



FY 2026/7 First Quarter Financial Results Presentation Materials

Liberaware Co., Ltd.

Securities Code: 218A

December 10, 2025



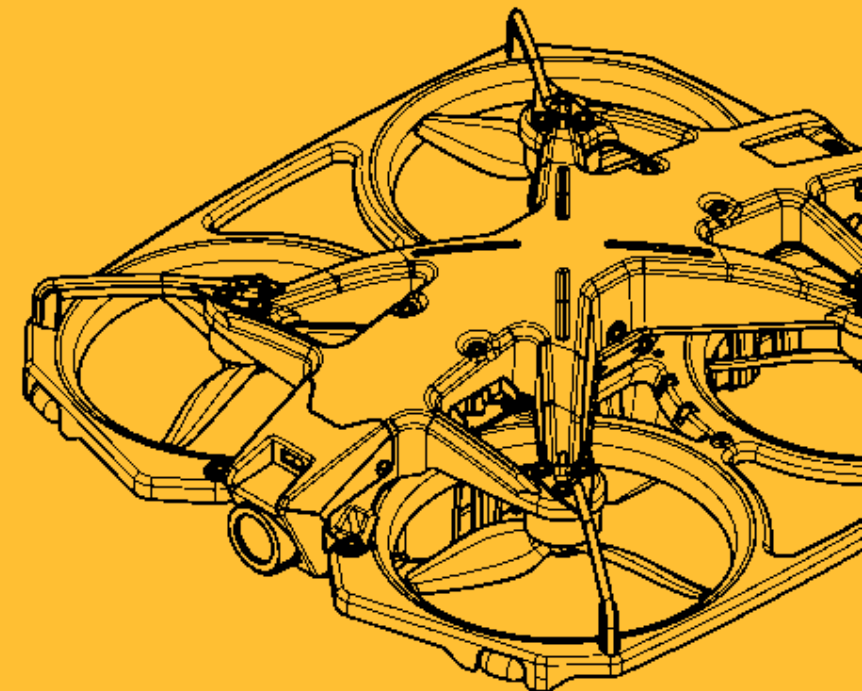
IBIS





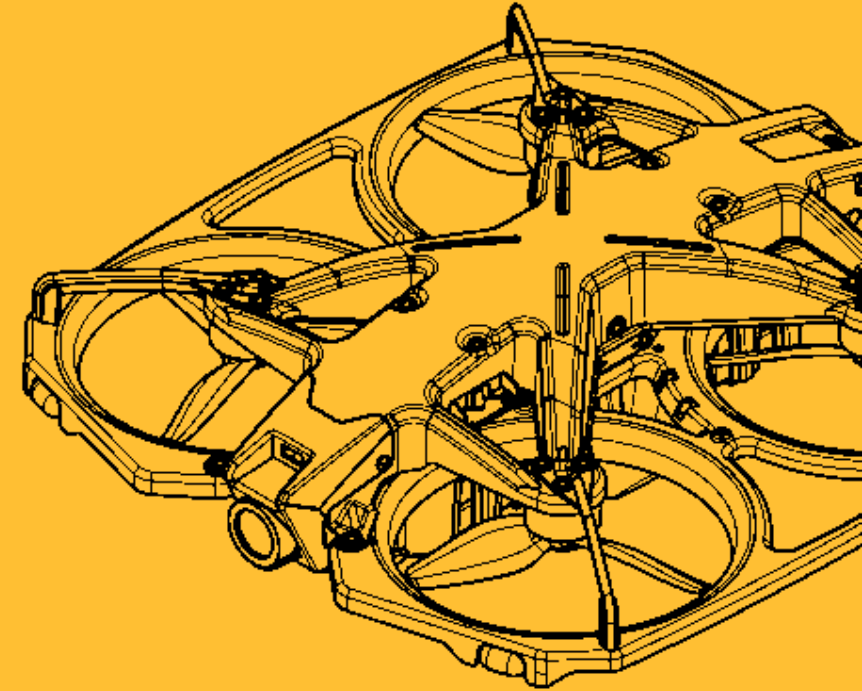
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01 Financial Results Summary



Financial Results Summary: Continued Revenue Scale Expansion and Stable Gross Profit Margin

- Although the first quarter is typically the slowest period of the year, revenue growth continued, recording the highest revenue ever for a first quarter
- Continued to secure a high gross profit margin of approximately 46% even during the slow season revenue scale
- Due to increased costs such as research and development expenses for new products, 'Ordinary profit/loss excluding SBIR impact' showed an expanded loss compared to the same period last year

Unit : Million yen	FY 7/2025 (First Quarter)	FY 7/2026 (First Quarter)	Year-on-Year	Change (%)
Revenue	225	294	+69	+30%
Gross Profit (Profit Margin)	103 (46.0%)	134 (45.7%)	+31 ((0.3) points)	+29%
Ordinary Profit/Loss	(184)	(605)	(421)	SBIR cost increase
Excluding SBIR research and development costs and subsidy income Ordinary Profit/Loss	(51)	(162)	(111)	Cost increase due to continued investment

*Note: SBIR stands for Small Business Innovation Research, a program designed to promote research and development by startups and others, smoothly implement the results into society, and thereby promote innovation creation in Japan
At the same time, one of its objectives is to solve various social issues facing Japan by implementing innovative technologies into society
With the Cabinet Office as the command center, budget expenditure targets are set, and comprehensive support is provided through inter-ministerial collaboration from the early stages of research and development to government procurement and civilian use, aiming to promote innovation and create unicorns*



Financial Results Summary: Following the Expansion Phase, Moving to Scale-Up and Market Establishment Stage

▶ Following the expansion phase in FY 7/2025, 1Q FY 7/2026 results continued to be supported by social issues/policy trends/market growth, achieving revenue of 294 million yen, up 30% year-on-year, with a stable gross profit margin of approximately 46%

Also, to expand scale nationwide, sewer inspections were conducted in local governments across the country, and the IBIS2 dealer system was launched

▶ Regarding the FY 7/2026 performance forecast, revenue progress rate is 13%, below the 16% progress rate for the same period last year, but drone sales increased significantly by +113% year-on-year, and revenue excluding drone sales also accumulated to 43% of the performance forecast including order backlog

(as of the financial results announcement date), progressing as expected against the performance forecast

▶ Various growth strategies are progressing smoothly

- ü New product automatic patrol camera "TORINOS": Development progressed smoothly and has been released as of this financial results announcement date
- ü Railway environment-specific drone PJ: Development is progressing smoothly. Transitioning from proof-of-concept prototype phase to mass production prototype phase
- ü Construction DX solution PJ: Development and business model construction are progressing smoothly. Continuing field demonstrations with Obayashi Corporation and others
- ü Overseas expansion: In Korea, decision made to introduce IBIS2 to SAMSUNG E&A. In Hong Kong and Malaysia, PoC and partner strategies are being promoted



Launch of Automatic Patrol Camera "TORINOS"

- As the second robot product following "IBIS2," expanding the target area from "confined spaces" to "patrol of vast facilities"
- Automating patrol inspections of vast facilities to simultaneously achieve facility maintenance DX and labor-saving



Industry	Target Facility Examples
Security	Data centers, large commercial facilities
Construction	Tunnel and other civil engineering construction
Facility Inspection	Dams, underground conduits, belt conveyors

Market Potential

TAM (Global): 920 billion yen

SOM (Relevant Industry): 15 to 30 billion yen



Momentum accelerating across multiple fronts toward drone adoption in sewer inspection

- Liberaware Co., Ltd. is advancing infrastructure development to establish IBIS2 as the new standard tool for sewer inspection through building sales networks, expanding industry networks, engaging with government agencies, and conducting demonstration deployments with municipalities nationwide

01

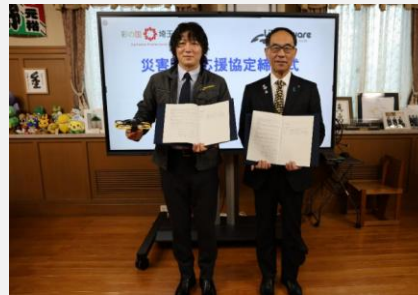
In the sewer industry
IBIS2 sales dealership
launched



IBIS is expanding among private sector operators in the sewer industry, with Kan-Tool Co., Ltd., a comprehensive provider of pipeline management equipment supporting sewer infrastructure, becoming an IBIS dealer

02

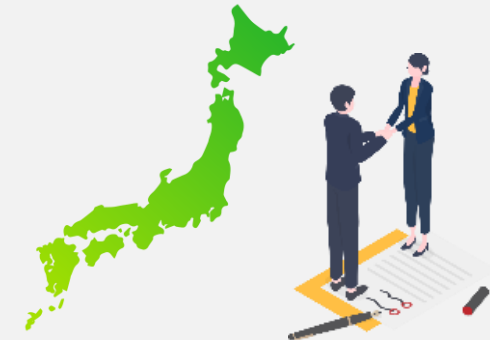
Toward drone adoption
Continuing lobbying
activities



Liberaware Co., Ltd. continues active engagement with government agencies, including concluding a disaster prevention agreement with Saitama Prefecture, and participates widely in training sessions organized by sewer-related associations

03

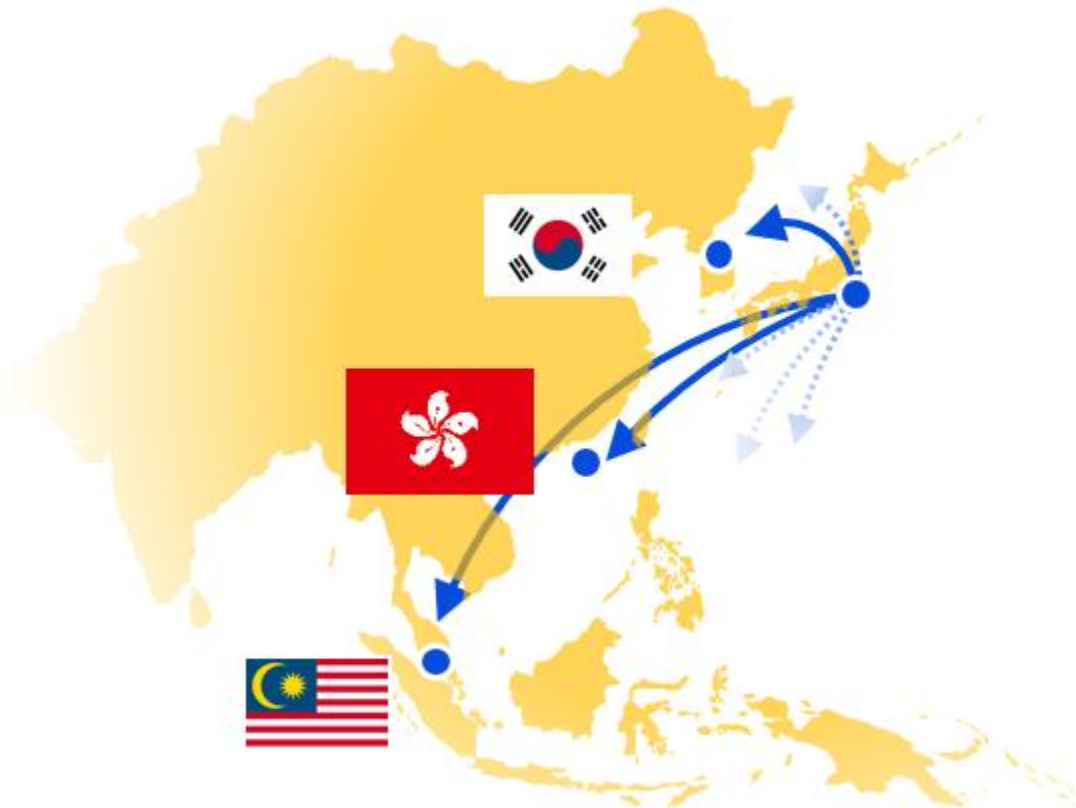
Conducting inspections
with municipalities
nationwide



Liberaware Co., Ltd. has achieved a cumulative total of over 30 inspection projects in sewers and other facilities nationwide, promoting awareness enhancement and use case creation

Developing the Asian market with a three-pole structure in South Korea, Hong Kong, and Malaysia

- Refining the growth model by operating a direct sales model through a local subsidiary in South Korea, Hong Kong as a business hub, and Malaysia as a human resource development base



画像引用元：Leave a Nest Co., Ltd. (<https://global.lne.st/news/my/2023/01/19/tvmu2023dtvoty-events/>)

South Korea

Horizontally deploying the business model for the indoor drone market established in Japan
Continuing use case creation and awareness expansion toward market

SAMSUNG E&A has adopted IBIS2. Promoting horizontal deployment to domestic and international plant and large-scale infrastructure projects. As in Japan, expanding adoption among industry leaders to increase awareness. Additionally, continuing activities based on the growth model in Japan, including one business partnership and participation in three exhibitions

Hong Kong

Advancing market development through partner co-creation model, positioning Hong Kong as a business hub for Southeast Asia

Focusing on local demonstrations and other activities for awareness expansion, market research, and certification acquisition, building the foundation as a future business hub

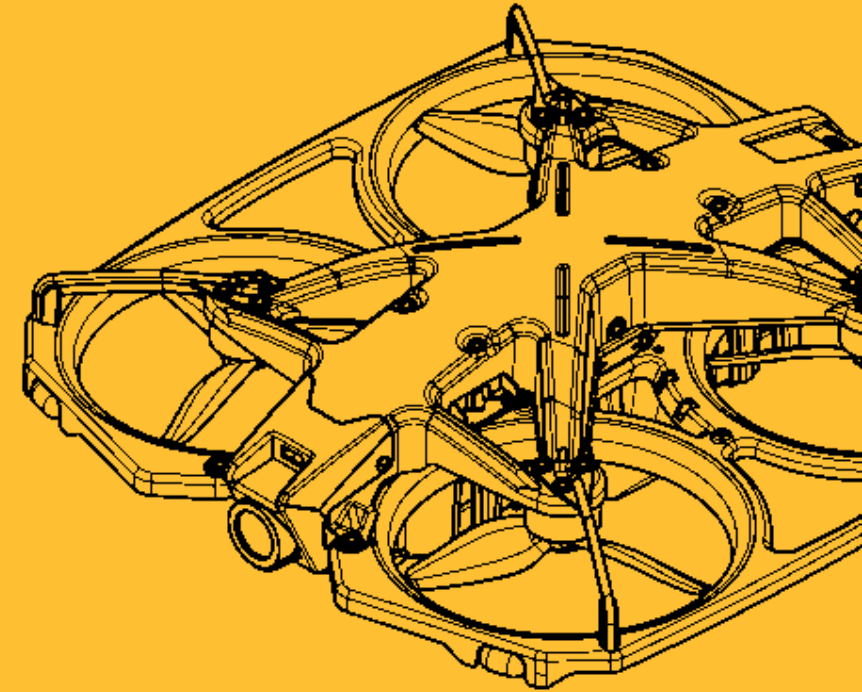
Malaysia

Advancing market development through partner co-creation model, positioning Malaysia as a training base for IBIS operators

Utilizing the Global South subsidy from the Ministry of Economy, Trade and Industry, promoting further market research with local partner companies and base expansion for IBIS operator training



02 Growth strategy summary

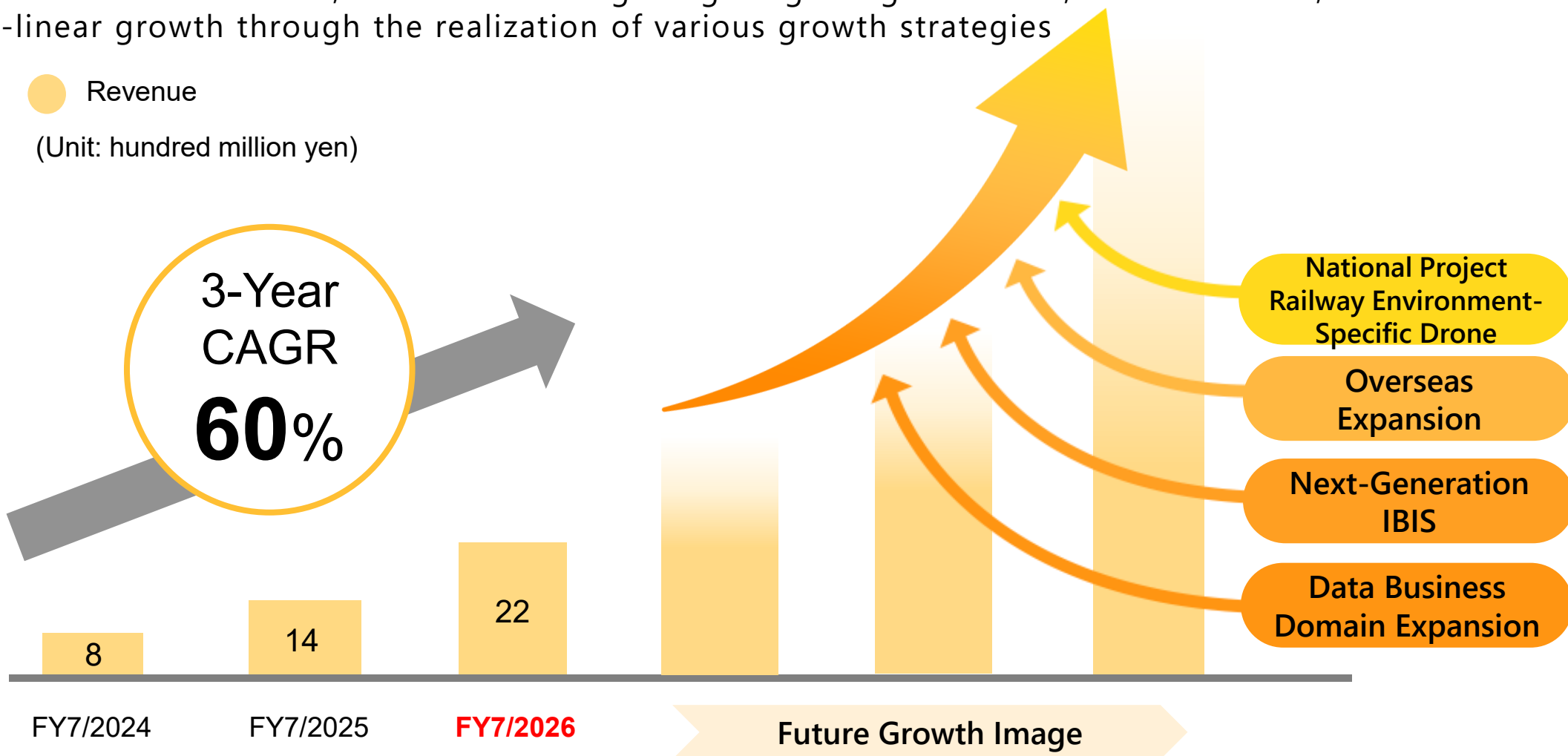


Maintaining high growth rate while growth strategy realization drives exponential growth

- 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

● Revenue

(Unit: hundred million yen)



CAGR: Based on $(\text{FY7/26 revenue} / \text{FY7/24 revenue})^{1/(3 \text{ years}-1 \text{ year})}-1$, 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

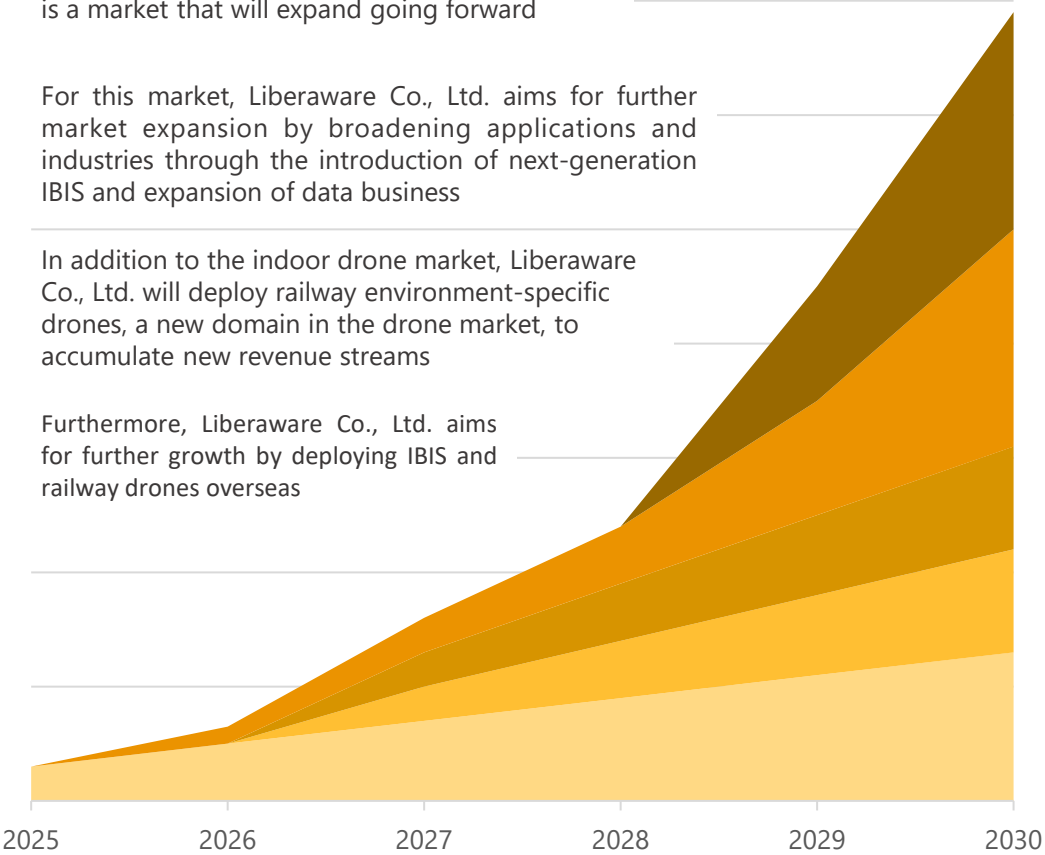


Growth Image—All Growth Strategies Target Large-Scale Markets with Growth Potential

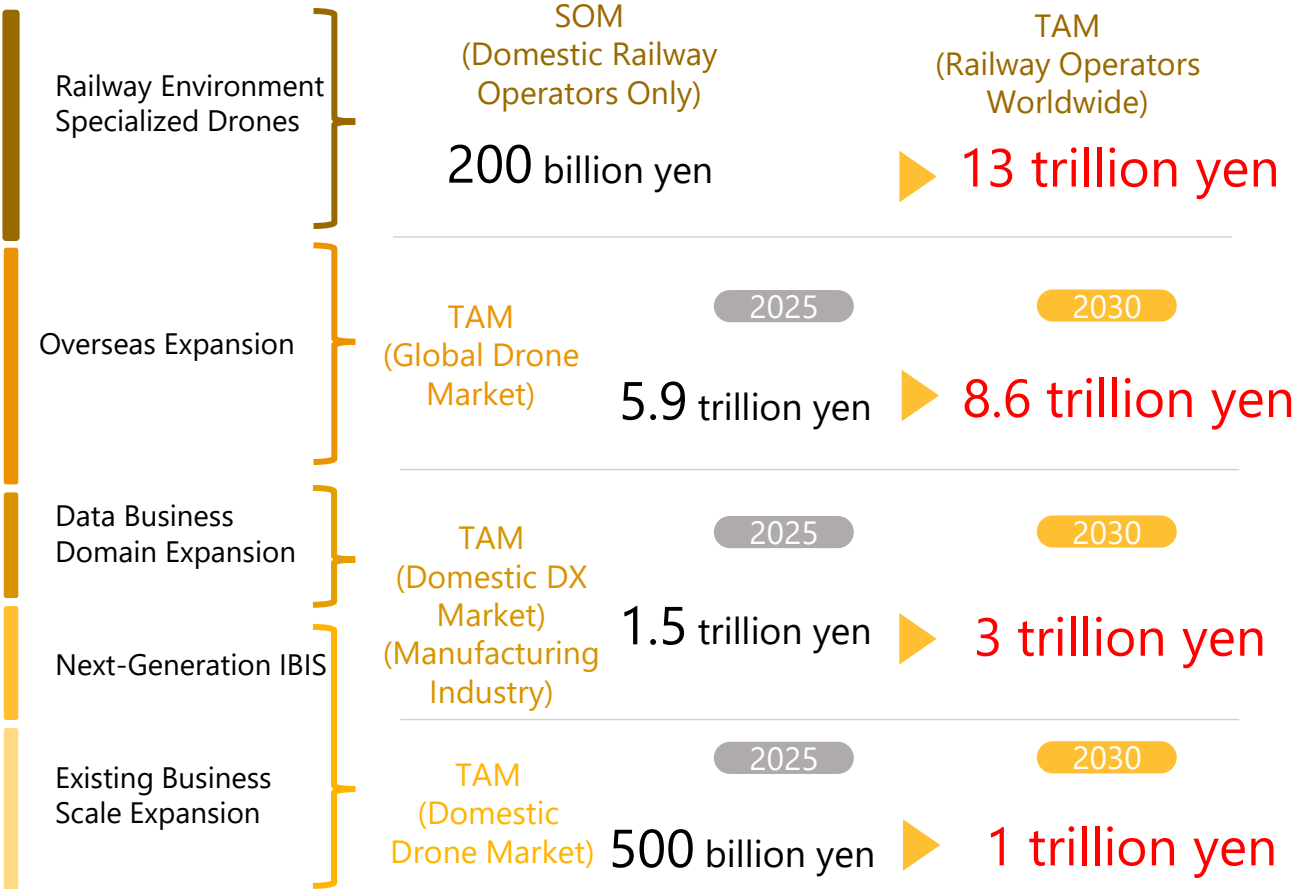


Image of Accumulation of Various Growth Strategies

- ✓ 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

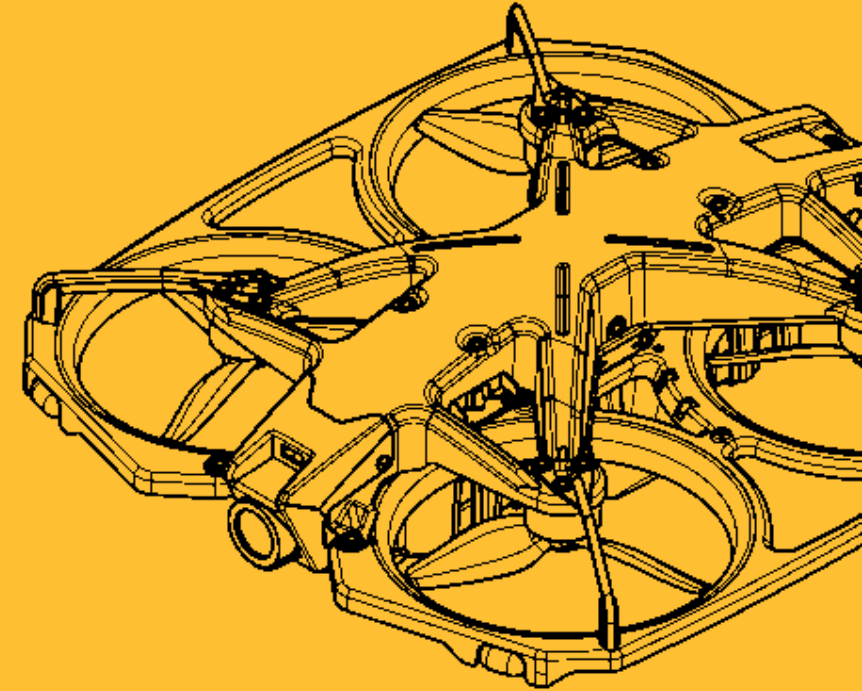


Market Potential of Various Growth Strategies





03 FY 2026/7 First Quarter Performance Report



First Quarter Performance Highlights

- Net sales: Drone sales were strong due to the launch of the domestic distributor system, but the ramp-up of non-drone sales was slow and fell short of expectations
- Gross profit margin progressed steadily, and profit at each stage also progressed as expected

FY 26/7 First Quarter Results

FY07/25 Q1 cumulative results

Net sales	225 million yen
Gross Profit	103 million yen
(Gross profit margin)	46.0 %
Ordinary Profit/Loss	▲184 million yen
〈SBIR R&D expenses〉	〈133 million yen〉
Net income	▲185 million yen)



FY07/26 Q1 cumulative results

294 million yen
134 million yen
45.7 %
▲605 million yen
〈458 million yen〉
▲605 million yen)

Year-on-year change

+69	(+30%)
+31	(+29%)
▲0.3 points	—
▲421	—
▲420	—

- Net sales increased by 69 million yen year-on-year, the highest ever for Q1. Positive factors include a significant increase in drone sales from 67 million yen in Q1 FY25 to 143 million yen in Q1 FY26 due to the launch of the distributor system. Negative factors include free sewage surveys and many small-scale projects, resulting in inspection solution and data processing/analysis services falling short of sales targets
- **Gross profit margin was approximately 46%**, securing a high profit margin relative to the scale of net sales. This demonstrates the high gross profit margin of drone sales
- Due to the transition to the mass production prototype phase, SBIR R&D expenses were significantly large at 458 million yen, and while the apparent ordinary loss expanded, this was as expected
- Other personnel expenses and operating expenses were also consumed as expected, and the performance progress of profit at each stage progressed steadily



First Quarter Business Highlights

- Implemented many activities including business development for further expansion of sales channels in the sewage sector and IBIS, and new product releases
- Growth strategies for future non-linear growth progressed smoothly

Liberaware Co., Ltd. Business

- Continuing from the previous year, strengthened cooperation with local governments and others toward standardized use of drones in the sewage sector
- Conducted surveys of sewage systems and other facilities in various regions nationwide including Kagoshima, Saga, Nagasaki, Utsunomiya, and Fukui
- Launched the domestic distributor system, with three companies joining that have extensive networks with infrastructure-related companies and others in each region
- **Commenced capital and business alliance with Kyushu Electric Power** to advance collaboration on power infrastructure facility inspections primarily in the Kyushu region and enhance inspection and maintenance

Liberaware Co., Ltd. Technology Development & Products

- Released remote, automatic patrol camera **TORINOS** in December 2025
- Promoting the development of micro drones for the investigation of the interior of the reactor containment vessel of Unit 3 at the Fukushima Daiichi Nuclear Power Plant

Growth Strategy

- National project (SBIR) **Development of drone solutions for railway business inspections** is progressing smoothly, having transitioned from the principle prototype phase to the mass production prototype phase. In addition, **JR Shikoku has newly joined this project**
- National project (SBIR) **Development of DX solutions for construction sites using drones and digital twins** is progressing smoothly, with continuous on-site demonstrations with Obayashi Corporation and others
- **For overseas strategy, in Korea**, while continuing to expand awareness and create use cases for market formation, **SAMSUNG E&A introduced IBIS2 In Malaysia**, while utilizing Global South subsidies, **conducting PoC for indoor drone market research and discussing collaboration policies with partners**

Finance & IR

- Full-scale use of SBIR R&D expenses will be centered in the third quarters, so SBIR R&D expenses are expected to increase thereafter
- The third-party allotment capital increase from Kyushu Electric Power is not merely a capital increase, but is fundraising aligned with Liberaware Co., Ltd.'s growth strategy of continuing growth through co-creation with industry leaders and is combined with business area expansion





FY 2026/7 First Quarter Performance Report<Numerical Report>



Performance Details

- Year-on-year, net sales +30%, gross profit margin at the same level
- Selling, general and administrative expenses were affected by R&D expenses for railway SBIR due to the phase transition to mass production prototypes

(Unit: million yen)	FY2026/7	FY07/2025 (Previous period)		FY07/2026 (Forecast)	
	Q1 Results	Q1 Results	Change rate	Full-year forecast	Progress rate
Net sales	294	225	30%	2,220	13%
Gross Profit	134	103	29%	1,123	11%
Gross profit margin	45.7%	46.0%	-	50.6%	-
Selling, general and administrative expenses	748	286	162%	3,535	21%
Personnel expenses and operating expenses	234	137	70%	869	-
R&D expenses excluding SBIR	56	15	262%	330	-
SBIR R&D expenses	458	133	243%	2,335	-
Operating income (loss)	(614)	(183)	-	(2,412)	-
Non-operating income	15	0	23,991%	2,244	-
Non-operating expenses	7	1	293%	9	-
Ordinary Profit/Loss	(605)	(184)	-	(177)	-
Net income	(605)	(185)	-	(178)	-

Comparison with the same period of the previous year

I Net sales

Revenue increased 30% year-on-year, the highest ever for Q1

I Gross Profit

Q1 is a slow season, resulting in a slight shortfall against the full-year forecast, but Liberaware Co., Ltd. expects to achieve approximately the forecasted level for the full year

I Operating income (loss)

Impacted by the increase in railway SBIR R&D expenses
In addition, both personnel costs and expenses were impacted by increased costs due to talent investment on the business side and business expansion

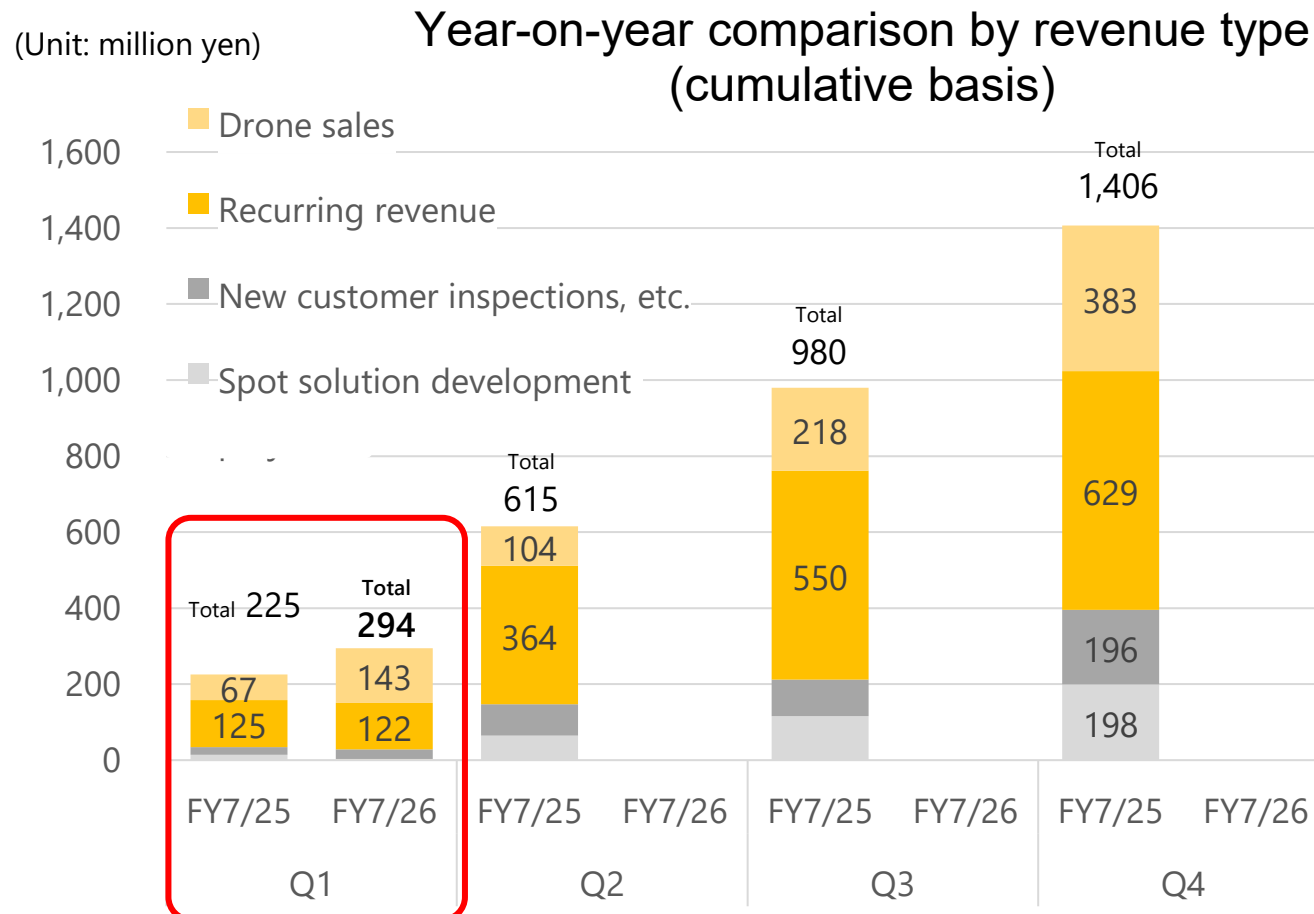
I Ordinary Profit/Loss

SBIR subsidy settlement in Q1 was recorded at only approximately 15 million yen. Railway SBIR R&D expenses are scheduled to be recorded as non-operating income from Q2 onward



Year-on-year comparison of drone sales and revenue excluding drone sales

- Drone sales in Q 1 reached 18.5 sets, significantly exceeding the same period of the previous year, with 25% progress toward the full-year forecast
- The recurring revenue amount and ratio to revenue excluding drone sales are at approximately the same level as the same period of the previous year due to similar revenue scale trends



Drone sales

- High value-added product 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				18.5

Normally 2 IBIS2 units are sold as 1 set; 0.5 count is when 1 IBIS2 unit is sold

Recurring revenue amount and ratio (*2)

Amount	Q1	Q2	Q3	Q4	
FY7/25	125	364	550	629	Recurring Revenue amount is approximately the same as the previous year
FY7/26	122				
Ratio	Q1	Q2	Q3	Q4	
FY7/25	79 %	71 %	72 %	61 %	Recurring revenue ratio follows the same trend as the previous year
FY7/26	82 %				

Note: *1: In principle, sold as 1 set consisting of 2 drones. When sold as 1 drone, counted as 0.5 sets

*2: Recurring revenue: Total of revenue from continuing customers in inspection solution (including related data processing and analysis services), rental services, TRANCITY license fees, and revenue from solution development projects continuing from the previous year

Trends in various KPIs related to recurring revenue (quarterly)

- No significant movement in various KPIs due to the slow season
- For inspection/data processing services, with Q1 revenue scale being small and revenue centered on new customers, the repeat rate has declined, but repeat orders from existing major companies have been on the rise towards the end of March

Various KPI indicators	FY 24/7	FY 25/7				FY 26/7	Comments
	Q4	Q1	Q2	Q3	Q4	Q1	
Revenue ratio from continuing customers for inspection/data processing services	59%	72%	71%	71%	59%	45%	Major repeat customers such as JR East Japan were slow to ramp up, and revenue from new customers accounted for the majority, resulting in a decrease in the repeat ratio
Number of rental sets	33	32	32	32	36	36	No change in the number of accounts due to the slow season
TRANCITY Number of accounts	115	125	127	135	148	147	No change in the number of accounts due to the slow season
Solution development Number of continuing projects	4	6	9	10	12	10	Ongoing development projects that transitioned to the next phase increased from the same period of the previous year



Various indicators related to profit

- Although flat in the current quarter due to increased recurring revenue and high-margin drone sales, the **gross profit margin is on an upward trend**
- SG&A expenses have strong fixed cost characteristics, but currently **the level has increased due to future talent investment and spot expenses**
- Continuing R&D investment while utilizing SBIR subsidies to suppress cash flow burden

01

Gross profit margin

FY 2025/7
Q1 Results

FY 2026/7
Q1 Results

46.0 % → 45.7 %

A revenue model capable of generating profit; continuing to accumulate recurring revenue growth and high-margin drone sales for further
Aiming to increase profit margin

02

SG&A expenses (excluding R&D expenses)

FY 2025/7
Q1 Results

FY 2026/7
Q1 Results

137 million yen → 234 million yen

In the current quarter, due to human resource investments for promoting growth strategies in the second half of the previous fiscal year and one-time expenses incurred in the current quarter, SG&A expenses increased compared to previous years

03

Research and development expenses

FY 2026/7 Q1 Results

Amount after deducting subsidy-eligible expenses from research and development expenses

56 * million yen

By leveraging subsidies including SBIR for research and development activities, Liberaware Co., Ltd. achieves both continued investment for realizing growth strategies and suppression of cash outflows

Research and development expenses
Amount recorded in P/L

514 million yen



Note: * Calculated by deducting research and development expenses eligible for subsidies including SBIR from the research and development expenses recorded in P/L

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

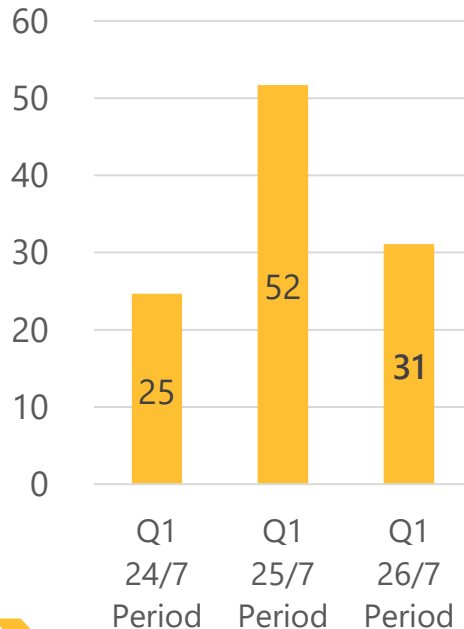
Due to low data processing revenue linked to inspection solutions, remained at the same level as the previous year

Solution development business

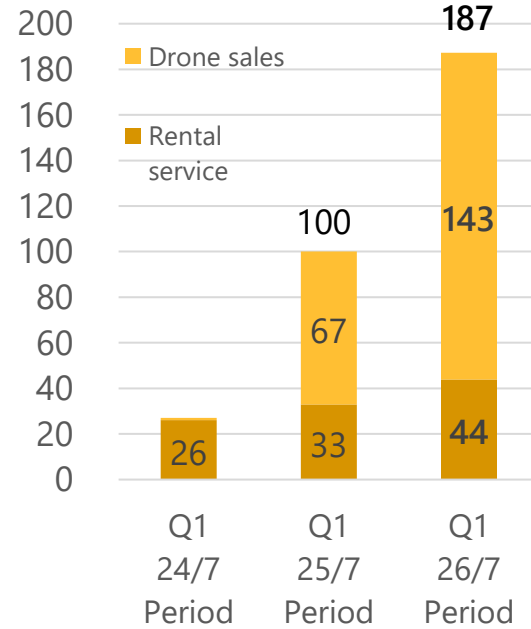
Projects continuing from the previous fiscal year accounted for the majority, resulting in the same amount as the same period of the previous year

(Unit: million yen)

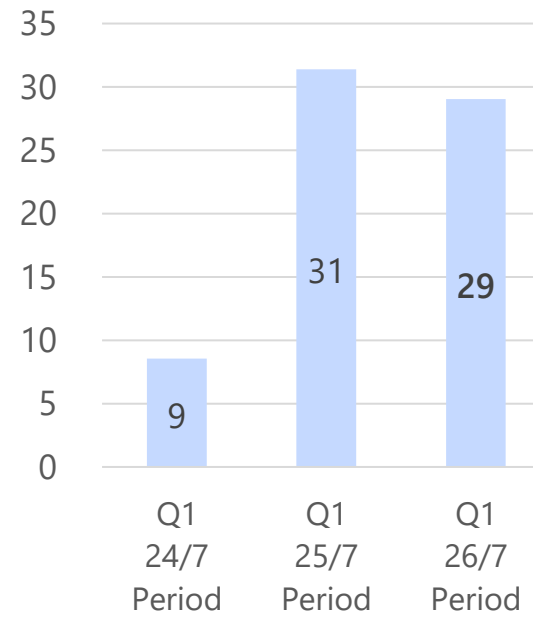
Inspection solution



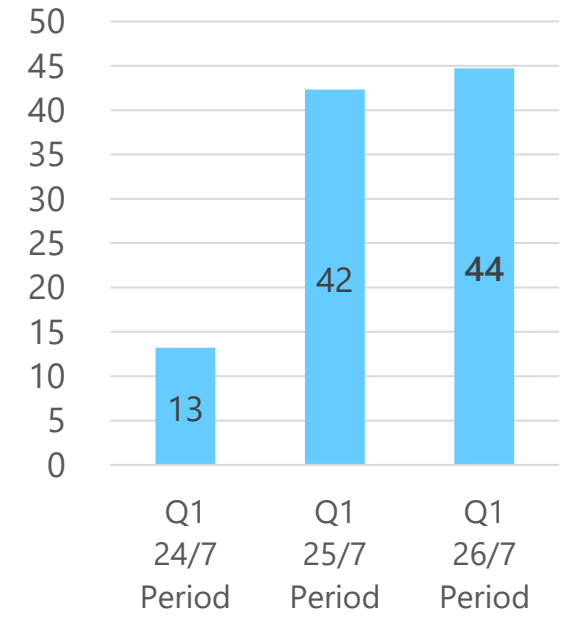
Product provision service



Digital twin business



Solution development business

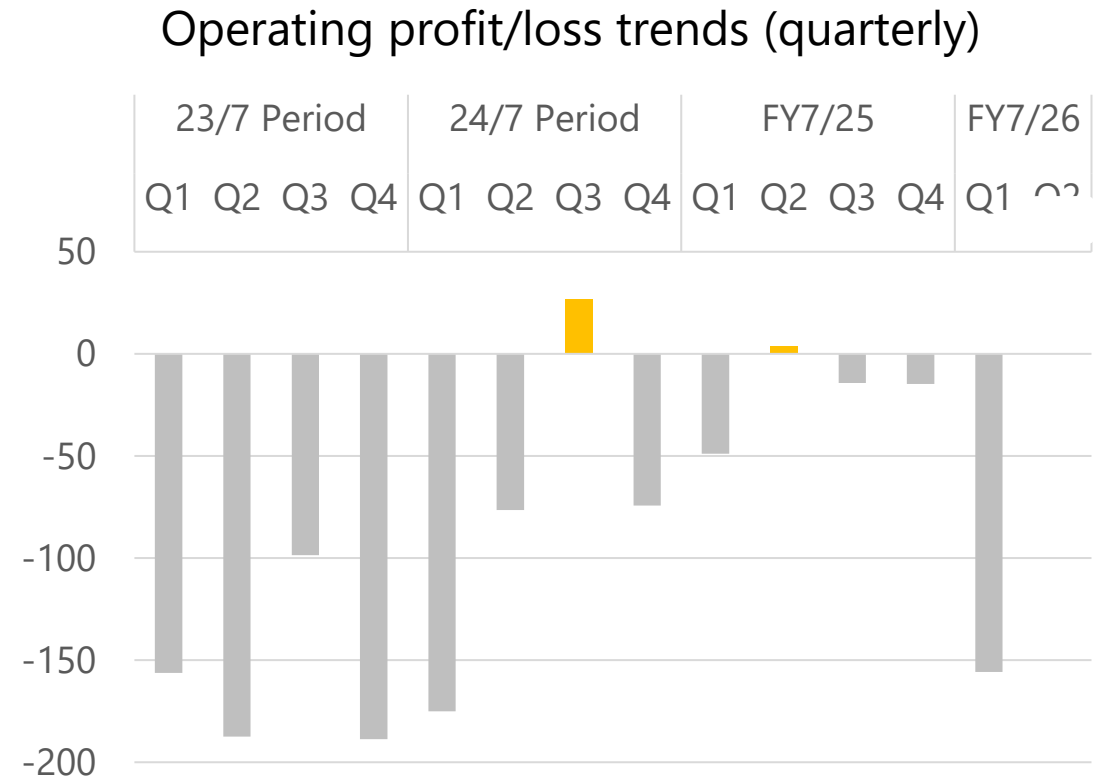
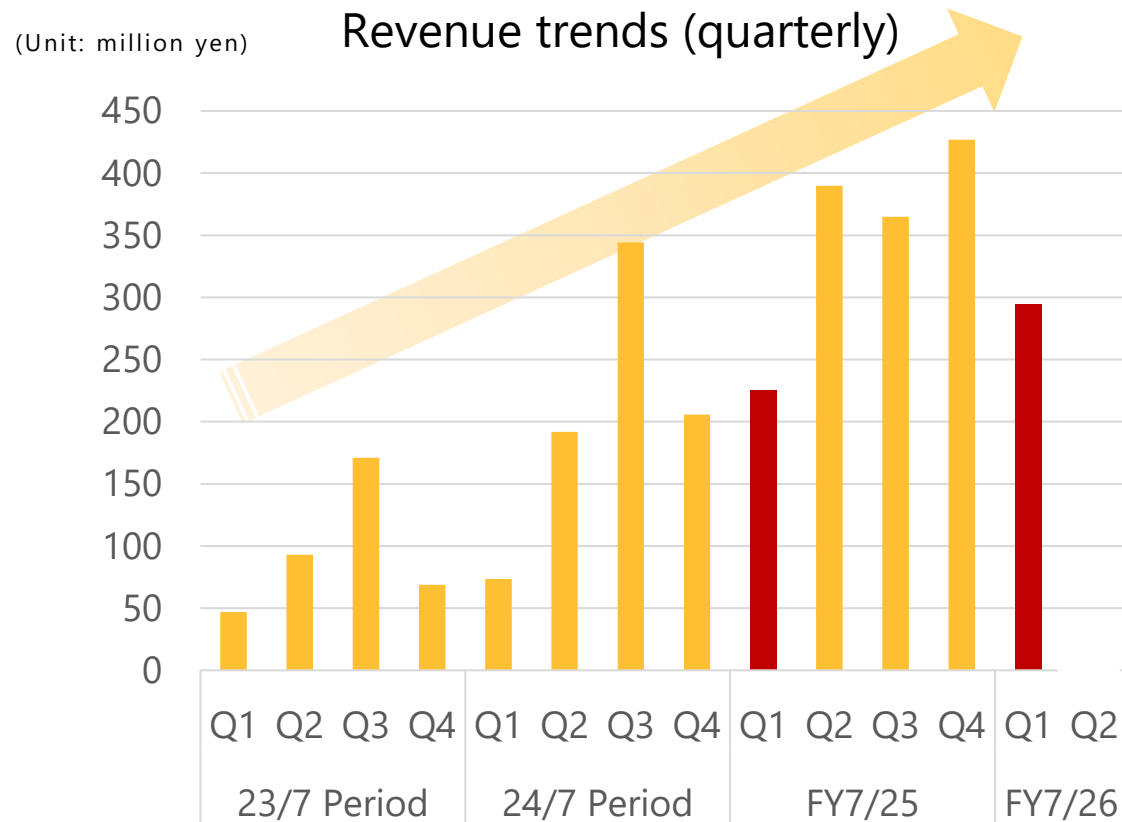


Note: First quarter revenue for new business areas was 2 million yen



Historical trends of revenue and operating profit/loss (quarterly)

- Revenue: Continues to show an increasing trend on a quarterly basis, recording the highest 1Q to date
- Operating profit/loss excluding SBIR research and development expenses: Due to the off-season, fixed costs could not be absorbed relative to revenue scale, resulting in expanded losses

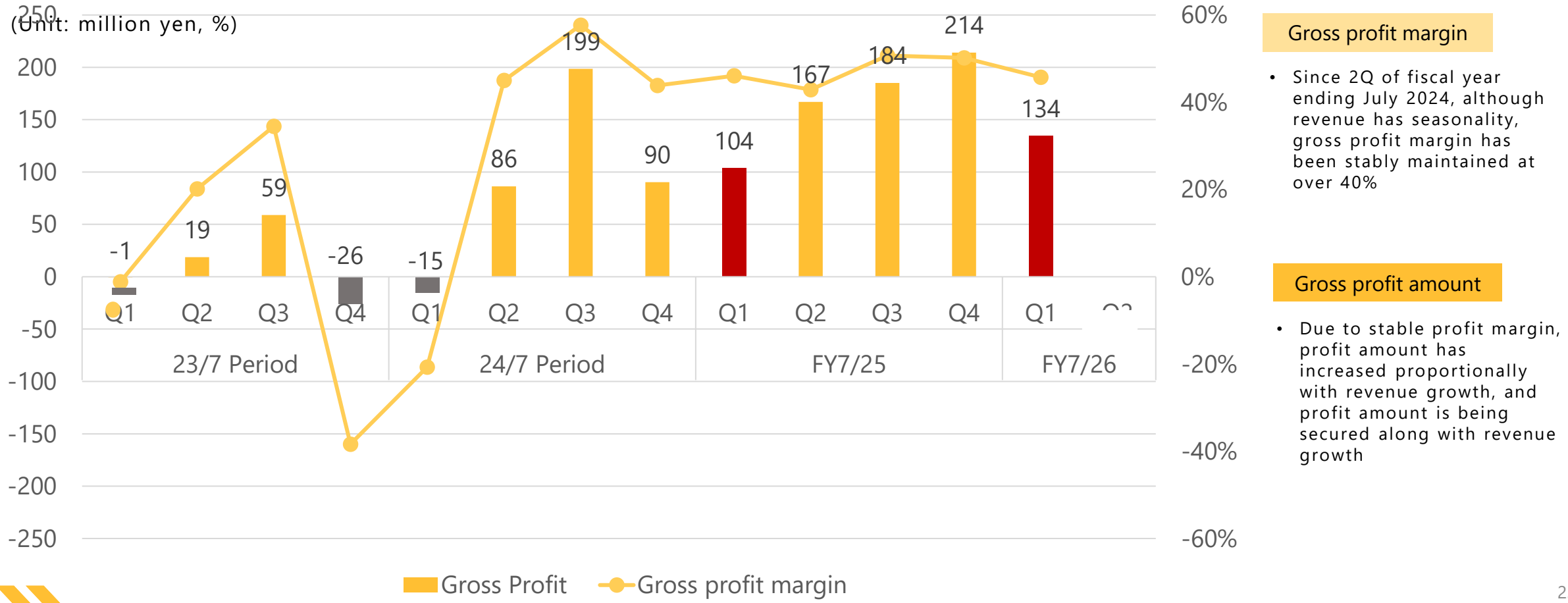


Historical trends of gross profit margin and gross profit amount(quarterly)



- Gross profit margin has been stably maintained at over 40% since 2Q of fiscal year ending July 2024, demonstrating the high profitability of Liberaware Co., Ltd.'s business
- In both the previous and current fiscal years, sufficient profit margin was secured even in the off-season 1Q

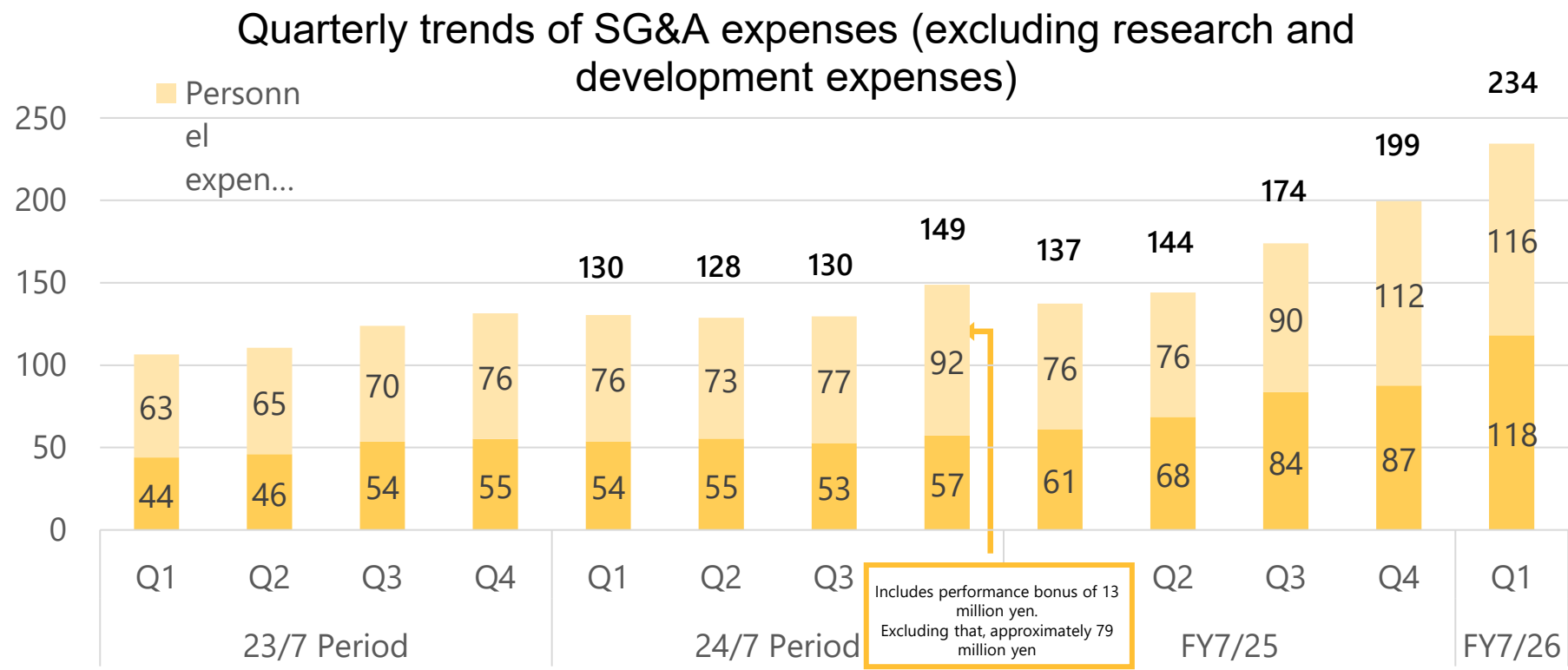
Quarterly trends of gross profit margin and gross profit amount



Historical trends of SG&A expenses (excluding research and development expenses) (quarterly)

- Personnel expenses have strong fixed cost characteristics and remained at approximately 70 to 80 million yen in previous years. Recently, due to the impact of increasing personnel on the business side such as sales for business expansion, they remain at approximately 110 million yen
- Although some expense items such as travel and transportation expenses and advertising expenses increase in line with increased sales activities, the increase is limited

(Unit: million yen)



Personnel expenses

- Stably maintained at 70M to 80M through 2Q of fiscal year ending July 2025
- From the second half of FY 2025/7, for further business expansion, increased due to addition of 13 personnel on the business side, etc.
- In the current quarter, generally the same trend as the previous quarter

Other expenses

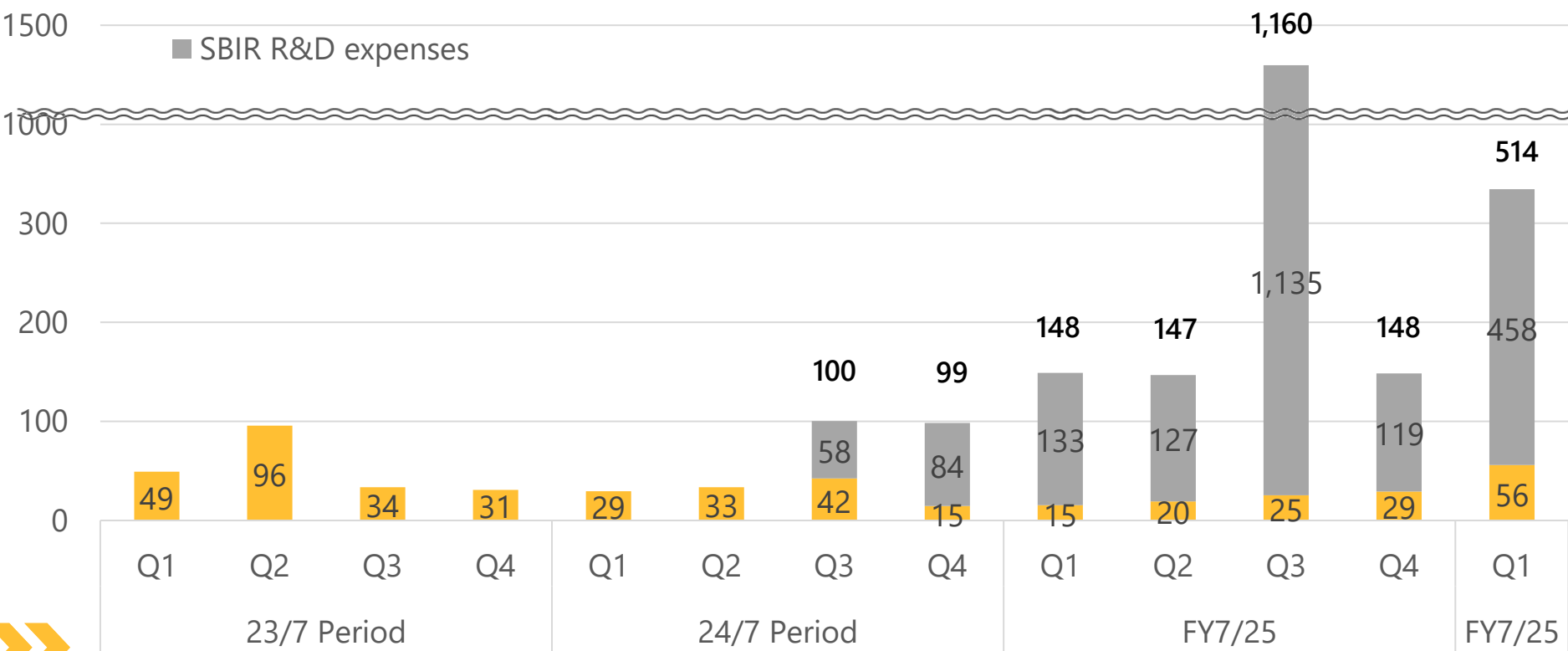
- Mainly recruitment and training expenses, advertising expenses, travel and transportation expenses, professional fees, etc. From the second half of FY 2025/7, travel and transportation expenses, advertising expenses, etc. increased due to the impact of personnel increases and demand expansion
- Thereafter, regular expenses are expected to remain at approximately 90M to 110M
- In the current quarter, includes one-time outsourcing expenses, etc. of 14M



Historical trends of research and development expenses (quarterly)

- SBIR projects started from the second half of fiscal year ending July 2024, and in 3Q of fiscal year ending July 2025, expenses increased significantly due to overlapping system deliveries, etc.
- In the current quarter, the amount was large due to recording of advance acceptance of system outsourcing expenses during fiscal year ending July 2026, but it was consumed as budgeted
- Research and development expenses excluding SBIR show an increasing trend due to development of new product "TORINOS" and next-generation IBIS

(Unit: million yen) Quarterly trends of research and development expenses



SBIR R&D expenses

- Research and development expenses are being consumed as budgeted
- In fiscal year ending July 2026, development expenses are expected to be large in 3Q as well due to overlapping system deliveries

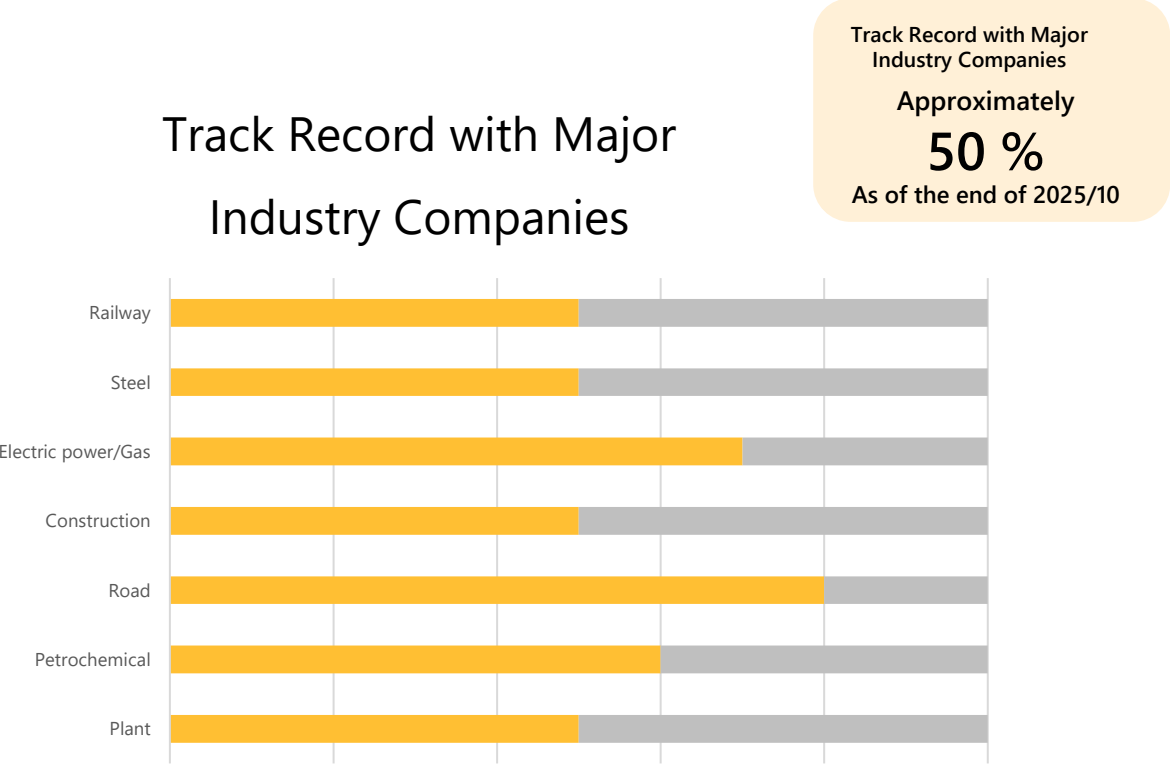
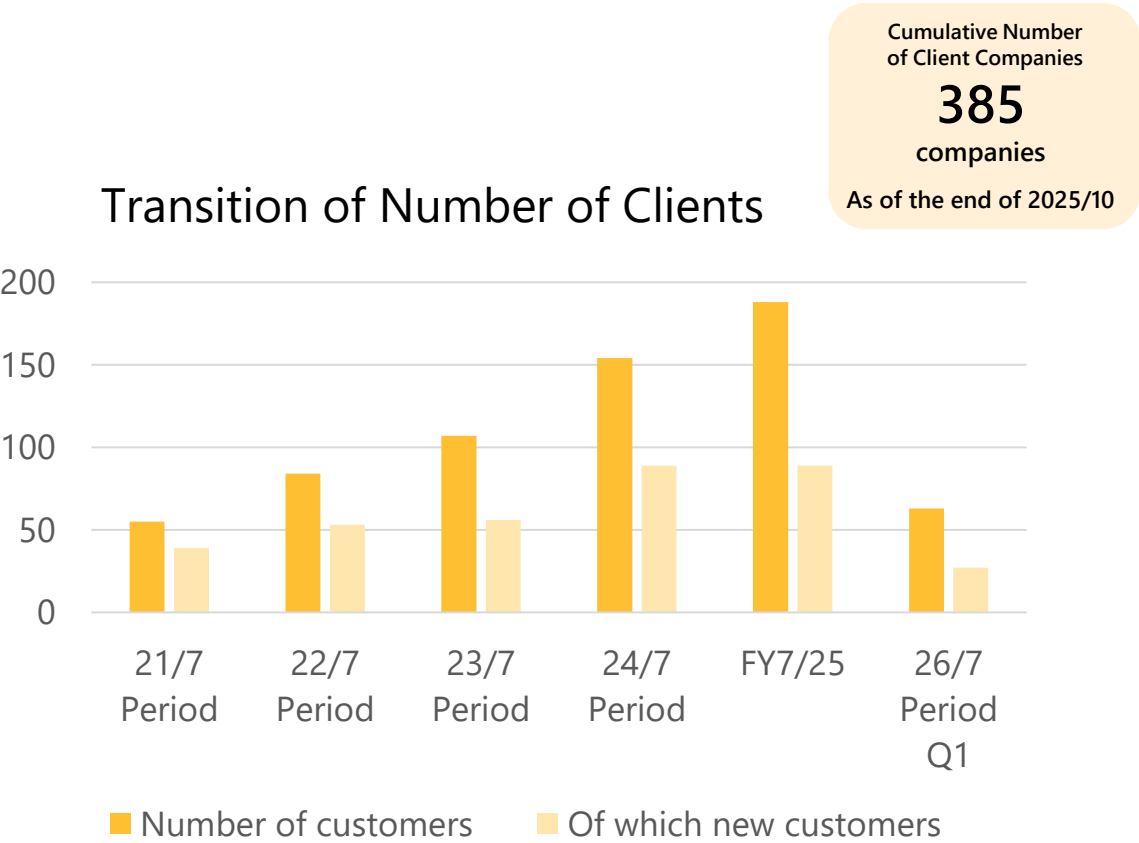
Research and development expenses related to existing businesses

- Development expenses show an increasing trend as "TORINOS" development enters the final phase and next-generation IBIS development transitions from the planning and design stage to the next phase



Customer count trends and number of major industry customers

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



Balance Sheet (Comparison with Previous Fiscal Year-End)

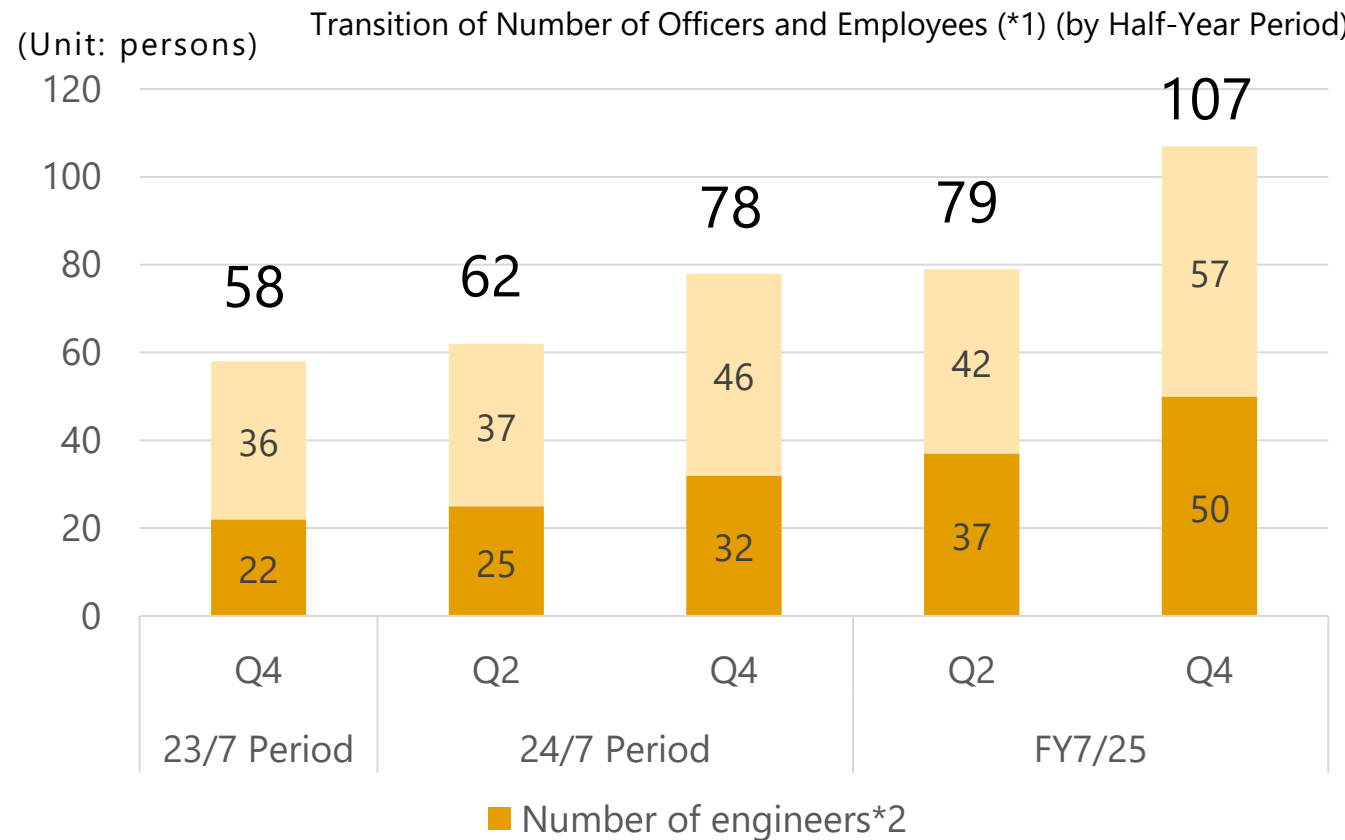
- Due to the time lag between SBIR research and development expenditures and the receipt of subsidies, expenditures of cash and deposits have preceded
- A new short-term borrowing of 100 million yen has been executed

(Unit: million yen)			End of FY25/7	FY26/7 Q1	Change from Previous Fiscal Year-End	Overview
Assets	Current Assets	Cash and Deposits	751	527	(224)	Mainly due to increased expenses associated with SBIR research and development expenditures
		Other	710	680	(30)	Mainly due to decrease in accounts receivable
	Fixed Assets	Tangible and Intangible Fixed Assets	133	122	(11)	-
		Investments and Other Assets	105	98	(7)	-
	Total Assets		1,700	1,429	(271)	
Liabilities	Interest-Bearing Debt		492	573	+81	New short-term borrowing +100, decrease due to repayment (19)
	Other		275	520	+245	Mainly due to increase in accounts payable related to SBIR research and development +219
Net Assets	Capital Stock (including Capital Surplus)		864	864	-	-
	Retained Earnings		54	(550)	(604)	quarterly net loss (605)
	Other		13	22	+9	-
Total Liabilities and Net Assets			1,700	1,429	(271)	

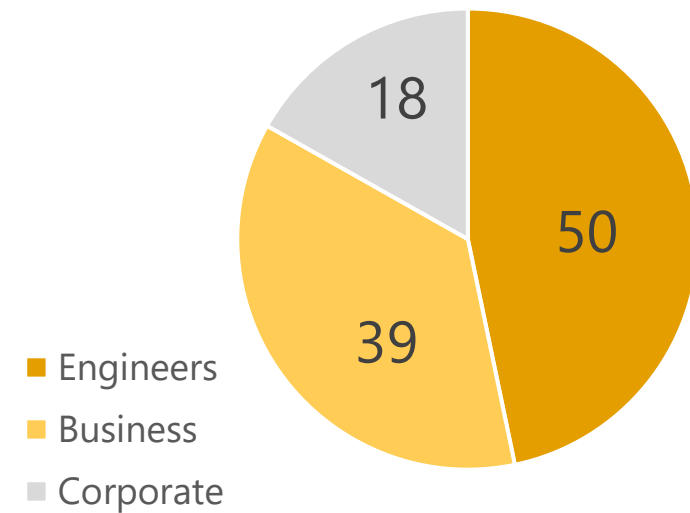


Transition of Number of Officers and Employees by Half-Year Period (End of FY7/25)

- Liberaware Co., Ltd. continues active recruitment of engineers who support its technology, promoting projects that form the basis of various growth strategies
- Liberaware Co., Ltd. also strengthens business-side and corporate personnel in accordance with business scale



Composition of Officers and Employees (End of FY7/25)



Note: *1 Excludes non-executive directors, includes temporary employees

*2 Engineers are defined as those with specialized knowledge and skills in engineering and information technology, involved in development, manufacturing, and image processing

Quarterly Breakdown of Net Sales Figures

(Unit: million yen) (Actual totals are rounded down to the nearest million yen)	FY2024/7				FY2025/7				FY2026/7	FY2026/7
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Full Year Business Forecast
Total Net Sales	73	191	344	205	225	389	364	426	294	2,220
Drone Business Total	51	138	221	160	151	143	205	304	218	1,158
Inspection solution	24	46	62	36	51	76	56	100	31	369
Product Provision Service (Drone Sales)	0	60	127	92	67	36	114	165	143	591
Product Provision Service (Rental)	26	31	31	31	32	32	34	38	44	198
Digital twin business	8	18	50	35	31	96	66	29	29	412
Solution development business	13	34	72	9	42	146	93	93	44	450
New Business Areas	0	0	0	0	0	0	0	0	2	200



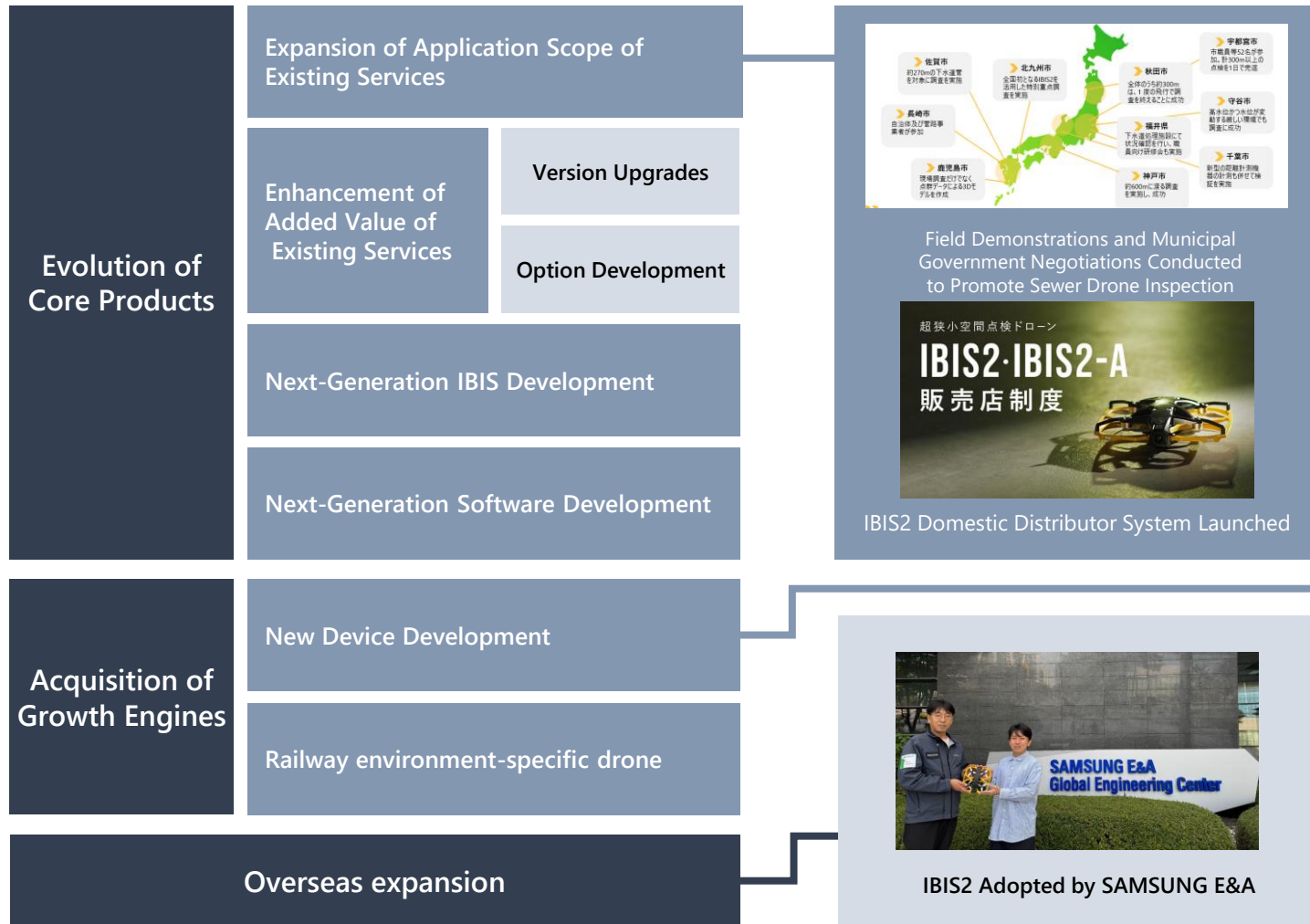


FY 2026/7 First Quarter Performance Report< < Activity Report> >



Activity Report Summary: Various Activities Implemented in Line with Growth Strategy

- In Q1, centered on activities related to sewer drone inspection, Liberaware Co., Ltd. implemented many activities including the launch of a distributor system and new product development



Why the rail camera "TORINOS"?

- The next move to address regular patrol needs arising from social issues, leveraging indoor inspection technology and customer base cultivated with IBIS, is "TORINOS"

➤ Social issues are increasing the need for regular patrols



Due to declining working population
Patrol inspection operations face labor shortages



Long-distance and high-frequency patrols impose burdens on personnel/safety risks



Remote monitoring and automation systems are difficult to establish

➤ A product unique to Liberaware Co., Ltd.

The concept of a rail-type system optimal for regular patrols

- TORINOS is designed for stable long-distance continuous monitoring and daily patrols
Optimized design
- A social implementation approach that prioritizes "reliable daily operation" over "freedom to fly"
- A choice to establish routine monitoring as "field infrastructure"



Liberaware Co., Ltd. can create the market

- Liberaware Co., Ltd. has accumulated know-how and technical capabilities in indoor inspection with IBIS
- Uncovering needs based on social issues, indoor drone inspection
Track record of creating markets
- TORINOS customers include data centers, plants, underground tunnels, etc.
Many customer bases/decision-makers overlap with IBIS
- Leveraging existing trust and sales channels, expanding the inspection domain from "Spot" to "routine monitoring"



TORINOS Target Market and Implementation Cases

- By accumulating implementation cases based on target markets, Liberaware Co., Ltd. will advance awareness expansion and use case creation, similar to IBIS

Target Market

Industry	Application Scenarios	Target Facility Examples
Security	Mechanical security	<ul style="list-style-type: none"> Data centers Large commercial facilities Railway stations
Construction	Construction progress Management	<ul style="list-style-type: none"> Civil engineering works such as tunnels
Equipment inspection	Patrol inspection	<ul style="list-style-type: none"> Dams Underground tunnels Large plants such as power plants and steel companies

Implementation cases (planned)

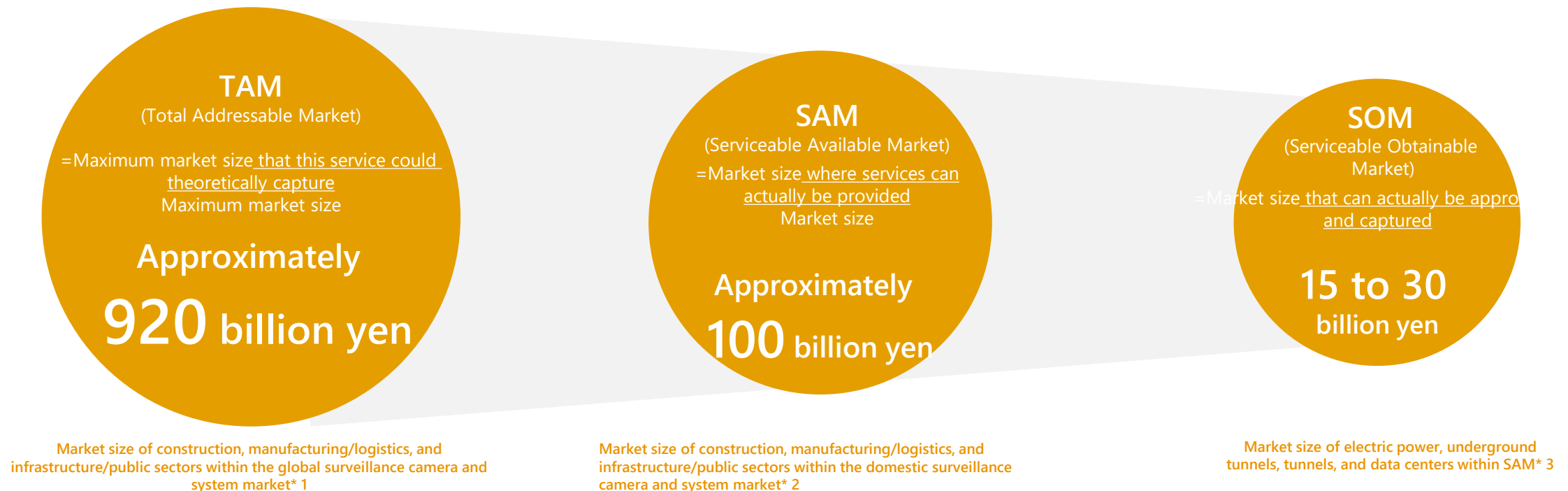
- ✓ Marunouchi Heat Supply Co., Ltd. owns and manages heat supply conduits with a total length of approximately 30 km in central Tokyo areas such as Otemachi
- ✓ Most of these conduits are installed in underground tunnels with a total length of approximately 5 km, aiming to reduce labor in management operations in narrow and challenging locations and enable rapid on-site inspections during BCP situations



Market potential of rail cameras for inspection purposes

- Within the surveillance camera and system market, rail cameras establish a unique position by capturing the untapped domain of automatic patrol
- Focusing on growth segments such as electric power, underground infrastructure, and data centers, the SOM is estimated at 15 to 30 billion yen

TAM *1, SAM *2, and SOM *3



Assumptions for estimated figures

*1 Based on Grand View Research "Video Surveillance Market Report (2025 - 2030)" for global surveillance camera and system market size, calculated considering hardware ratio of 71% and the target market and automation domain for patrol and inspection

*2 Based on Yano Research Institute's "2024 Surveillance Camera/Image Analysis System Market Reality and Outlook," calculated from the domestic surveillance camera market forecast for fiscal 2029 (approximately 400 billion yen), estimating the number of units in construction, manufacturing/logistics, and infrastructure/public sectors based on statistical data. For example, for construction, reference is made to the number of construction contracts received from public institutions (2024) as stated in the Ministry of Land, Infrastructure, Transport and Tourism's "Construction Work Orders Statistics Survey Report (Fiscal 2023)"

*3 Based on customer needs, aggregated facilities with potential for TORINOS implementation in electric power, underground tunnels, tunnels, and data centers, which are considered to have high automatic patrol needs

For example, for electric power, obtained from publicly available information "Number of power plants and output of electric utilities published by the Agency for Natural Resources and Energy (2025)," and similarly calculated from publicly available information for other industries, estimating the total as deployable sites. Market size is calculated by multiplying this by the unit price per project



TORINOS (Rail Camera) Comparison with Competitors

- Since there are no clear competitors in Japan deploying mass production for inspection purposes, Liberaware Co., Ltd. will proceed with market establishment similar to IBIS
- Since the premise is use within critical facilities, domestic products have an advantage from a security perspective, and it has not been confirmed that foreign manufacturers are widely entering the Japanese market

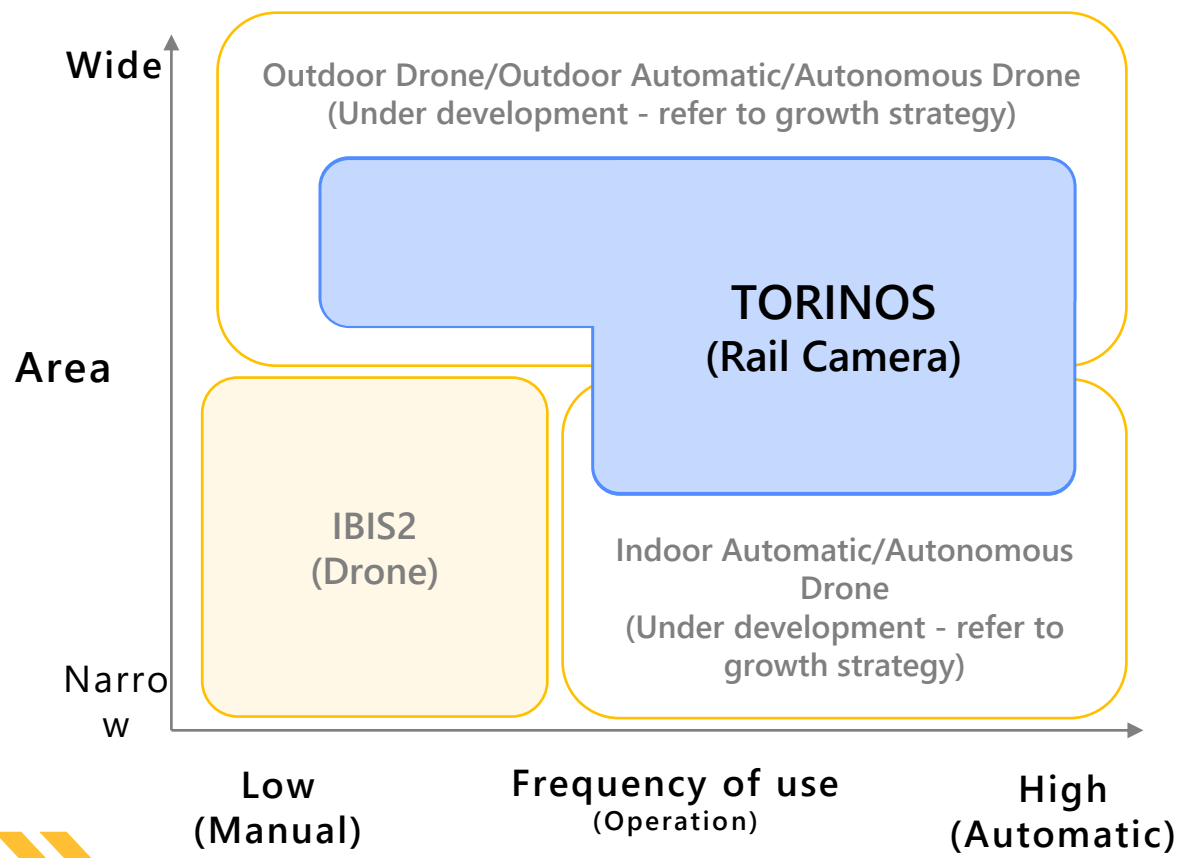
Product		TORINOS (Domestic manufacturer)	Company A (Domestic manufacturer)	Company B (Overseas manufacturer)	Company C (Imaging equipment) (Domestic manufacturer)
Hardware Functionality	Mass production system	○	△	△	○
	Slope compatibilit y	○	×	×	×
	Automatic operation	○	×	×	×
Software Functionality	AI and other analysis	×	×	△	×
Other	Business collaboration/ Additional Research and Development	<ul style="list-style-type: none"> ✓ Development collaboration with Mitsubishi Estate Group, and discussions underway with other companies ✓ Promoting functional enhancements such as data analysis using AI and other technologies 	It has not been confirmed that they are broadly and actively pursuing business partnerships and sales development	They have a Japanese branch and are operating in the Japanese market, but their track record is unknown	For photography purposes, used in track and field events, etc., with limited future scalability None



Differentiation between TORINOS and IBIS: High-difficulty indoor inspections and regular patrols

- TORINOS fills the indoor inspection areas that IBIS cannot fully cover, expanding the indoor inspection and patrol areas comprehensively in a "complementary relationship"
- IBIS2 is for "high-difficulty inspections where humans cannot/should not enter," while TORINOS is for "daily, high-frequency routine patrols" - they are "parallel products" with different purposes, frequencies, and business models

Differentiation between IBIS2 and TORINOS



Target Market

IBIS2 (Drone)	
Target	Boiler interiors, tank interiors, flues, etc. "Confined, high-risk spaces where humans cannot/should not enter"
Purpose	Acquire high-density information in a short time, reducing downtime and scaffolding setup
Characteristics	Each inspection has high value, "spot-based" "Professional service model" suited to the business
TORINOS (Rail Camera)	
Target	Data centers, plants, utility tunnels, dam galleries, tunnels, etc. "Long-distance, wide-area patrol routes"
Purpose	Automate daily/hourly patrols, achieving both early anomaly detection and labor savings
Characteristics	High stability as it runs on rails, "24 hours × 365 days continuously operating permanent infrastructure for operation"



Strategic positioning: A technological milestone toward autonomous flying drones

- A strategically consistent move that advances Liberaware Co., Ltd.'s goal of Safety as a Service through autonomous drones/autonomous robots
- The knowledge gained from TORINOS operations in automatic patrol, remote monitoring, and fleet management* will become technical and operational assets directly applicable to the future social implementation of indoor automatic/autonomous drones

Common technical elements

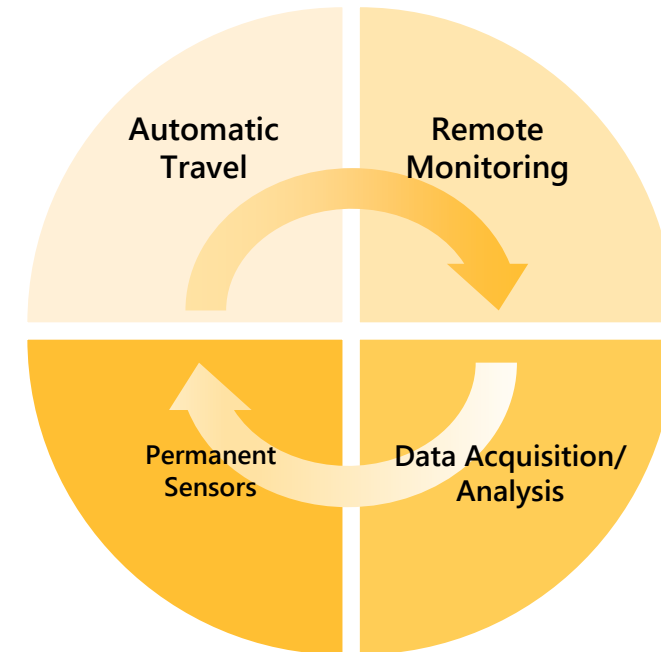
- Design and management of automatic patrol routes (Which routes, at what frequency)
- Continuous monitoring and data accumulation via sensors and cameras
- Anomaly detection algorithms and alert notifications
- Automatic dock return and automatic charging (home position management)
- Remote manual intervention (operator override operations)

Common operational know-how

- Interface design for control rooms (UI/UX)
- Fleet management of multiple robots
- Operational flow for maintenance and troubleshooting
- Know-how for implementation, training, and operational adoption within customer organizations

→ Even though there is a difference in "whether the aircraft runs on rails or flies through the air," the elements necessary for "operation as a service" are largely overlapping

➤ Vision for TORINOS



Accumulating technical elements and operational know-how common to future autonomous drone operations



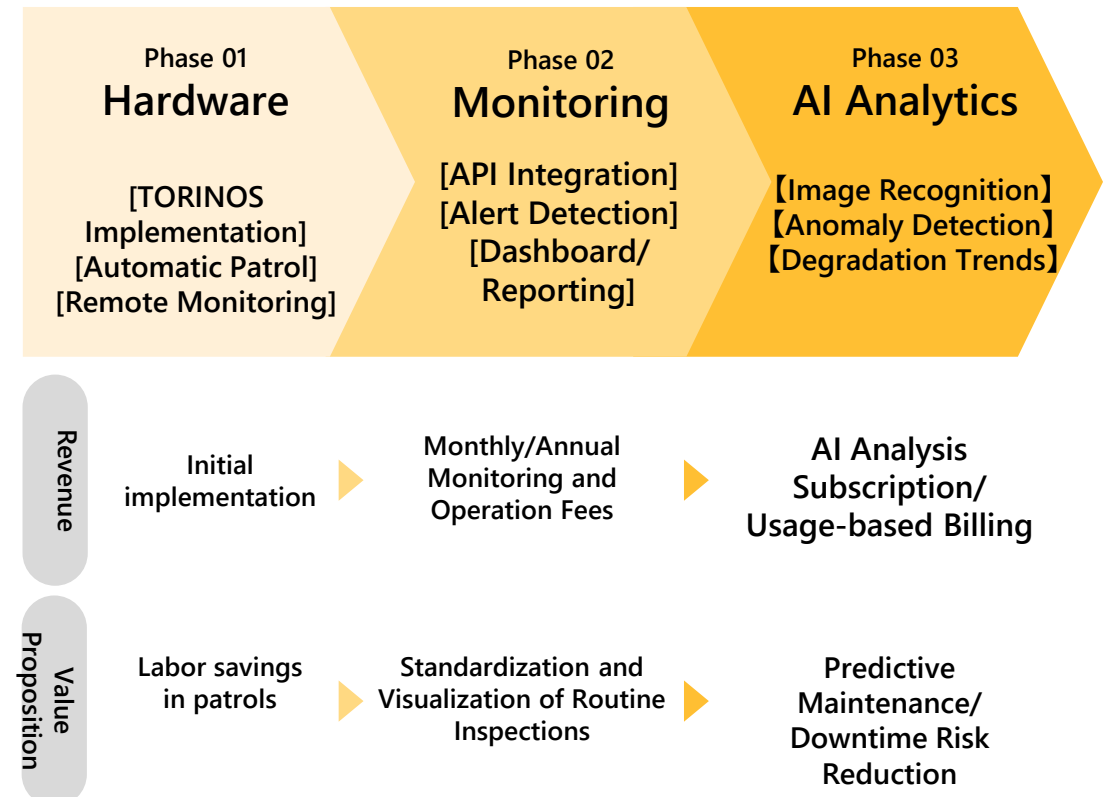
Business Progress and Future Development

- Liberaware Co., Ltd. is considering a model to continuously accumulate subscription-based revenue from video analysis, reporting, and other services in addition to hardware sales revenue through horizontal expansion to multiple infrastructure operators including city gas, district heating and cooling, and electric power

Business Progress (as of fiscal year-end earnings announcement)

Sector	Overview
Marunouchi Heat Supply Co., Ltd.	Joint development is underway with the company, and PoC is currently being implemented. Full-scale implementation is under consideration
Major gas company	PoC has been underway since December
Major general contractor	Implementation is under consideration for construction progress management at construction sites
Major telecommunication s company	Implementation is under consideration for data center management
Local government	Discussions have begun for implementation at water purification plants, pumping stations, etc.

Anticipated future development and revenue model

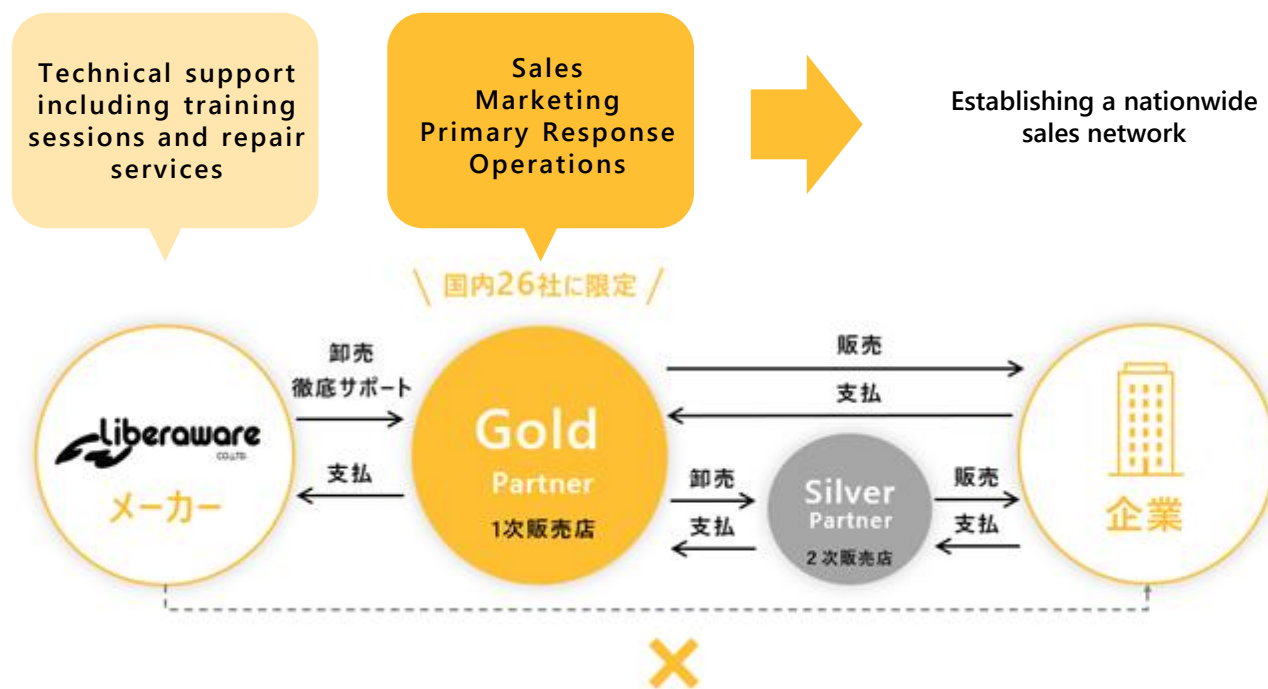


Distributor System Launched to Accelerate Nationwide Deployment of IBIS2

- Establishing a nationwide sales network to expand the sales, support, and operational value of IBIS2 from "points" to "areas," building a foundation
- Through nationwide deployment of the sales network, Liberaware Co., Ltd. also strengthens collaboration with local governments, aiming for immediate response to sudden needs such as disasters and emergency inspections

➤ Overview of Distributor System

➤ Background and Outlook



Background of Launching the Distributor System

- ✓ As demand for IBIS2 increases, it is possible to expand the sales network to infrastructure and plant sites nationwide at a speed that Liberaware Co., Ltd. alone cannot achieve
- ✓ Leveraging the trust foundation of regional partners with industry-specific knowledge, **on-site implementation support and operational support** can be provided in an integrated manner, establishing a system

Future Outlook

- ✓ Utilizing the sales and support system established nationwide as a foundation to develop into overseas expansion
- ✓ In addition to IBIS2, **various services of Liberaware Co., Ltd. such as inspection and data analysis** **Expanding to channels** and accelerating the expansion of business domains

Three domestic distributors for IBIS2 have been determined, promoting deployment across the nation

- Three companies with extensive infrastructure-related networks and customer bases in the Chubu, Kyushu, and South Kanto regions have been determined as IBIS2 domestic distributors



Yamada Shokai Holdings Co., Ltd. (Chubu Region)

A company that has been operating life infrastructure businesses including gas, water, electricity, air conditioning, and telecommunications in the Tokai area for over 100 years, with a business network of over 10 locations in the region and an extensive infrastructure network and customer base

Kyuden Drone Service Co., Ltd. (Kyushu Region)

A 100% subsidiary of Kyushu Electric Power, possessing an extensive network particularly in the Kyushu area, operational know-how cultivated in diverse infrastructure fields such as electricity, telecommunications, and water and sewerage, as well as advanced operational technology as a drone-specialized company

Kantool Co., Ltd. (South Kanto Region)

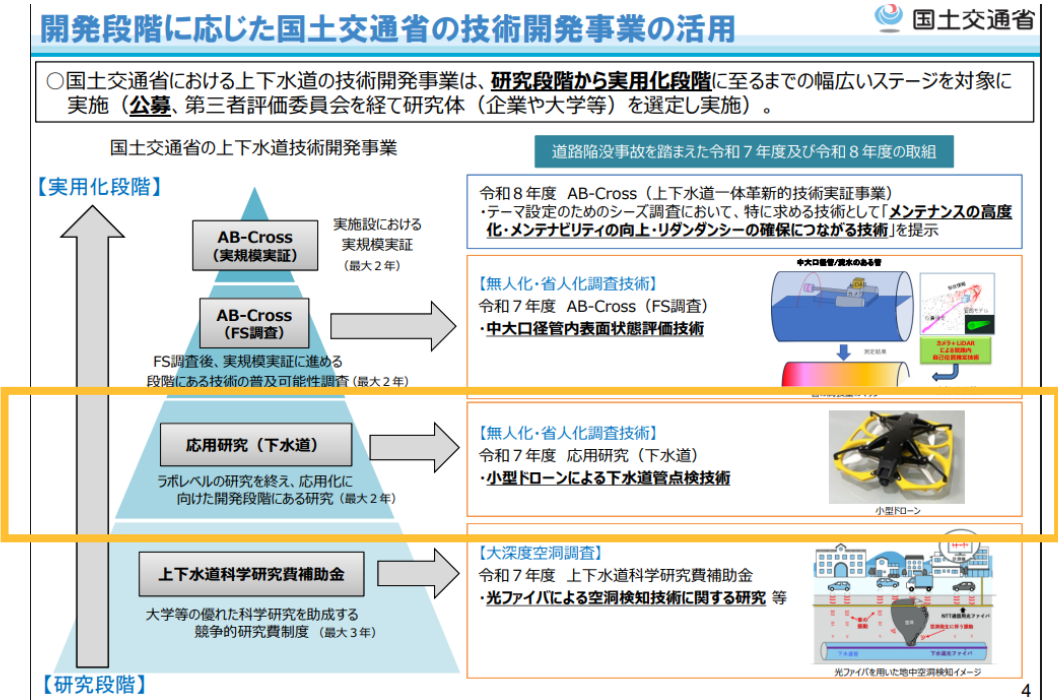
A comprehensive provider of pipeline management equipment supporting sewerage infrastructure, providing a rich lineup of cleaning, inspection/survey, and repair equipment to municipalities, sewerage operators, and construction companies nationwide. Its network is particularly extensive within the sewerage industry, establishing a consistent support system from product introduction to operation

Accumulating utilization results advances the movement toward the adoption of drone inspections

- Implementing various activities from on-site inspections to negotiations with relevant municipalities to promote the adoption of sewerage drone inspections
- As a first step toward standardization of drone inspections, Liberaware Co., Ltd.'s drone initiatives are also presented in Ministry of Land, Infrastructure, Transport and Tourism materials

➤ "IBIS" is listed as a sewerage pipe inspection technology

➤ Roadmap for drone adoption is presented



All utilization examples shown are from Liberaware Co., Ltd.

Drones and DX are being promoted toward further accelerated adoption from fiscal year 2026 onward

- In the Ministry of Land, Infrastructure, Transport and Tourism Water and Disaster Management Bureau's fiscal year 2026 budget request as well, Liberaware Co., Ltd.'s IBIS2 is listed on the page for promoting DX in the water and sewerage sector
- Discussions on how to make work inside sewer pipes safer are accelerating, and the third recommendation from the Countermeasures Review Committee includes drones as a recommended unmanned technology, with our IBIS2 listed as an example of such a drone

Ministry of Land, Infrastructure, Transport and Tourism Water and Disaster Management Bureau Fiscal Year 2026 Budget Request

03 (2) 水分野におけるDXの推進

上下水道分野におけるDXの推進

〇 上下水道施設の老朽化や、管理に精通した熟練職員の減少などが進む中、**デジタル技術を活用し、メンテナンスの効率を向上させるため、上下水道分野におけるDXの推進が重要。**

〇 **上下水道DX技術カタログの充実、DX導入手引きの作成、施設情報の電子化、経営状況の可視化の取組をとりまとめたところであり、経営の広域化などに資するDX技術を今後3年程度で全国で標準実装する。**

デジタル行財政改革取りまとめ2025 上下水道DXに関する概要

① DX技術カタログの充実

- 自治体における「点検調査」、「劣化予測」、「施設情報の管理・活用」等に活用できる119のデジタル技術をまとめた「上下水道DX技術カタログ」が公表された。

② DX導入手引きの作成

- DXを用いた漏水調査等のスクリーニングについての手引きを作成（令和7年6月公表）。

③ 施設情報の電子化

- 管路情報を台帳システム等で管理する上での統一的な用語等の整備を進めるとともに、水道の共通プラットフォームや下水道の台帳に関する標準仕様書の改訂を実施。

④ 経営状況の可視化

- 水道の現状に対する住民理解を醸成し、水道事業者等※に対して広域連携やDX技術導入による効率化等の経営改善に向けた取組を促すため、経営状況を可視化する「水道事業者等の経営状況に関するダッシュボード」を作成（令和7年6月公表）。

※水道事業者等：水道事業者及び水道用水供給事業者

例：水道情報活用システムの利用イメージ

Countermeasures Review Committee (Third Recommendation)

- ✓ A concrete approach will be presented to improve and put into practical use inspection and investigation techniques for sewerage pipelines

【方策の具体化に向けて】 (基本的な考え方)

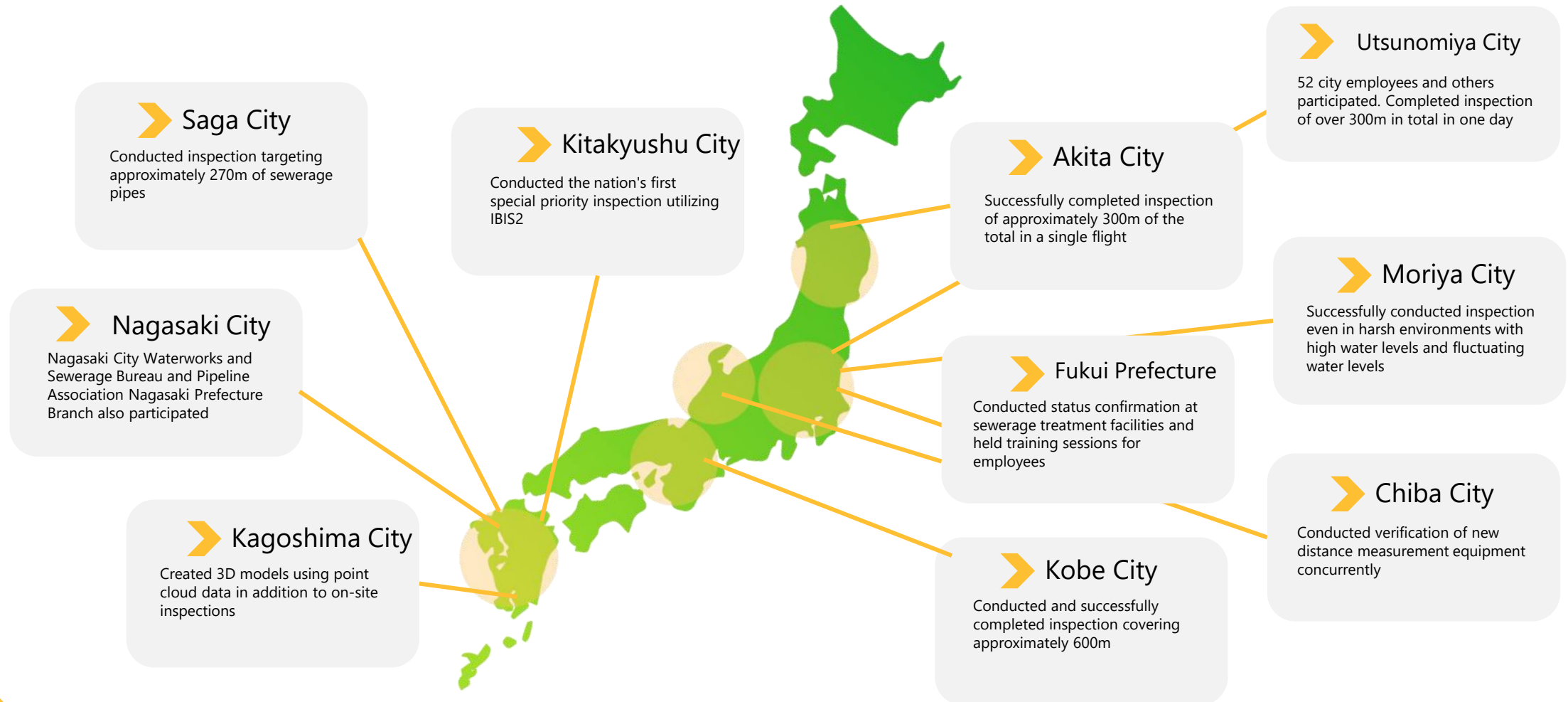
- 〇 人材確保が難しい中での効率的な管路マネジメントの実現と、硫化水素の発生など下水道の過酷な環境を改めて鑑みると、可及的速やかに各種の技術開発を行う必要がある。
- 〇 さらに将来的には、人が管路に入らなくても精度の高い点検・調査を行うことができる「管内 No Entry」を長期的な目標に置いて、無人化・省力化、DXに向けたドローンやAI診断技術などの技術の高度化・実用化を進めるべきである。

(普及促進環境の整備等)

- 〇 新たに開発された技術が確実に現場で実装されるよう、ビジネスモデルの構築とともに、国や関係団体が連携して技術指針・マニュアルなどの図書・基準類を体系的に整備するといった普及促進環境の整備も進めるべきである。

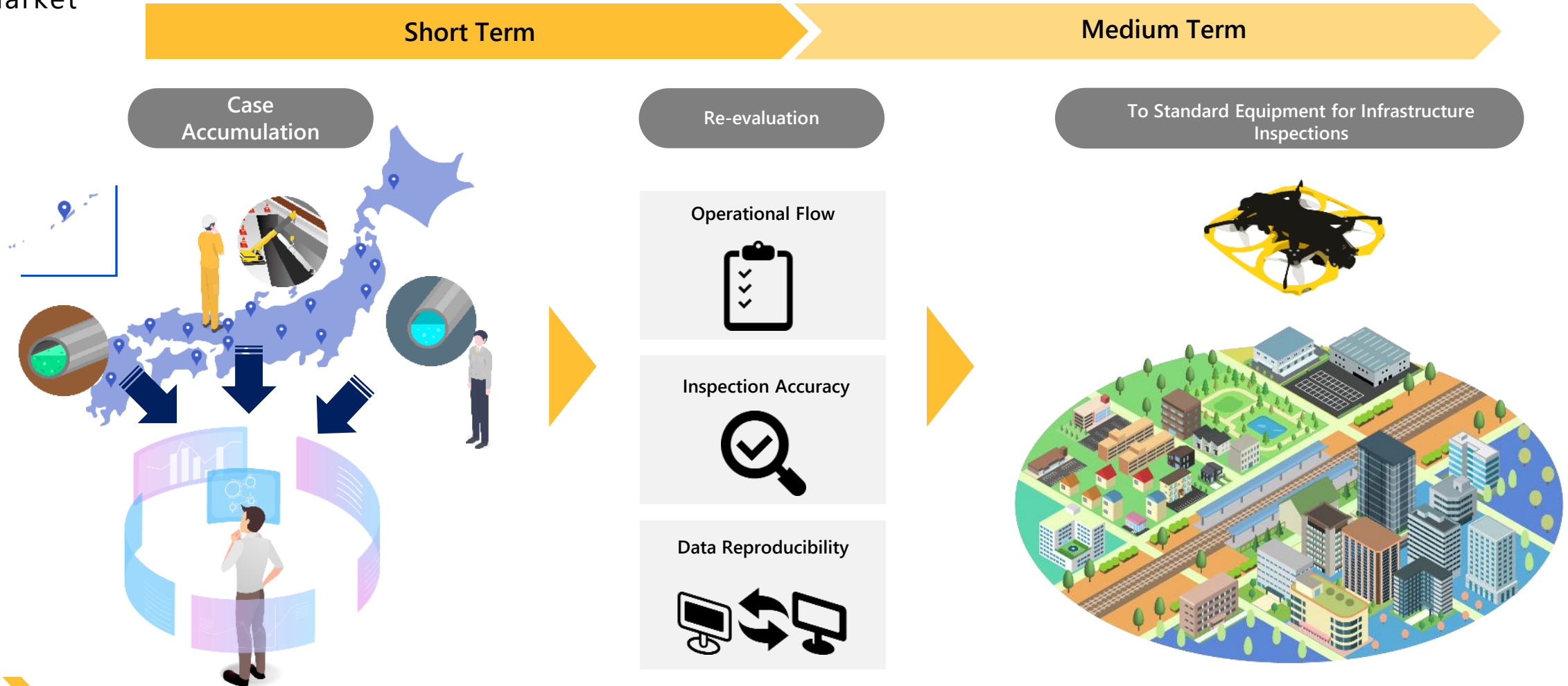
Conducting sewerage and other inspections using IBIS2 at municipalities across the nation

- Conducting inspections in collaboration with over 30 cases in total and over 20 municipalities (below lists those that can be publicly disclosed)
- In the results at each municipality, many stakeholders participate, and results are achieved even in distances and environments that are not easy with conventional methods



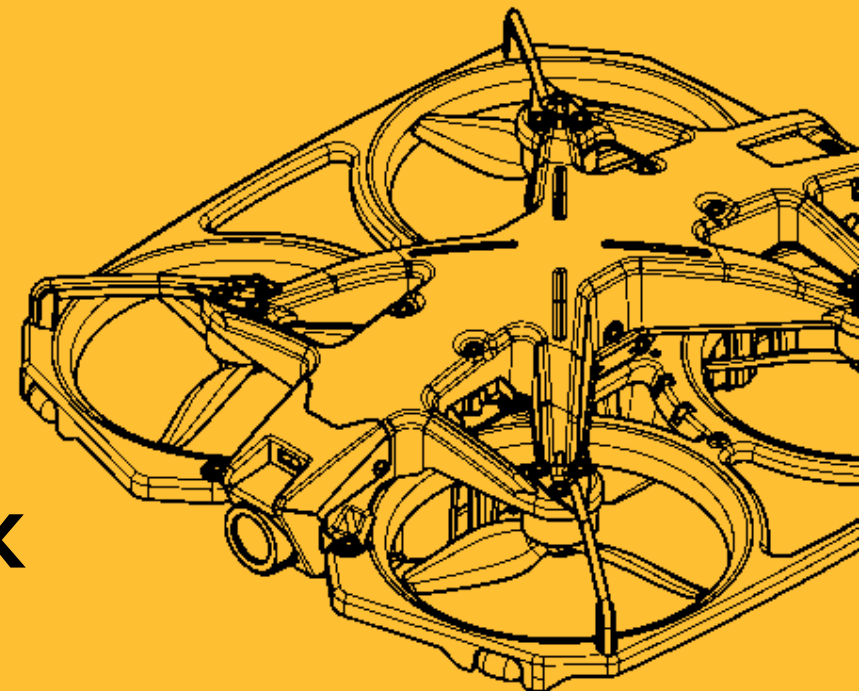
Short to Medium Term: Establishing Position as Standard Equipment for Infrastructure Inspections Through Case Accumulation

- Accumulating numerous utilization cases in nationwide special priority inspections to become standard equipment for sewerage inspections
Furthermore, aiming to establish position as standard equipment in the nationwide infrastructure inspection market





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

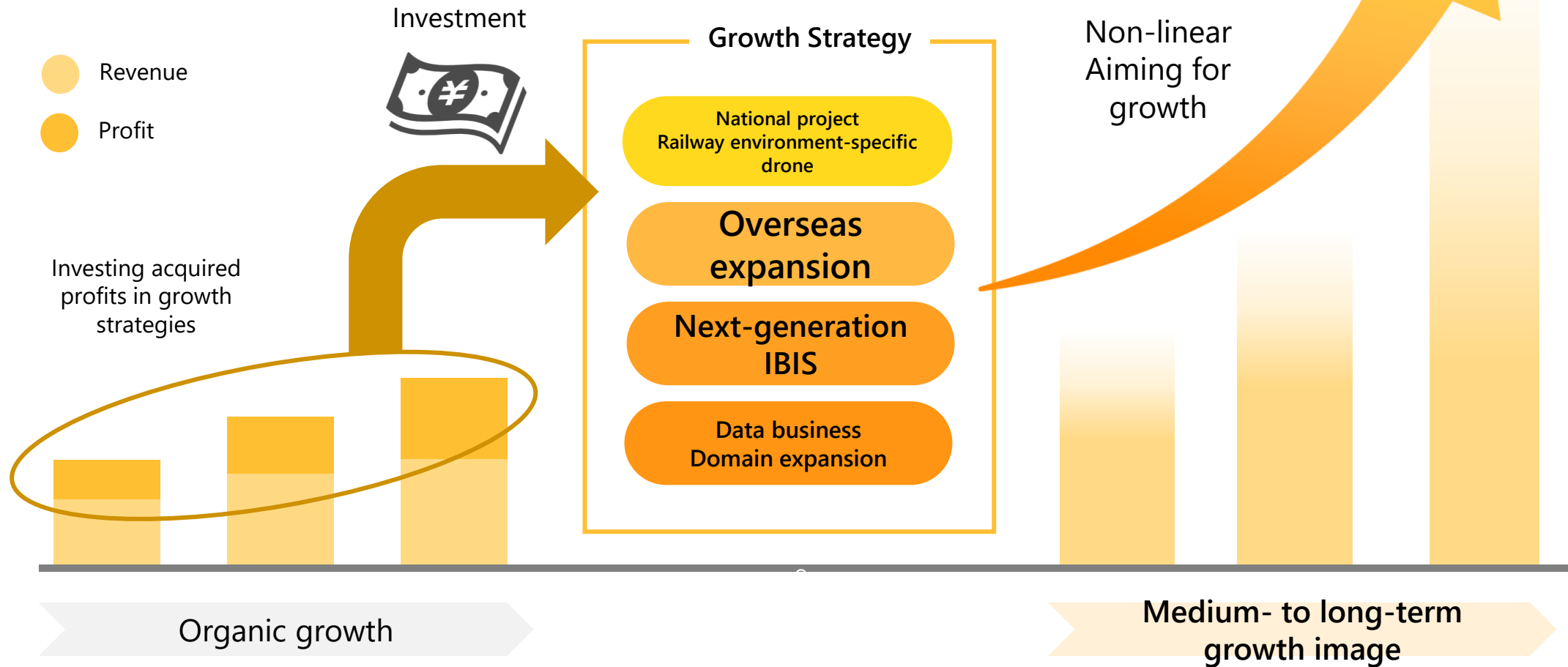
Overall R&D expenses increase due to phase transitions of national projects and next-generation IBIS products

- ✓ 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

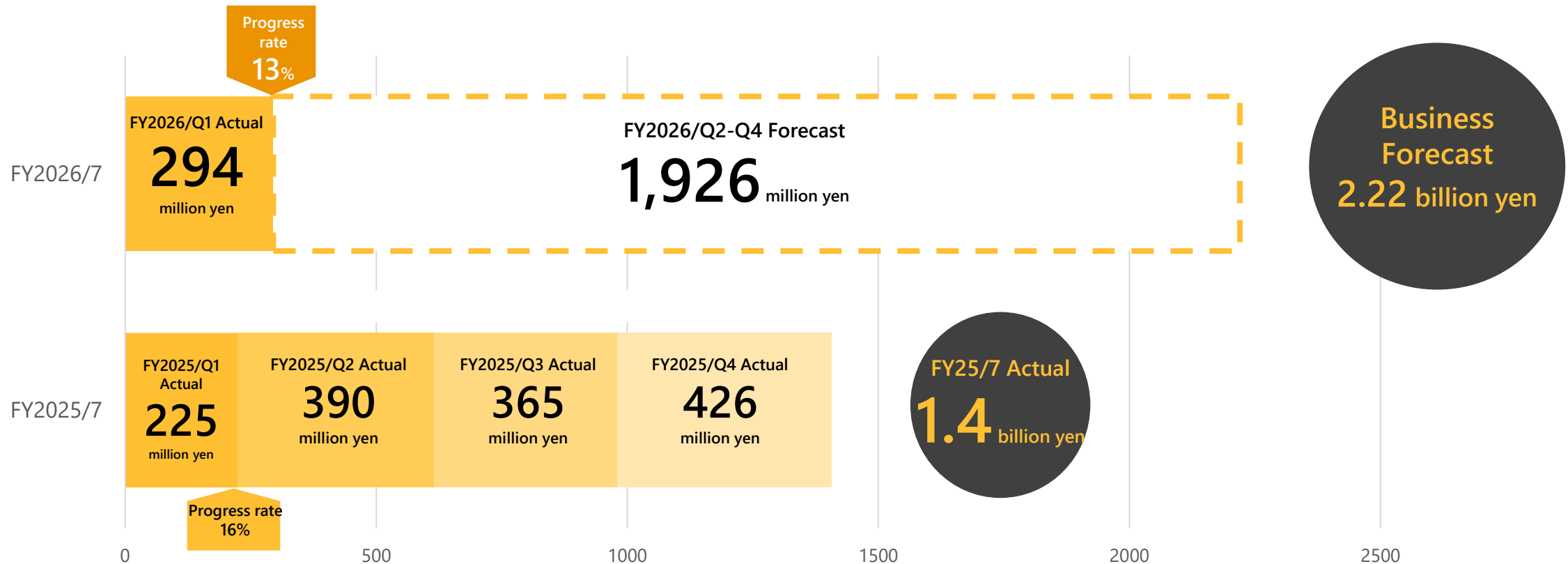
(Unit: million yen)	FY2025/7 (Actual)	FY2026/7 (Plan)	Year-on-year Change	Year-on-year Change rate	Overview
Net sales	1,406	2,220	+814	+57%	Aiming to maintain historical growth rate
Gross Profit	669	1,123	+454	+67%	Gross profit margin is expected to increase by 3 percentage points
<i>Gross profit margin</i>	<i>47.6%</i>	<i>50.6%</i>	<i>+3 percentage points</i>		
Selling, general and administrative expenses	2,258	3,535	1,277		<ul style="list-style-type: none"> • 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
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

Ordinary income excluding the impact of timing differences in SBIR subsidy income and stock-based compensation expenses is expected to be in the black



Quarterly revenue progress rate against full-year earnings forecast

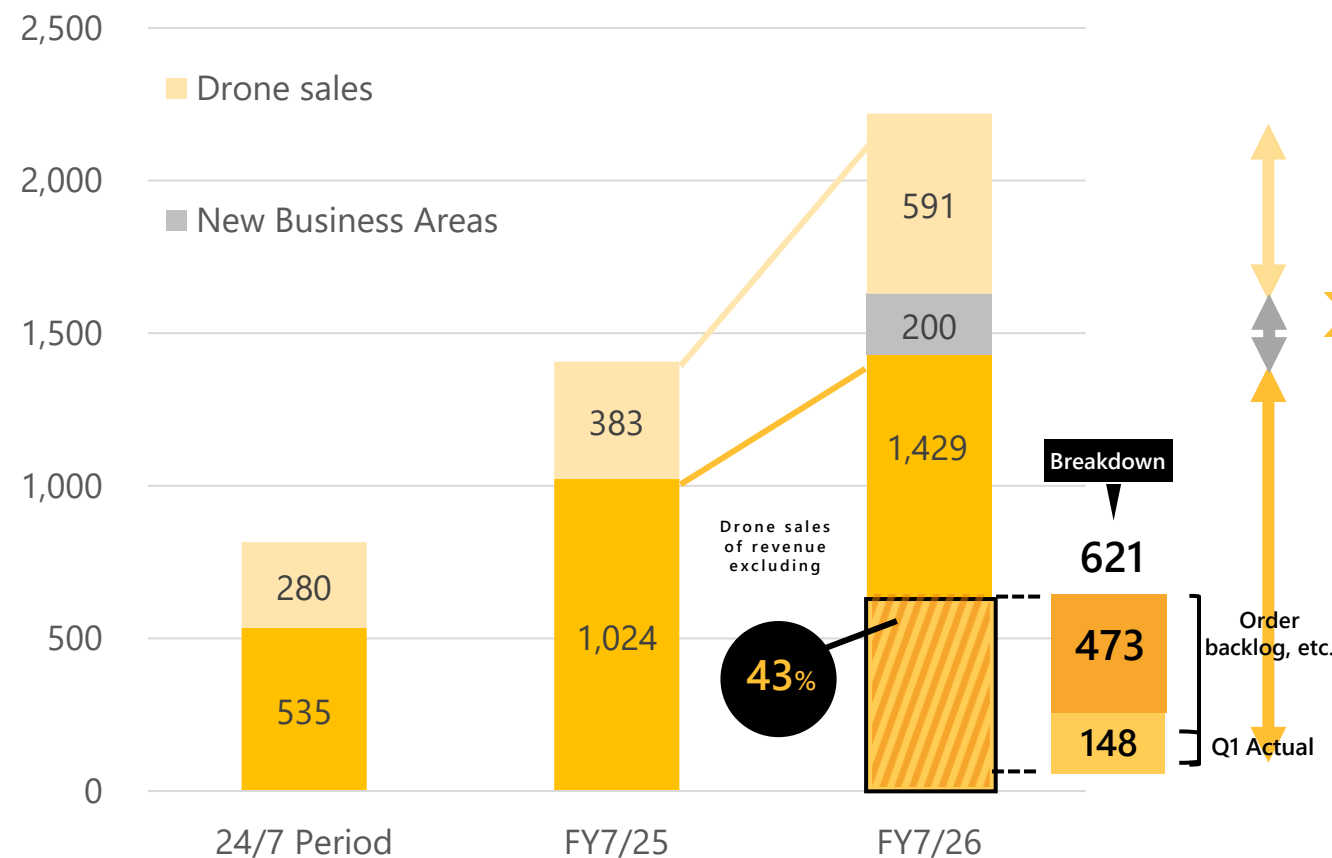
- The first quarter is typically the slowest season of the year, so the progress rate against the full-year earnings forecast remains at 13%
- Although this is 3 percentage points lower compared to the prior year same period progress rate of 16%, it is at a level that can be sufficiently covered in the busy second quarter



Explanation of revenue forecast

- For drone sales, Q1 covered more than 60% of the first-half target of 30 sets, and the pipeline for Q2 and beyond is progressing smoothly
- Revenue excluding drone sales is steadily accumulating at approximately 43% based on orders already received as of now (excluding new areas)
- New areas include overseas and new products, so most will ramp up from the second half

(Unit: million yen) Trends by revenue type



Drone sales

Unit: Number of sets*1	Q1	Q2	Second half	Cumulative
FY07/26 (Plan)	First half 30		43	73
FY07/26 (Q1 Actual)	18.5	-	-	18.5

Revenue excluding drone sales

Q1 Actual	148	Q1 actual value excluding drone sales
Breakdown of order backlog, etc.	286	Order backlog from inspections by existing customers and solution development projects continuing from the previous fiscal year, etc.
	187	Remaining months of ARR for monthly revenue services such as rental services
Total	621	Q1 Actual + Order backlog, etc.

Note: *1: In principle, 2 drones are sold as 1 set. When selling 1 drone, it is counted as 0.5 sets
ARR (Annual Recurring Revenue): Annual Recurring Revenue

50

Annual Transition of Revenue by Business/Service

- Liberaware Co., Ltd. expects year-on-year growth across all businesses and services, continuing from previous fiscal years, and anticipates revenue from overseas markets and new products

Drone business

Inspection solution

Along with the growth of the drone inspection market
Continued revenue growth expected

Product provision service

Drone sales and rental services
Both expected to grow steadily

Digital twin business

Fiscal year ending July 2026 also expected to grow significantly by approximately 85% year-on-year

Solution development business

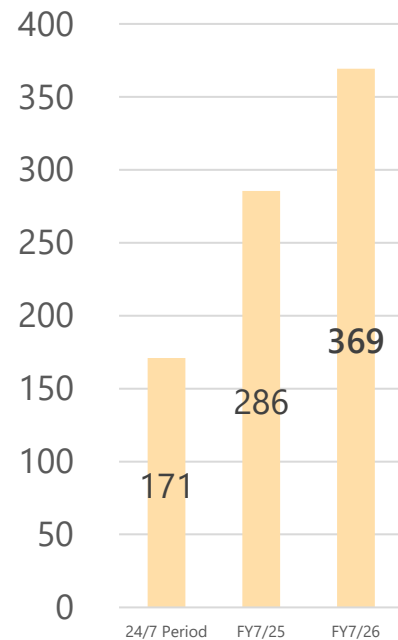
In fiscal year ending July 2026, activities will focus on ongoing projects, so new projects are expected to be limited

New Business Areas

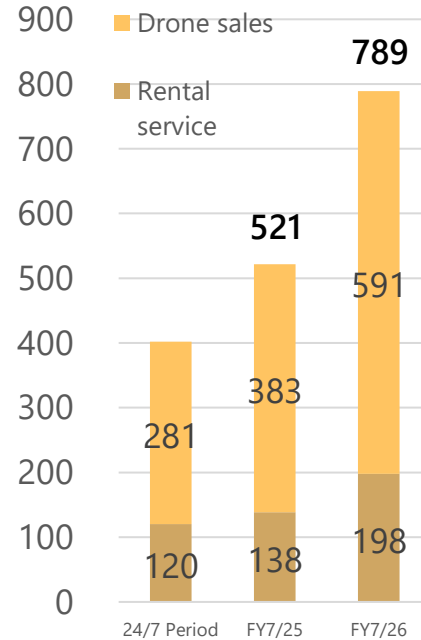
Overseas market launch and new product deployment expected to generate revenue

(Unit: million yen)

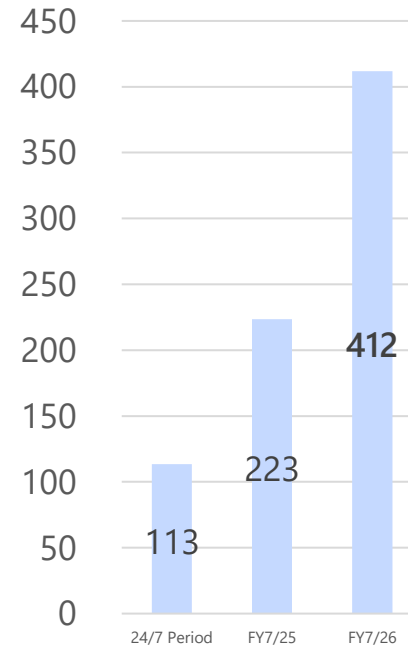
Inspection solution



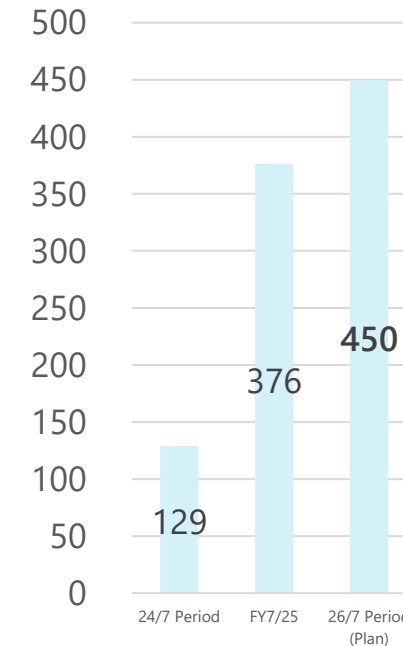
Product provision service



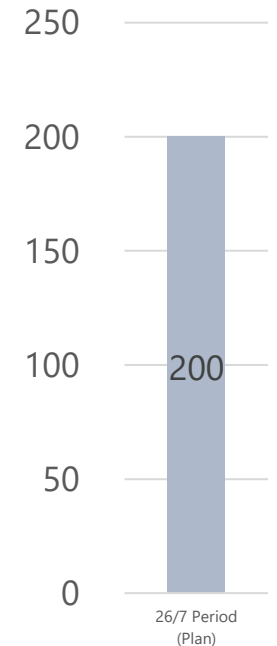
Digital twin business



Solution Development Business

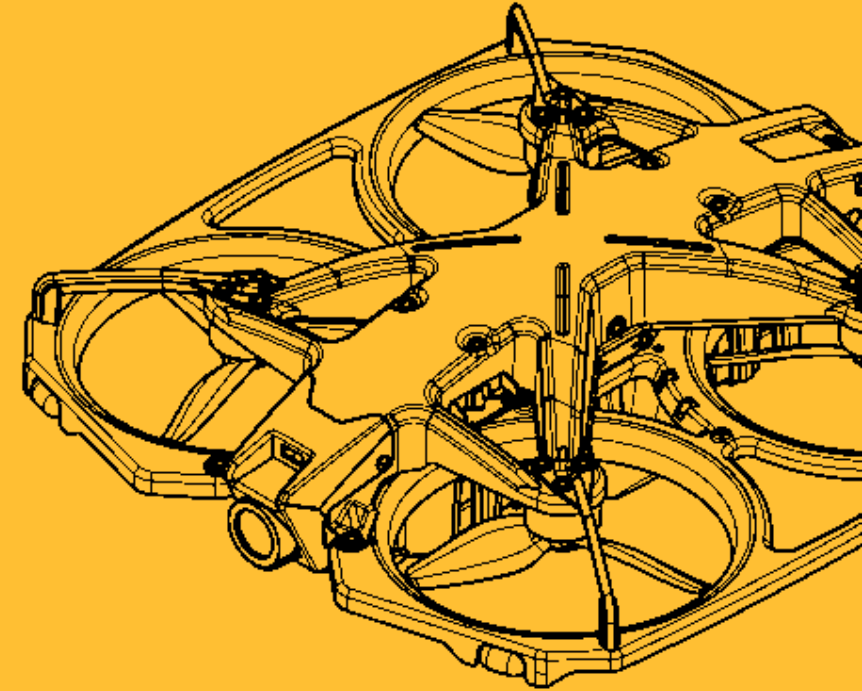


New Business Areas





05 Growth Strategy Progress FY 2026/7 First Quarter



FY26/7

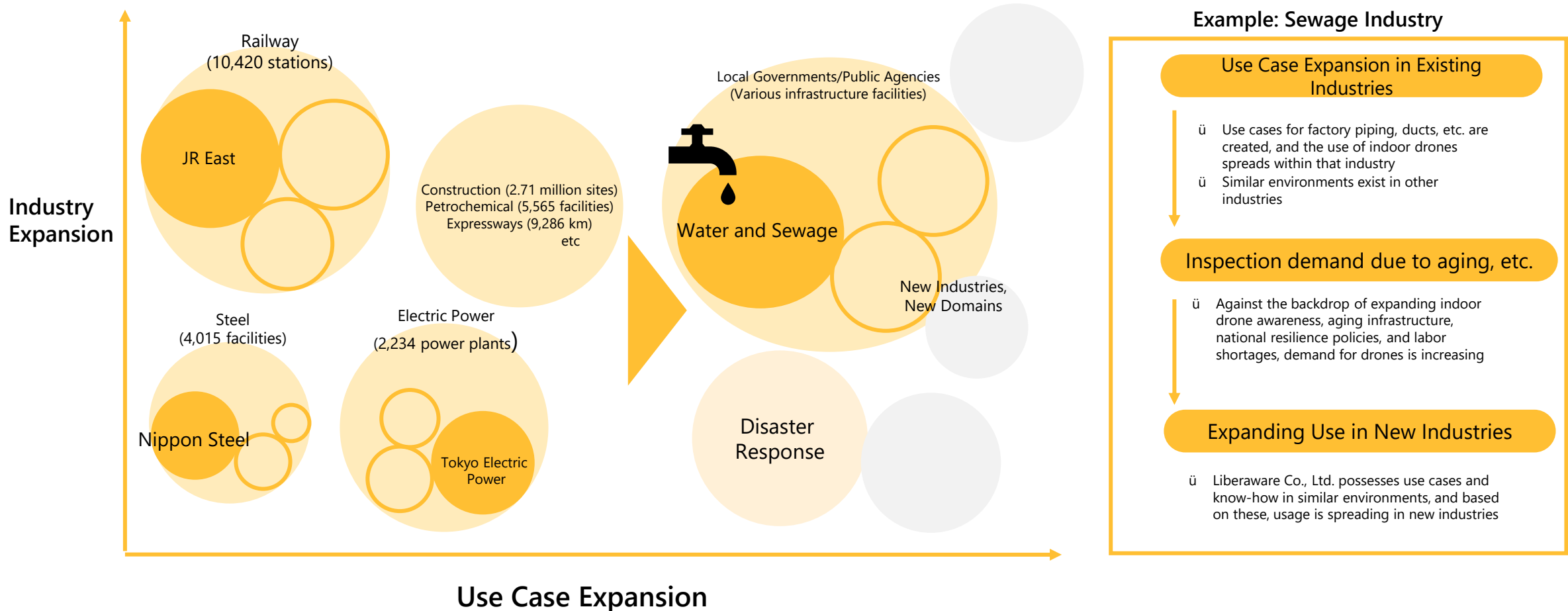
Accelerating continuous growth by expanding business domains with co-creation as the core axis and enhancing added value of existing services

- 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 Deeper Penetration of Key Industries and Expansion into New Domains

- Expanding use cases by understanding needs through co-creation with industry leaders in each sector, and pursuing deeper penetration and horizontal expansion for each company
- Developing new industries and new domains based on acquired use cases and know-how, with the sewage industry being cited as a recent example



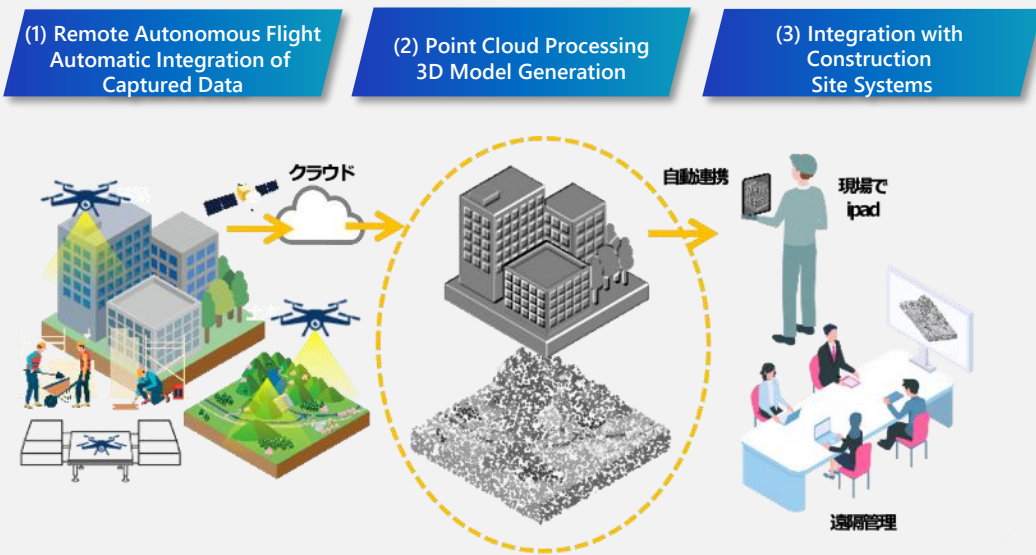
Note: Number of stations: Geospatial Information Authority of Japan (as of April 2024); Number of facilities in steel and petrochemical industries: Ministry of Economy, Trade and Industry, Census of Manufactures (FY2020); Number of construction sites: Ministry of Land, Infrastructure, Transport and Tourism, Building Renovation Survey (non-residential buildings); Expressway distance: Ministry of Land, Infrastructure, Transport and Tourism, Road-related Data Collection; 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 Construction Site Operational Efficiency

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

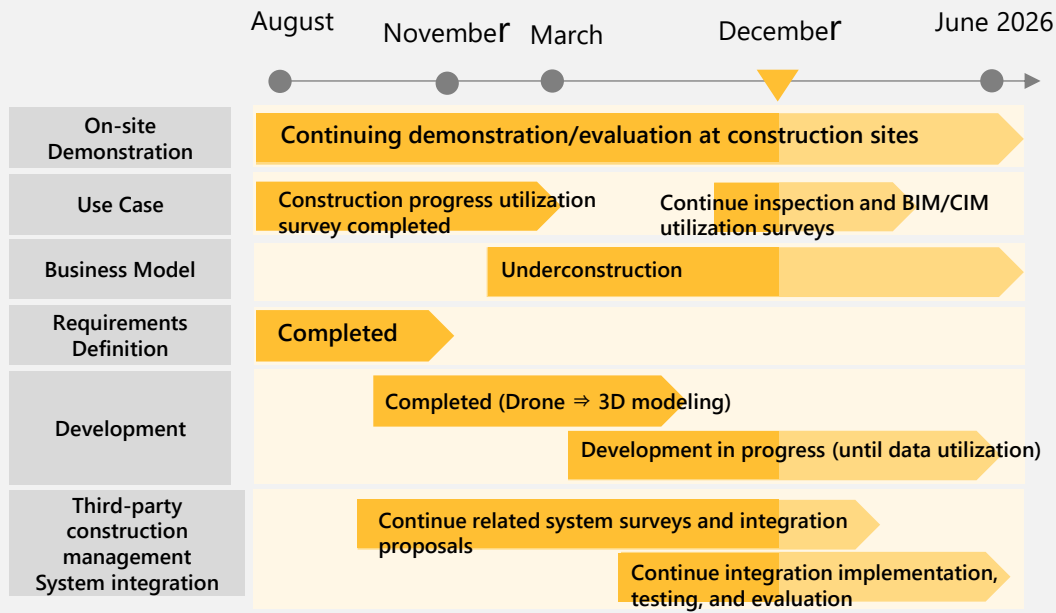
Construction Know-how × Liberaware

- ✓ In construction projects such as earthwork, tunnels, and dams, automatic patrol and measurement by remotely automated patrol drones, automatic data analysis (3D modeling, AI analysis, etc.) using measurement images, and integration of analyzed data with construction management software and cloud systems to realize "automation of construction sites"
- ✓ As a solution to labor shortages in the construction industry, operations will commence in fall 2026, entering a market size of 251.3 billion yen



Business Progress: Advancing New BIM/CIM Demonstration

- ✓ Permanently installed drones with automatic charging ports at construction sites for one year, continuing weekly remote automatic surveying through beyond visual line of sight flight (Level 3)(*) without on-site assistants
- ✓ Completed cloud-based integration from drone remote operation to 3D modeling and subsequent construction management systems
Moving forward with demonstration of progress management utilizing BIM/CIM models.



National Project Participation: Development of Drone Solutions for Railway Industry Inspections

- Started in April 2024, development of drone solutions specialized for railway environments to address labor shortages and safety challenges in the railway industry (Subsidy grant decision amount: 5.2 billion yen, project period: April 2024 to March 2028)

Subsidy grant decision amount

5.2 billion yen

Amount received through July 2025 period 1.32 billion yen

Consortium members

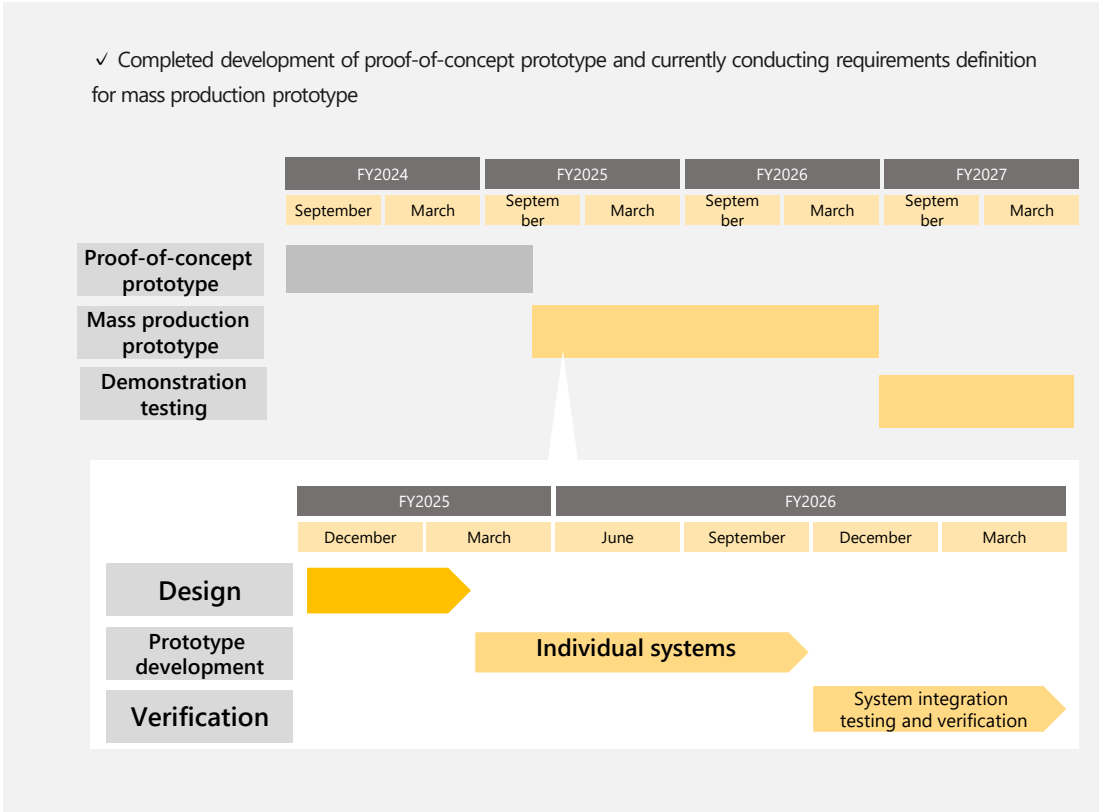
Drone

On-site

Data

Control and communication

Project progress: Mass production prototype under development



Drone Solution Image for Railway Industry Inspections

- Aiming to provide efficient and safe solutions by replacing routine maintenance operations conducted by railway site workers with drones

➤ Drone Image *



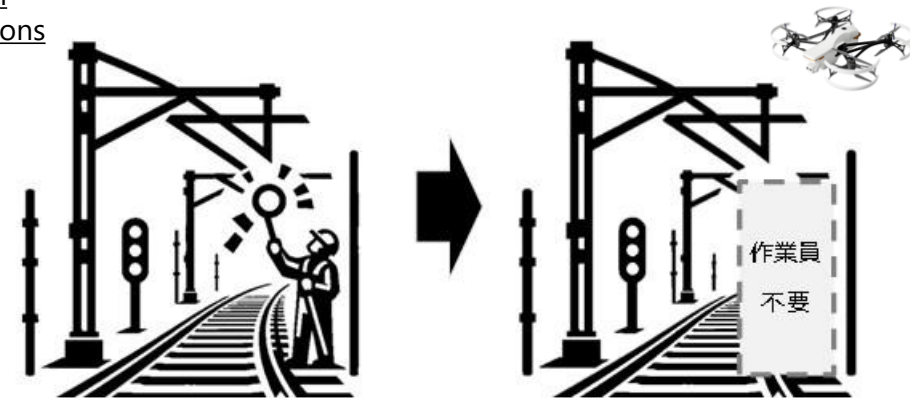
**This is an image during the development stage and differs from the actual commercialized product*

➤ Replacement of maintenance operations with drones

- Replace comprehensive maintenance status checks conducted by workers with drones

Image of drone utilization

Normal conditions



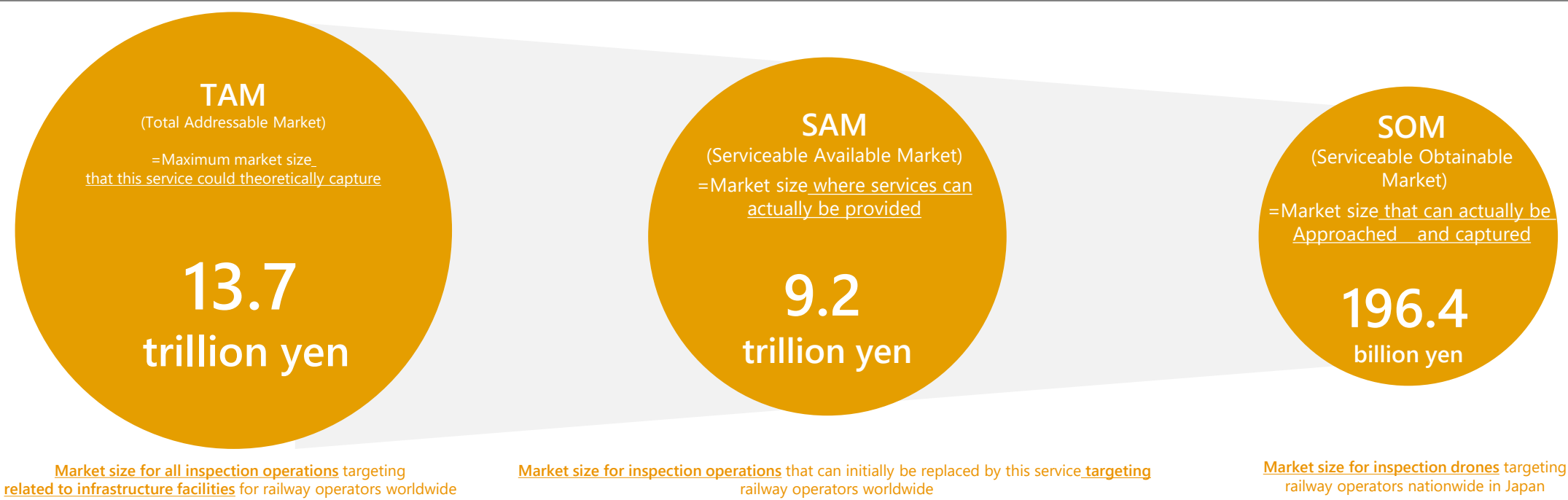
During disasters and abnormal conditions



Market Potential of Drone Solutions for Railway Industry Inspections

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

TAM, SAM, and SOM *123 for this service



This service can theoretically replace all operations related to railway infrastructure inspections

Since aging railway infrastructure and risks in securing inspection personnel are observed globally, service provision is feasible

This service initially targets domestic railway operators, and since multiple operators have already been approached, service provision is feasible

Market potential estimates: Calculated by Deloitte Tohmatsu Consulting based on interviews with railway operators and publicly available information
Assumptions for estimated figures

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

*2: Labor costs related to inspections are assumed to be proportional to track distance.

*3: Labor cost unit prices, number of inspection personnel, personnel numbers related to inspections at each railway operator, operating distances of each railway operator, etc., were calculated based on publicly available information, interviews with railway operators, and estimates derived therefrom



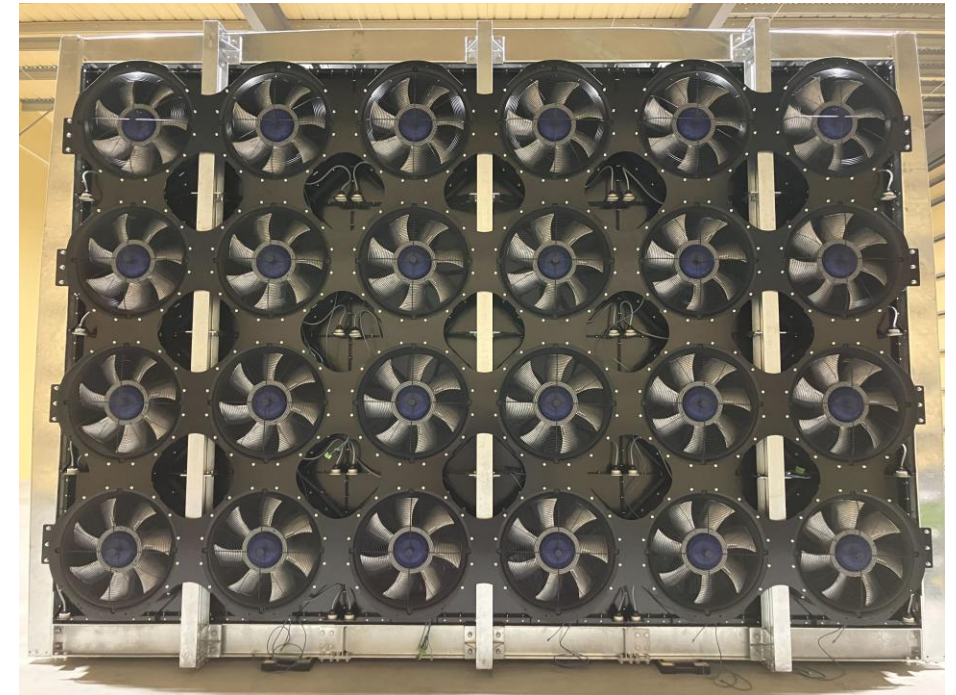
Multiple railway operators participating (JR Shikoku newly joined)

- With the new addition of JR Shikoku, currently 6 railway operators are participating in this project
- Of the 6 JR Group companies, a total of 5 companies are participating: the 3 Honshu companies plus Kyushu and Shikoku



Newly installed a dedicated wind tunnel facility at the test site

- Liberaware Co., Ltd. has established a dedicated wind tunnel facility in addition to railway tracks at a test site in Chiba Prefecture, building a system that enables timely flight testing



South Korea: SAMSUNG E&A introduces IBIS2, with a view to future horizontal expansion

- Liberaware Co., Ltd. has secured implementation results with a global major EPC company*, accelerating credibility acquisition and awareness expansion based on utilization by major companies, similar to Japan
- In addition, Liberaware Co., Ltd. continues to promote market establishment through business alliances and active exhibition participation

➤ IBIS2 Case Studies

SAMSUNG E&A

Background of adoption

- ✓ Inspection inside enclosed spaces always involves high risk, and conventionally has centered on manual inspection and borescope utilization
 - ✓ Ensuring worker safety and inspection quality simultaneously had been a major challenge
- The structure, image quality, and cost were evaluated, leading to adoption

Future outlook

- ✓ Promoting horizontal expansion to domestic and international plant and large-scale infrastructure projects handled by SAMSUNG E&A
- ✓ Using this project as a reference, accelerating adoption proposals to other global EPC and plant owners

➤ Other activities for awareness expansion

Business alliances



HOP Co.,Ltd.

A Korean startup company that has developed a position control system that enables commercially available drones and robots to move autonomously in non-GPS environments such as indoors and underground where communication with satellites is difficult

Aiming to integrate Liberaware Co., Ltd.'s narrow space flight and 3D data processing technology with HOP's non-GPS position measurement technology

Exhibition participation

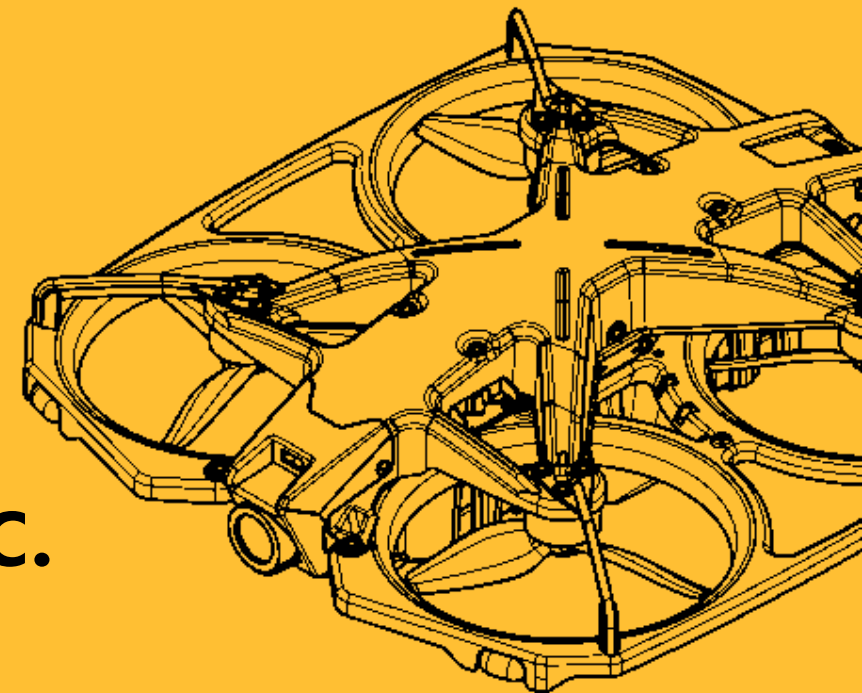
- ü K-SAFETY EXPO 2025
- ü 2025 International Drone Industry Symposium
- ü In addition, we have exhibited at many other exhibitions





06 Appendix

(1) Company overview, etc.



Company Overview (Liberaware)



Company Name	Liberaware Co., Ltd.
Established	August 22, 2016
Number of Employees	107 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: 11.7% 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	<ul style="list-style-type: none">• 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

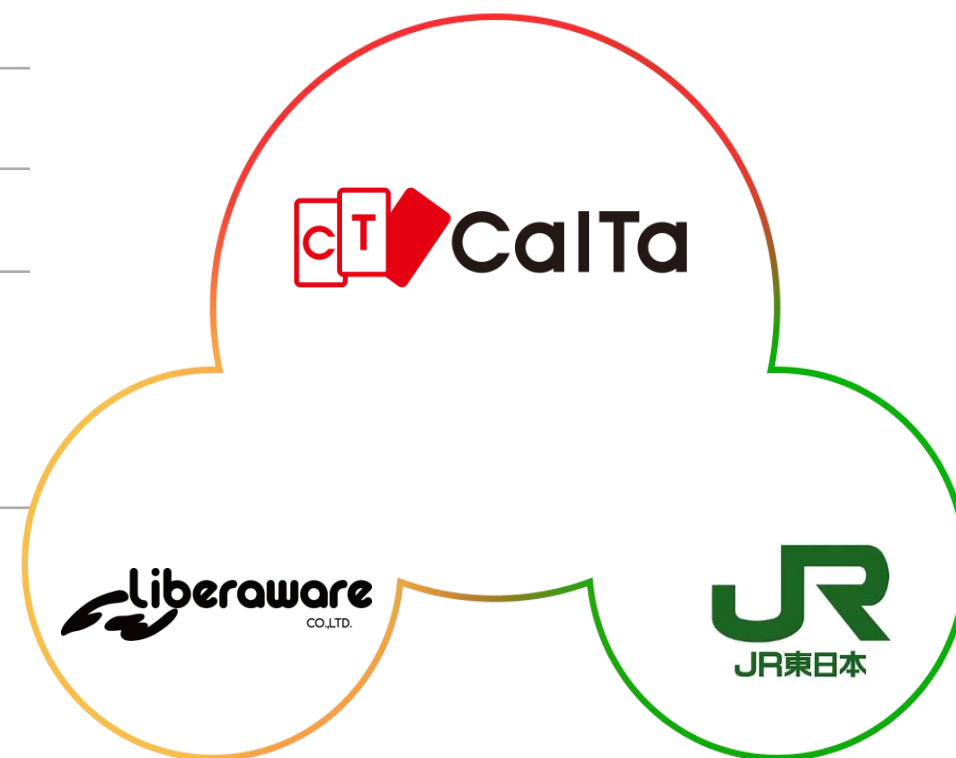
Officers

- 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	<ul style="list-style-type: none">• 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.	34%
	JR East Japan Startup Co., Ltd.	33%
	JR East Japan Consultants Company	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.
- ü 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



Road bridges over 50 years old

30%  75%


2020

2040

In addition to road bridges, tunnel aging is also serious



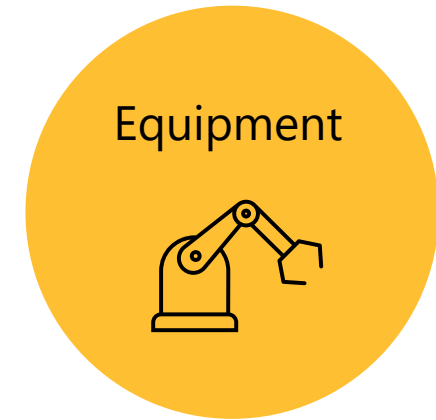
Factories and commercial facilities over 50 years old

5.6 million m²  140 million m²

2021

2040

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



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



- 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

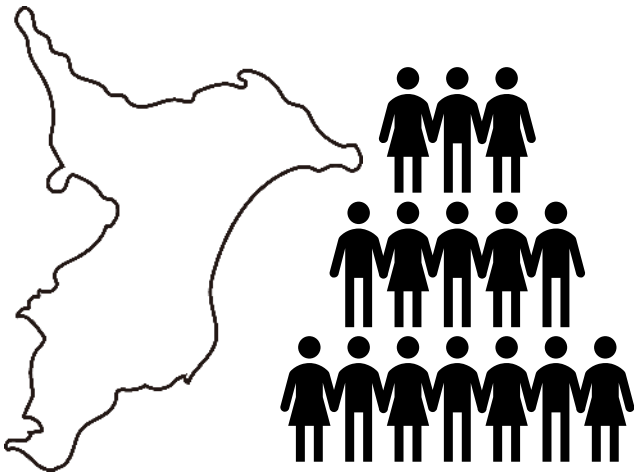
*2 As an alternative to analog methods such as visual inspection, with the intention of introducing and popularizing inspections using devices such as drones and digital technologies, on June 14, 2023, the Act for Partial Amendment of the Basic Act on the Formation of a Digital Society, etc. for Promoting Regulatory Reform for the Formation of a Digital Society was passed



Social Issue: Declining Labor Population and Productivity Improvement

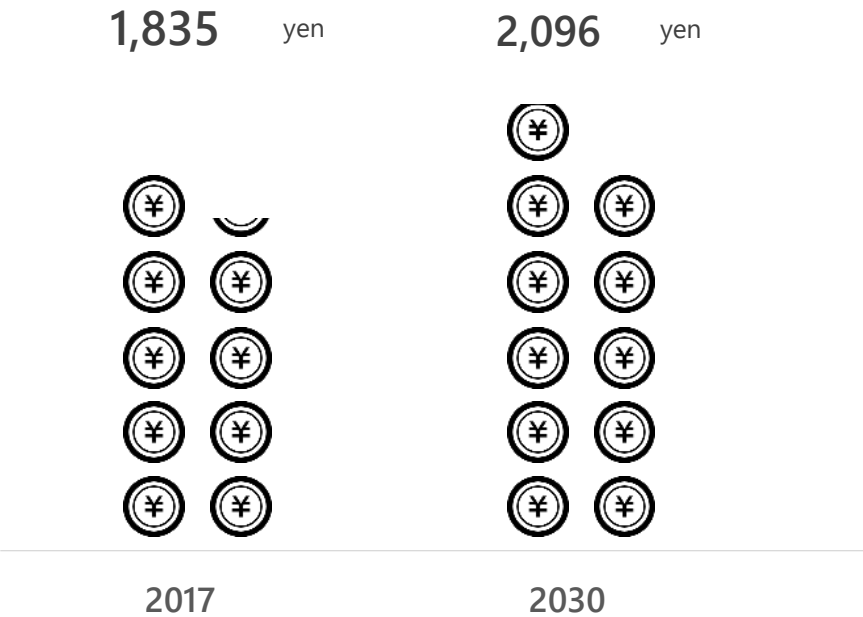
- By 2030, there will be a shortage of 6.44 million workers, and wages are expected to exceed 2,000 yen per hour, necessitating improvements in labor productivity

➤ 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



MISSION

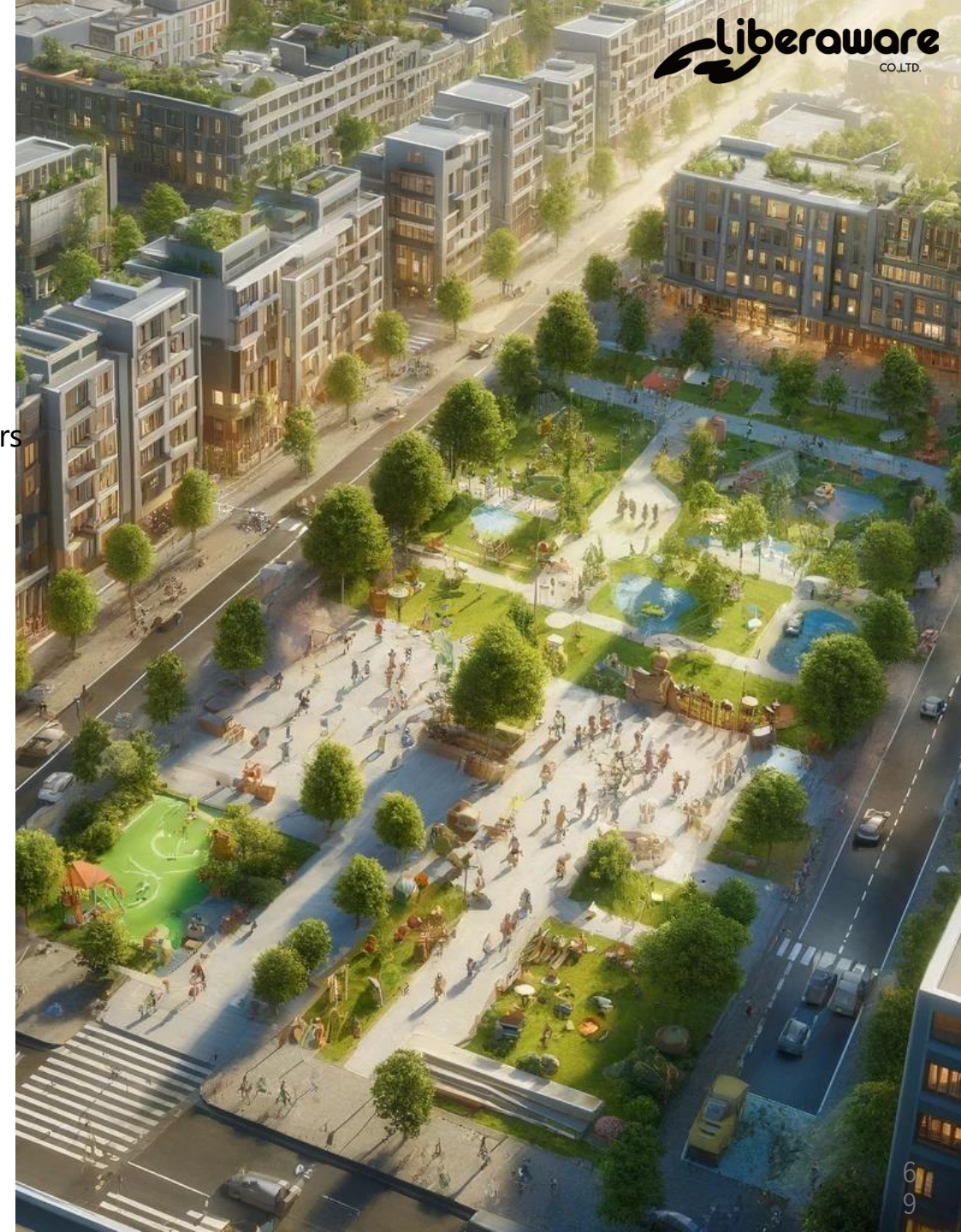
Create a society where safety is accessible to all

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 until now, 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.

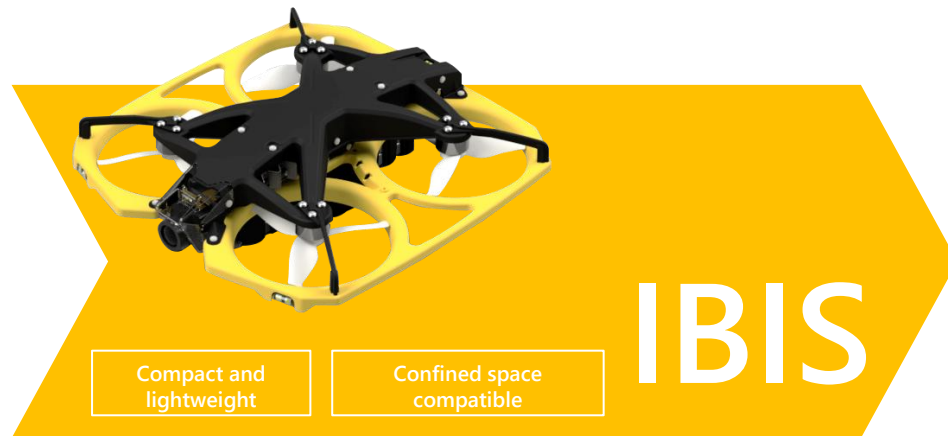


- Providing DX solutions for infrastructure facilities using hardware technologies such as drones and software technologies such as processing, handling, and managing captured images and videos



Hardware

Confined space inspection drone
Special environment specialized drone

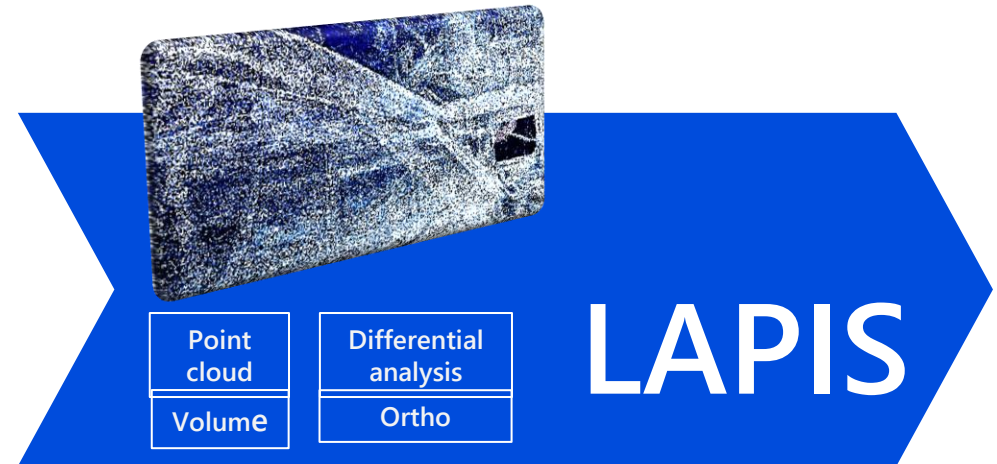


Acquires data from narrow and dark indoor spaces inaccessible to humans



Software

Confined space data analysis technology
Digital Twin Platform



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

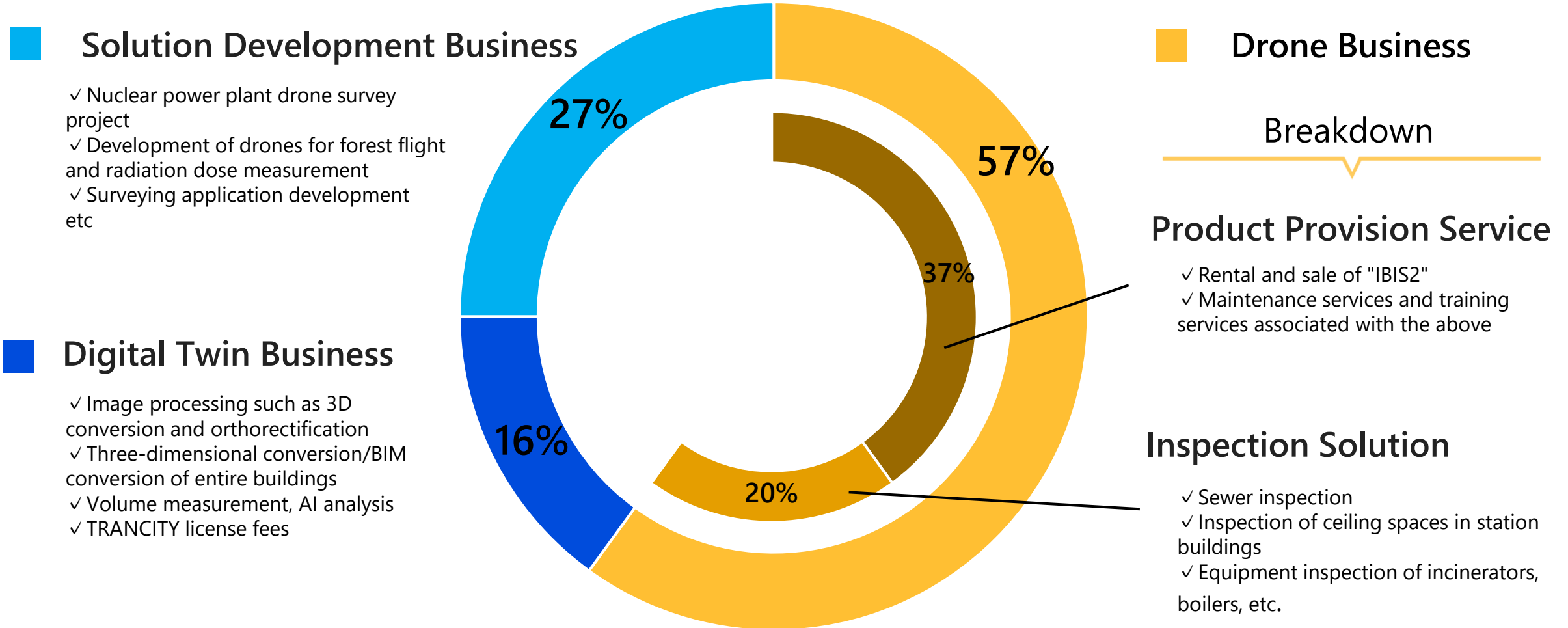


Note: *1 Technology that reproduces a copy of physical space in digital space based on information acquired from physical space using IoT sensors and other devices

*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



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

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



Dust-proof motor

Maximizing the efficiency of in-house designed 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

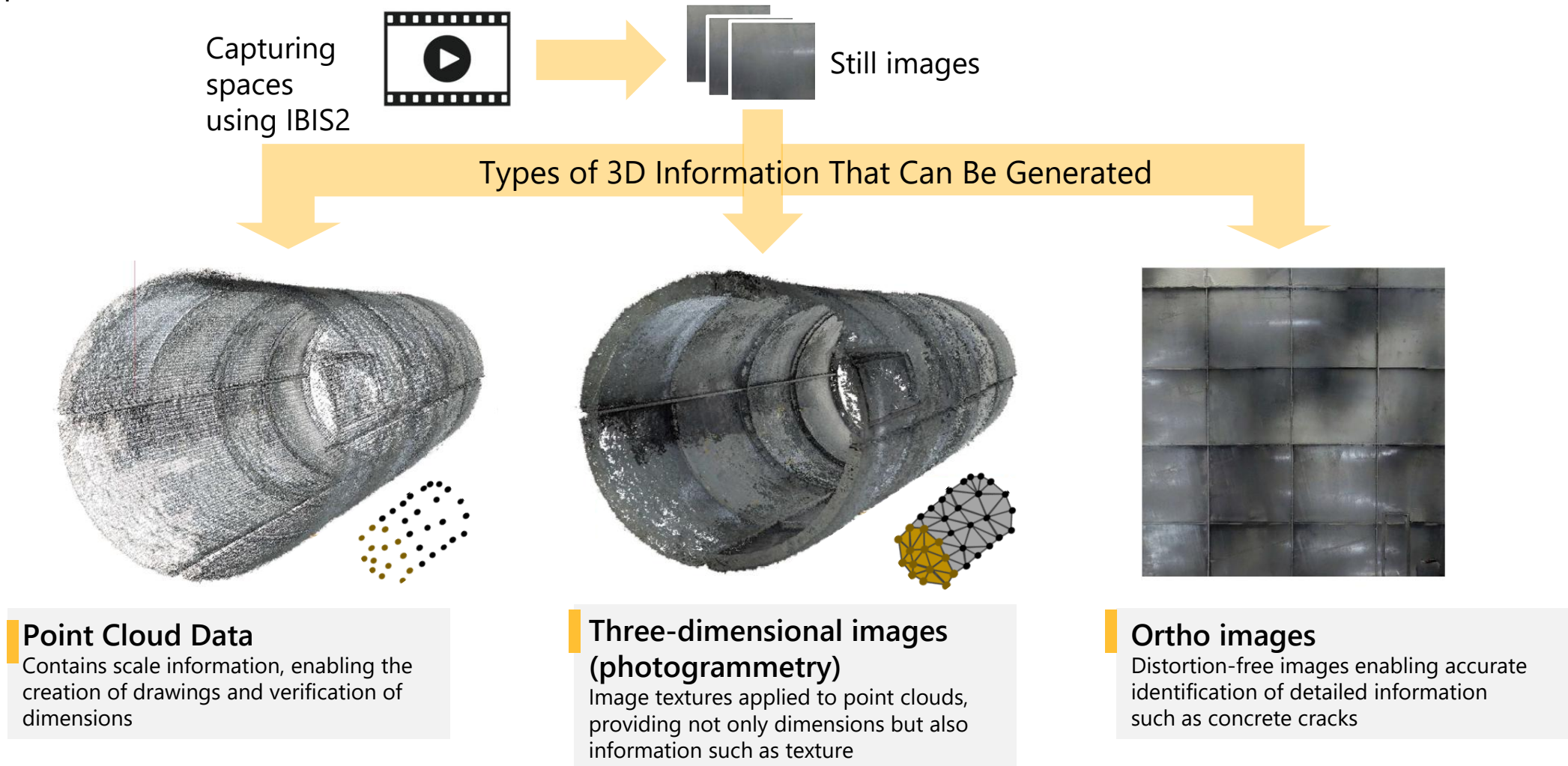
High-sensitivity camera

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

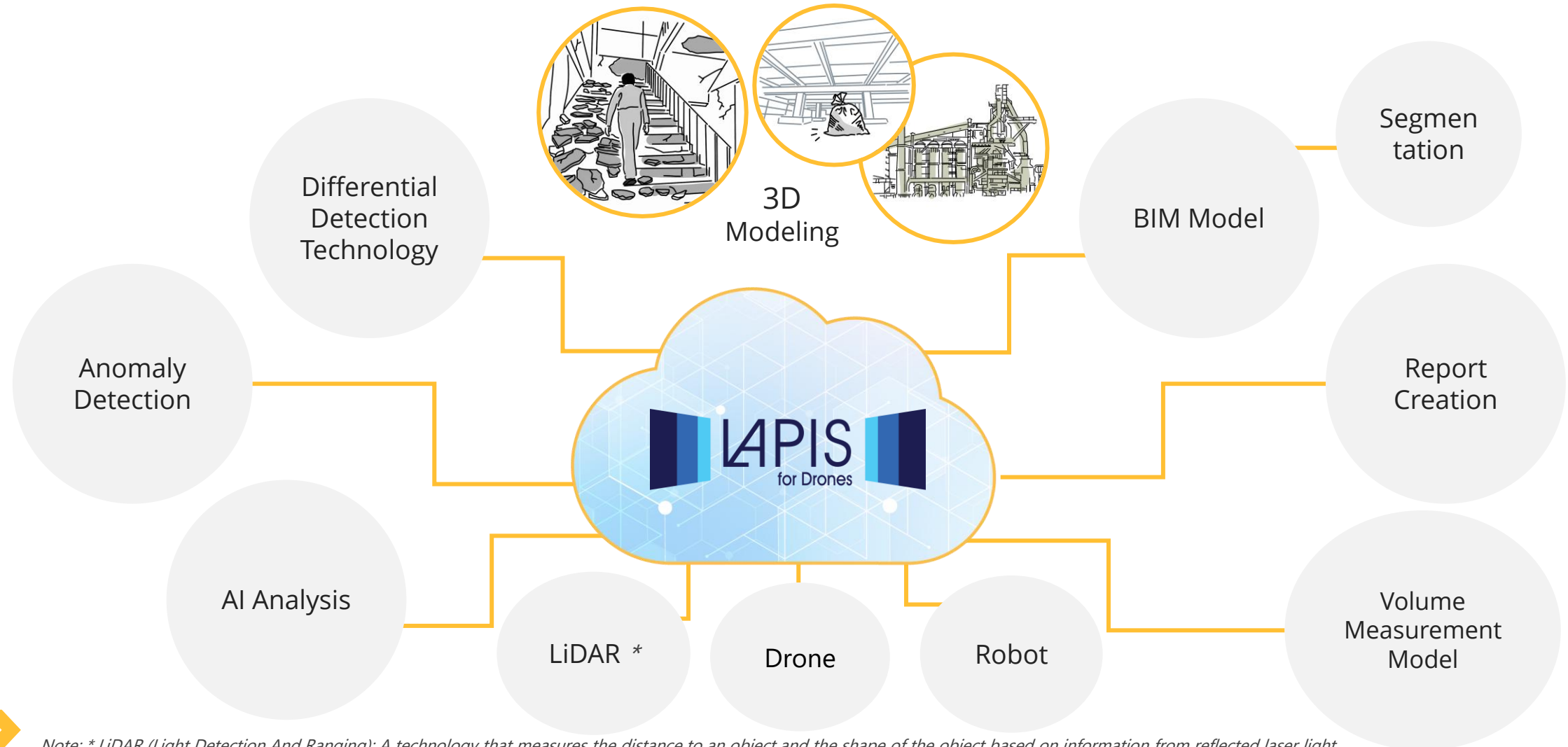
Overview of Data Processing and Analysis Service

- 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



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

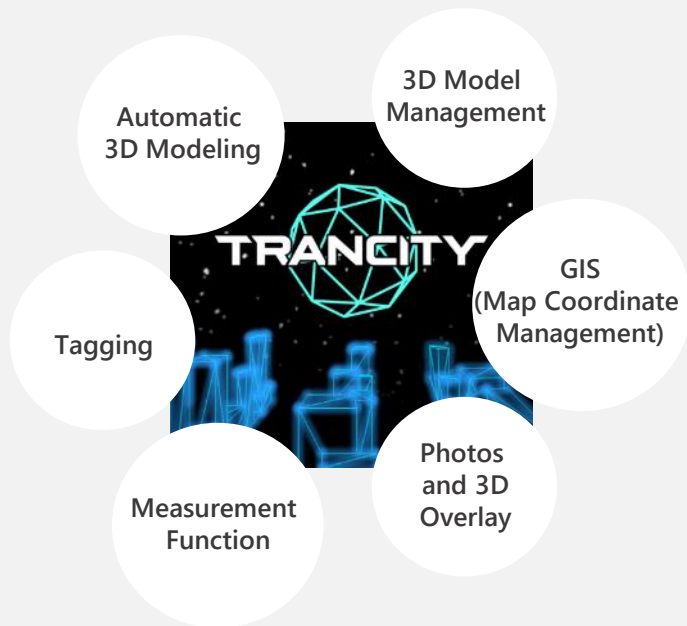


Note: * LiDAR (Light Detection And Ranging): A technology that measures the distance to an object and the shape of the object based on information from reflected laser light

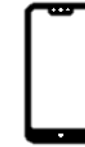
Digital Twin Platform "TRANCITY" Overview

- 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

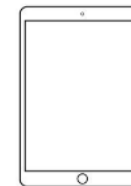
Digital Twin Platform "TRANCITY"



Easy Data Acquisition with Various Devices



Easy Sharing Anytime via Cloud



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 385 companies

As of the end of 2025/10

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



3

Business with Major Corporations

- Switching Costs
- Strong Branding



×



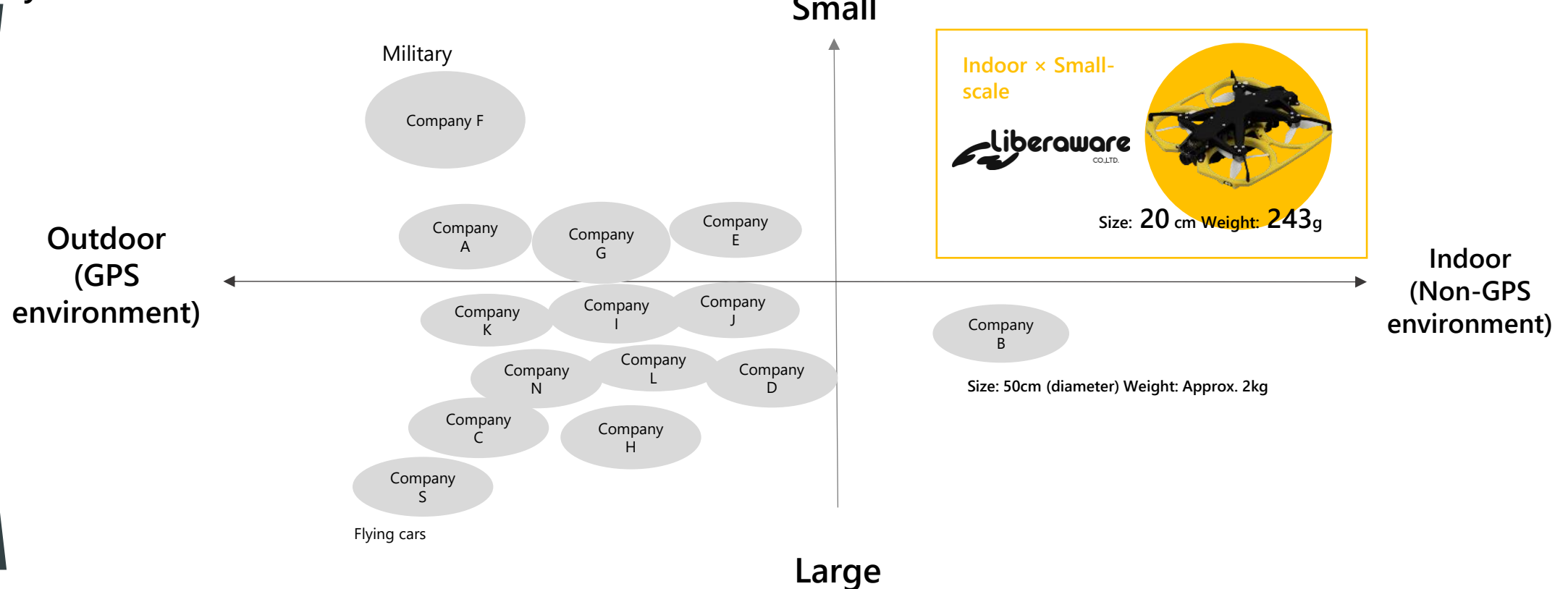
Strengths and competitive advantages (Hardware):

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

Technical
difficulty

Drone size



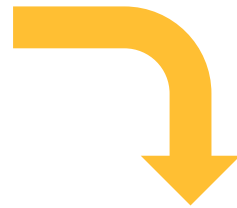
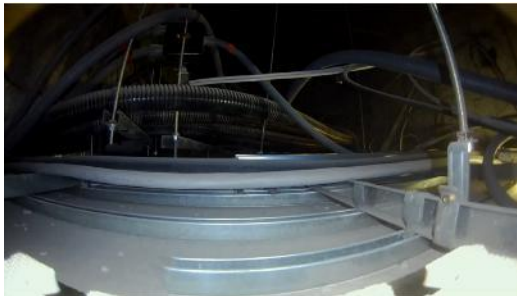
Strengths and Advantages (Software): 3D Digitization Technology for Harsh Environments

- 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

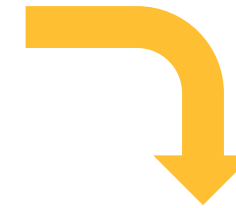
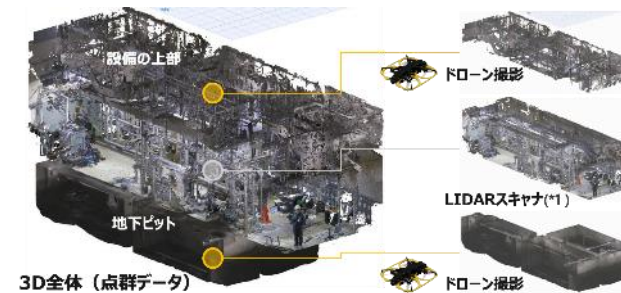


3D point cloud data

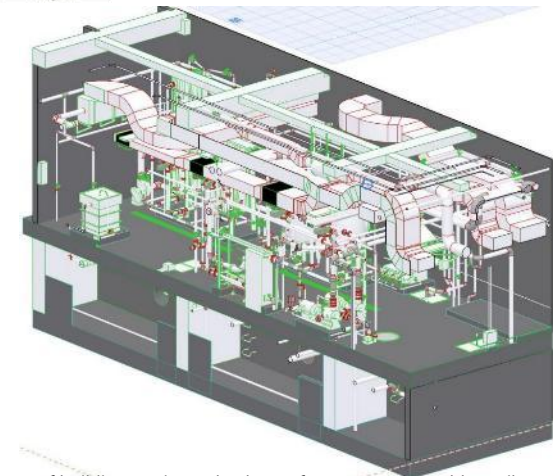


➤ BIM conversion of entire buildings

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

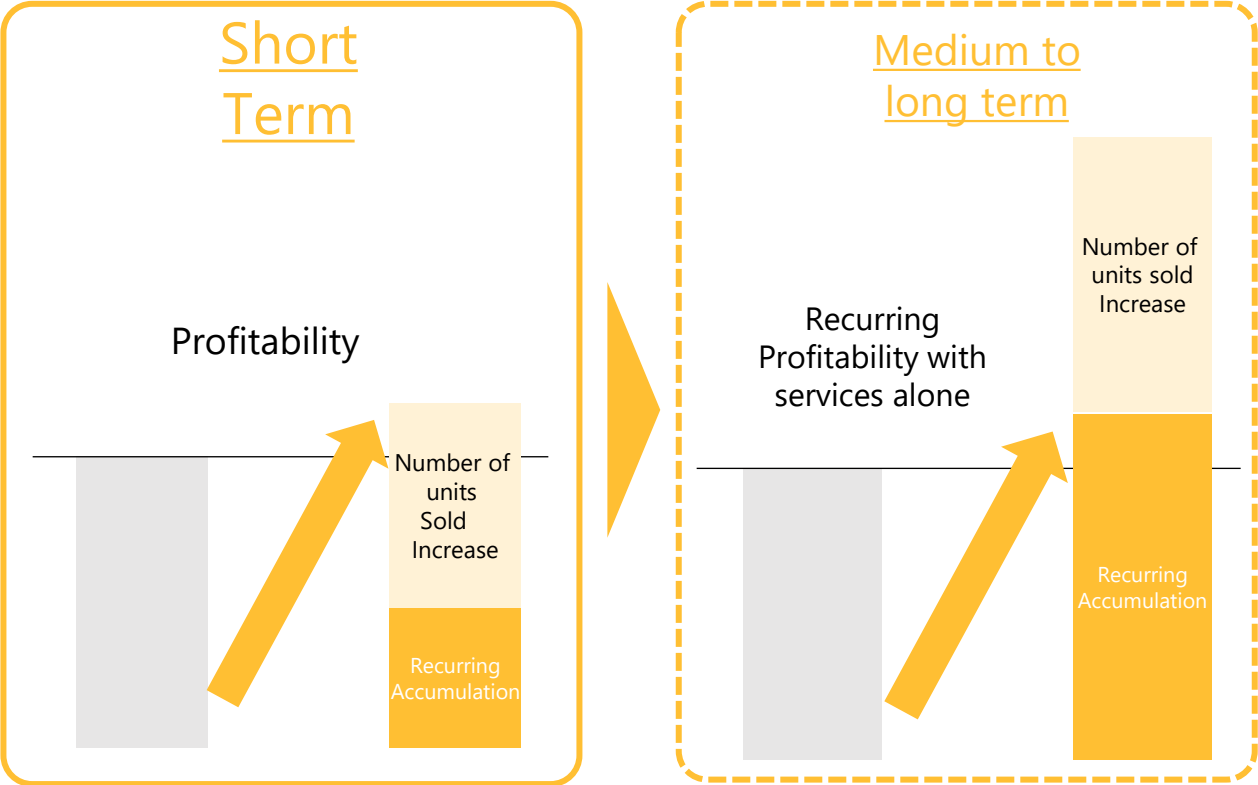
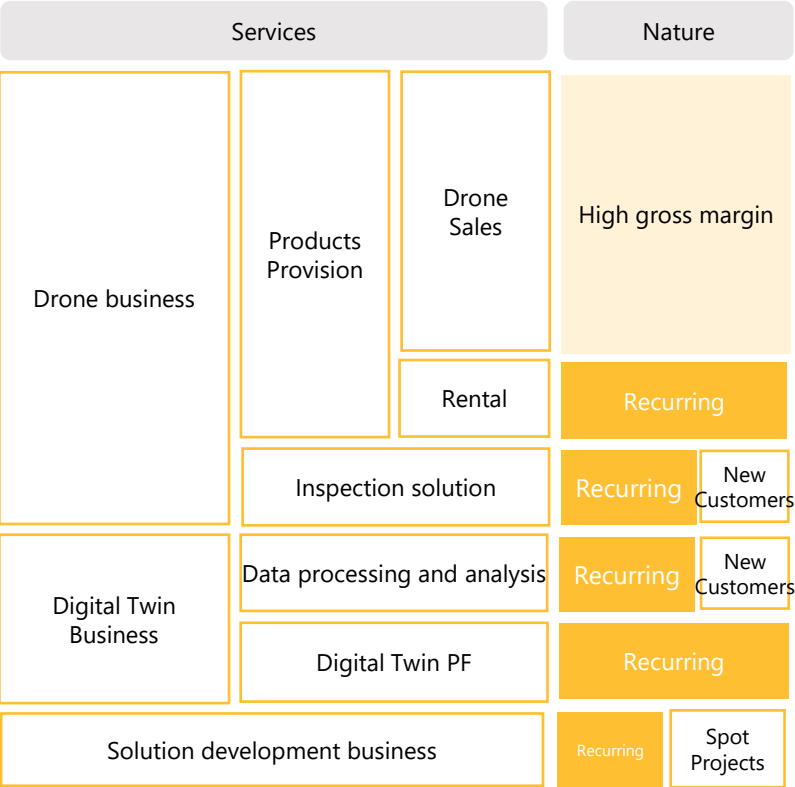
➤ Dangerous environments



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

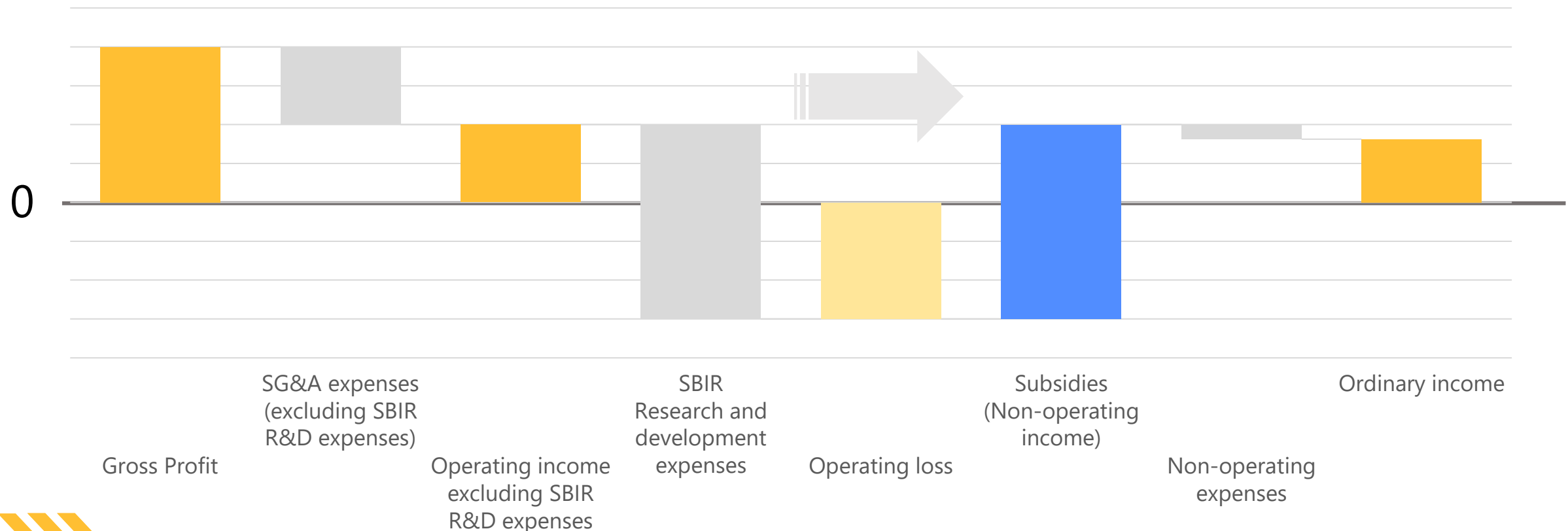
Revenue Model

- 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



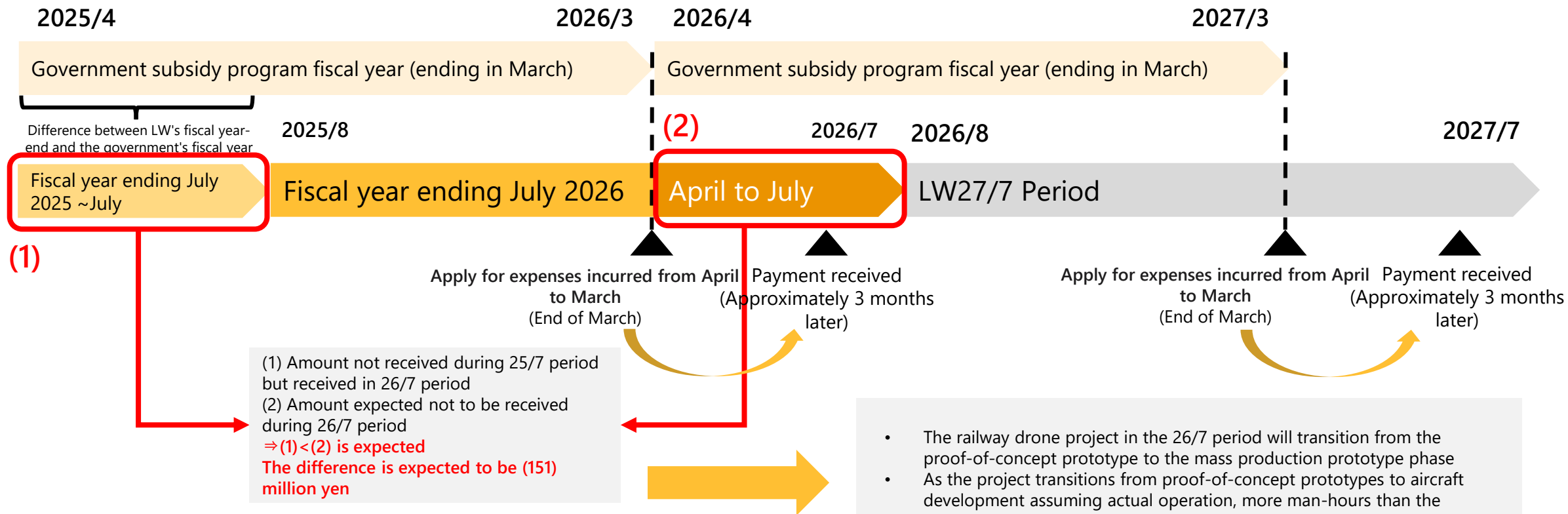
Impact of Research and Development Expenses and Subsidies on Segment Income

- 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

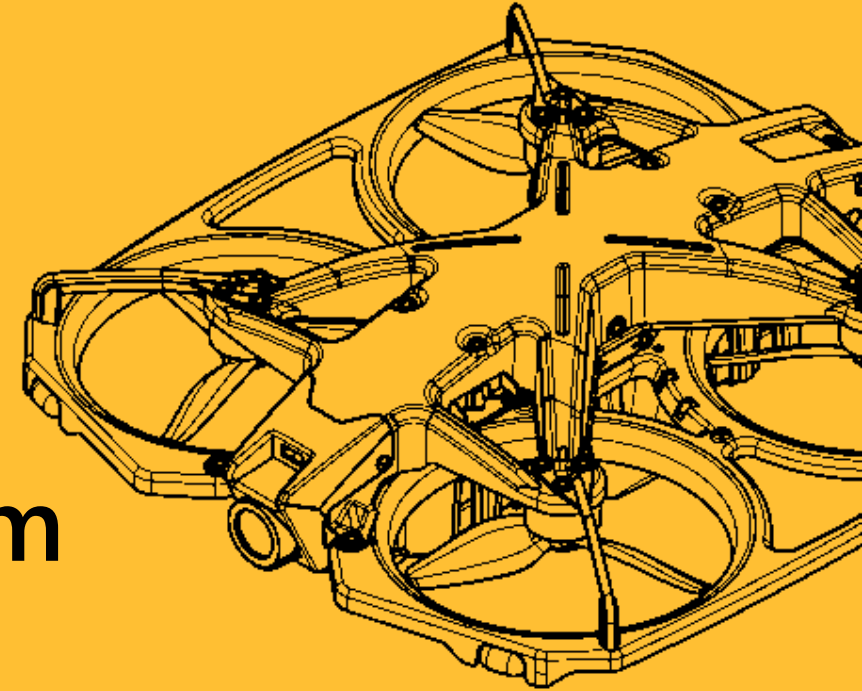


Note) This slide is a settlement image, and actual settlement will be implemented based on grant regulations



06 Appendix

(2) Medium- to Long-Term Growth Strategy



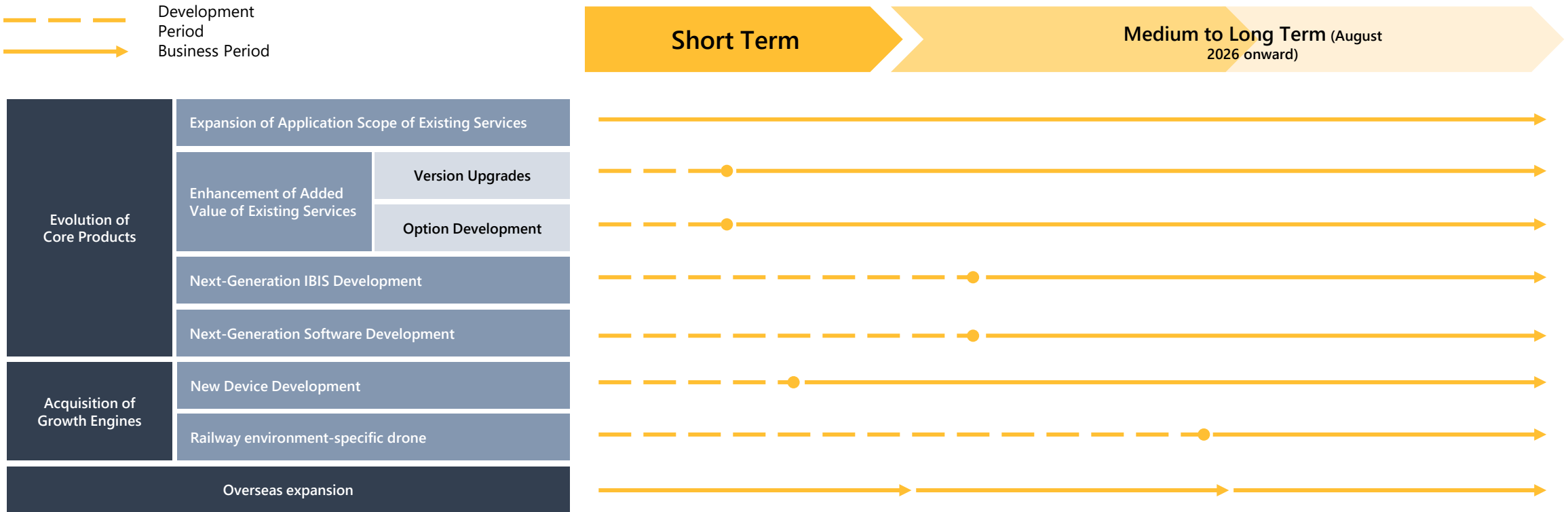
Growth strategy - SUMMARY

- 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

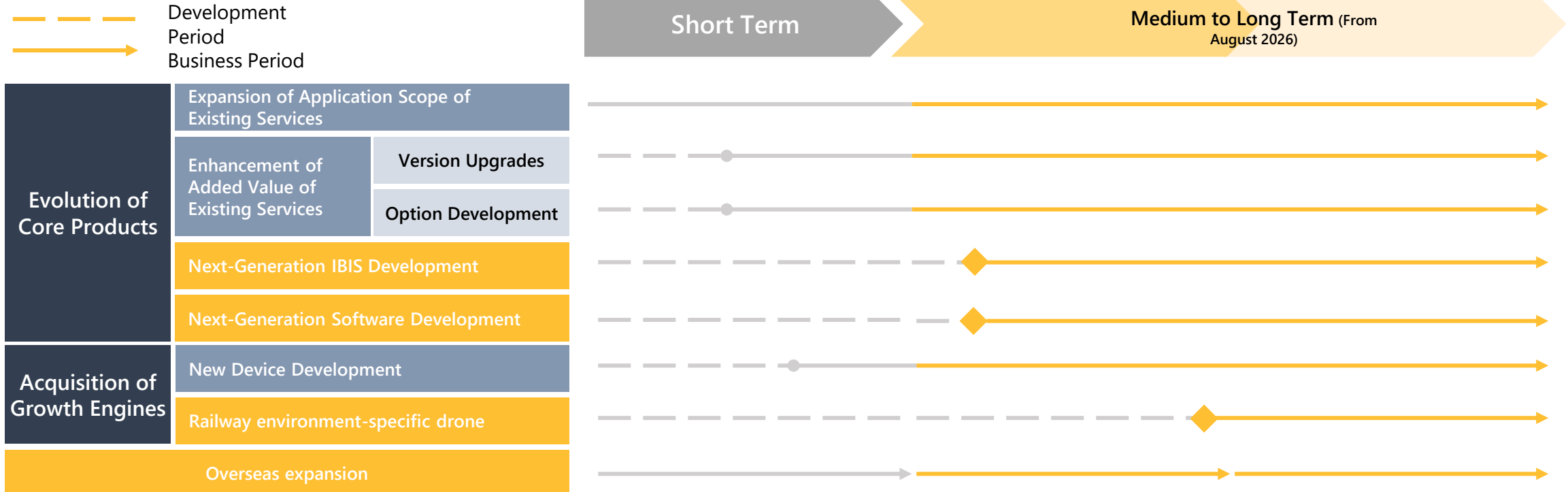
- In the short term, expand business by enhancing existing services, improving added value, and developing new devices and solutions
- In the medium to long term, launch next-generation IBIS and software, as well as railway environment-specific drones, to acquire new growth engines



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



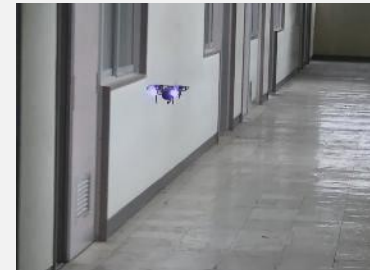
Construction progress management



Inventory work



Patrol security



Underground tunnel inspection

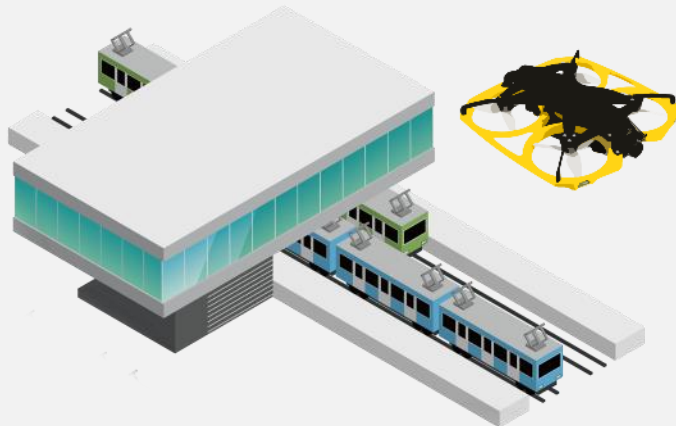


National project participation: Development of drone solutions for railway industry inspection

- 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



On-site



Data



Control and
communication



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.
- This material contains information other than that of Liberaware Co., Ltd., such as information on Liberaware Co., Ltd.'s competitive environment, industry trends, and changes in general social structures. Such information is quoted from publicly available information and other sources, and Liberaware Co., Ltd. has not independently verified the accuracy, reasonableness, or appropriateness of such information, and does not guarantee any such information.

