Mid-Term Management Plan July 2026 – June 2029

LIB EARTH SHOT 2029

BUILDING THE OPERATING SYSTEM FOR HOUSING

LibWork

Lib Work Co., Ltd. (Securities Code: 1431)
August 21, 2026

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Key KPIs under the Previous NEXT STAGE 2026 Mid-Term Plan

Category	KPI	2023 (Initial forecast)	Nov. 12, 2025 (Revised forecast)	FY2026 (Actual)
Group metrics	Net sales	¥28.5 billion	¥15.0 billion	¥15.68 billion
	Operating profit	¥3.0 billion	¥500 million	¥530 million
	ROE	30%	4.0%	2.2%
Detached housing business	Web-generated leads	Up 30% per year	—	Up 4% YoY
	Inside sales showroom visit rate	30%	—	35.6%
	YouTube channel subscribers	200,000	—	166,000
Platform business	My Home Robo operating profit	¥450 million	* ¥90 million	¥23.5 million
	IP licensing operating profit	¥100 million	* ¥60 million	¥45 million

* Platform business figures (My Home Robo and IP licensing) are the revised forecasts announced on August 12, 2025.

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Progress, Results, and Challenges of Key Initiatives

Under NEXT STAGE 2026 we fell short of our key KPIs. At the same time, the business foundations that will support our next phase of growth advanced steadily, including stronger digital lead generation, the nationwide rollout of IP licensing, and technology development for 3D-printed housing. We have examined the variances against the plan and are reflecting them in our next growth strategy, which prioritizes profitability, capital efficiency, and speed to commercialization.

Detached Housing Business

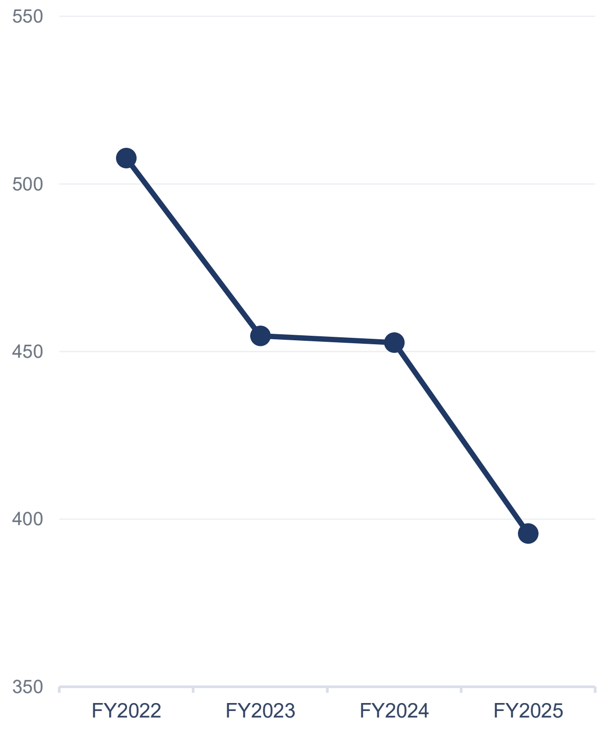
Global inflation, which set in around the time the plan was drawn up in 2023, pushed up costs across the board — not only lumber but also exterior materials, home fixtures, and construction labor. The construction cost per wooden home rose by an average of approximately ¥5.53 million (about 28%) versus 2020, compounded by rising land prices and persistently high material prices. These cost increases were passed through to sales prices, adding to the burden of home ownership and dampening the appetite to buy. Mandatory compliance with energy-efficiency standards and rising mortgage rates raised the hurdle further. Against this market backdrop, nationwide housing starts in the owner-occupied and built-for-sale categories — the categories that track custom-home demand — fell from a combined 507,700 units in FY2022 to 454,700 in FY2023, 452,700 in FY2024, and 395,700 in FY2025: a contraction of roughly 112,000 units, or about 22%, in three years, indicating the difficulties in the housing market. In FY2025, both categories declined by approximately 13% year on year. (Ministry of Land, Infrastructure, Transport and Tourism, Statistical Survey on Building Construction Starts)

As the market shrank, competition among homebuilders for a limited pool of customers intensified and our own order win rate declined. With showroom traffic falling industry-wide, visit incentives such as gift vouchers escalated in value, and more visitors came primarily for the giveaway rather than to buy a home. Having shifted our digital lead-generation policy from quantity to quality, our lead volume was roughly flat year on year, and net sales, operating profit, and digital lead generation all fell short of plan.

Even so, our gross margin held firm and social-media lead generation — one of our strengths — grew steadily. Rising material prices limited the growth of gross profit in absolute terms, and while expanding into shopping malls delivered results in awareness and lead generation, higher SG&A expenses weighed on profitability.

Going forward, we will rigorously test the returns on our investment in stores, products, and advertising, and apply a thorough policy of selection and focus to improve profitability and capital efficiency.

Nationwide housing starts: owner-occupied + built-for-sale (thousand units)



Source: Ministry of Land, Infrastructure, Transport and Tourism, Statistical Survey on Building Construction Starts (FY2025 totals)

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Progress, Results, and Challenges of Key Initiatives

Platform: My Home Robo

The rapid advance of generative AI significantly changed the competitive landscape for plan proposals and CG rendering, making it hard to differentiate on individual features alone. This was the main reason both net sales and operating profit fell short of plan.

Going forward, we will fully implement the latest AI and redesign the service as a one-stop solution for the housing industry, covering everything from lead generation and sales support through to design and estimating. By evolving it from a single-function offering into a core Housing OS service, we aim to widen our revenue opportunities.

Platform: IP Licensing

The contraction of the detached housing market and rising construction costs left prospective franchisees with less capacity to invest and made their decision-making more cautious, so we fell short of plan. On the other hand, we expanded the rollout to 27 stores nationwide over the three years and steadily built out the business foundation.

Going forward, alongside improving the profitability of existing brands, we will move into remodeling, renovation, and buy-and-resell, building a growth model that is less exposed to market swings.

3D-Printed Housing Business

Because we gave priority to technology development and quality verification, product development and market launch fell behind the original plan and up-front investment continued. We did not complete Model B in 2024 or begin sales in 2025 as planned; each progressed roughly a year behind schedule. Even so, we have steadily built up the technical foundation and development know-how needed for practical use, and interest in the business is growing.

Going forward, our top priority is to establish quality and reliability, including compliance with Long-Term Quality Housing certification and defect-liability insurance requirements. In parallel, we will standardize our materials, design, and construction processes, targeting a 40% reduction in the price of these homes over three years to bring commercialization and monetization forward.

My Home Robo

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VISION | Lib Earth Shot — A Challenge to Change Life on Earth

Reinventing the housing industry and implementing a new system for supplying homes on Earth

BUILDING THE OPERATING SYSTEM FOR HOUSING

If a "moonshot" is a challenge to reach space,

then Lib Earth Shot is our mission to transform how the world lives.

Around the world, housing-related challenges are mounting: population growth, housing shortages, rising construction costs, shortages of skilled trades, disasters, and environmental impact.

In Japan's housing industry, meanwhile, lead generation, sales, design, estimates, materials procurement, construction, and after-sales service are fragmented, and much of the work depends on individual experience and local optimization.

Lib Work will transform the very structure of this housing industry.

From a company that builds and sells homes one at a time, we will evolve into a HOUSE TECH PLATFORM COMPANY that integrates housing demand creation, design, sales, construction, living, and resale.

Just as SpaceX changed the cost and time of space transport by reusing rockets, Lib Work will change the cost and time of housing supply through AI, data, 3D printers, and a partner network.

This is the Lib Earth Shot.

Structural Challenges Facing the Housing Industry

Housing demand is expanding worldwide, yet the supply process remains fragmented and dependent on individuals.

Global: Supply-Side Challenges

- Growing housing demand driven by population growth
- Rising construction and material costs
- Shortage of tradespeople and skilled workers
- Responding to increasingly frequent natural disasters
- Burden of the construction industry on the environment

Japan: Industry-Structure Challenges

- Lead generation, sales, design, estimating, materials procurement, construction, and after-sales service are fragmented
- Much of the work depends on individual experience and local optimization
- Productivity and business scalability are constrained

The World We Aim to Create by 2035

Creating a future in which every home on Earth is designed, built, and managed with Lib Work technology.

Lib Work's goal is not simply to sell more of its own homes.

Across Japan and around the world, we will connect
· homebuilders and local contractors
· design firms
· materials suppliers
· tradespeople and financial institutions
· homeowners
through our **Housing OS**.

We will build a business structure that generates revenue even from homes Lib Work does not build itself — through data, software, licensing, materials, construction technology, remodeling, and the resale market.

What Lib Work Will Look Like in 2029

Today, in 2026, Lib Work is valued as a homebuilder. By 2029, we will have evolved into a company that **combines the following six sources of value**.

Value as a homebuilder

Revenue, profit, and cash flow from our directly operated housing business

Value as a SaaS company

Recurring subscription revenue centered on My Home Robo

Value as a platform company

A network connecting homebuilders, customers, alliance partners, and contractors nationwide

Value as an AI company

Design automation powered by AI

Value as a robotics company

Construction automation using 3D printers and physical AI

Value as an intellectual-property company

Housing brands, design data, materials technology, construction know-how, patents, and licenses

By 2029, Lib Work aims to be recognized as a HOUSING OPERATING SYSTEM COMPANY.

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Basic Policies

01

Shift to a High-Profit Structure

From construction and real estate to a Housing OS company

ROE ≥20% and operating margin of ≥10%

02

Management Focused on ROA and Cash Flow

Raising capital efficiency and cash-generating capacity

ROA ≥15% and operating CF margin of ≥15%

03

Higher Productivity Through AI

Rebuilding design, sales, and construction processes with AI

Labor productivity: ≥200% vs FY2026

04

Meeting the Requirements for a Move to the TSE Prime Market

Targeting a move to the TSE Prime Market, with FY2029 as the preceding fiscal year

Market cap target of ≥ ¥50 billion

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Quantitative Targets — FY2029

Profitability

ROA	≥15 %
ROE	≥20 %
Operating margin	≥10 %

Efficiency and Financial Position

Labor productivity	≥200 %
Operating CF margin	≥15 %
Recurring profit ratio	≥25 %

Growth — Overseas Expansion

Overseas sales ratio

Making global expansion a growth driver

≥3%

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Quantitative Targets

Indicator	FY2026 (Actual)	FY2027 (Plan)	FY2028 (Plan)	FY2029 (Plan)
ROA	2.3%	3.8%	9.5%	**15.0%**
ROE	2.2%	5.9%	13.1%	**20.0%**
Operating margin	3.4%	3.6%	7.0%	**10.0%**
Labor productivity [1]	100	135	160	**200**
Operating CF margin	—	Positive	10.0%	**15.0%**
Recurring profit ratio [2]	12.9%	15.0%	20.0%	**25.0%**
Overseas sales ratio	—	—	1.0%	**3.0%**

1 Annual units delivered divided by the number of employees engaged in the detached housing business. Planned values indexed to FY2026 = 100.

2 Profit from the recurring-billing services set out later in this document, namely 3DP royalty income, My Home Robo operating profit, IP licensing operating profit, and AI lead-generation platform operating profit.

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Three-Year Roadmap

“Foundation” is the base, “Scale” expands it, and “Monetize” establishes the earnings structure.

1

July 2026 – June 2027

FOUNDATION

Build a foundation for profitable growth

2

July 2027 – June 2028

SCALE

Rapidly scale proven models

3

July 2028 – June 2029

MONETIZE

Establish earnings as a Housing OS company

FOUNDATION — Build a Foundation for Profitable Growth

Standardize technology, products, and operations to complete a scalable business foundation.

Preparing the 3D-Printed Construction Business for Mass Production

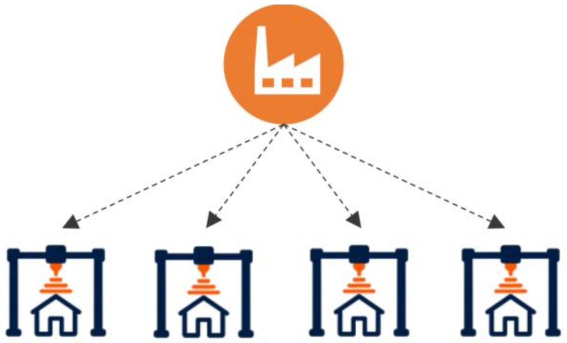
- In-house development of construction 3D printers; standardization of material mixes and construction quality
- Selection of domestic franchise and construction partners; design of the earnings model
- Partner selection, proof of concept, and model-home construction in Southeast Asia (Indonesia and Malaysia)
- Selection of physical AI development partners; preparation of the franchise business manual

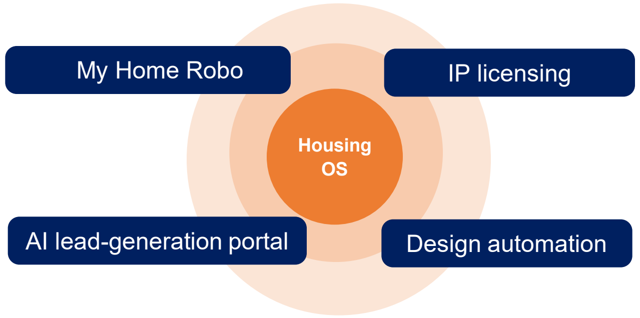
Building the Housing OS Business Foundation

- Redesign My Home Robo from a plan-search service into a housing-construction AI solution
- Develop remodeling and renovation products in the IP licensing business
- Launch the AI lead-generation portal
- Complete Phase 2 of the design-automation proof of concept with Maket Technologies of Canada

Establishing a High-Profit Model for the Housing Business

- Raise the order win rate by making sales activity visible and standardized (talk scripts and AI feedback)
- Shorten the lead time from inquiry to order
- Improve gross margin by expanding the vertically integrated housing model
- Review unprofitable stores, products, and advertising; shorten turnover periods for land and completed inventory





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SCALE — Rapidly Scale Proven Models

Move to repeatable growth through franchising, data integration, and rollout across all locations.

Domestic Franchising and Overseas Expansion of 3DP* Construction

- Begin recruiting domestic franchise construction partners
- Build region-by-region material supply and construction systems
- Proof of concept for construction using physical AI
- Begin full-scale construction overseas

*3DP = 3D printer

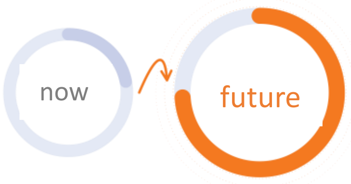
Full-Scale Expansion of the Housing OS

- Establish a nationwide sales structure for the new My Home Robo
- Expand the IP licensing product lineup
- Bring the AI lead-generation portal into full operation
- Build a housing data platform usable across adopting companies, and leverage big data

Roll Out High-Profit Housing Model

- Deploy high-profit package model to all locations
- Reduce SG&A expenses
- Shift from expanding into new areas to raising share in existing areas
- Standardize sales, design, estimating, and construction processes with AI

Overseas construction begins



Higher Profitability

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MONETIZE — Establish Earnings as a Housing OS Company

Make 3D-printed housing highly profitable, grow the Housing OS into a second earnings pillar, and establish a high-profit housing business.

Taking the 3D-Printed Housing Business Global

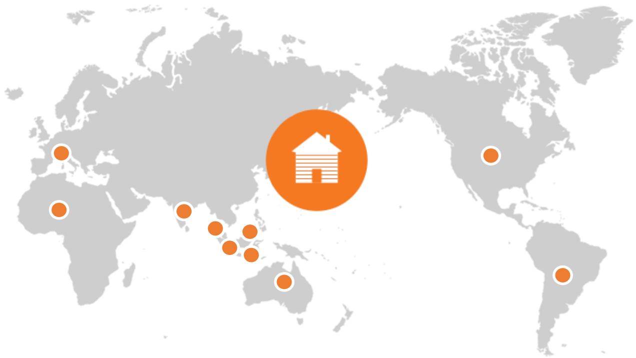
- Establish a franchise partner network in Japan and overseas
- Build recurring revenue from materials, printers, and data creation
- Establish a labor-saving construction model using physical AI
- Establish a standard 3DP construction model that can be deployed worldwide

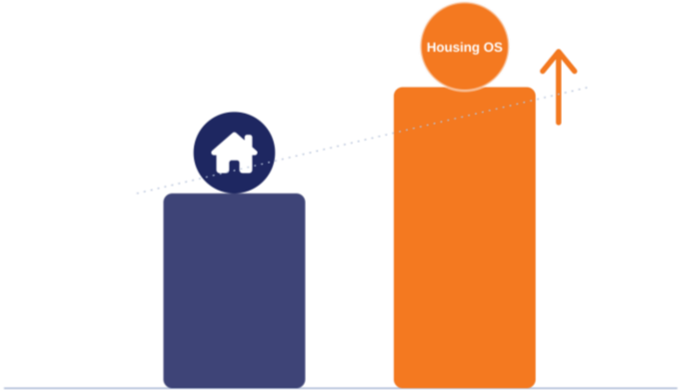
Making the Housing OS a Second Earnings Pillar

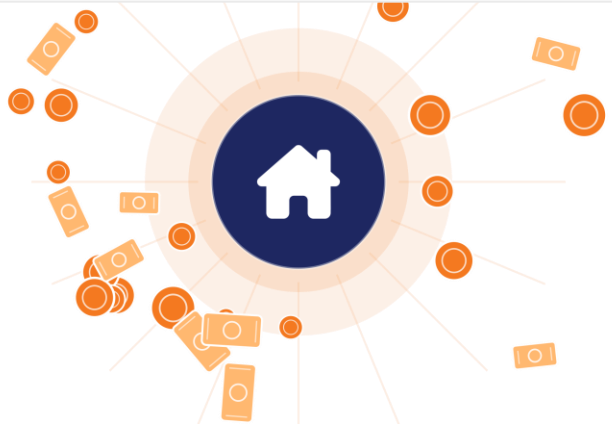
- Integrate lead generation, sales support, design, and estimating with AI
- Reduce the churn rate through a focus on customer success
- Grow revenue from the AI lead-generation portal business

Turning the Housing Business into a High-Profit Cash Generator

- Apply AI to most of the sales, design, and production processes
- Complete the withdrawal from low-margin projects, stores, and businesses
- Raise inventory turnover and capital efficiency to the top level in the industry
- Use the directly operated housing business as a proving ground for the Housing OS







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Key KPIs (1) 3D-Printed Housing Business

Indicator	FY2026 (Actual)	FY2027 (Plan)	FY2028 (Plan)	FY2029 (Plan)
3DP construction, directly operated sales (Japan)	—	¥50 million	¥800 million	**¥2.0 billion**
3DP construction, directly operated sales (overseas)	—	—	¥200 million	**¥720 million**
3DP franchisees	—	—	20	**50**
3D printer sales and lease revenue	—	—	¥100 million	**¥500 million**
3DP franchise fees	—	—	¥20 million	**¥50 million**
3DP materials and data creation fees	—	—	¥50 million (20 units)	**¥250 million (100 units)**
3DP royalty revenue	—	—	¥10 million	**¥50 million**
Total cost of a 3DP home (per m²)	—	20% reduction	30% reduction	**40% reduction**

3DP = 3D printer

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Key KPIs (2) Housing OS

Indicator	FY2026 (Actual)	FY2027 (Plan)	FY2028 (Plan)	FY2029 (Plan)
My Home Robo (companies adopting)	149	250	400	**600**
My Home Robo (operating profit)	¥23.5 million	¥50 million	¥120 million	**¥200 million**
IP licensing (member stores)	20	30	50	**100**
IP licensing (operating profit)	¥45 million	¥60 million	¥100 million	**¥200 million**
AI lead-generation platform (listings)	—	30	45	**60**
AI lead-generation platform (operating profit)	—	¥20 million	¥60 million	**¥150 million**
Detached housing gross margin	30%	31%	33%	**35%**
Labor productivity *	100	135	160	**200**
SG&A-to-sales ratio	25.1%	24%	22%	**20% or less**

* Planned values indexed to FY2026 = 100.

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MESSAGE TO INVESTORS

Lib Work's investment value lies not only in expanding its share of the housing market. It lies in our ability to convert the on-site data and customer touchpoints accumulated through our housing business into the Housing OS, and to make it available to homebuilders across Japan.

Housing business

supports cash flow

Housing OS

raises margins and delivers stable earnings

3D-printed housing + physical AI

substantially lifts the ceiling on corporate value

In short, Lib Work will build on a stable housing business foundation and evolve into a company that also holds growth opportunities in:

- SaaS
- AI
- Platforms
- Robotics

Thank You

BUILDING THE OPERATING SYSTEM FOR HOUSING

Lib Earth Shot 2029

Forward-looking statements in this material are based on information available at the time of writing. Actual results may differ from these statements owing to a variety of factors.

LibWork