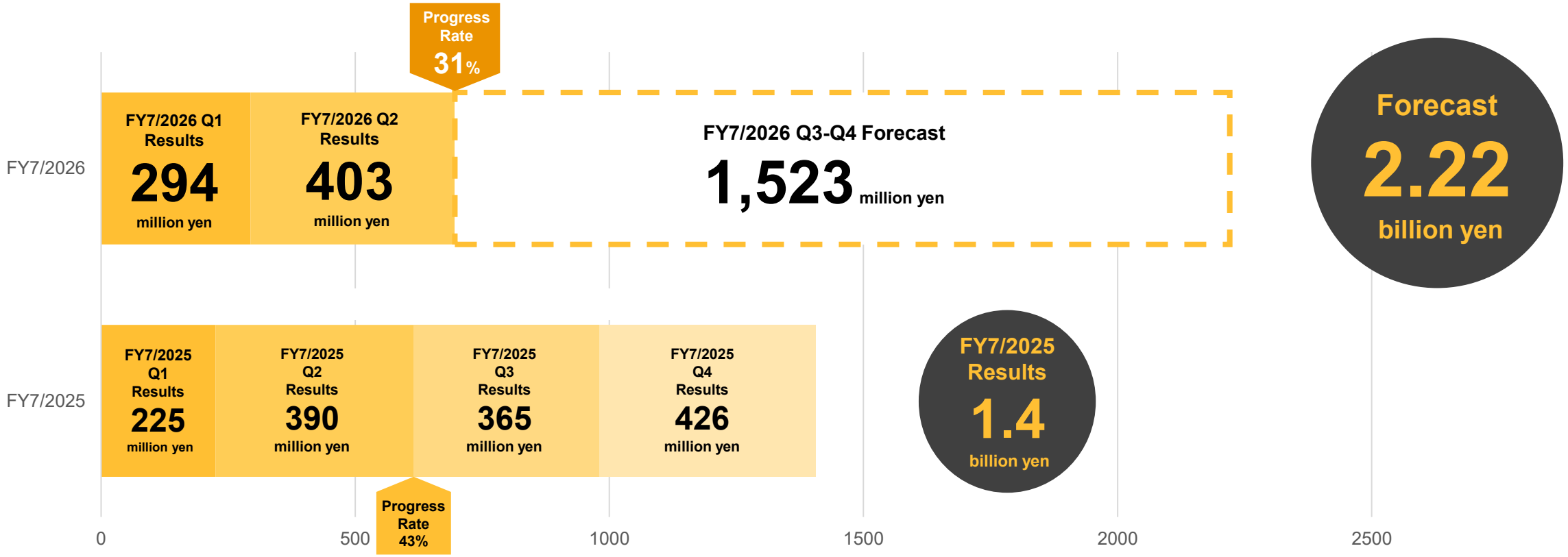
・Continued investment in business-side human resources is anticipated

・SBIR R&D expenses will enter full-scale development from FY07/25, and in FY07/26 will transition to the next phase with development including various systems, resulting in further increases
・Other R&D expenses will also accelerate investment in products such as next-generation IBIS

Ordinary income excluding the impact of timing differences in SBIR subsidy income and stock-based compensation expenses

Quarterly Net Sales Progress Rate Against Full-Year Business Performance Forecast

- Although the progress rate for the second quarter remained at 31% of the full-year business performance forecast, Liberaware Co., Ltd. determined that this can be covered as the third quarter is the busiest period and the various growth strategy activities promoted in the first half are expected to launch.

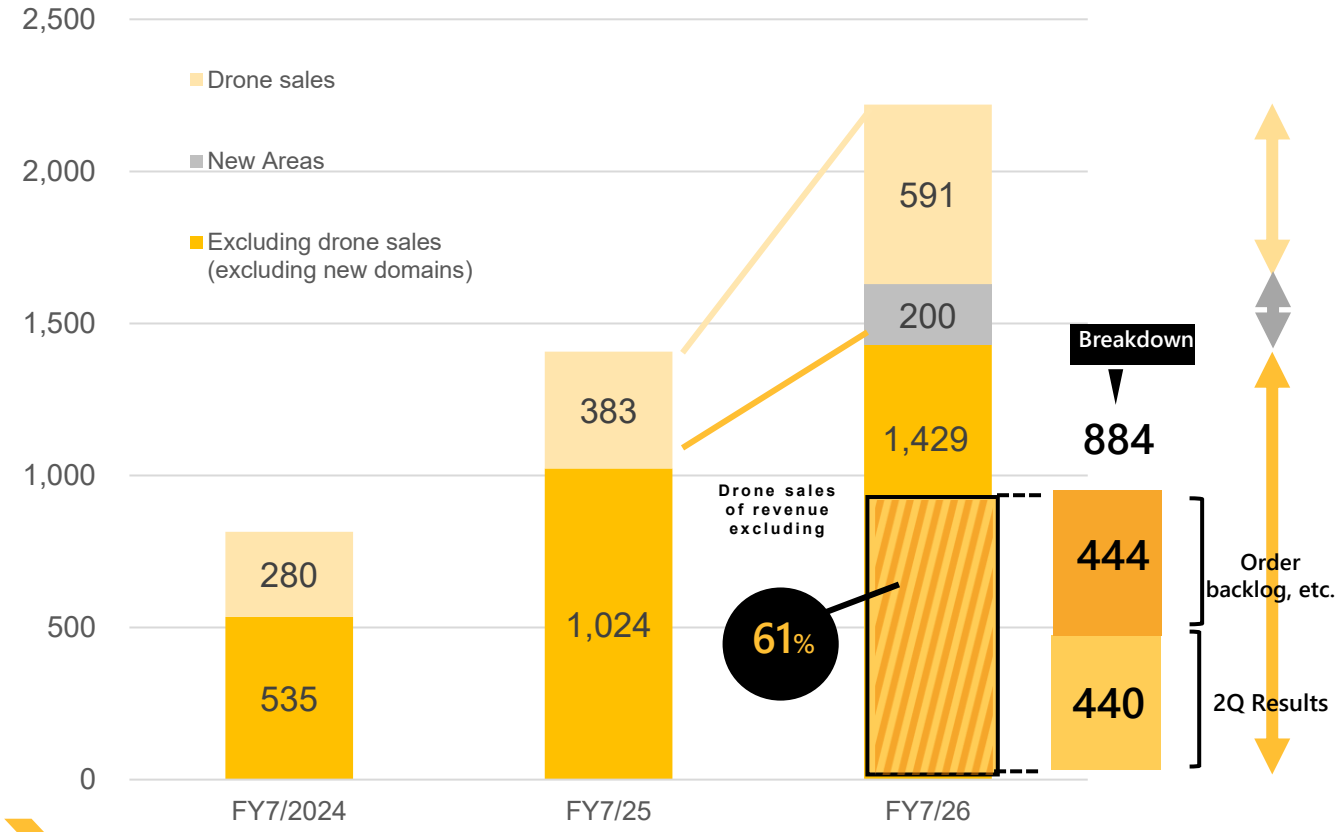


Explanation of Net Sales Forecast

- Drone sales are expected to land around the first-half budget level, while the pipeline for 3Q and beyond is building up steadily.
- Revenue excluding drone sales (excluding new domains) has seen an accumulation of orders, etc., but further activities are required from 3Q onwards.
- As the new domains involve overseas markets and new products, most of the ramp-up will occur from the second half of the fiscal year.

Revenue Trends by Category

(Unit: million yen)



Drone sales

Unit: Number of sets *1	Q1	Q2	2nd Half	Total
FY7/2026 (Plan)	1st Half 30		43	73
FY7/2026 (2Q Results)	18.5	11	-	29.5

Revenue excluding drone sales

2Q Results	440	2Q results for revenue excluding drone sales
Breakdown of order backlog, etc.	304	Inspections for existing customers and order backlog from solution development projects, etc., continuing from the previous fiscal year
	140	Remaining months of ARR for monthly income services such as rental services
Total	878	2Q results + order backlog, etc.

Note: *1: In principle, two drones are sold as one set. If sold as a single unit, it is converted as 0.5 sets.
ARR (Annual Recurring Revenue)

Revenue trends by business segment/service category (year-over-year comparison)

- Although drone sales were strong, the slow start of inspection and digital twin businesses resulted in a decrease compared to the same period of the previous year

Drone business

Inspection solution

Due to many free sewer surveys and small-scale projects, significantly decreased compared to the same period of the previous year

Product provision service

Drone sales steadily increased
Rental services also grew steadily

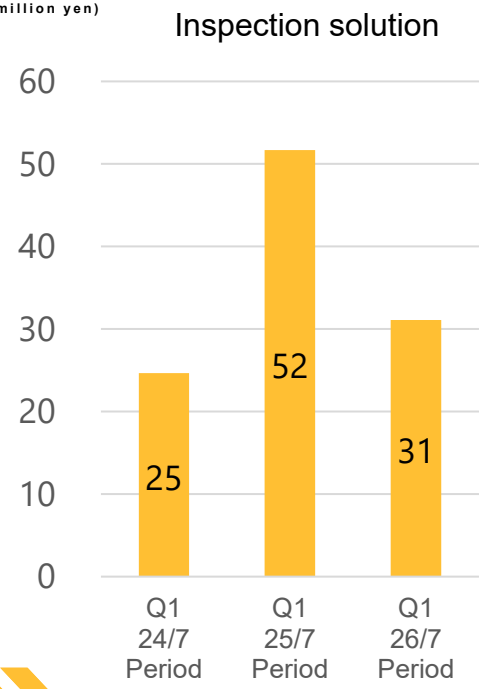
Digital twin business

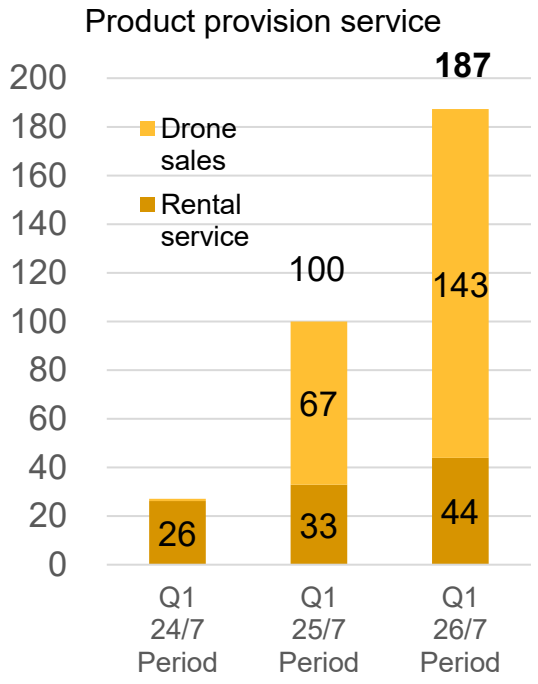
Due to low data processing revenue linked to inspection solutions, remained at the same level as the previous year

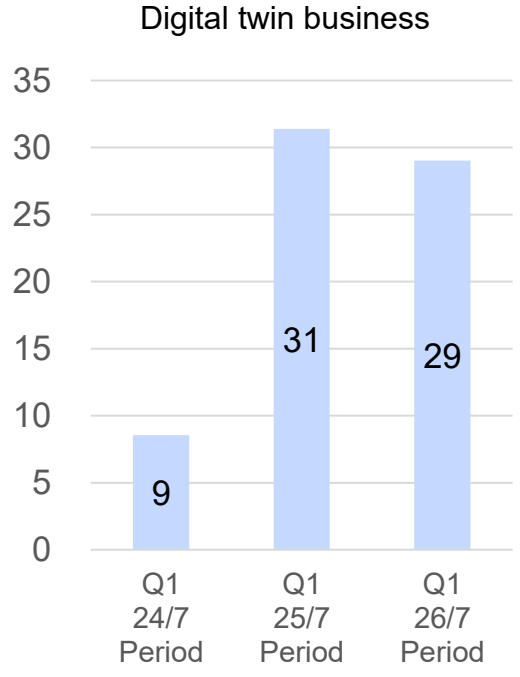
Solution development business

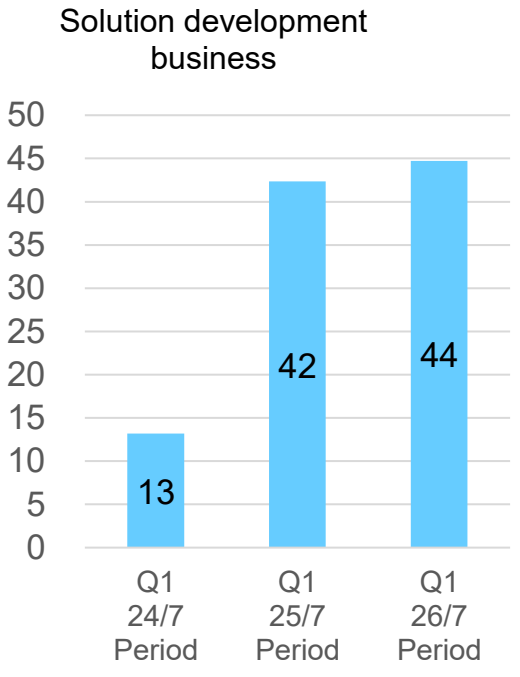
Projects continuing from the previous fiscal year accounted for the majority, resulting in the same amount as the same period of the previous year

(Unit: million yen)



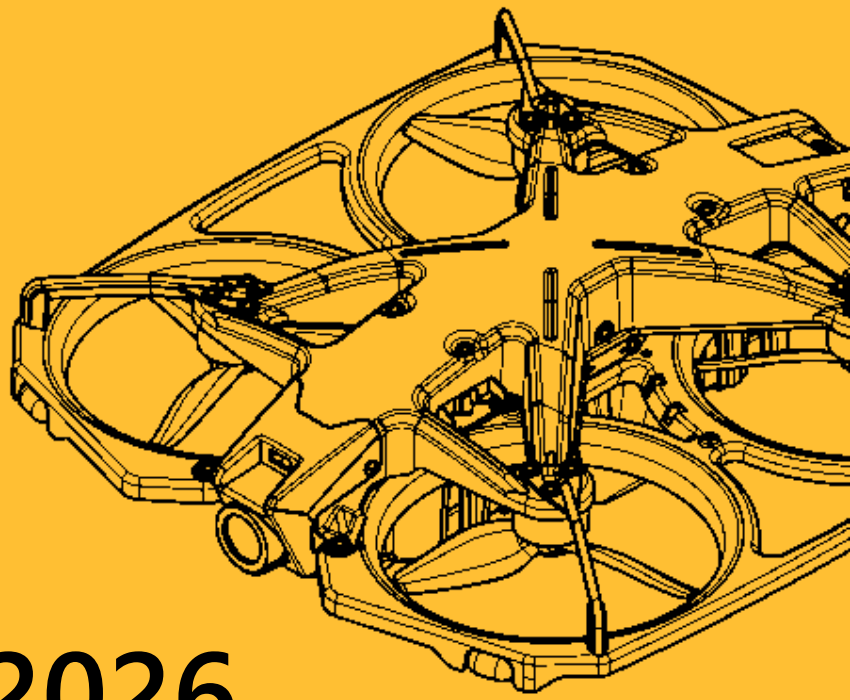






Note: First quarter revenue for new business areas was 2 million yen

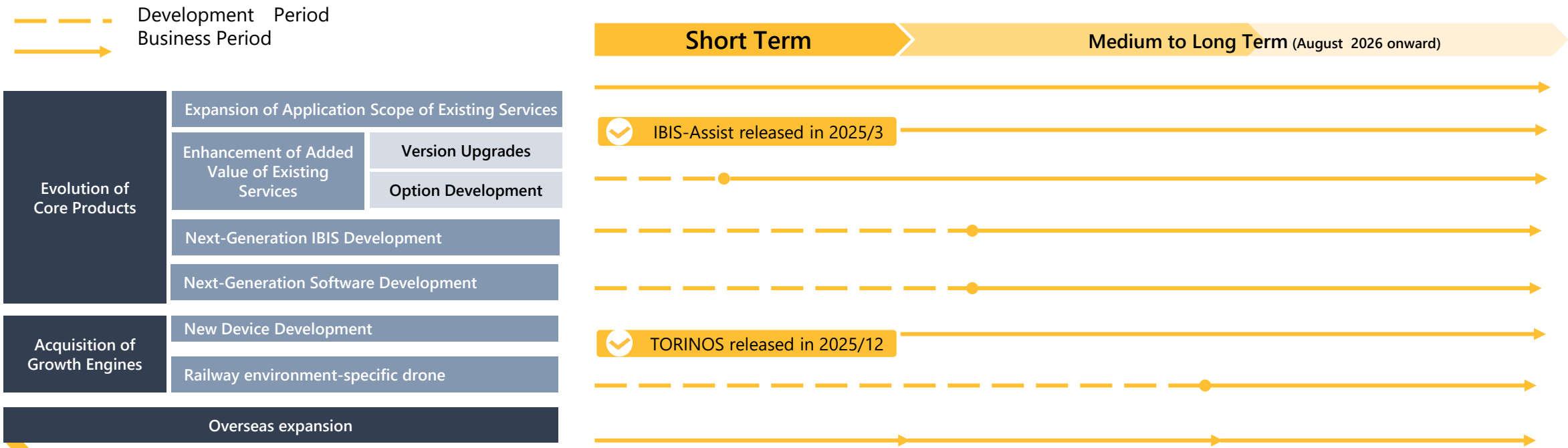
05 Progress of Growth Strategy Fiscal Year Ending July 2026 Second Quarter



FY26/7

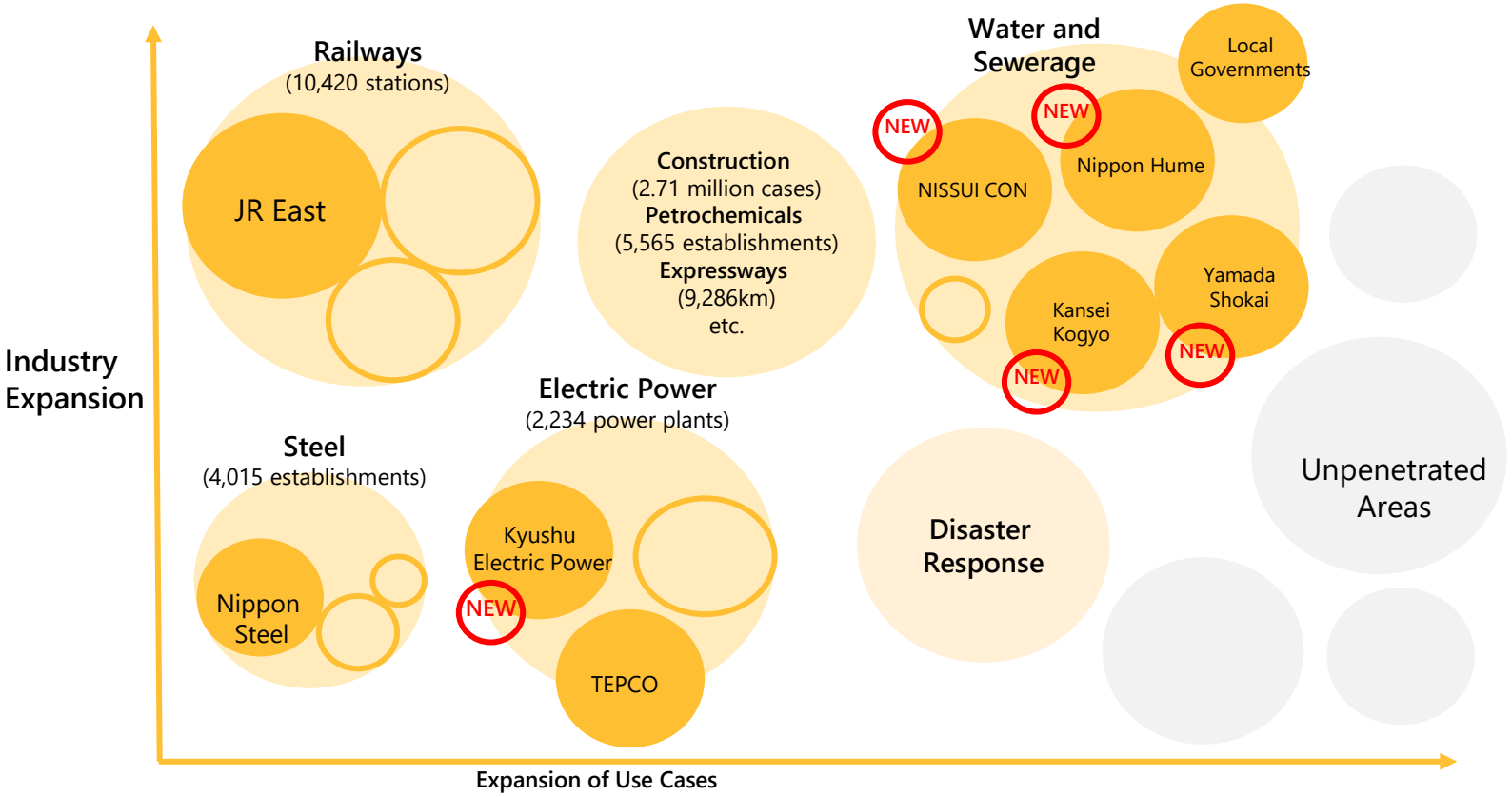
Accelerating continuous growth by expanding business domains with co-creation as the core axis and enhancing added value of existing services

- Promoting functional enhancement of core products and solution development through co-creation to create sources of growth potential
- Strengthening collaboration with JR East Group, steel manufacturing, electric power industries, etc., and expanding use in public sectors such as disaster response
- Promoting development of new devices and railway environment-specific drones to acquire medium- to long-term growth engines
- Established subsidiary in South Korea and continuing market research in Asian regions centered on Malaysia



Industry Expansion through Deepening into Major Industries and Expansion into New Areas

- Expand use cases by co-creating with industry leaders to understand needs, and aim for deepening and horizontal expansion within each company.
- Develop new industries and new areas based on acquired use cases and expertise, with the sewerage industry as a recent example.



Expansion of Use Cases in Existing Industries

✓ Use cases such as factory piping and ducts are created, and the use of indoor drones spreads within those industries.

✓ Similar environments exist in other industries.

Demand for Inspection due to Aging, etc.

✓ With the expansion of indoor drone awareness, the progression of aging infrastructure, and national resilience measures, demand for drones is increasing against the backdrop of labor shortages, etc.

Expansion of Use in New Industries

✓ Liberaware Co., Ltd. possesses use cases and expertise in similar environments, based on which use is spreading to new industries.

Note: Number of stations: Geospatial Information Authority of Japan (as of April 2024); Number of establishments in the steel and petrochemical industries: Ministry of Economy, Trade and Industry, Census of Manufactures (FY2020); Number of construction sites: Ministry of Land, Infrastructure, Transport and Tourism, Survey on Building Reform and Renewal (non-residential buildings)Distance of expressways: Ministry of Land, Infrastructure, Transport and Tourism, Various Data on Roads; Number of power plants (total of thermal, nuclear, and hydroelectric): Agency for Natural Resources and Energy, Statistical Tables (as of March 2024)

National Project Participation: Solution Development for Improving Operational Efficiency at Construction Sites

- Developing solutions for the digitalization and remote operation of construction management using drones and 3D modeling technology to improve operational efficiency at construction sites (Subsidy grant amount: 470 million yen, Project period: March 2024 to June 2026)

Construction Know-how × Liberaware

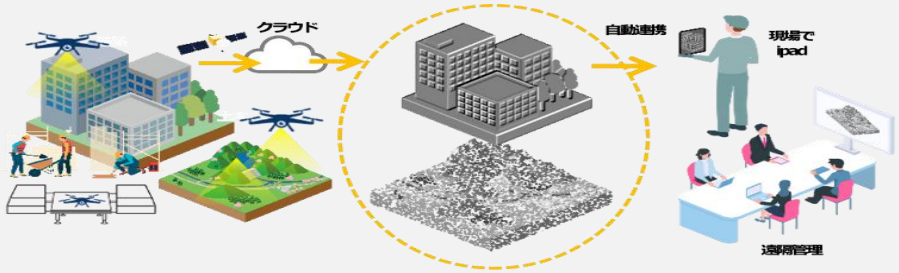
✓ In construction work for earthworks, tunnels, dams, etc., **remote automatic patrol drones are used to perform automatic patrols and measurements, automatic data analysis (3D modeling, AI analysis, etc.) based on measurement images,** and integrate the analysis data **into construction management software and cloud systems to** achieve **"automation of construction sites."**

✓ As a solution for the labor shortage in the construction industry, **operations will start in the fall of 2026, entering a market with a scale of 251.3 billion yen.**

(1) Remote autonomous flight Automatic integration of captured data

(2) Point cloud processing 3D model generation

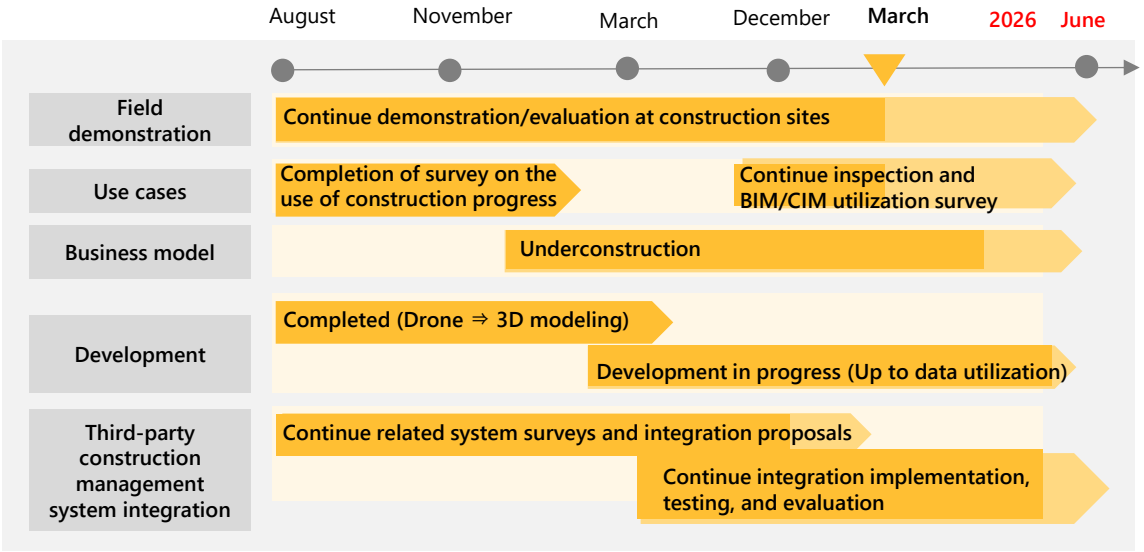
(3) Integration with construction site systems



Project Progress: Demonstrations are underway toward the start of business from July 2026

✓ In addition to the continuous operation of weekly remote automatic surveying using existing drone ports, **Level 3.5 flight (*) demonstration has been completed,** confirming that safe operation is possible.

✓ Promoting verification for commercialization, including progress management using BIM/CIM models and point clouds, creation of point clouds with accuracy suitable for as-built measurement, crack detection using AI, safety management, and the use of 3D Gaussian Splatting for compliance.



*Note: * Refers to beyond visual line of sight (BVLOS) flight performed automatically or autonomously in uninhabited areas without on-site assistants. By meeting specified conditions, entry management measures such as the placement of assistants or signs can be omitted even in places where the possibility of entry by third parties cannot be excluded.*

National Project Participation: Drone Solution Development for Railway Inspection

- Development of drone solutions specialized for the railway environment to solve labor shortages and safety issues in the railway business,which started in April 2024 (Subsidy grant amount: 5.2 billion yen, Project period: April 2024 to March 2028)

Subsidy grant amount

5.2 billion yen

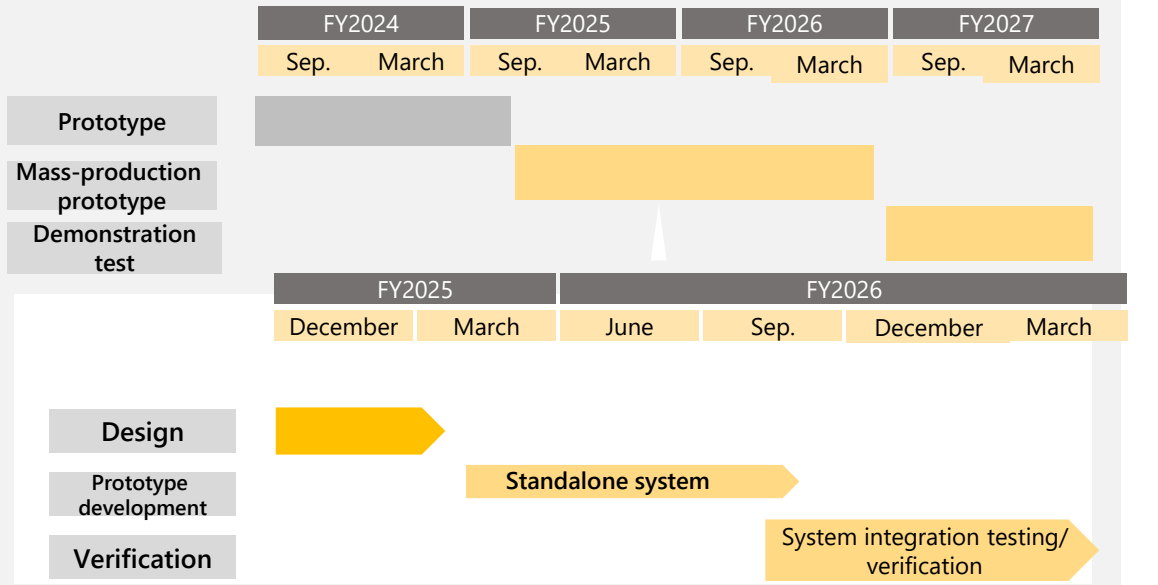
Amount received by FY7/2025	1.32 billion yen

Consortium members

Drone	Site
Liberaware	JR東日本
Data	**Control/Communication**
CalTa	KDDI SmartDrone

Project progress: Mass-production prototype under development

✓ Completed requirement definition for mass-production prototype and moved to the prototype development phase



Drone Solution Image for Railway Inspection

- Establish a solution that provides end-to-end support for railway inspections, from work requests to drone flight and 3D modeling, replacing the maintenance tasks daily performed by workers at railway sites

Remote planning without visiting the site ~Execution through to site status confirmation

Work Request

Safe flight with track recognition AI

*Development image; differs from the actual product

Monitoring and Control

Centralized management of multiple drone operations at the control center

3D Modeling

Conducting 3D data analysis, AI analysis, and time-series management, etc.

Envisioned Use Cases

- Replacement of on-site inspection tasks
- Response to disasters, abnormalities, etc.

Market Potential of Drone Solutions for Railway Inspections

- Even when limited to domestic railway operators, the SOM for this service is estimated at approximately 200 billion yen

TAM, SAM, and SOM for this service*123

Overall market size for inspection work related to facility Infrastructure targeting railway operators worldwide	Market size of inspection work that can be initially replaced by this service for railway operators worldwide	Market size of inspection drones targeting railway operators throughout Japan
This service can theoretically replace all tasks related to railway infrastructure inspection	Since the aging of the railway environment and the risk of securing inspection personnel are inferred to be observed worldwide, service provision is possible	This service initially targets domestic railway operators, and service provision is possible as multiple operators have already been approached

Regarding the estimation of market potential: Estimated by "Deloitte Tohmatsu Consulting" based on interviews with railway operators and public information

Assumptions for calculated figures

*1: The market size was calculated by estimating the extent to which labor costs for inspection work could be reduced by introducing this drone service, based on interviews with railway operators.
Market size = Number of inspection personnel per inspection type (persons) x Inspection frequency (times/year) x Inspection reduction rate by this service (%) x Labor cost unit price for inspections (yen)

*2: Assumes that labor costs for inspections are proportional to track distance.

*3: Labor cost unit price, number of inspection personnel, number of personnel involved in inspections for each railway operator, operating distance of each railway operator, etc., were calculated based on public information and interviews with railway operators, as well as the results of calculations based on those.

Participation of Multiple Railway Operators in the Railway SBIR Project

- Currently, six railway operators are participating in this project
- Five out of the six JR Group companies are participating, including three from Honshu plus JR Kyushu and JR Shikoku

JR東日本 JR東海 JR西日本

JR四国 JR九州 西武鉄道

Demand in the Public Sector and Expansion of Policy Support Boost the Introduction of Unmanned Aerial Vehicles in Japan

- Potential tailwind for companies promoting "domestic drones"
- Support for domestic production x Increase in public demand leads to expectations for expanded growth opportunities for Liberaware Co., Ltd., a domestic drone manufacturer

Defense

Unmanned Asset Defense Capability
277.3 billion yen
(FY2026 Budget Proposal (*1))

"Unmanned Assets" Utilizing UAV/USV/UUV, etc.
Raising the required level with maintenance as a priority area

→ Increased demand for defense applications also promotes technological advancement on the civilian side

In the Ministry of Defense's FY2026 budget proposal (*1), the acquisition of multi-purpose drones is clearly stated as part of "strengthening disaster response capabilities," and expectations are rising for the disaster response and information gathering fields among defense-related demand.
(Within defense, SAR (Search and Rescue) field)

Liberaware Co., Ltd. also has a certain level of capability to respond to these fields through information gathering technology in confined spaces and hazardous environments.

(*1) Compiled by Liberaware Co., Ltd. based on the Ministry of Defense's "Overview of the FY2026 Budget Proposal" P6, P8, P19, P51

Industrial Base

Target for Building a Mass Production Base
80,000 units per year (*2)
(2030)

METI's study group presented a mass production base that satisfies "applications requiring stable supply and information security"

→ Development of domestic supply chains including parts is progressing

METI has set a goal to build a mass production base of 80,000 units per year by 2030
to meet applications requiring stable supply and information security.
There is a possibility that the supply system will be developed not only for finished aircraft but also for critical components such as batteries and motors.

Liberaware Co., Ltd. also entered into a business alliance in January 2026 with VFR Inc., which has strengths in the design and manufacturing of drones and software, and is promoting collaboration to play a part in the domestic mass production and supply system.

(*2) Compiled by Liberaware Co., Ltd. based on the "Interim Report" P18-P20 of the Study Group on Strengthening the Unmanned Aircraft Industrial Base on December 24, 2025

Economic Security

Support for Domestic Production through Designation as Specified Critical Materials

The government has designated unmanned aerial vehicles as "Specified Critical Materials" **(*3)**

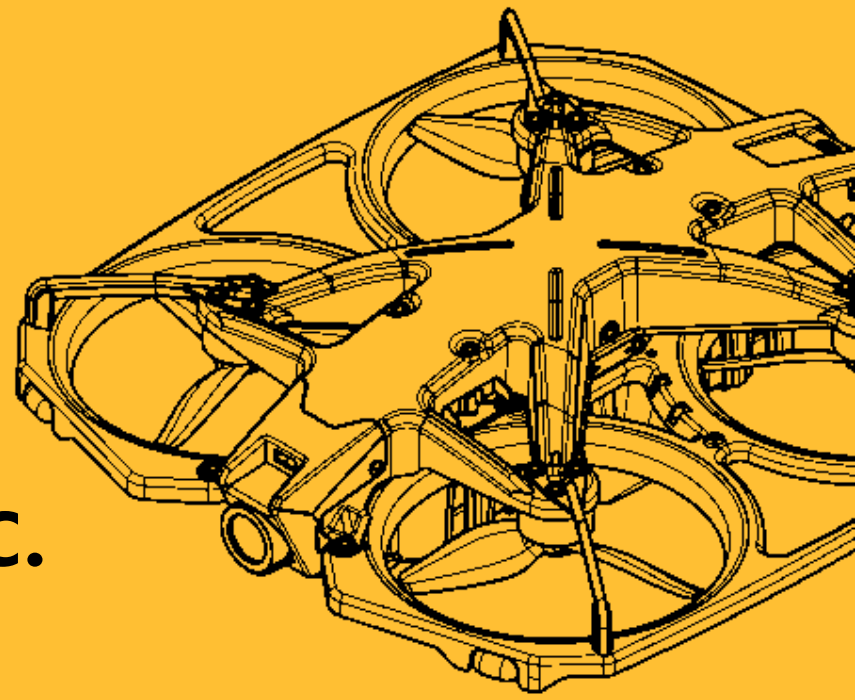
→ Potential for accelerated support for domestic drones through subsidies for R&D and capital investment

The government has positioned unmanned aerial vehicles as specified critical materials, and through R&D and capital investment subsidies,
it is supporting the establishment of a stable supply system for domestic aircraft and critical components.

As a domestic drone manufacturer, Liberaware Co., Ltd. is also strengthening its business foundation
to play a part in the stable supply system through the development of aircraft and peripheral systems.

(*3) Cabinet Office website: Initiatives for Supply Chain Resilience (System for Ensuring Stable Supply of Critical Materials)

06 Appendix
(1) Company overview, etc.



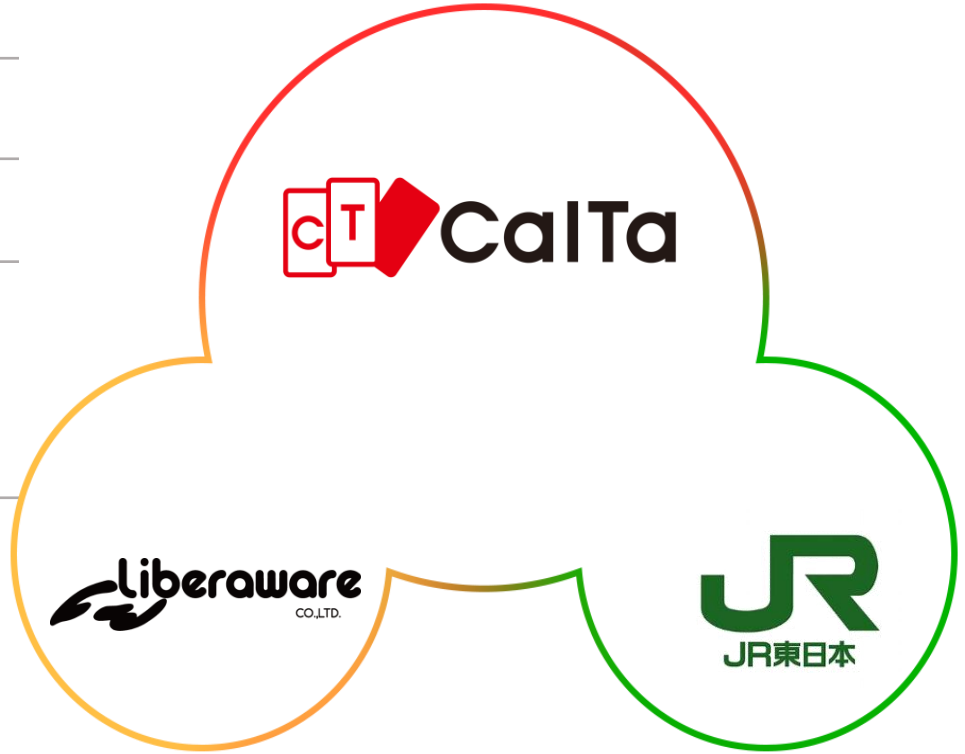
Company Overview (Liberaware)

Company Name	Liberaware Co., Ltd.
Established	August 22, 2016
Number of Employees	128 employees *Excluding non-executive directors, including temporary employees and dispatched workers (as of the end of July 2025)
Related Companies	Liberaware Korea Co., Ltd. (100% Korean subsidiary) CalTa Co., Ltd. (joint venture company with JR East Japan Group)
Major Corporate Shareholders	East Japan Railway Company: 11.6% shareholding
Location	Head Office: Fujimoto Dai-ichi Seimei Building 6F, 3-3-1 Chuo, Chuo-ku, Chiba City, Chiba Tokyo Office: Mita JEBL 4F, 3-9-7 Mita, Minato-ku, Tokyo
Business Description	・Drone Business: Survey, inspection, and surveying services using drones, etc., sales and rental services of in-house developed drones, etc. ・Digital Twin Business: Image processing and data analysis services of data acquired by drones, etc., and license provision of the company's image processing technology ・Solution Development Business: Contract development business providing a wide range of solutions from hardware to software

Officers	CEO Hongkyu Min Director Kohei Hayashi CFO Junya Ichikawa Director Tetsuya Wada Outside Director Minoru Moriya Board External Auditor Shigeki Hitomi External Auditor Ryozo Aoki External Auditor Shunsuke Inoue Executive Officer Taro Uchida Executive Officer Kohei Koyama Executive Officer Kwisong Chon Executive Officer Koki Ito

Related Company Overview (CalTa)

Company Name	CalTa Co., Ltd.	
Established	July 1, 2021	
Location	Takanawa Sengakuji Ekimae Building 9F, 2-18-10 Takanawa, Minato-ku, Tokyo	
Business Description	・Inspection, survey, and surveying services using drones, etc., data processing and analysis services ・Provision of digital twin platform "TRANCITY" ・Development of digital twin and other software	
Shareholders	Liberaware Co., Ltd. JR East Japan Startup Co., Ltd. JR East Japan Consultants Company	34% 33% 33%



Management team

- A diverse management team from various industries leads the organization and business

Representative Director Hongkyu Min

ü Completed Master's Program in Engineering, Graduate School of Engineering, Chiba Institute of Technology (Master's degree)
ü At Chiba University, participated as a researcher in the Ministry of Economy, Trade and Industry and Agency for Natural Resources and Energy's "FY2013 Project for Establishing Technology Infrastructure for Decommissioning of Power Reactors and Safety" and the "Research Project on Tough Robot-type Disaster Response Flying Robots," engaging in system development of disaster response flying robots
ü Based on the experience from this project, with the desire to develop drones that better meet field needs and compete globally with Japanese manufacturing, established Liberaware Co., Ltd. in August 2016

Director Kohei Hayashi

ü At Nippon Steel Corporation, engaged in supply and demand management of steel supply chains, etc.
ü Subsequently, at Toray Industries, Inc., oversaw water purifier business for China, and while stationed in Hong Kong, engaged in supply chain management for major SPA companies
ü At Raksul Inc., responsible for management of printing partner companies and new business development

CFO Junya Ichikawa

ü Certified Public Accountant
ü Engaged in auditing of listed and pre-IPO companies and IPO support services for pre-IPO companies at Deloitte Touche Tohmatsu LLC
ü Joined Liberaware Co., Ltd. after serving as Head of Administration at a newly established venture company

Director Tetsuya Wada

ü Graduate School of Engineering, Department of Future Robotics, Chiba Institute of Technology
ü Engaged in the development of laser sensing systems
ü Established Liberaware Co., Ltd. in August 2016

Executive Officer, General Manager of SBIR Business Development Department Taro Uchida

ü Engaged in energy-saving proposals for large-scale factories and the launch of solar power generation and waste fuel businesses in the Environmental Energy Department at ORIX Corporation
ü After transferring to investment-related departments, experienced Daikyo TOB and VC investment/secondment

Executive Officer, CHRO Kohei Koyama

ü Consistently engaged in human resources at Rakuten, Inc. and Mercari, Inc., with experience from the launch to expansion of global talent initiatives
ü Joined Liberaware Co., Ltd. after working at a financial startup

Executive Officer, General Manager of Growth Strategy Department Kwisong Chon

ü At ORIX Corporation's Information and Communication Business Division, engaged in solution sales for ICT enterprise clients. Engaging in the launch of new businesses with major telecommunications infrastructure operators
ü Responsible for equity finance operations in the New Business Development Department. Winner of the internal open call for new business proposals

Executive Officer, General Manager of Smart Safety Business Department Koki Ito

ü Engaged in financial consulting sales for business succession and asset management primarily for high-net-worth individuals including corporate owners at Nomura Securities Co., Ltd. Accumulated extensive management experience including youngest section manager and new employee training supervisor
ü Subsequently gained sales experience at an independent M&A advisory firm and a legal tech AI company before joining Liberaware Co., Ltd.

Social Issue: Aging of Facilities

- With the aging of infrastructure and facilities, the need for maintenance is increasingly growing

Infrastructure

Road bridges over 50 years old

30% → 75%

2020 **2040**

In addition to road bridges, tunnel aging is also serious

Facilities

Factories and commercial facilities over 50 years old

5.6 million m² → 140 million m²

2021 **2040**

Particularly offices, stores, factories, etc. completed in the 1970s to 1990s are aging

Equipment

Many aging facilities Require high-frequency maintenance

30% vs 59%

Less than 20 years after installation **50 years or more after installation**

Comparison of the ratio of maintenance performed 21 or more times per year between facilities less than 20 years old and 50 years or older after installation

Source: Ministry of Land, Infrastructure, Transport and Tourism "Current Status and Future of Social Capital Aging," "Building Stock Statistics," Ministry of Health, Labour and Welfare "Survey and Analysis Report on Safety Measures for Aging Production Facilities"

Policy Trends

- The government is also focusing on supporting drone-related startups, and policy trends such as deregulation of inspection-related operations and strengthening of overtime regulations are tailwinds for the popularization of drone use

Support for drone companies under the SBIR system

29.4 billion yen (*1)

Analog regulations (*2) Review

Approximately 10,000 provisions reviewed

Grace period for overtime regulations

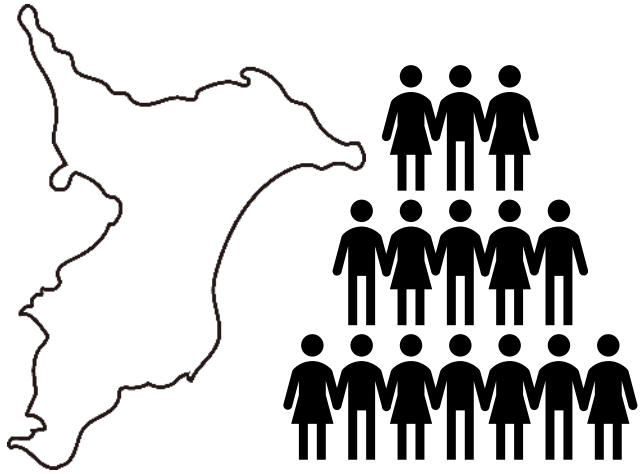
Strengthening of overtime regulations

*Note:*1 Extracted and aggregated companies engaged in drone business, flying car business, etc. by Liberaware Co., Ltd. from SBIR selection results*
2 As an alternative to analog methods such as visual inspection, with the intention of introducing and popularizing inspections using devices such as drones and digital technologies, on June 14, 2023, the Act for Partial Amendment of the Basic Act on the Formation of a Digital Society, etc. for Promoting Regulatory Reform for the Formation of a Digital Society was passed

Social Issue: Declining Labor Population and Productivity Improvement

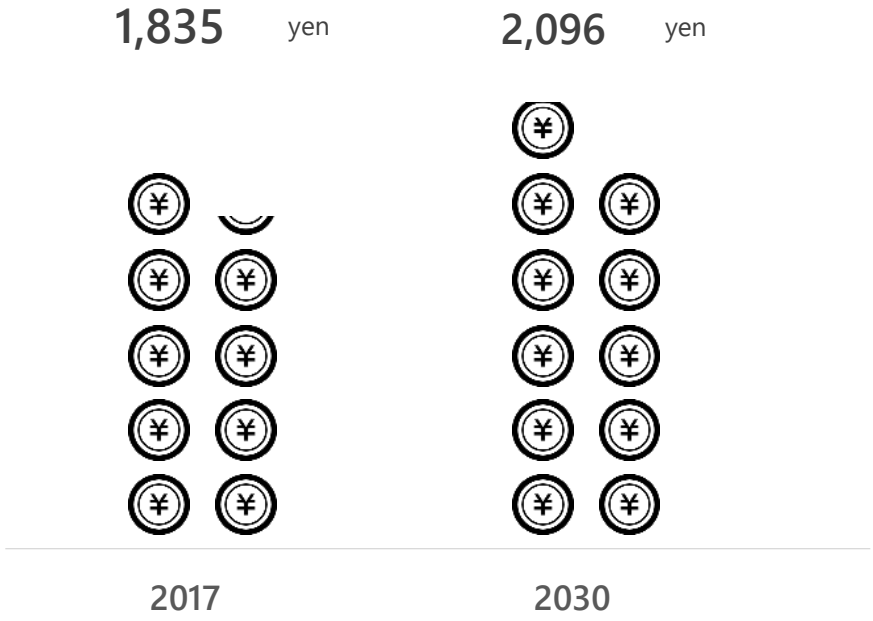
- By 2030, there will be a shortage of 6.44 million workers, and wages are expected to exceed 2,000 yen per hour, necessitating improvements in labor productivity

Labor population



Total population of Chiba Prefecture (6.278 million as of May 1, Reiwa 6) A shortage of 6.44 million **in labor population**, which is more than the total

Hourly wage



Source: Persol Research and Consulting "Future Forecast of Labor Market 2030," Chiba Prefecture Monthly Resident Population Survey

MISSION

Create a society where safety is accessible to all

So that the social infrastructure supporting people's lives continues to be taken for granted, we clarify the various risks lurking in social infrastructure such as commercial facilities, transportation facilities, and plants through free thinking and new technologies, thereby preventing unprecedented accidents and disasters and creating a society where safety is accessible to all.

VISION

Making invisible risks visible

Through our proprietary world's smallest-class inspection drones and data editing , analysis technologies, we realize inspections of "narrow, dark, and dangerous" spaces that have been considered difficult untilnow, and by thoroughly visualizing invisible risks that could not be detected by conventional inspection methods,we fundamentally transform the way indoor facility inspections are conducted.

Business Model

- Providing DX solutions for infrastructure facilities using hardware technologies such as drones and software technologies such as processing, handling, and managing captured images and videos

Hardware

Confined space inspection drone

Special environment specialized drone

Compact and lightweight

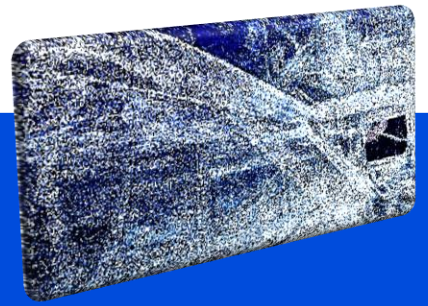
Confined space compatible

IBIS

Software

Confined space data analysis technology

Digital Twin Platform



Point cloud

Volume

Differential analysis

Ortho

LAPIS

Acquires data from narrow and dark indoor spaces inaccessible to humans

Quantifying and digitizing equipment conditions in confined and dark spaces

Business Model

- Providing three businesses and various services using drones and digital twins

01 Drone Business (Hardware)

Inspection Solution

Inspecting facilities and equipment using IBIS2 and other drones, and providing captured videos to users

Product Provision Service

Sale and rental of IBIS2 to businesses seeking to expand operations using drones, businesses seeking to operate drones at their own facilities, etc.

02 Digital Twin Business (Software)

Data Processing and Analysis Service

Processing and providing video data of facilities and equipment captured using IBIS2 and other drones through LAPIS, including three-dimensional conversion, orthorectification (*2), and other image processing

Digital twin platform

Provision of licenses for image processing functions of "TRANCITY"

03 Solution Development Business

Implementing a wide range of solution development from hardware to software based on Liberaware Co., Ltd.'s technical capabilities and know-how, including development of drones tailored to customer needs, digital twins, and digital management systems

*Note: *1 Technology that reproduces a copy of physical space in digital space based on information acquired from physical space using IoT sensors and other devices*
**2 The process of correcting aerial photographic images captured as central projections from drones, radio-controlled helicopters, aircraft, satellites, etc., to create orthographically projected aerial photographic images*

Composition ratio by business

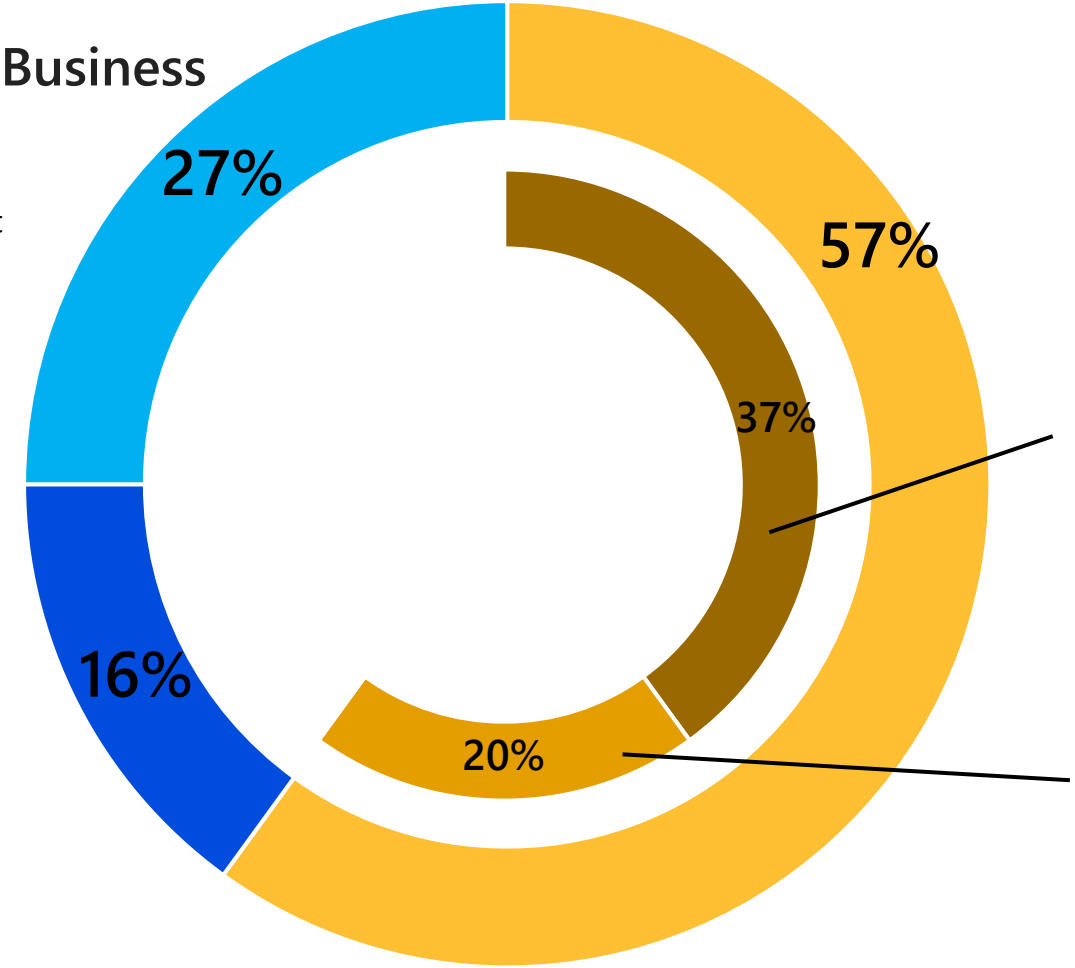
- The Drone Business accounts for approximately 60% of the total. The Digital Twin Business has contributed to revenue within two years of full-scale launch

Solution Development Business

✓ Nuclear power plant drone survey project
✓ Development of drones for forest flight and radiation dose measurement
✓ Surveying application development
etc

Digital Twin Business

✓ Image processing such as 3D conversion and orthorectification
✓ Three-dimensional conversion/BIM conversion of entire buildings
✓ Volume measurement, AI analysis
✓ TRANCITY license fees



Drone Business

Breakdown

Product Provision Service

✓ Rental and sale of "IBIS2"
✓ Maintenance services and training services associated with the above

Inspection Solution

✓ Sewer inspection
✓ Inspection of ceiling spaces in station buildings
✓ Equipment inspection of incinerators, boilers, etc.

Hardware:
About the confined space inspection drone "IBIS2"

- IBIS is an industrial compact drone suitable for inspection, survey, and measurement in "narrow, dark, and hazardous" environments
- As an in-house developed domestically produced drone, Liberaware Co., Ltd. has independently developed flight control algorithms, mechanisms, and housings, and has paid particular attention to component parts such as motors and cameras to realize a drone that can withstand harsh environments

Flight control algorithm

Proprietary algorithm developed from scratch

- Nonlinear robust control ensures stable flight in confined spaces
- Capable of flying in pipes with a minimum diameter of 500mm

Dust-proof motor

Maximizing the efficiency of in-housedesigned propellers

- Co-developed with Nidec Corporation
- Possesses dust-proof performance equivalent to IP5X, ensuring failure-free return even in harsh environments with large amounts of dust

Mechanism and housing

Robust airframe that withstands crashes and collisions

- Robust design achieving both light weight and impact resistance through structural analysis
- Development of high-efficiency propellers through aerodynamic analysis and adoption of ducted fans

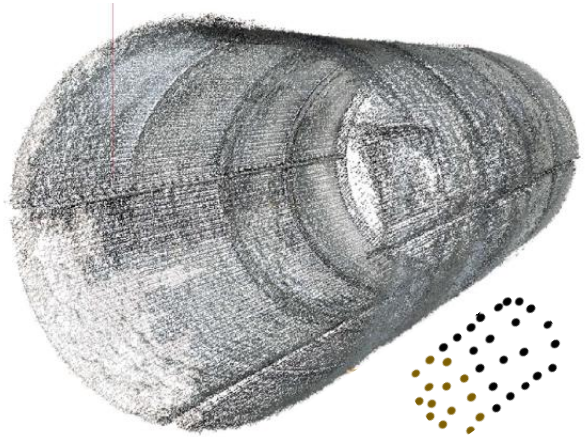
High-sensitivity camera

In-house camera enabling three-dimensional conversion even in dark locations

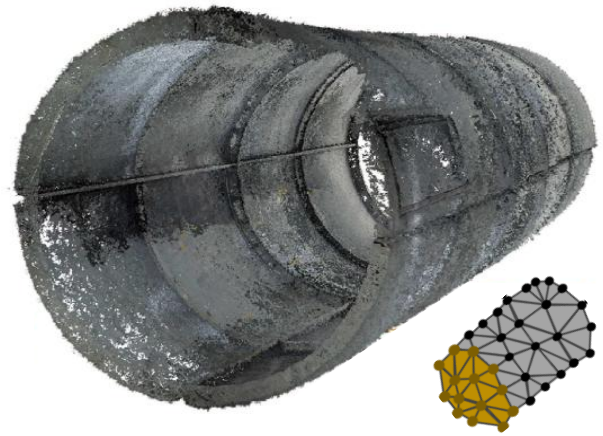
- Capable of capturing images from 2m away even in environments without light sources
- Accurately detecting equipment abnormalities such as color changes, cracks, and corrosion

Digital Twin Business:
Overview of Data Processing and Analysis Service

- Using the software "LAPIS", which incorporates Liberaware Co., Ltd.'s three-dimensional conversion technology, processing and analysis of videos acquired through inspections are performed
- Data analysis based on customer needs is also provided, including three-dimensional difference detection comparing past and present and volume calculations



Point Cloud Data
Contains scale information, enabling the creation of drawings and verification of dimensions

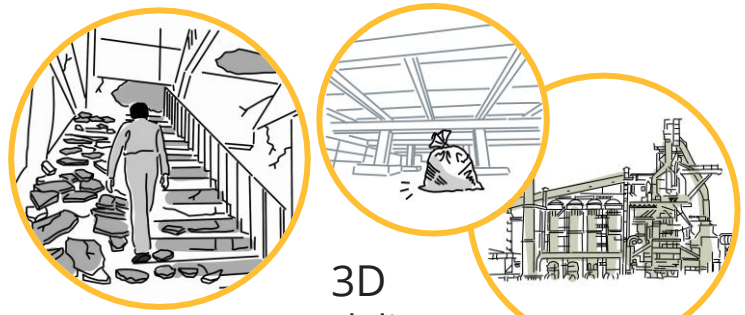


Three-dimensional images (photogrammetry)
Image textures applied to point clouds, providing not only dimensions but also information such as texture

Ortho images
Distortion-free images enabling accurate identification of detailed information such as concrete cracks

Digital Twin Business: 3D Analysis Cloud "LAPIS"

- LAPIS is software that performs 3D analysis and enables 3D modeling of environments with high processing difficulty: "narrow, dark, and hazardous"
- Can integrate with various image processing, AI analysis, BIM, and other drawing creation tools



3D Modeling

Differential Detection Technology

Anomaly Detection

AI Analysis

LAPIS for Drones

LiDAR *

Drone

Robot

BIM Model

Segmentation

Report Creation

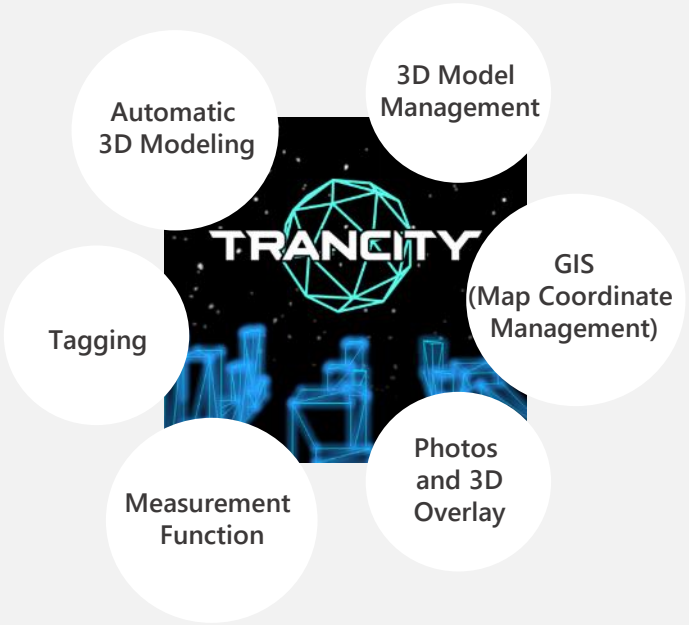
Volume Measurement Model

*Note: * LiDAR (Light Detection And Ranging): A technology that measures the distance to an object and the shape of the object based on information from reflected laser light*

Digital Twin Platform " TRANCITY" Overview

- Enables 3D modeling and point cloud data generation from videos captured by drones or smartphones ⇒ Improves efficiency of construction work and maintenance operations
- Developed based on LAPIS image processing technology, and the platform is provided by CalTa
- Can be viewed on any device, with a track record of more than 11,900 users* including JR East Japan

Digital Twin Platform "TRANCITY"



Easy Data Acquisition with Various Devices

Easy Sharing Anytime via Cloud

** Changed this quarter to a metric considered more appropriate for indicating TRANCITY usage frequency*
Total number of users on the TRANCITY user registration screen as of the end of May 2025, with users who have contracted multiple projects counted multiple times (CalTa estimate)

Strengths and Competitive Advantages

- Achieving No.1 in indoor inspection usage through hardware and software strengths and strong business relationships with major corporations

Cumulative Number of Client Companies

More than 410 companies

As of the end of 2026/1

1

Hardware Technology Advantage

- Harsh Environments × Confined Spaces
- Acquisition of Hard-to-Obtain Data

Small and Lightweight | Dust Resistance

Low-Light Capability | Heat Resistance

Flight Control During Collision

2

Data Technology Advantage

- Data Processing in Harsh Environments
- Analysis for Decision-Making

3D Modeling Accuracy and Acquisition Method

Analysis Solutions

Automatic Processing

IAPIS for Drones

3

Business with Major Corporations

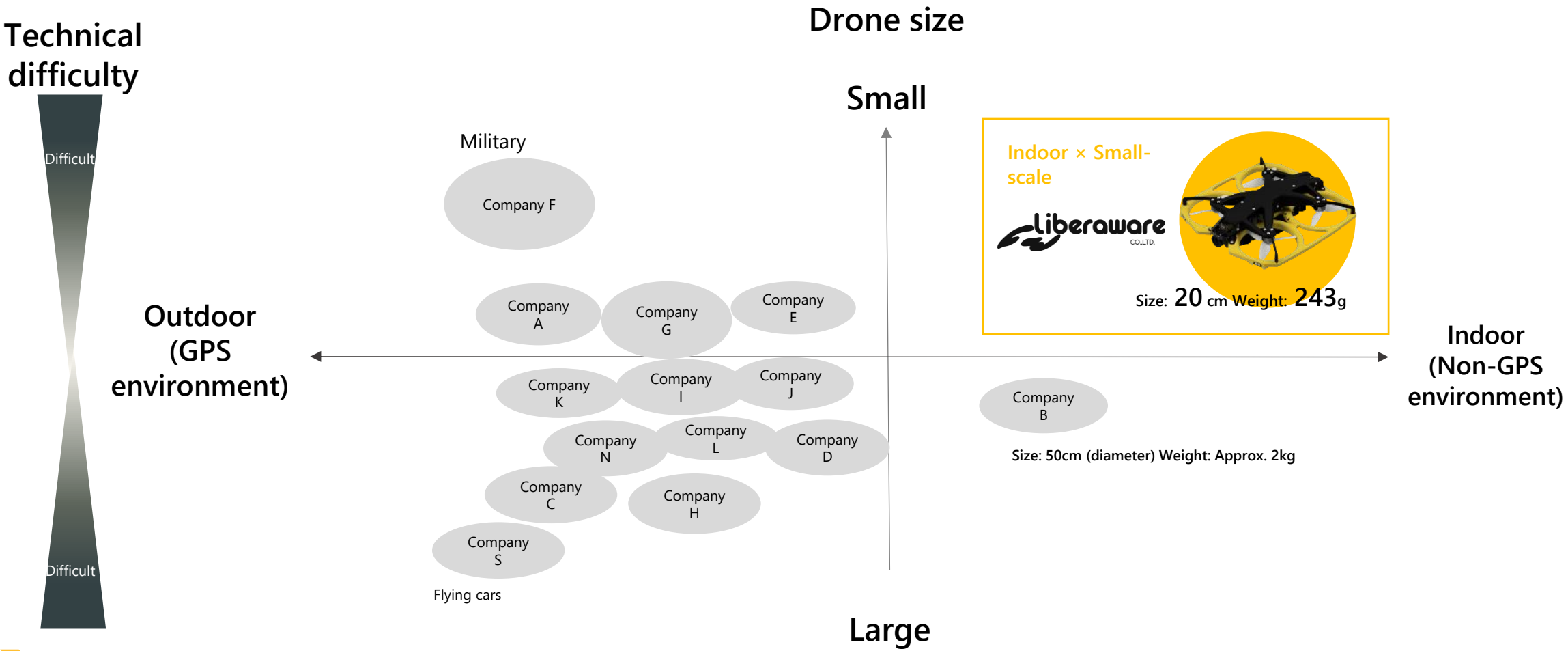
- Switching Costs
- Strong Branding

CalTa

JR東日本 × Liberaware

Strengths and competitive advantages (Hardware): Development of domestically produced small industrial drones

- Capable of flying in non-GPS environments, world's smallest class* as an industrial aircraft, enabling inspection and survey of areas difficult for other companies to inspect
- Building solutions by collaborating with other companies to acquire information in spaces other than indoor spaces, which are Liberaware Co., Ltd.'s strength



*Note: *Based on Liberaware Co., Ltd. research*

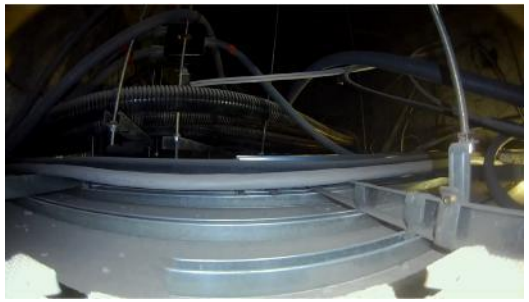
Strengths and Advantages (Software): 3D Digitization Technology for Harsh Environments

- Liberaware Co., Ltd. possesses 3D digitization technology for "narrow, dark, and harsh" spaces that are difficult for other companies to handle
- Liberaware Co., Ltd. provides BIM* conversion services for existing buildings, delivering 3D digital drawings to users

3D digitization of harsh environments

3D digitization of narrow, dark, and harsh spaces (e.g., ceiling cavities)

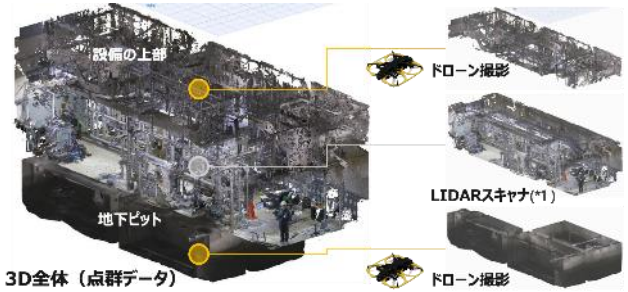
Video



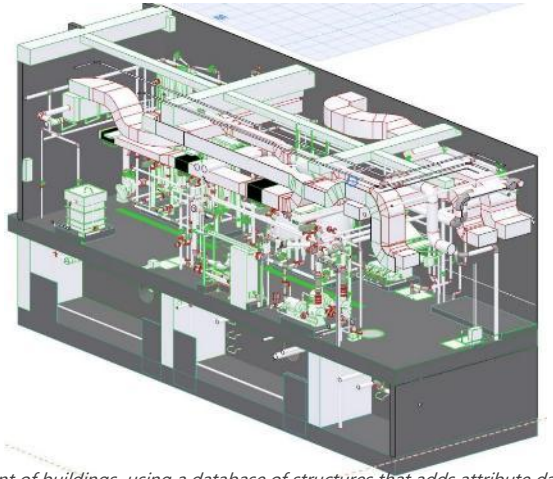
3D point cloud data

BIM conversion of entire buildings

Photographing old buildings without drawings or with incorrect drawings using drones, etc., and converting them into drawings



BIM (3D drawings)



*Note: *Abbreviation for "Building Information Modeling," which refers to a solution for utilizing information across all processes from design and construction to maintenance management of buildings, using a database of structures that adds attribute data such as management information to a 3D digital model of a building created on a computer*

"IBIS2" is suitable for "narrow, dark, harsh, and dangerous" environments

- Indoor confined space inspection drones are suitable for a wide range of environments, and can replace environments that are difficult for people to work in

Narrow environments

With proprietary flight control and miniaturization**, it can enter spaces with a diameter of 50 cm**, enabling inspections even in narrow environments where people cannot enter

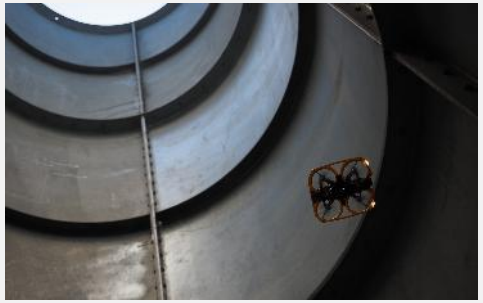
Harsh environments

Even in harsh environments such as dust-filled or high-temperature environments**, the dust-proof motors and robust airframe** enable the drone to return without failure

Dark environments

Even in dark environments, it can approach inspection points **and capture clear images with a high-sensitivity camera**

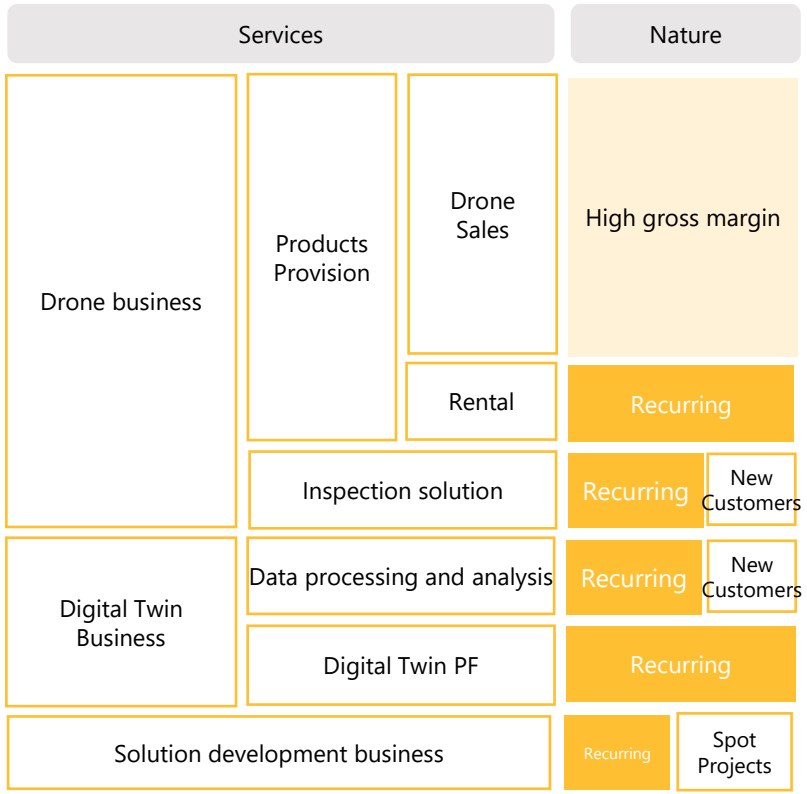
Dangerous environments

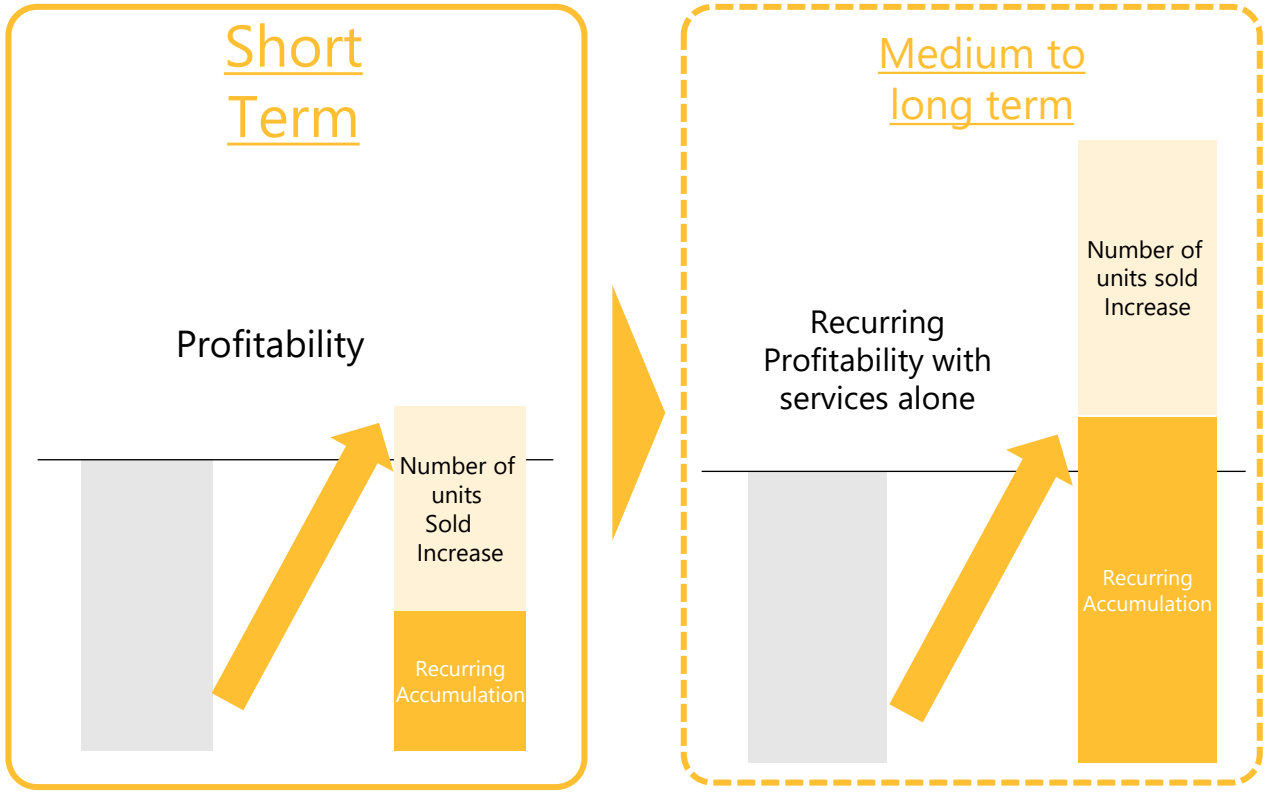


Safe work is possible even in dangerous spaces filled with radiation or gas, or at high altitudes where there is a risk of falling

Revenue Model

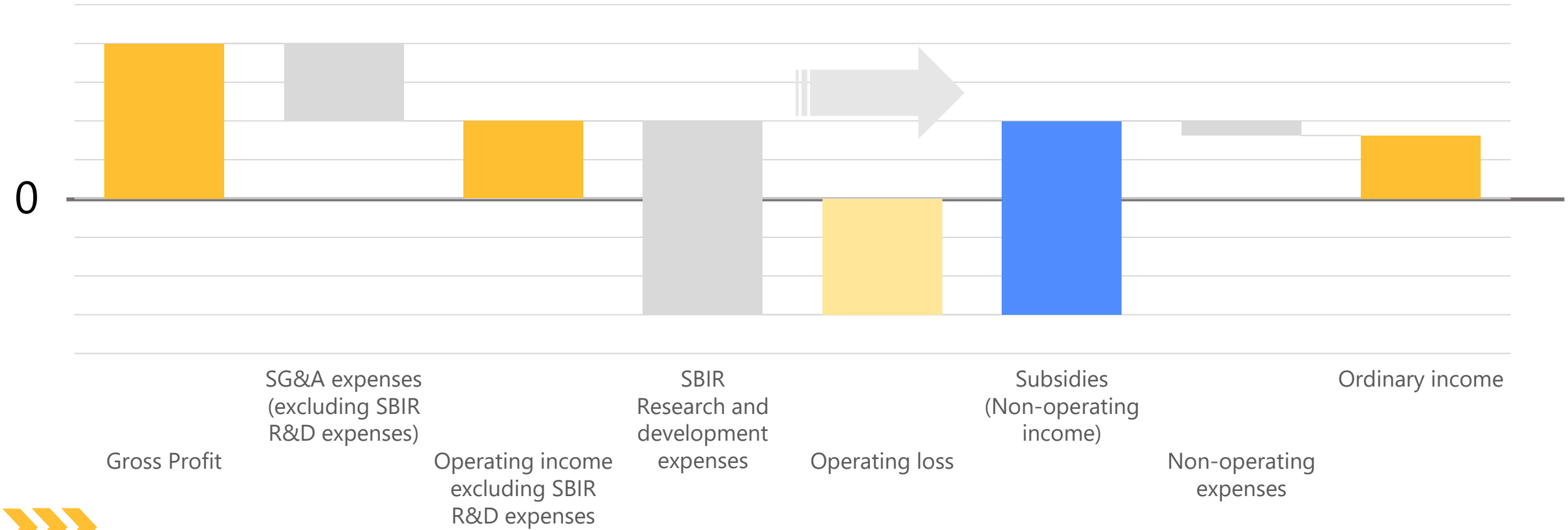
- By accumulating high gross margin drone sales and recurring service revenue with improving gross margin as the number of projects increases, Liberaware Co., Ltd. will achieve profitability
- In the medium to long term, Liberaware Co., Ltd. aims to achieve profitability with recurring services alone





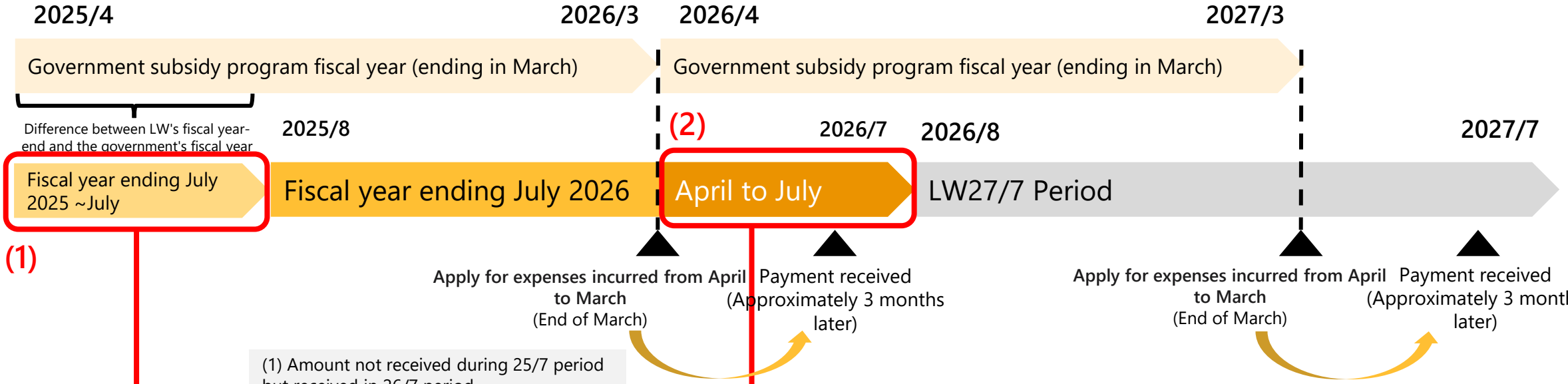
Impact of Research and Development Expenses and Subsidies on Segment Income

- Going forward, substantial SBIR-related research and development expenses will be recorded over multiple years, resulting in an expected operating deficit during that period; however, since these research and development expenses will be covered by subsidies, Liberaware Co., Ltd. aims to achieve profitability on an ordinary income basis within the medium-term management plan period
- Note that SBIR research and development expenses are paid in advance and subsidies are received afterward; therefore, even if Liberaware Co., Ltd. is in the black on an ordinary income basis excluding research and development expenses and subsidy income, there is a possibility of an ordinary income deficit if the period in which research and development expenses are paid in advance differs from the period in which subsidies are received



Background of deficit recorded due to timing difference in receiving SBIR subsidy income

- Ⅰ Since subsidies are settled after development costs are utilized, settlement of a portion of development costs utilized in the latter half of the year is deferred to the next period
- Ⅱ In the fiscal year ending July 2026, SBIR will transition to the next phase, and since development costs are on an increasing trend compared to the previous period, the amount deferred to the next period is larger



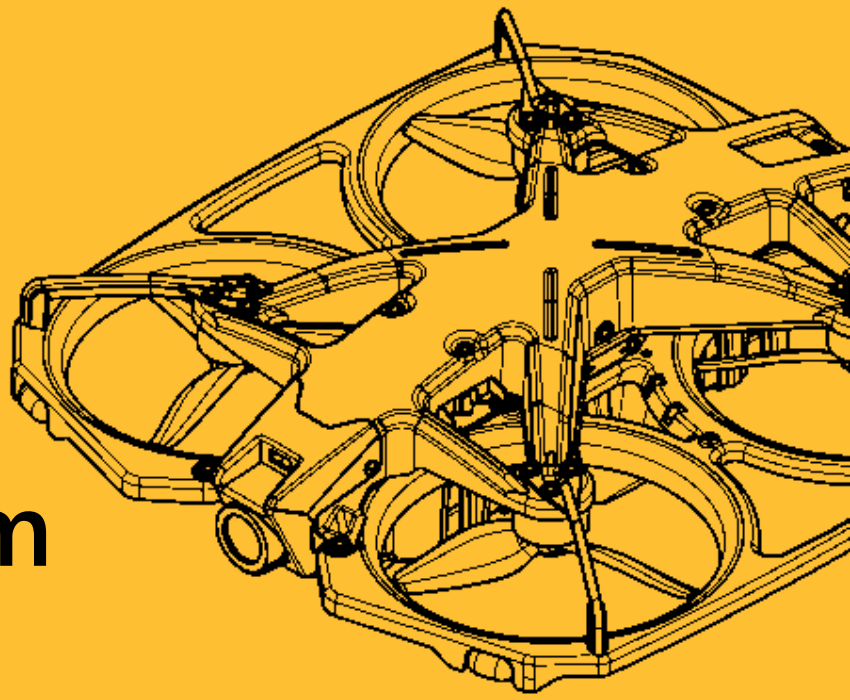
(1) Amount not received during 25/7 period but received in 26/7 period
(2) Amount expected not to be received during 26/7 period
⇒(1)<(2) is expected
The difference is expected to be (151) million yen

- The railway drone project in the 26/7 period will transition from the proof-of-concept prototype to the mass production prototype phase
- As the project transitions from proof-of-concept prototypes to aircraft development assuming actual operation, more man-hours than the proof-of-concept prototype phase are required, and therefore development costs will be higher compared to the 25/7 period

Note) This slide is a settlement image, and actual settlement will be implemented based on grant regulations

Reference: Frequently Asked Questions and Answers (published March 14, 2025) SBIR System and Subsidy-Related

06 Appendix
(2) Medium- to Long-Term Growth Strategy

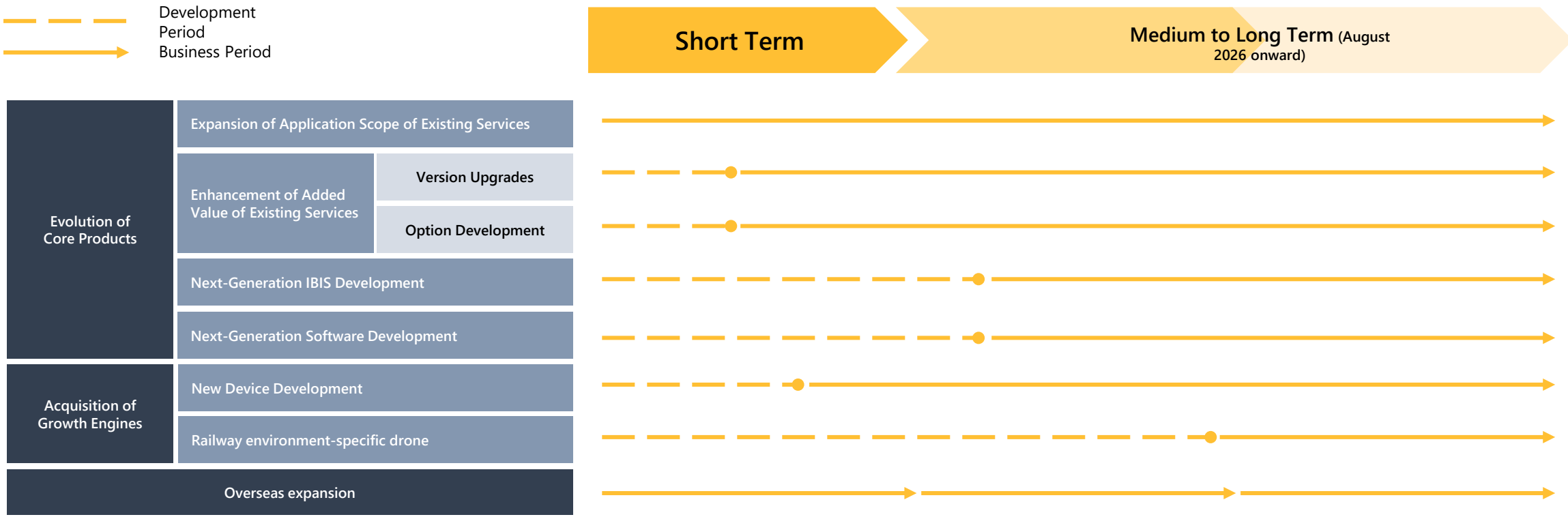


Growth strategy - SUMMARY

- **Establishing overwhelming superiority** through the evolution of core products
- Acquiring new **growth engines through co-creation**
- **Overseas expansion of Made-in-Japan**

Growth Strategy - Roadmap

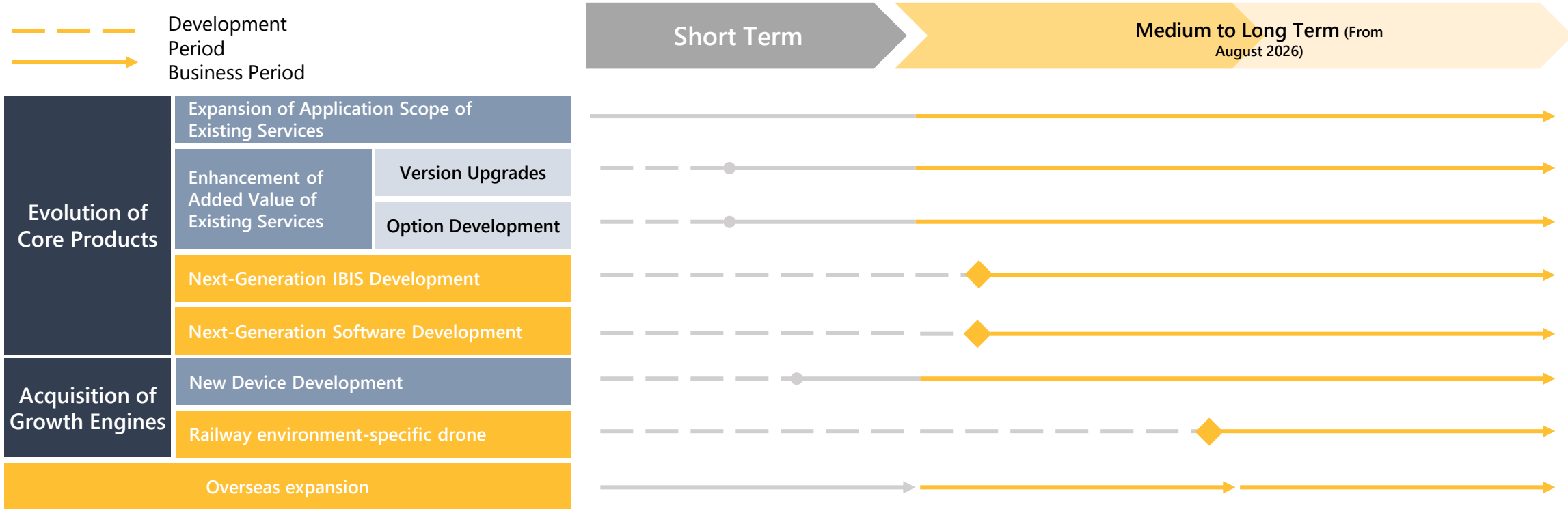
- In the short term, expand business by enhancing existing services, improving added value, and developing new devices and solutions
- In the medium to long term, launch next-generation IBIS and software, as well as railway environment-specific drones, to acquire new growth engines



Medium to long term

Achieve non-linear growth through the evolution of core products and the deployment of railway-specific solutions

- Release of new drones and more advanced data analysis engines
- Paradigm shift in inspection and patrol operations through the launch of railway-specific solutions
- Expand into Europe and the United States based on know-how cultivated in Asia



Next-generation product development of hardware and software

- Expand the usage areas of Liberaware Co., Ltd.'s products by introducing new devices and software

New product development

Next-generation **IBIS**

Next-generation software

Usage area expansion

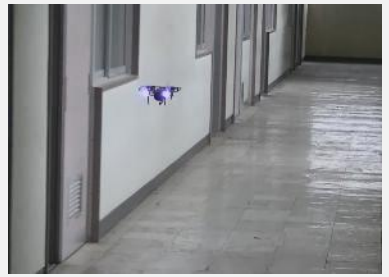
Data center monitoring

Instrument monitoring

Construction progress management

Inventory work

Patrol security



Underground tunnel inspection

National project participation: Development of drone solutions for railway industry inspection

- Selected for the theme "Technology development and demonstration contributing to the efficiency and labor-saving of railway facility maintenance and management" in the "Safe and Secure Public Transportation, etc. Technology Development and Demonstration" field of the "Small and Medium-sized Enterprise Innovation Promotion Project (SBIR)"
- Develop drones specialized for railway industry inspections, which face unique challenges in addition to aging facilities, aging workforce, and labor shortages

Railway know-how × Liberaware

- Project theme: Technology development and demonstration contributing to the efficiency and labor-saving of railway facility maintenance and management
- Develop drones specialized for railway inspection

Proposal background

- The impact of aging facilities, aging workforce, and population decline is serious in the railway industry as well, and improving productivity is an urgent task
- In addition, there are industry-specific occupational accidents such as vehicle contact, electrocution, and falls, and the need for robotics is very high

National project participation: Development of drone solutions for railway industry inspection

- Research and development costs are covered by subsidies (100% subsidy rate), aiming to enter a market with high potential
- **In addition to JR East, which knows the railway field,** KDDI Smart Drone also participates in the consortium

Subsidy grant decision amount
(Project period: April 2024 to March 2028)

5.2 billion yen

Consortium members

Drone
Liberaware CO.,LTD.

On-site
JR東日本

Data
CalTa

Control and communication
KDDI SmartDrone

Notes regarding this material

- Forward-looking statements contained in this material (including, but not limited to, Liberaware Co., Ltd.'s business plans, market size, competitive situation, industry information, and growth potential) are based on Liberaware Co., Ltd.'s judgment and available information as of the date of publication of this material, do not guarantee future performance, and contain various risks and uncertainties. Please note that actual performance may differ from forecasts due to changes in the environment and other factors.

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