FY 2026/7 Third Quarter Financial Results Presentation Materials



Liberaware Co., Ltd.

Securities Code: 218A

June 12, 2026

IBIS

INDEX

01 Financial Results Summary

02 Company Overview and Competitive Advantages

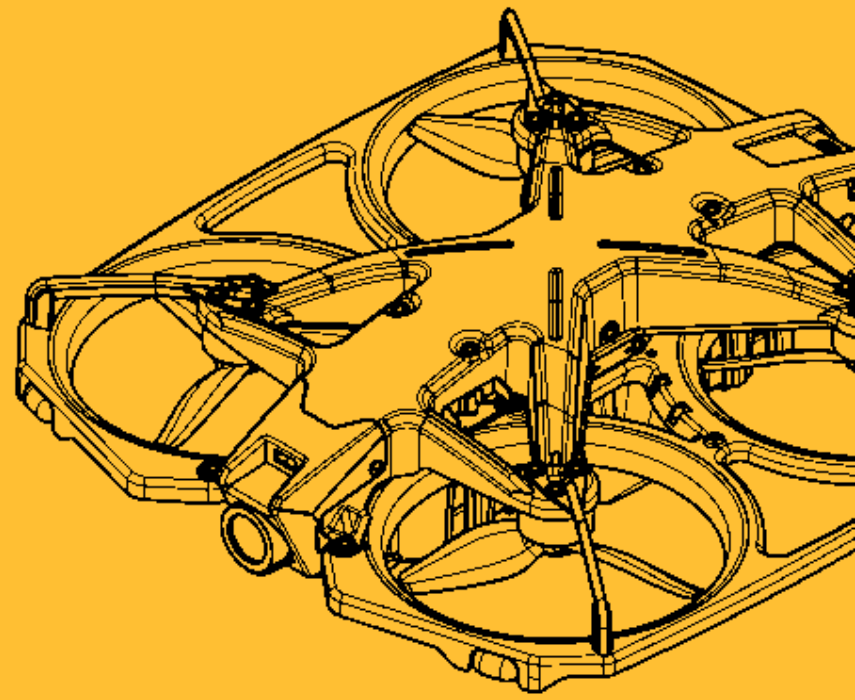
03 Growth Strategy Summary

04 Fiscal Year Ending July 2026 Third Quarter Financial Results

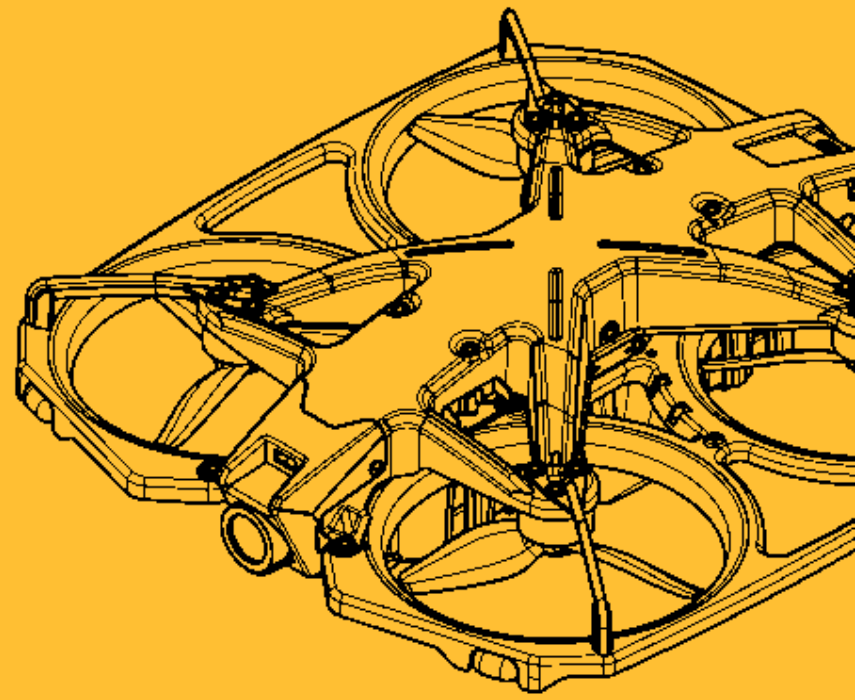
05 Fiscal Year Ending July 2026 Revision of Financial Forecast

06 Fiscal Year Ending July 2026 Third Quarter
Growth Strategy Progress

07 Appendix



01 Financial Results Summary



Financial Results Summary: Continued Revenue Growth but Gross Profit Margin Declined; Growth Investment Strengthened

- While this quarter continued to focus on growth strategy activities for medium- to long-term growth, **net sales reached a record high on a quarterly basis, with 519 million yen (+42% increase) in the Q3 FY7/2026 accounting period compared to 365 million yen in the Q3 FY7/2025 accounting period.**
- Although the gross profit margin declined due to the impact of low-margin projects, this is temporary and not a factor for continuous decline.
- In addition to the current market expansion, we viewed the rising momentum toward the social implementation of domestic drones as a growth opportunity and accelerated upfront investments such as human resource investment and R&D expenses, resulting in an expanded loss compared to the same period of the previous year.

Unit : million yen	FY7/2025 (Q3)	FY7/2026 (Q3)	Year-over-year comparison	Change rate (%)
Sales	980	1,216	**+236**	**+24%**
Gross profit (Profit margin)	455 (46%)	513 (42%)	**+58 ((4) points)**	**+12%**
Ordinary profit/loss	(1,321)	(1,348)	(27)	-
Ordinary profit/loss excluding SBIR R&D expenses and subsidy income Ordinary profit/loss	(62)	(455)	(393)	Increase in SG&A expenses / Decrease in gross profit margin

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

Financial Results Summary: Status of Subsidies Related to the SBIR Program

- The status of subsidies for projects currently being promoted under the SBIR program is as follows:
- After the review is completed and the subsidy amount is determined, it will be recorded as Non-Operating Income (subsidy income) (scheduled for Q4 of the current fiscal year).

(Unit: Million yen)

Target Project	Application Amount	Status
"Technology Development and Demonstration for Improving Efficiency and Labor-saving in the Maintenance and Management of Railway Facilities"	798	Under review
"Technology Development and Demonstration for Advancement (Labor-saving, Automation, and Decarbonization) in Construction and Disaster Information Collection"	114	Under review
Total	912	

Note: The timing and amount of approval may vary depending on the progress of the review.

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

- Following the expansion phase in the fiscal year ending July 2025, demand driven by social issues, policy trends, and market growth continuedin the 3Q results for the fiscal year ending July 2026.
  Net Sales reached 1,216 million yen, up 24% year-on-year, maintaining a growth trend.
  The Gross Profit Margin was 42%, but this was due to the impact of temporary low-margin projects, and there is no change in the profitability of existing businesses.
  Toward IBIS standardization in the sewage sector, following the collaboration with core industry companies in the 2Q, two projects from the Ministry of Land, Infrastructure, Transport and Tourism were selected this quarter.

- Revised the initial earnings forecast for the fiscal year ending July 2026 (refer to the forecast revision section from P46 for details).
  The main reasons are strategicresource allocation, which resulted in underperformance in inspection and data processing service sales, and the fact that sales contributions from Torinosu and overseas expansion, which were anticipated as new areas,will now occur from the next fiscal year onward. Additionally, an increase in SG&A expenses due to growth investments for the medium to long term also had an impact.

- While some growth strategies have been delayed until the next fiscal year, progress is steady from a medium- to long-term perspective.
  - ✓ New product, the autonomous patrol camera "Torinosu": PoCs are underway with multiple companies and inquiries are steady, but **expansion of sales scale through mass production is expected from the next fiscal year onward.**
  - ✓ Railway environment-specific drone PJ: Currently in the mass-production prototype phase toward the start of business in April 2028. Related systems are also under development.
  - ✓ Construction DX solution PJ: Project to be completed in June 2026. Preparations such as sales structure and promotions are underway for the start of business in July 2026.
  - ✓ Overseas expansion: While efforts toward market formation and increasing recognition are progressing**, sales contribution is expected from the next fiscal year onward.**

Internal Investigation of Unit 3 Containment Vessel at Fukushima Daiichi Nuclear Power Plant Conducted

- Following Unit 1, successfully conducted internal investigation of Unit 3 containment vessel using our proprietary micro-drones

Media Coverage

福島原発3号機、ドローン内部調査終了　事故時の落下物撮影

東日本大震災15年　+フォローする

2026年3月19日 19:00

保存



3号機の原子炉格納容器には圧力容器から落下した部品などが散乱している（17日）=東電提供

東京電力ホールディングスは19日、福島第1原子力発電所3号機で実施していた原子炉格納容器内部のドローン調査を終えたと発表した。撮影した映像で2011年の事故時に原子炉圧力容器から落下した部品や、溶融燃料（デブリ）の可能性がある付着物などを確認した。今後、集めたデータの詳細な分析を進める。

Source: Nikkei Inc., March 19, 2026 news

Investigation Overview



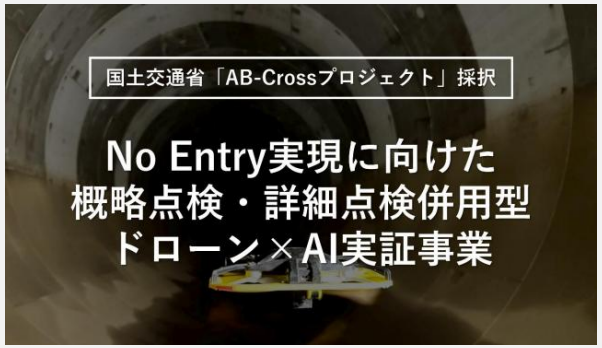
Source: Tokyo Electric Power Company Holdings, "Internal Investigation of Unit 3 PCV (Micro-drone Investigation)"

Progress in Demonstration Research and Capital Alliances Toward the Popularization of Drones in Sewer Investigations

- Promoting the demonstration of drone utilization in sewer pipe investigations through selection for MLIT-related projects
- Synergies with capital and business alliance partners Nippon Hume, NISSUI CON, and KANSEI are beginning to emerge early, accelerating efforts toward the social implementation of "No Entry" drone investigations

01

Ministry of Land, Infrastructure, Transport and Tourism
Selected for "AB-Cross Project"



Centering on IBIS2, combining AI analysis, high-definition video, and self-position estimation to ensure people do not enter sewer pipes, aiming to realize "No Entry" inspections

02

Ministry of Land, Infrastructure, Transport and Tourism
Selected for "Applied Research (Sewage)"



Developing a sewer pipe inspection DX solution using digital twins and small drones in collaboration with CalTa

03

Joint Research on Sewer Investigation with Nippon Hume Corp.



Conducting research to determine the degree of sewer deterioration using drones in collaboration with Nippon Hume

Source: From Tokyo Shimbun news, June 6, 2026

Progress in Overseas Market Development through Subsidy Projects, Exhibitions, and Inbound Collaboration

- Utilizing public support systems such as the Ministry of Economy, Trade and Industry (METI) and JICA to promote market development in Southeast Asia, while also promoting market understanding and the expansion of business opportunities for the overseas expansion of "IBIS" through exhibition participation in Europe and Hong Kong and the formation of contacts with overseas governments and industry stakeholders.

Three Activity Areas for Overseas Market Development

Southeast Asia Expansion Utilizing Public Support

- ✓ Conducted OJT for Malaysian personnel at a local field in South Korea provided by Samsung E&A, promoted the development of operational personnel for expansion into Southeast Asia, and completed the Ministry of Economy, Trade and Industry (METI) Global South subsidy project.
- ✓ Selected for JICA Biz (*1), and started considering adaptation to the local market and commercialization through the formulation of a Go-to-Market strategy in the Kingdom of Thailand.




Market Understanding and Recognition Expansion through Exhibitions

- ✓ Selected for the Tokyo Metropolitan Government's startup international expansion support program, participated in "E-world energy & water 2026" (*2), one of Europe's largest energy-related international trade fairs held in Essen, Germany, and explored collaboration opportunities in the European energy DX market.
- ✓ Jointly exhibited with local partner Alpha AI at the international technology event "InnoEX 2026" (*3) in Hong Kong.





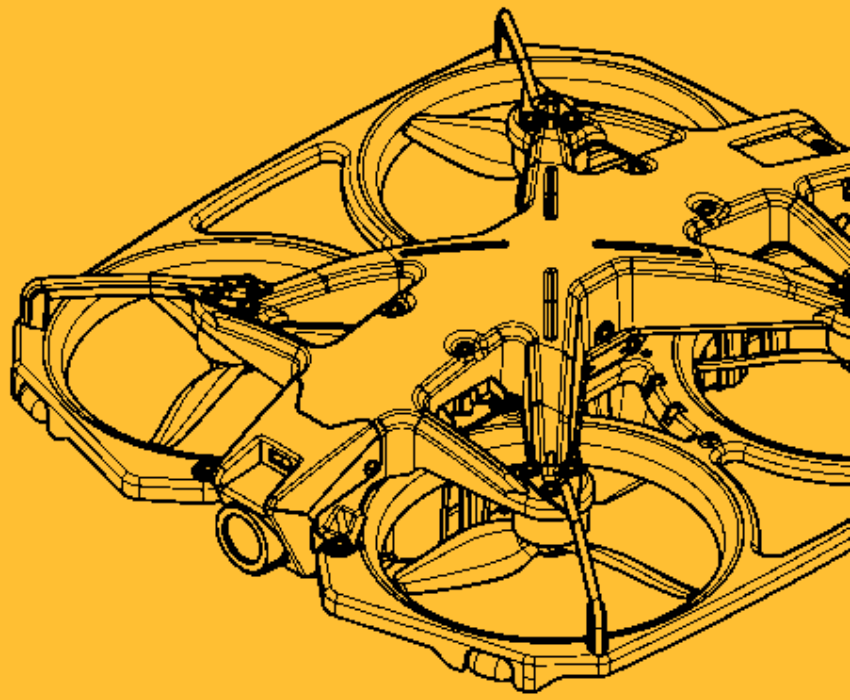
Relationship Building with Overseas Industries through Inbound Activities

- ✓ Participated in the Ministry of Economy, Trade and Industry's (METI) invitation program for Thai plant-related personnel, providing business explanations and conducting IBIS demonstration flights for more than 20 participants.
- ✓ In the technical cooperation project of the JCCP (Japan Cooperation Center Petroleum, Gas and Sustainable Energy), welcomed Thai energy operators and conducted business explanations and demonstrations.




(*1) JICA Biz: "SME/SDGs Business Support Program" implemented by the Japan International Cooperation Agency (JICA). A system that supports the business development of Japanese companies, etc., that contribute to solving issues in developing countries.
(*2) E-world energy & water: One of Europe's largest energy-related international trade fairs held annually in Essen, Germany.
(*3) InnoEX: One of Asia's leading international innovation and technology events, co-organized by the Government of the Hong Kong Special Administrative Region and the Hong Kong Trade Development Council.

02 Company Overview and Competitive Advantages



Liberaware is a domestic drone and robotics company that supports social safety

Company Name	Liberaware Co., Ltd.
Established	August 22, 2016
Representative Director	Hongkyu Min
Location	Headquarters: 6F Fujimoto Dai-ichi Seimei Building, 3-3-1 Chuo, Chuo-ku, Chiba-shi, Chiba Tokyo Office: 4F Mita JEBL, 3-9-7 Mita, Minato-ku, Tokyo
Business Description	Development and manufacture of drones, inspection and survey using drones, etc. Data processing and analysis, contract development
Group Companies, etc.	Liberaware Korea Co., Ltd. (South Korean subsidiary) CalTa Co., Ltd. (Joint venture with JR East)
Number of Employees	143 (as of the end of April 2026)

Products and Services

Hardware

IBIS/IBIS2



Indoor / narrow space inspection drone

TORINOS



For patrol and monitoring rail-type robot

SPARROW



Automating and streamlining railway inspections

Software

LAPIS



Connecting data acquisition, visualization, analysis, and display Spatial iPaaS*

Providing end-to-end services from aircraft development to inspection, image analysis, and data utilization

Main activity results for "Create a society where safety is accessible to all"

Nuclear power	Drone survey of Units 1 and 3 inside the Fukushima Daiichi Nuclear Power Plant
Disaster response	Support activities for the Noto Peninsula Earthquake
Infrastructure aging	Sewerage survey following the road collapse accident in Yashio City, Saitama Prefecture

Note: *Spatial iPaaS (Integration Platform as a Service) refers to a cloud-based data integration platform for centrally connecting devices such as robots, drones, and cameras, as well as various software in digital space (3D data, point cloud data, BIM, etc.)

Competitive Advantage: Engineers / Technical Capabilities / Track Record / Business Model x Co-creation Strategy

- The advantage of Liberaware Co., Ltd. lies not only in its technological development capabilities, track record, and business model, but also in its ability to build a system that continues to be used on-site by acquiring a "model for implementation" through co-creation with core industry companies.

68
engineers
Number of engineers /
As of end of April. 2026

Top-Class Number of Engineers in the Drone Industry

✓ All Liberaware founding members are engineers
✓ As a drone manufacturer, prioritizing the strengthening of engineers and continuing to increase headcount since founding

5.7
billion yen
National Projects
Total Subsidies

Domestic Drone Manufacturer Backed by Technical Capabilities and Track Record

✓ Numerous track records in highly difficult technical projects such as nuclear power plant surveys, blast furnaces, and sewage pipe surveys
✓ Selected for large-scale national projects due to recognized technical capabilities
✓ Rare in the industry, developing domestic industrial drones for both indoor and outdoor use

47 %*
Gross Profit Margin
Achieved Ordinary Profitability *

End-to-End Business Model Achieving High Profitability

✓ Focused on both hardware and software since the dawn of the drone era, building an end-to-end business model
✓ Generating cash through a highly profitable business model

Co-creation Strategy with Core Industry Companies

Railways	JR East	Major shareholder / JV establishment
Railway x National projects	Participation of 6 companies including JR Central	Railway SBIR
Sewage system	Nippon Hume / Nissui Con / Kansei Kogyo	Capital and Business Alliance
Electric Power	TEPCO	Nuclear power plant projects
	Kyushu Electric Power	Capital and Business Alliance

*FY7/2025 results

Breaking through entry barriers by multiplying technology x co-creation — forming a difficult-to-imitate advantage

- Chosen for technology and track record, acquiring "implementation models" through co-creation, superiority cycles through data accumulation and standardization, creating a structure that other companies cannot easily follow

Backed by technological capabilities and track record
Domestic drone manufacturer

Technology, development capabilities, track record, business model, national projects

Cycle in which superiority is self-reinforcing

Repeating 1 to 5 below

Accelerated growth and improvement of superiority

Partner companies

Acquire "implementation models" through co-creation with core industry companies

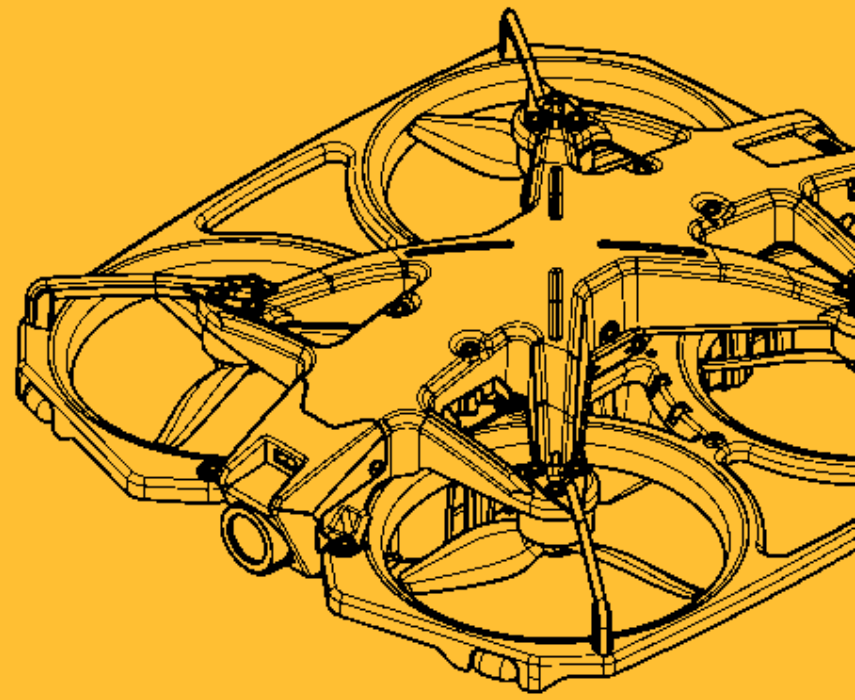
Industry knowledge, on-site know-how, flow standardization, introduction and establishment

1. Technology and track record **lead to being "chosen"**
2. Refined through co-creation with partner companies
3. Implementation in the field and society progresses
4. On-site knowledge and accumulation of latest data
5. Speedy improvement and development tailored to needs

- **Breaking through entry barriers** : Simultaneously satisfying technology (HW) x implementation models (operation/standardization) x data (SW)
- Accumulation of implementation assets: On-site data + operational know-how + evaluation criteria accumulate, accelerating improvement
- Difficulty of imitation through first-mover advantage x standardization: Reproducible models spread as industry standards, making it difficult for latecomers to follow

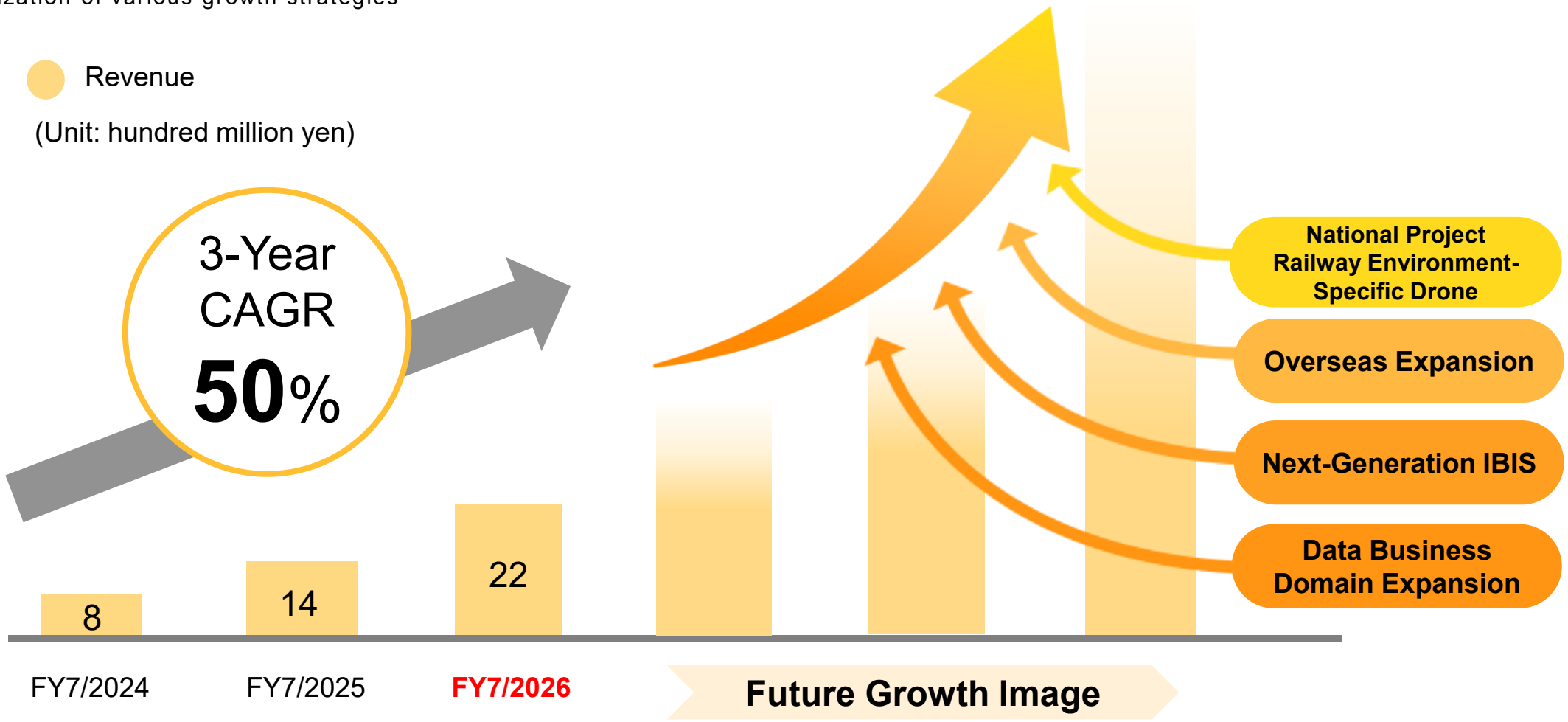


03 Growth Strategy Summary



Maintaining high growth rate while growth strategy realization drives exponential growth

- Following the establishment of the indoor drone market, we expect growth that maintains past growth rates along with the growth of the drone market
- •In the short to medium term, while maintaining a high organic growth rate, Liberaware Co., Ltd. aims for non-linear growth through the realization of various growth strategies



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

Growth Strategy - SUMMARY

Creating a safe society for everyone

Next-Generation IBIS

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

Data Business Domain Expansion

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

Overseas Expansion

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

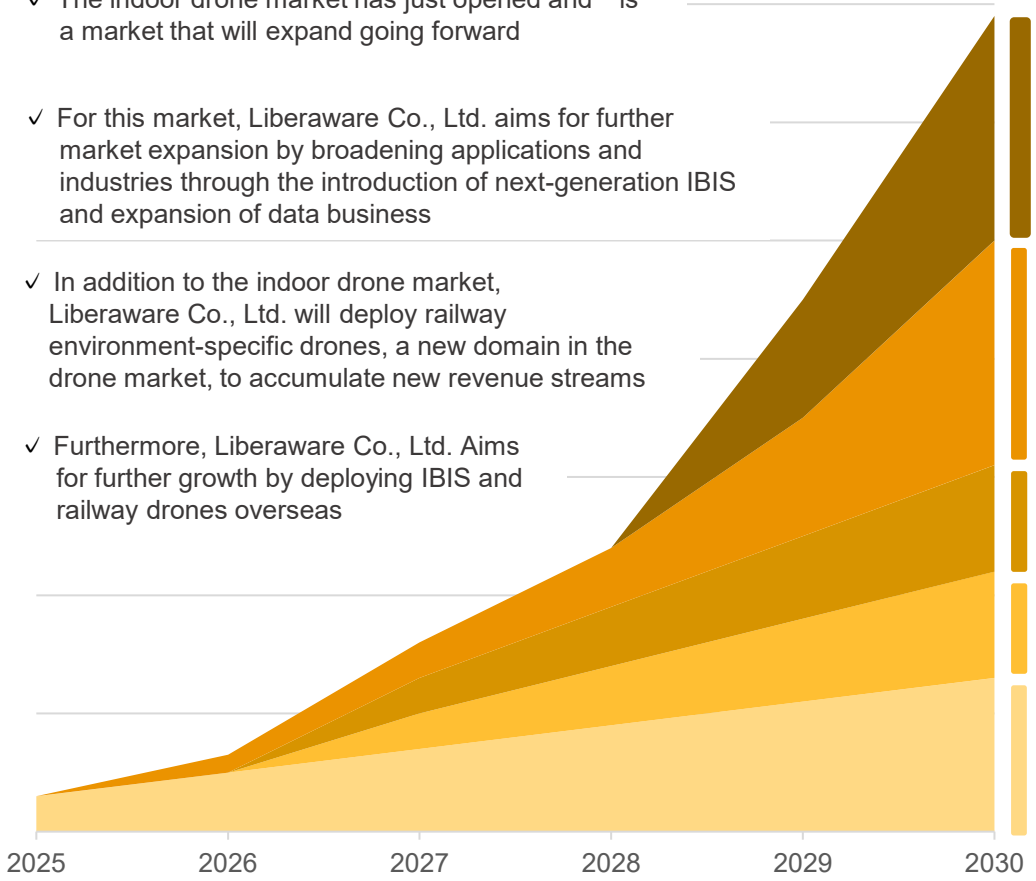
National Project Railway Environment-Specific Drone

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

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

Image of Accumulation of Various Growth Strategies

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



Railway Environment Specialized Drones

Overseas Expansion

Data Business Domain Expansion

Next-Generation IBIS

Existing Business Scale Expansion

Market Potential of Various Growth Strategies

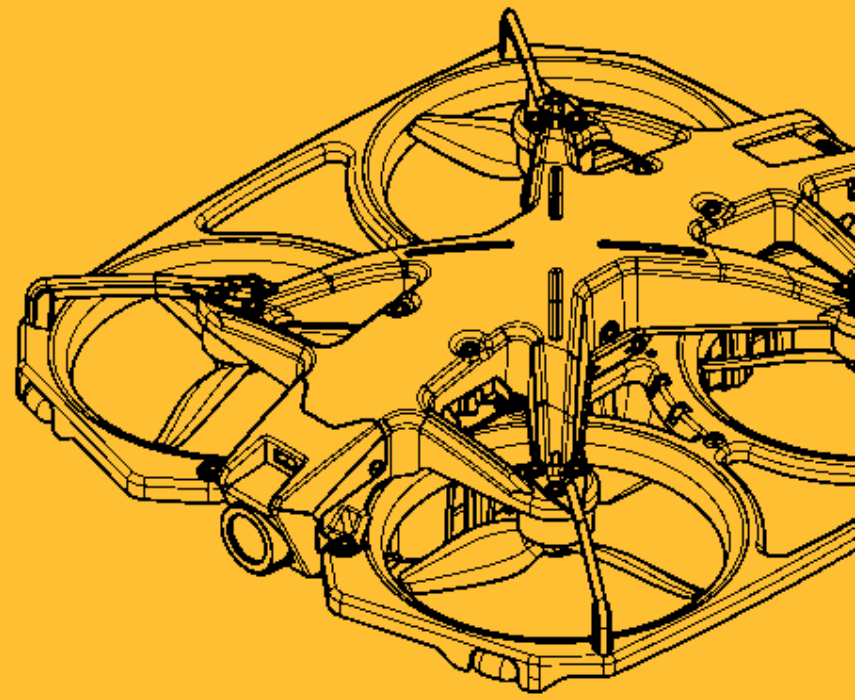
		SOM (Domestic Railway Operators Only)	TAM (Railway Operators Worldwide)
Railway Environment Specialized Drones		200 billion yen	▶ 13 trillion yen

		2025	2030
Overseas Expansion	TAM (Global Drone Market)	5.9 trillion yen	▶ 8.6 trillion yen
Data Business Domain Expansion	TAM (Domestic DX Market) (Manufacturing Industry)	1.5 trillion yen	▶ 3 trillion yen
Existing Business Scale Expansion	TAM (Domestic Drone Market)	500 billion yen	▶ 1 trillion yen

Note: *1 USD = 150 yen for calculation

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

04 FY7/2026 Third Quarter Financial Results Report



Q3 Financial Results Highlights

- Net sales fell short of expectations as services other than drone sales were sluggish, despite strong drone sales due to the launch of the domestic distributor system.
- Gross profit margin decreased due to the impact of low-margin projects. Due to the strengthening of growth investments, losses at each stage of profit also expanded more than expected.

FY7/2026
Q3 Results

	FY7/2025 Q3 Results (Cumulative)	FY7/2026 Q3 Results (Cumulative)	Year-over-Year Change	
Net Sales	980 million yen	1,216 million yen	+236	(+24%)
Gross profit	455 million yen	513 million yen	+58	(+12%)
(Gross Profit Margin)	46.4 %	42.1 %	(4.3) percentage points	-
Ordinary profit/loss	(1,321 million yen)	(1,348 million yen)	(27)	-
<SBIR R&D Expenses>	< 1,395 million yen >	< 1,517 million yen >	<+122>	
Quarterly Net Income (Loss)	(1,323 million yen)	(1,349 million yen)	(26)	-

- Net sales increased by 236 million yen year-over-year. Positive factors include a significant increase in drone sales from 218 million yen in FY25 Q3 to 319 million yen in FY26 Q3 due to the start of the distributor system. Negative factors include many free sewer surveys and small projects, resulting in inspection solutions and data processing/analysis services falling short of sales targets.
- Gross profit margin was 42.1%, but this was due to the temporary impact of low-margin projects, and there is no change in the profitability of existing businesses.
- Due to the transition to the mass-production prototype phase, the use of SBIR R&D expenses increased by 122 million yen, resulting in ordinary loss at a similar level to the same period of the previous year.

- Regarding other personnel and expenses, growth investments for the next fiscal year are being strengthened, and both R&D expenses other than SBIR and SG&A expenses other than R&D expenses increased.

Q3 Business Highlights

- Implemented numerous activities, including business development for further sales channel expansion in the sewerage sector and for IBIS, as well as important technology development projects
- While growth strategies for future growth are progressing steadily, some are expected to contribute to revenue from the next fiscal year onward

Our Business	• Continuing from the previous fiscal year, promoting collaboration with core industry companies, industry organizations, and local governments nationwide toward the standardized use of drones in the sewerage sector • Selected for MLIT projects together with core industry companies, with joint research also progressing. Additionally, selected for MLIT sewerage research projects
Our Technology Development & Products	• Successfully investigated the interior of the Unit 3 reactor primary containment vessel at the Fukushima Daiichi Nuclear Power Station using the company-developed "IBIS-mini" micro-drone • Four PoCs for the "Torinosu" automated patrol camera are underway. Simultaneously establishing a sales structure and conducting promotional activities
Growth Strategy	• National Project (SBIR): Development of drone solutions for railway business inspections is progressing steadily. Transitioned to the mass-production prototype phase Building a solution that provides end-to-end support for railway inspections, from work requests to drone flights and 3D modeling • National Project (SBIR): Development of DX solutions for construction sites using drones and digital twins is progressing steadily Entering the final phase of solution development, we are refining the business model for the automation of construction site management • Regarding overseas strategy, in South Korea, we continue to promote awareness expansion and use case creation toward market formation. In other regions, while we are conducting educational activities utilizing subsidies, implementation verification, field demonstrations, and compliance with national regulations are taking more time than expected, and revenue contribution is anticipated from the next fiscal year onward
Finance & IR	• Although cash has temporarily decreased due to the impact of significant SBIR R&D expenses utilized in Q3, procedures are underway for the scheduled receipt of approximately 900 million yen in subsidies in Q4

Financial Results Report for the Third Quarter of the Fiscal Year Ending July 2026
<Financial Report>



Detailed Business Performance

- In the cumulative 3Q of FY7/2026, net sales increased by +24% year-over-year due to the growth of existing businesses. Following the achievement of profitability in FY7/2025, we accelerated investment in personnel and R&D for business expansion, resulting in an expansion of losses at each stage.

(Unit: Million yen)	FY7/2026 Q3 Results	FY7/2025 (Previous Year) Q3 Results	Rate of Change
Net Sales	1,216	980	24%
Gross profit	513	455	12%
Gross Profit Margin	42.1%	46.4%	-
Selling, General and Administrative Expenses	2,483	1,910	130%
Personnel Expenses and Operating Expenses	724	455	59%
R&D Expenses (Excluding SBIR)	240	60	300%
SBIR Research and Development Expenses	1,517	1,395	8%
Operating Loss	(1,969)	(1,454)	-
Non-Operating Income	666	141	371%
Non-Operating Expenses	45	7	466%
Ordinary profit/loss	(1,348)	(1,321)	-
Net Loss	(1,349)	(1,323)	-

Comparison with the Same Period of the Previous Fiscal Year

- Net Sales

Drone sales +101 million yen, rental services +29 million yen, digital twin 45 million yen, and new areas +46 million yen, resulting in an increase

- Gross profit

Drone sales with high gross profit margins increased, while the same period of the previous fiscal year was not met due to the occurrence of large-scale projects with low profit margins in the digital twin business

- Operating Loss

Increased costs due to investment in business-side personnel and expansion of scale affected both personnel and operating expenses
R&D expenses other than SBIR also increased due to progress in next-generation IBIS, etc.

- Ordinary profit/loss

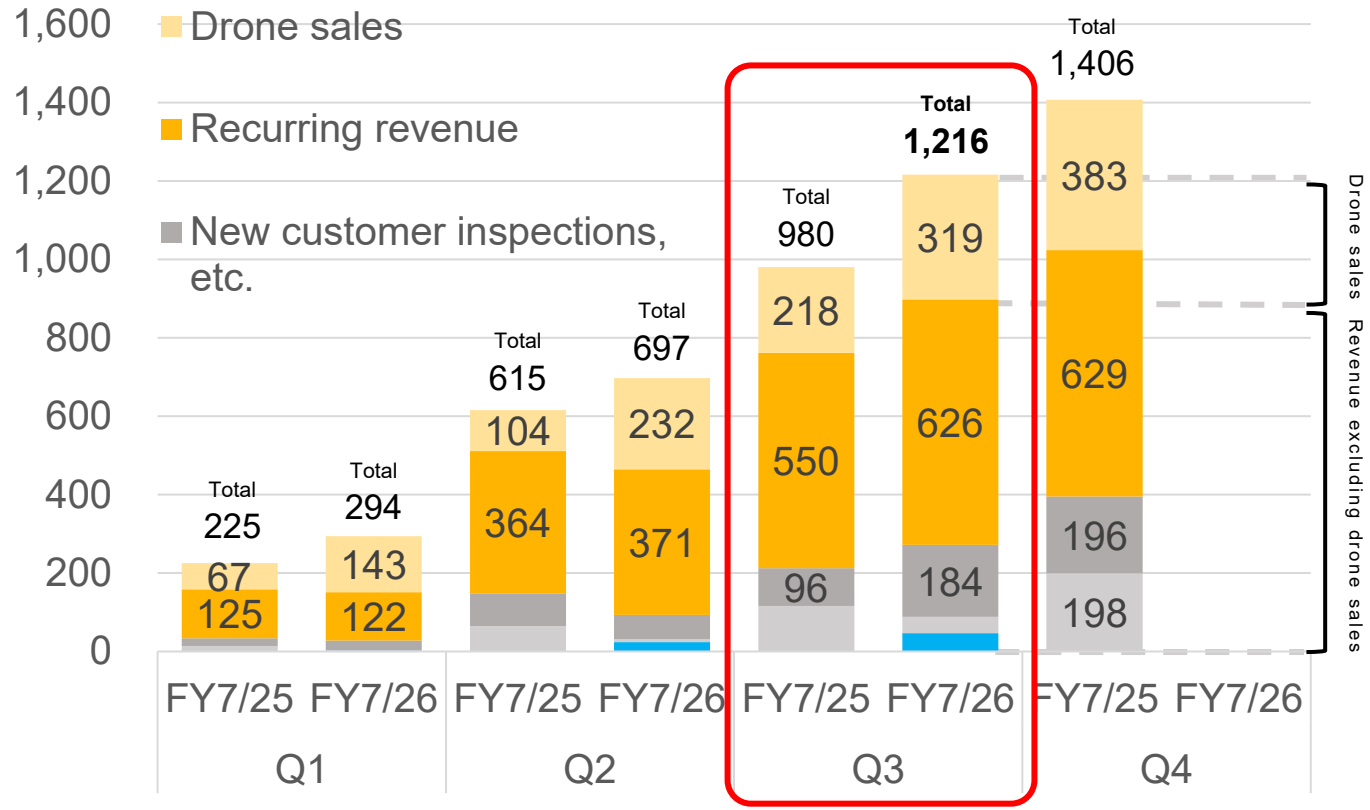
Recorded 183 million yen in 3 Q as SBIR subsidy
Excluding the impact of SBIR-related expenses and income, ordinary loss was (393) million yen compared to the same period of the previous fiscal year
The main factors were increases in SG&A personnel expenses and R&D expenses

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

- Drone sales were sluggish at 40.5 sets, but the pipeline is building up, and the level is sufficient to achieve the full-year forecast.
- Recurring revenue as a percentage of revenue excluding drone sales increased only slightly due to a decrease in the volume of inspections and data processing.

Year-over-Year Comparison by Revenue Type (Cumulative)

(Unit: Million yen)



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	11	11		40.5

Normally 2 units of IBIS2 are sold as 1 set; a 0.5 count is for 1 unit of IBIS2 sold.

Recurring Revenue and Ratio (*2)

Amount	Q1	Q2	Q3	Q4
FY7/25	125	364	550	629
FY7/26	122	371	626	

Recurring Revenue increased from the previous year

Ratio	Q1	Q2	Q3	Q4
FY7/25	79 %	71 %	72 %	61 %
FY7/26	82 %	84 %	73 %	

Recurring revenue ratio is at the same level as the same period last year

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

Quarterly Trends of Various KPIs Related to Recurring Revenue

- Various KPIs showed no major movements, and the accumulation of recurring revenue was limited.
- The repeat rate for inspection/data processing services was comparable to the same period of the previous year, but with many repeats of small-scale projects, the contribution to the accumulation of recurring revenue was poor.

KPI Indicators	FY7/24	FY7/25				FY7/26			Comments
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	
Percentage of Net Sales from Recurring Customers for Inspection/Data Processing Services	59%	72%	71%	71%	59%	45%	68%	69%	The repeat rate was at the same level as the previous year, as projects for major repeat customers such as JR East began to launch.
Number of Rental Sets	33	32	32	32	36	36	35	37	No significant change in the number of accounts due to the focus on drone sales.
TRANCITY Number of Accounts	115	125	127	135	148	147	156	147	The number of accounts decreased due to a focus on increasing unit prices for existing clients and contract reviews for major customers in the new fiscal year.
Solution Development Number of Ongoing Projects	4	6	9	10	12	10	11	11	The number of projects remained at the same level as many were ongoing development projects from previous years.

Various Profit Indicators

- Although the gross profit margin decreased due to the impact of spot low-margin projects, it is at a level that can be improved toward the full year.
- Selling, general and administrative expenses have a strong fixed cost element, but we are prioritizing growth investments such as personnel in light of the current market expansion.
- While continuing R&D investment by utilizing SBIR subsidies, we will suppress the cash flow burden.

01 Gross Profit Margin

FY7/2025 Q3 Results	FY7/2026 Q3 Results
46%	**42%**

Although it has decreased temporarily due to the impact of low-margin projects, there is no change in the revenue model, and it is possible to increase the profit margin by accumulating high-margin drone sales.

02 Selling, General and Administrative Expenses (Excluding R&D Expenses)

FY7/2025 Q3 Results	FY7/2026 Q3 Results
455 million yen	**724** million yen

FY7/26, for the next growth stage,
we will promote growth investments such as personnel and shift to an increasing trend.
We will promote expense management that emphasizes the balance with growth so that it does not increase in proportion to sales.

03 R&D Expenses

R&D Expenses Amount recorded in P&L
1,758 million yen

FY7/2026 Q3 Results

Amount of R&D expenses excluding expenses covered by subsidies

240* million yen

Through R&D activities utilizing subsidies including SBIR, we will achieve both continued investment for the realization of our growth strategy and the suppression of cash outflows.

Note: * Calculated by deducting R&D expenses eligible for subsidies including SBIR from the amount of R&D expenses recorded in the P&L.

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

- While drone sales were strong, inspection solutions continued to struggle this quarter, resulting in a year-over-year decrease.

Drone Business

Inspection solution

In this quarter, as part of efforts toward drone standardization for sewer inspections, there were many free sewer inspections and small-scale projects, resulting in a year-over-year decrease.

Product provision service

Drone sales increased steadily
Rental services also grew steadily

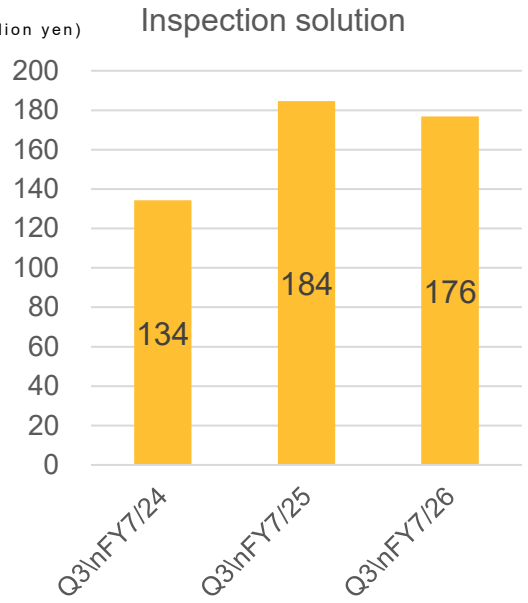
Digital Twin Business

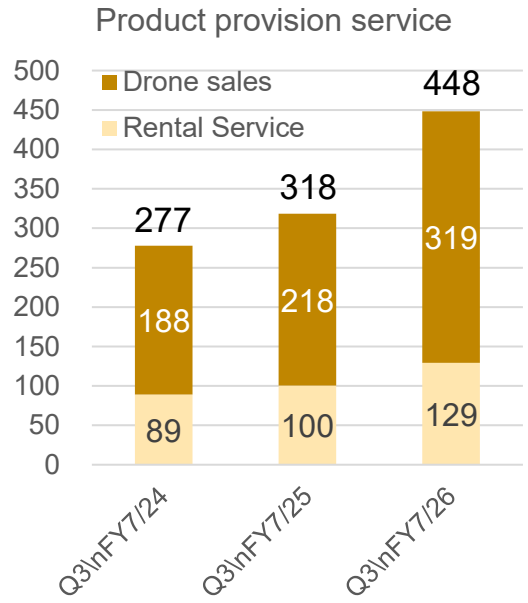
Increased year-over-year due to the impact of large-scale projects, but data processing and other services linked to inspections remained sluggish

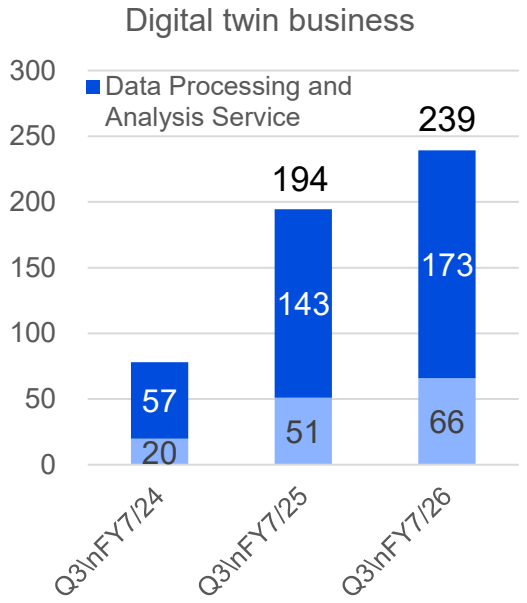
Solution Development Business

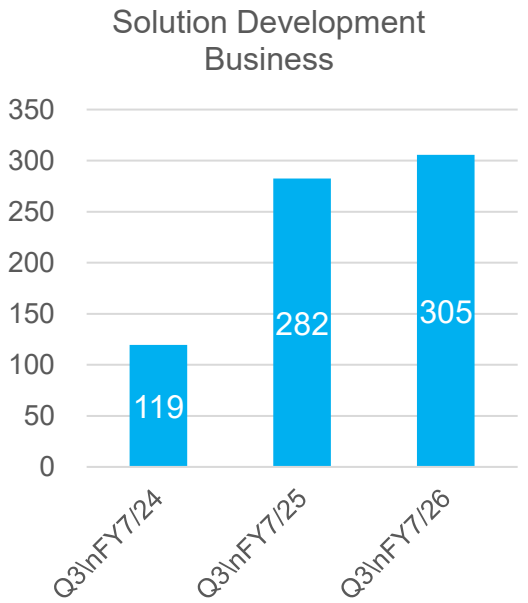
Projects continued from the previous fiscal year account for the majority. Scale expanded as project phases progressed, resulting in a year-over-year increase.

(Unit: Million yen)







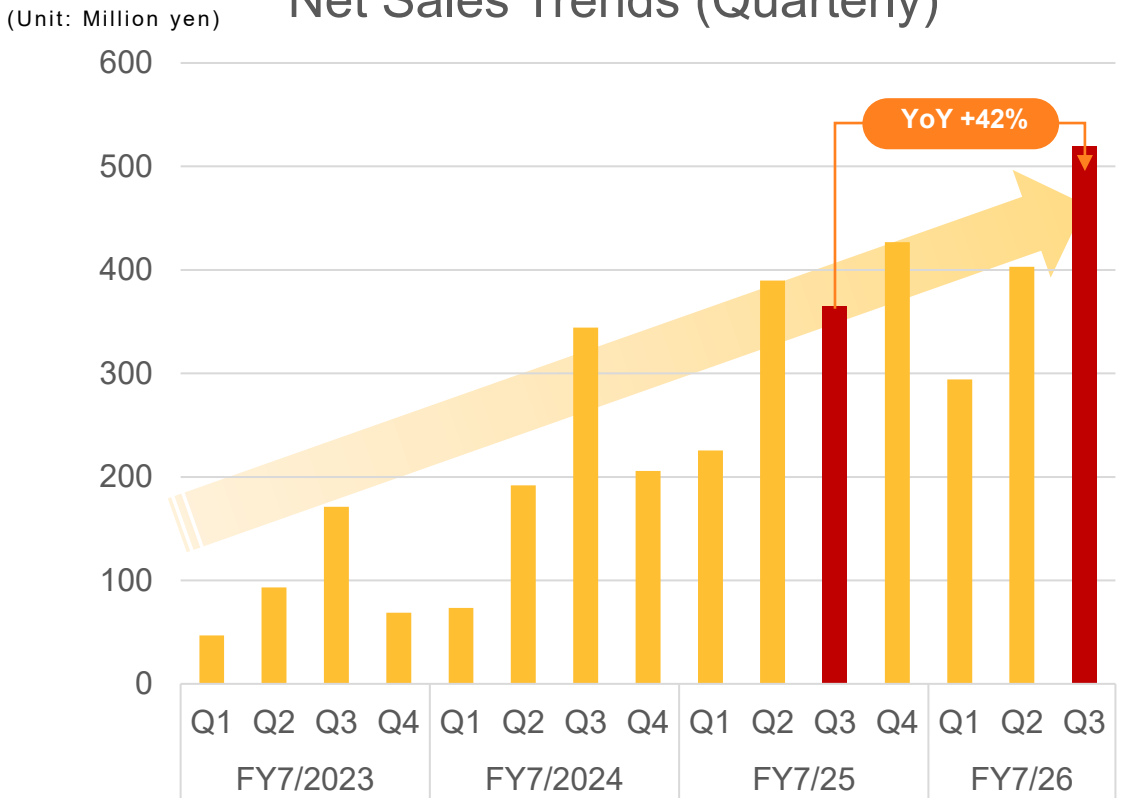


New Domains	Cumulative net sales for the third quarter were 46 million yen

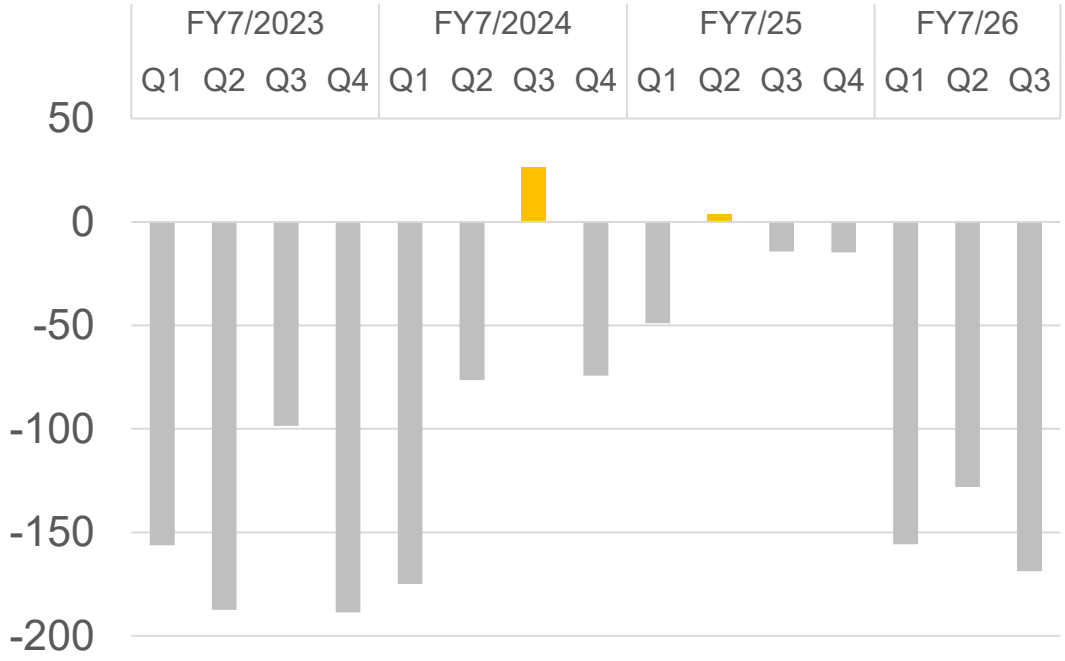
Trends in Net Sales and Operating Income (Loss) (Quarterly)

- Net Sales: Third quarter net sales reached a record high on a quarterly basis, up 42% year-over-year
- Operating Income (Loss) excluding SBIR R&D expenses: Loss expanded as fixed costs could not be absorbed relative to the scale of net sales

Net Sales Trends (Quarterly)

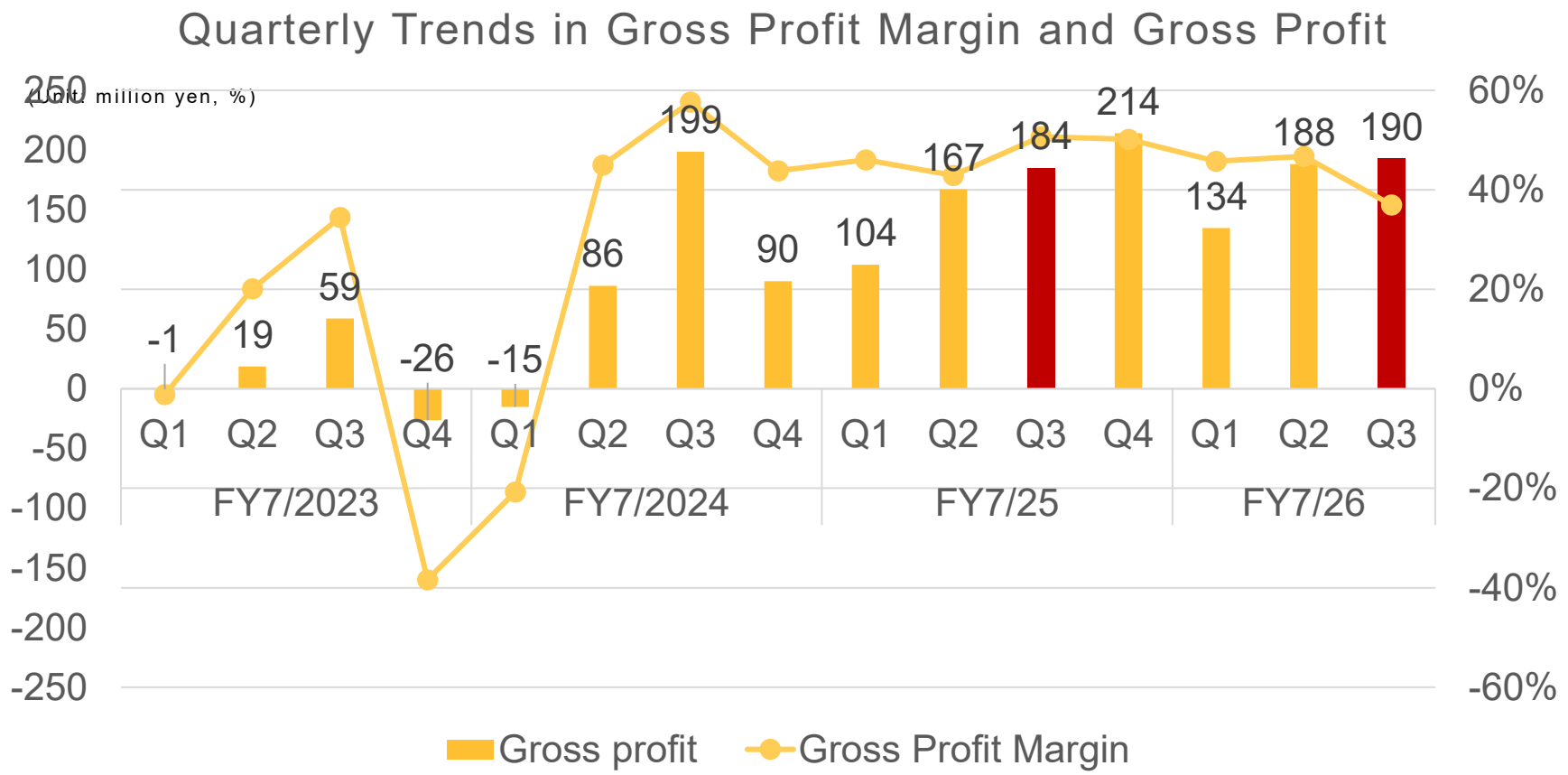


Operating Income (Loss) Trends (Quarterly)



Trends in Gross Profit Margin and Gross Profit (Quarterly)

- Gross Profit Margin has remained stable at over 40% since FY7/2024 2Q, demonstrating the high profitability of our business
- Although it fell below 40% this quarter due to the impact of low-margin projects, it is expected to return to previous levels from the fourth quarter onwards



Gross Profit Margin

- Since FY7/2024 2Q, although there is seasonality in net sales, Gross Profit Margin has remained stable at over 40%
- In FY7/2026 3Q, the margin fell to 37%, below 40%, due to the impact of low-margin projects, but this is a limited impact from large-scale low-margin projects

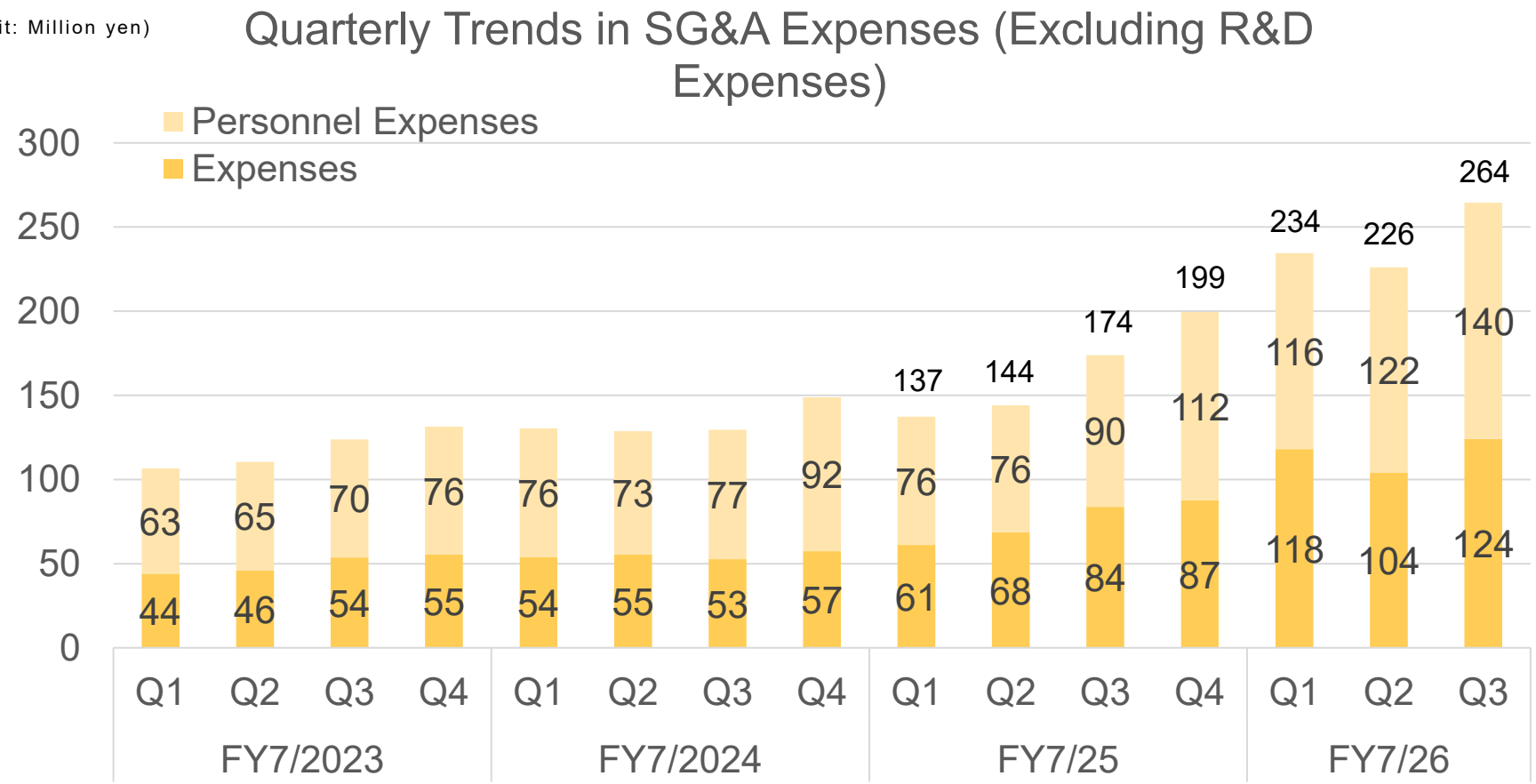
Gross profit

- Since the profit margin is stable, the amount of profit is growing in proportion to the increase in sales, and we are securing profit amounts in line with sales growth

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

- Our SG&A expenses overall have strong fixed-cost elements, and we achieved scale expansion through minimal investment until the middle of FY7/2025
- Confirming the potential for monetization through existing businesses, as evidenced by the achievement of ordinary profit in FY7/2025
- Based on this, from the second half of FY7/2025 onward, we will strengthen our personnel structure and expand sales activities for the next growth stage, with SG&A expenses shifting to an increasing trend. We will continue to make growth investments while managing costs with an emphasis on balance with sales growth

(Unit: Million yen)



Personnel Expenses

- Remained stable at 70M to 80M until Q2 of FY7/2025
- Increased from the second half of FY7/2025 due to further business expansion, with an increase of approximately 20 personnel on the business side
- Increased this quarter compared to the previous quarter due to an increase of 8 personnel

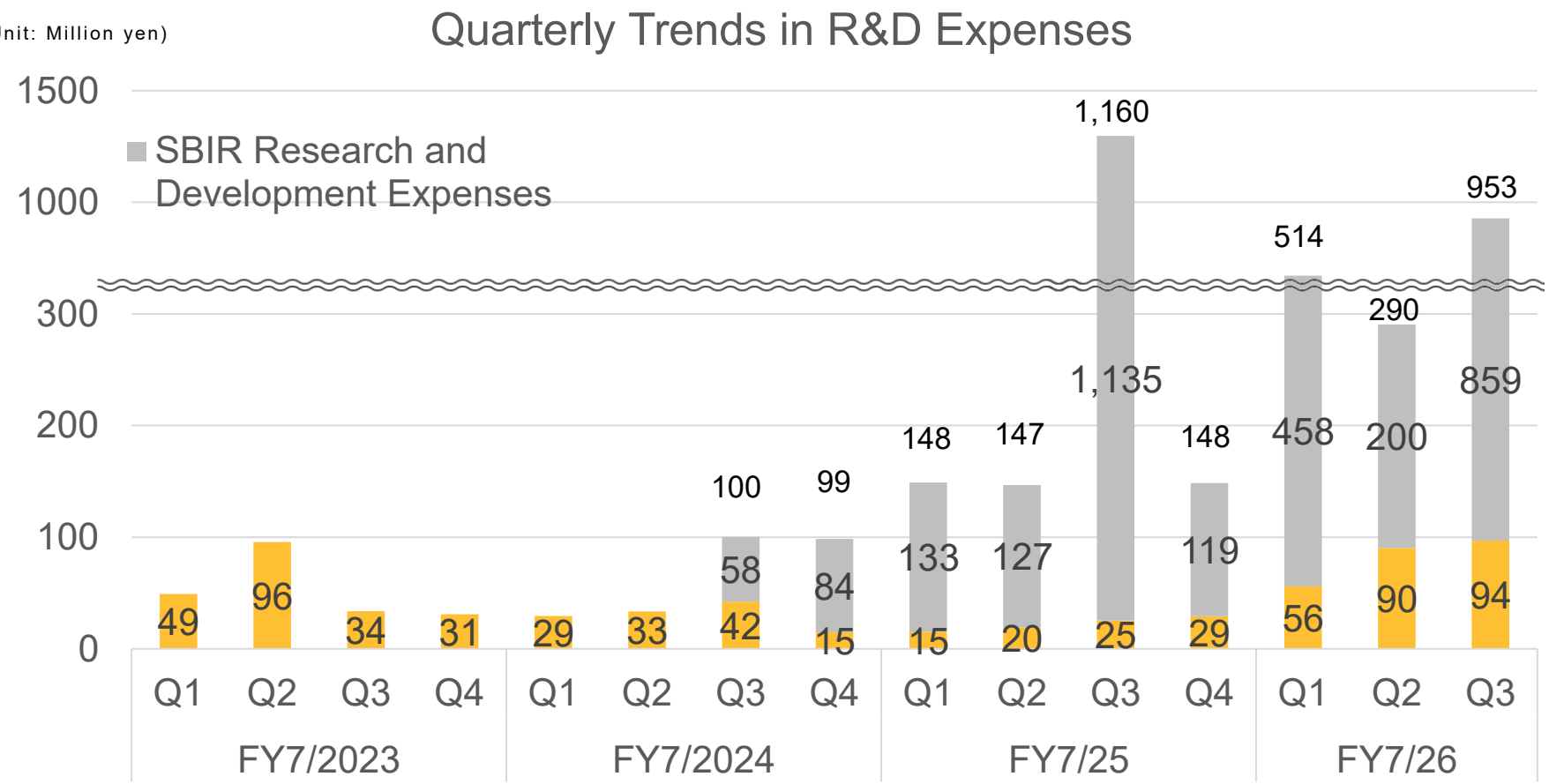
Expenses

- Mainly recruitment and training expenses, advertising expenses, travel and transportation expenses, and professional fees, etc.
- Travel and transportation expenses increased from the second half of FY7/2025 due to headcount growth, visits to local governments, and overseas market development
- Thereafter, steady-state expenses are expected to trend at around 90M to 110M
- Excluding spot costs (14M for outsourcing in Q1, 14M for recruitment and training in Q3), expenses are at steady-state levels

Trends in R&D Expenses (Quarterly)

- SBIR projects started from the second half of FY7/2024, and expenses increased significantly in 3Q FY7/2025 due to overlapping system deliveries, etc.
- In the current 3Q, expenses also increased significantly due to overlapping system deliveries in the mass-production prototype phase, etc.
- R&D expenses excluding SBIR are on an upward trend due to the development of the new product "Torinosu" and next-generation IBIS

(Unit: Million yen)



SBIR Research and Development Expenses

- SBIR R&D expenses are being utilized at a level below the forecast, but there are no issues with development progress

R&D Expenses for Existing Businesses

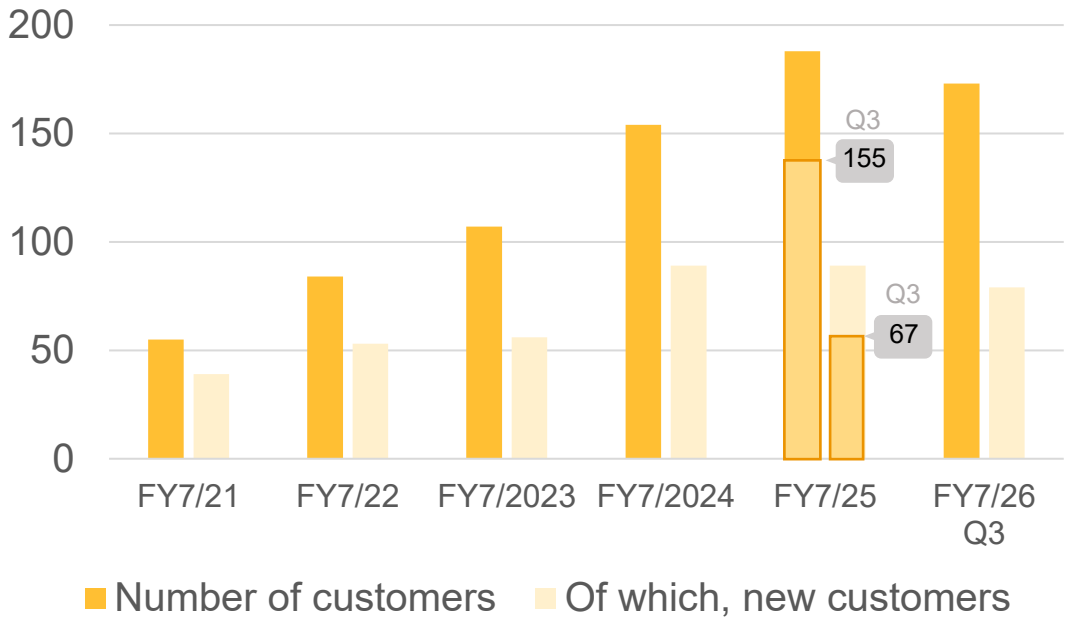
- Mainly development costs for Torinosu and next-generation IBIS
- R&D expenses are on an upward trend due to the phase transition of next-generation IBIS

Trends in Number of Customers and Number of Major Industry Customers

- New customers are increasing steadily, and many existing customers continue to use our services
- Many major industry players use our services, and we aim for industry-standard positioning by expanding use cases through adoption by major companies

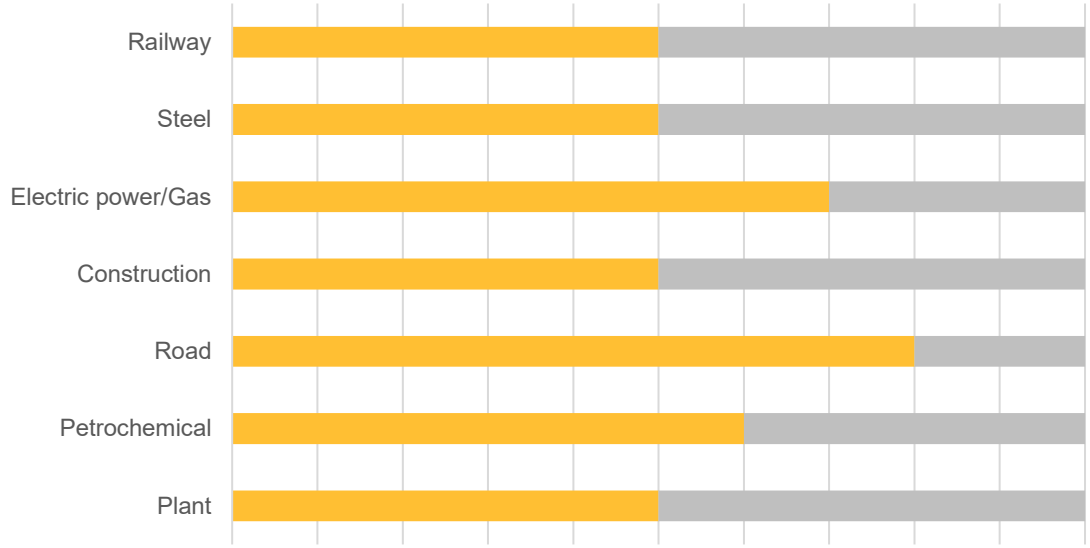
Cumulative Number of Customer Companies
430 companies
As of the end of April 2026

Trends in Number of Customers



Track Record of Transactions with Major Industry Players
Approx. 50 %
As of the end of April 2026

Track Record of Transactions with Major Industry Players



Number of customers: Calculated based on end users

Definition of major industry players: Top 10 in terms of net sales by industry. Number of customers is calculated based on end users

Balance Sheet (Comparison with Previous Fiscal Year-End)

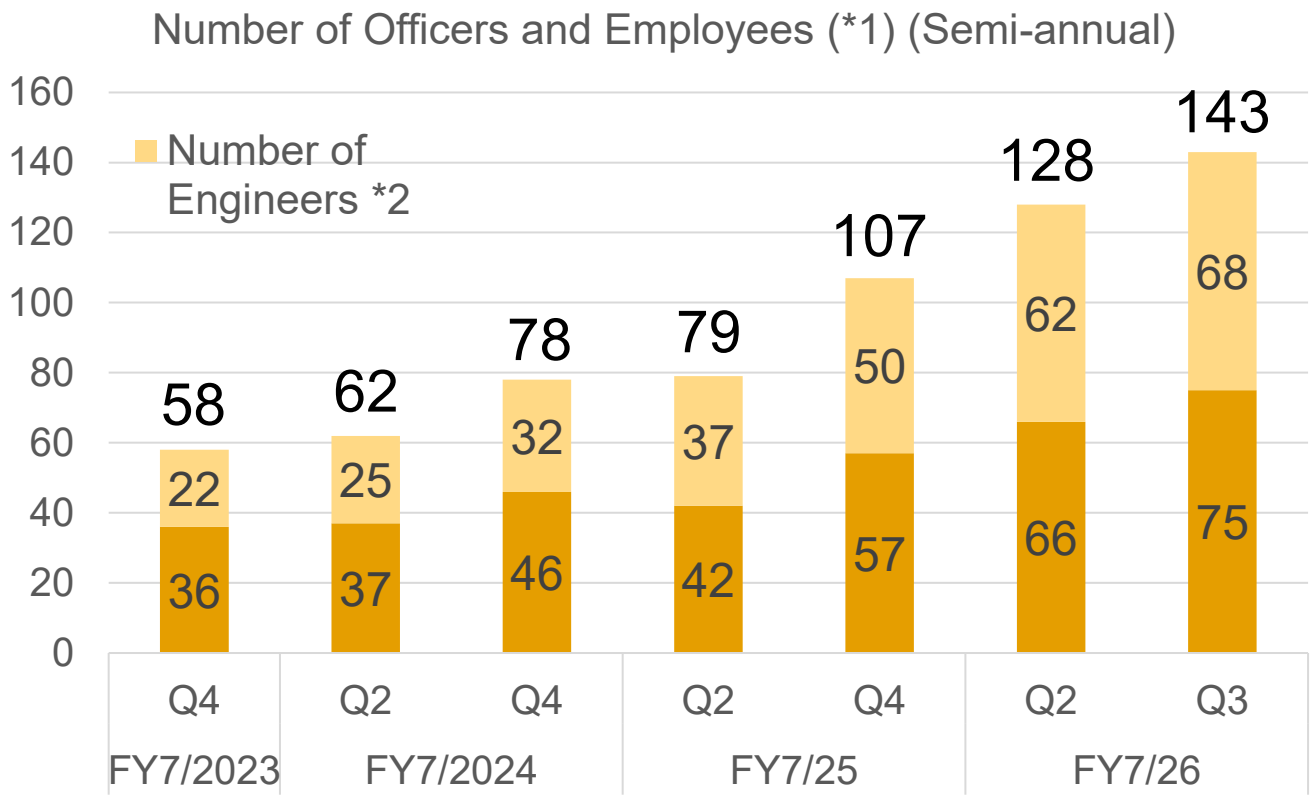
- Cash and deposits were spent in advance due to the time lag between SBIR R&D expenditures and the receipt of subsidies
- Reduced financial burden by repaying interest-bearing debt

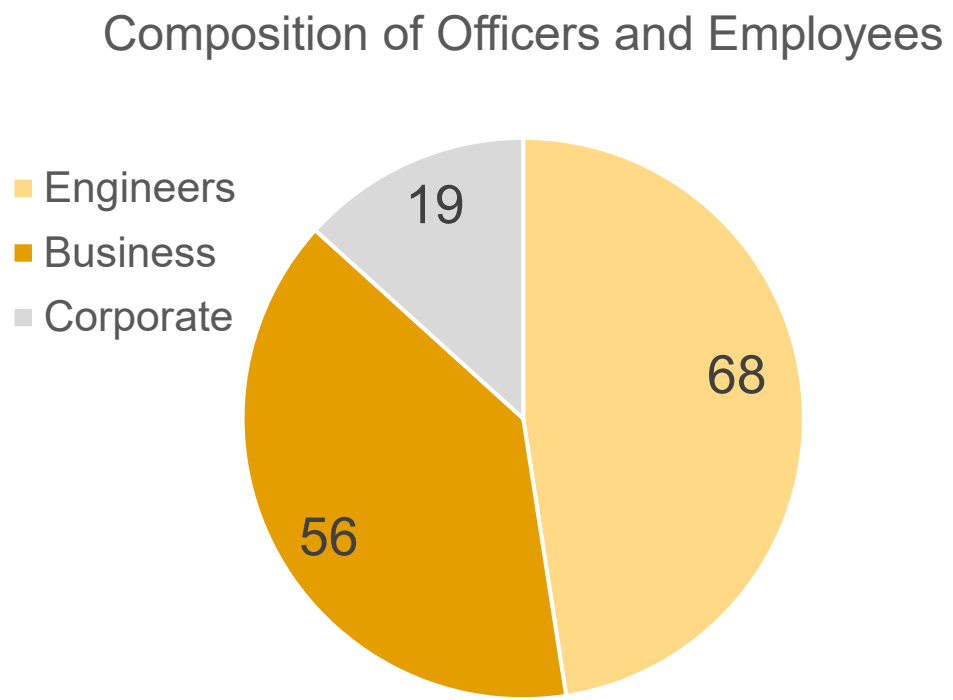
(Unit: Million yen)			End of FY7/2025	FY7/2026 Q3	Change from Previous FY-End	Overview
Assets	Current assets	Cash and deposits	751	629	(122)	Mainly due to increased expenses associated with SBIR R&D expenditures
		Other	710	561	(149)	Mainly notes and accounts receivable-trade (207), work in process +18
	Fixed assets	Property, plant and equipment and intangible assets	133	182	+49	Mainly buildings +23, tools, furniture and fixtures +20
		Investments and other assets	105	87	(18)	-
	Total assets		1,700	1,460	(240)	
Liabilities	Interest-bearing debt		492	334	(158)	New short-term borrowings +100, decrease due to repayment (258)
	Other		275	396	+121	Mainly accounts payable-trade +40, accounts payable-other +28, contract liabilities +28
Net assets	Capital stock (including capital surplus)		864	1,980	+1,116	Third-party allotment +1,110
	Retained earnings		54	(1,294)	(1,348)	Quarterly net loss (1,349)
	Other		13	43	+30	Share acquisition rights +27
Total liabilities and net assets			1,700	1,460	(240)	

Number of Officers and Employees (As of April 30, 2026)

- We continue to actively recruit engineers who support our technology and promote projects that form the basis of various growth strategies.
- We are also strengthening personnel on the business and corporate sides in accordance with the scale of our business; the main increase from 2Q to 3Q was due to the hiring of 5 new graduates.

(Unit: persons)





Note: *1 Excluding part-time officers, including temporary employees
*2 Engineers are defined as those with specialized knowledge or skills in engineering or information technology, involved in development, manufacturing, quality control, image processing, etc.

Net Sales by Quarter

- Net sales forecasts by service are explained in the section on revised earnings forecasts.

(Unit: Million yen) (Actual totals are rounded down to the nearest million yen)	FY7/2024				FY7/2025				FY7/2026			FY7/2026
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Full-year Earnings Forecast
Total Net Sales	73	191	344	205	225	389	364	426	294	402	519	1,700～1,900
Drone Business Total	51	138	221	160	151	143	205	304	218	206	200	935～1,097
Inspection solution	24	46	62	36	51	76	56	100	31	76	69	215～237
Product Provision Service (Drone Sales)	0	60	127	92	67	36	114	165	143	89	86	549～689
Product Provision Service (Rental)	26	31	31	31	32	32	34	38	44	41	44	171
Digital twin business	8	18	50	35	31	96	66	29	29	52	157	310～331
Solution development business	13	34	72	9	42	146	93	93	44	121	139	390～407
New Domains	0	0	0	0	0	0	0	0	2	22	22	65

Financial Results Report for the Third Quarter of the Fiscal Year Ending July 2026
<Activity Report>



Institutional Design for Sewer Drone Popularization Taking Shape; We Are Leading Implementation

- MLIT presented more specific popularization measures and utilization schemes for sewer pipe drones
- Ahead of this, we have collaborated with core industry companies, industry associations, and local governments, and are
- promoting business development in line with policy directions

Popularization Measures for Sewer Pipe Drones Proposed

下水管用飛行式ドローンの普及方策（素案）

国土交通省

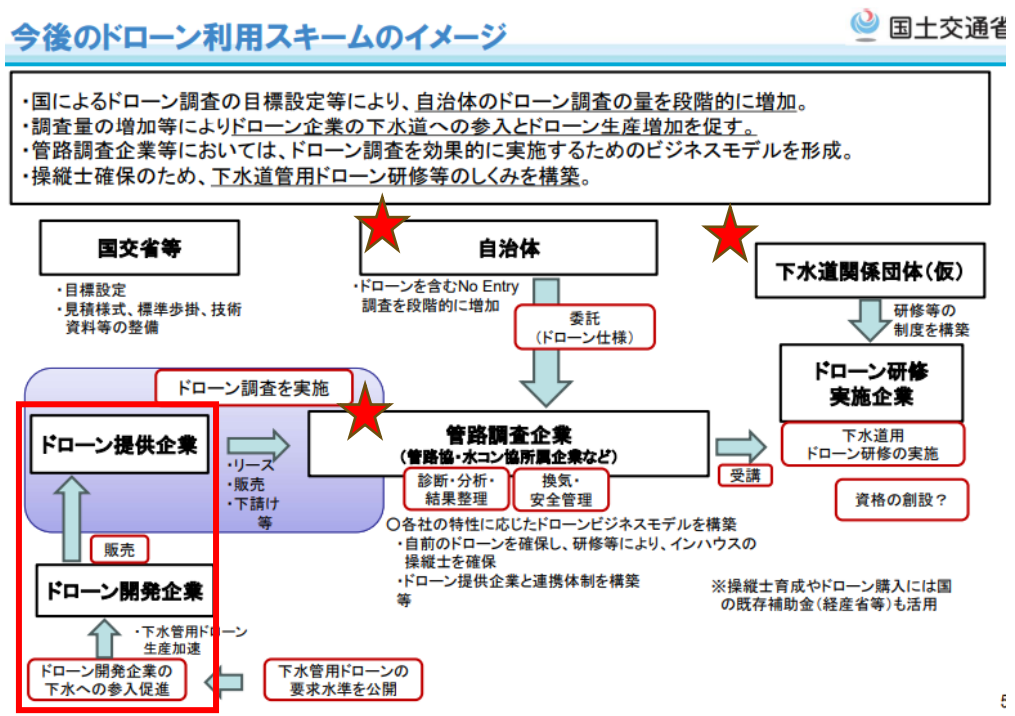
①ドローン調査の需要増加策
・自治体が実施するドローン調査実施量の目標設定（例えば、大口径管など一定条件下での調査はNo Entryを原則とするなど）により、実施量を段階的に増やすことを検討。
・見積様式や標準歩掛、技術資料等の作成により、自治体によるドローン発注を支援。
→需要創出により、下水道管用のドローンの生産加速と廉価化を促す。

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

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

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

Drone Utilization Scheme Aligns with Our Activity Direction



Source: 3rd Council for the Promotion of Sophistication and Practical Application of Sewer Pipeline Maintenance Technology (December 25, 2025)
Excerpt from Document 4: Popularization Measures for Aerial Drones for Sewer Pipes (Draft), P4 and P5

Social Implementation of Drone Inspection and Diagnosis Accelerates Following Sewerage Act Amendment

- The importance of inspecting and diagnosing sewer pipes is expected to increase further due to the amendment of the Sewerage Act aimed at strengthening the maintenance and management of aging infrastructure.
- Drone inspection and diagnosis, which combine safety and efficiency, are expected to see expanded use as a powerful means for advancing future sewerage management.

● 下水道法等の一部を改正する法律案

MLIT

背景・必要性

○ 令和７年１月に埼玉県八潮市で老朽化した下水道管の破損に起因する大規模な道路陥没事故が発生。施設の老朽化、職員数の減少等を受け、下水道の事業環境は厳しさを増している状況。

○ 下水道管路をはじめとする道路下の埋設物について適切な維持管理が必要。

⇒ **強靱で持続可能な下水道の実現に向けた維持管理・改築の実施及び事業基盤の強化、安全かつ円滑な道路交通を確保するための措置を講ずる必要。**



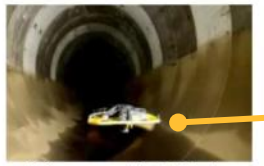
埼玉県八潮市の事故現場
（令和7年1月31日）

法案の概要

１．安全性確保を最優先する下水道マネジメントの確立

①確実な老朽化状況の把握 【下水道法】

- 老朽化に伴う管路の安全性（状態と対策の要否）を評価する診断の基準を法制化
  ※併せて、政令等で定める点検の頻度・方法の基準を見直し
- 下水道管理者は診断結果等の維持管理の状況を公表



（ドローンを活用した
点検・診断のイメージ）

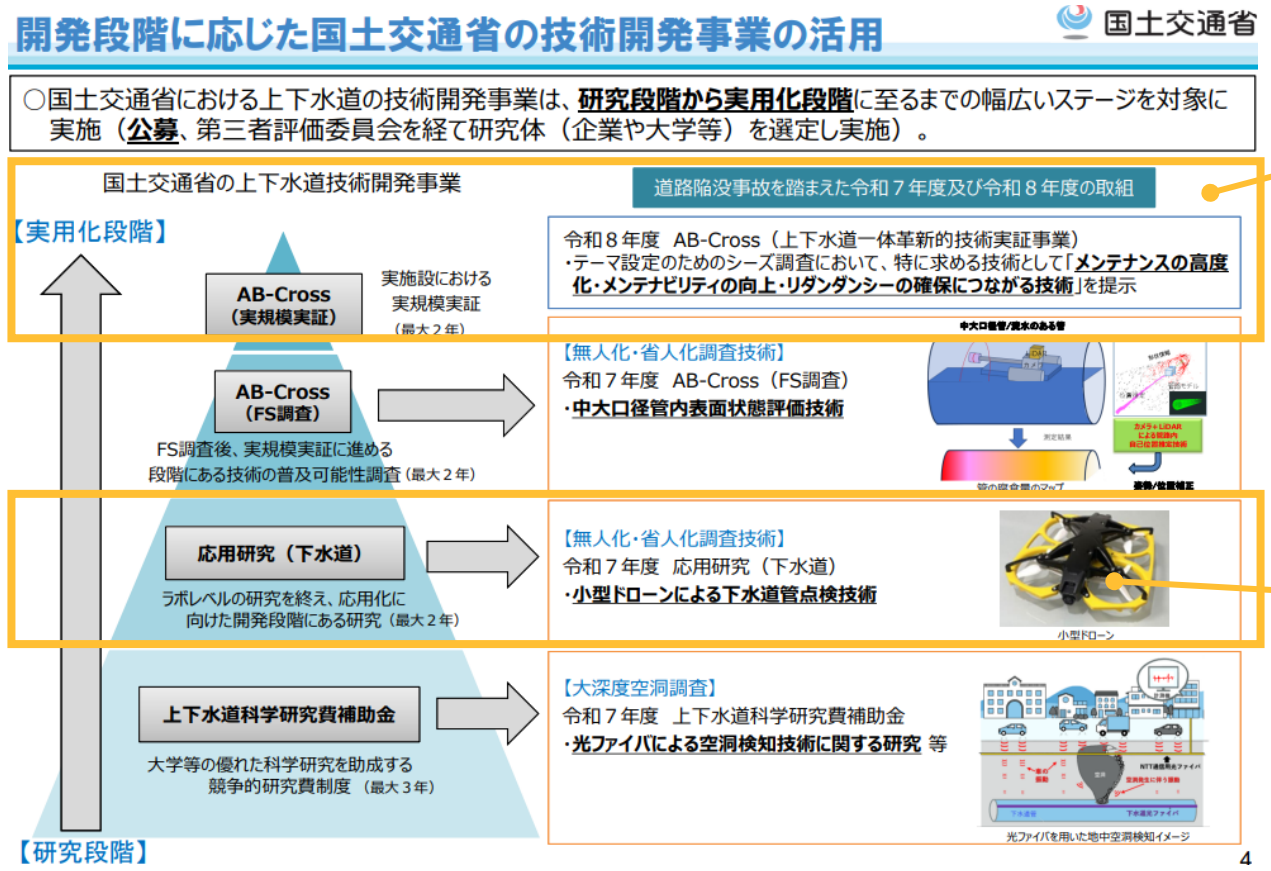
Passed as originally proposed at the House of Representatives plenary session in May 2026; enforcement is expected within six months from the date of promulgation, excluding some provisions.
⇒ Expecting further acceleration of drone inspection and diagnosis within FY2026

As an overview of the bill Titled "Establishment of Sewerage Management Prioritizing Safety," our IBIS2 is featured as an image of drone inspection and diagnosis.

Source: Ministry of Land, Infrastructure, Transport and Tourism website, Press Release "Cabinet Decision on the Bill for Partial Amendment of the Sewerage Act, etc."
Excerpt from the attached document "Overview"

Two Projects Selected for MLIT Water and Sewage Technology Development Program

- Selected for two stages of the water and sewage technology development program: the research stage and the practical application stage
- Promoting the standardization of drone surveys in sewers and the utilization of AI and digital twins through this project



FY2026 "Water and Sewage Integrated Innovative Technology Demonstration Project (AB-Cross)": "Rough Inspection for No Entry Realization / Detailed Inspection Combined Drone x AI Demonstration Project" selected

"Development of DX Solutions for Sewer Pipe Inspection Using Digital Twins and Small Drones" project selected for "Applied Research (Sewers)"

Source: Materials from the 7th Committee on Measures Based on Large-scale Road Subsidence Accidents Caused by Sewers, etc.
Excerpt from Document 2: Policy for Initiatives Toward Sophistication and Practical Application of Pipeline Maintenance Technology, p. 5

Demonstration of Sewer Pipe Degradation Diagnosis Using Drones／Expanding Business Opportunities in the Sewerage DX Field

- Demonstrated degradation diagnosis in sewer pipes using technology jointly developed with Nippon Hume and Professor Hiroaki Morita of Nihon University, based on IBIS2
- Enabling diagnosis in pipelines that are inaccessible to humans or have a high workload through coating and spraying diagnostic methods, aiming to expand utilization in future sewerage maintenance and management

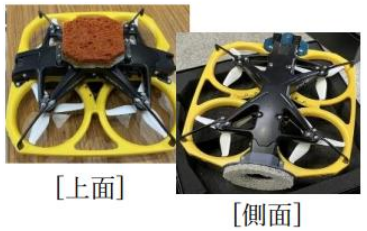
Experiment Scenes



<Coating-type drone test flight at Nippon Hume Kumagaya Plant>

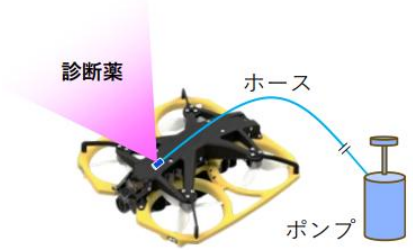
Overview of Degradation Diagnosis Using Drones

Based on the drone jointly developed using IBIS, apply the following according to the pipeline:
(1) Coating type (for small-diameter pipes), (2) Spraying type (for large-diameter pipes)



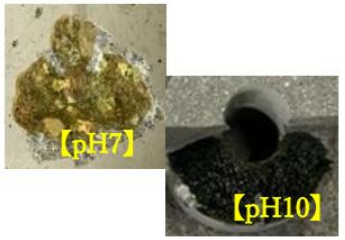
Coating type

- For small-diameter pipelines inaccessible to humans
- Apply diagnostic agent to the top／side surfaces



Spraying type

- For large-diameter pipelines
- Wide-area determination by spraying from a nozzle



Color change according to degradation

- Sulfuric acid degradation is the main cause in sewer pipelines
- Degradation: High ⇒ pH: Low
- Grasp the progress of degradation through numerical changes

Source: Excerpt from Nippon Hume and our company's drone public diagnosis results materials

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

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

Short-term → **Medium-term**

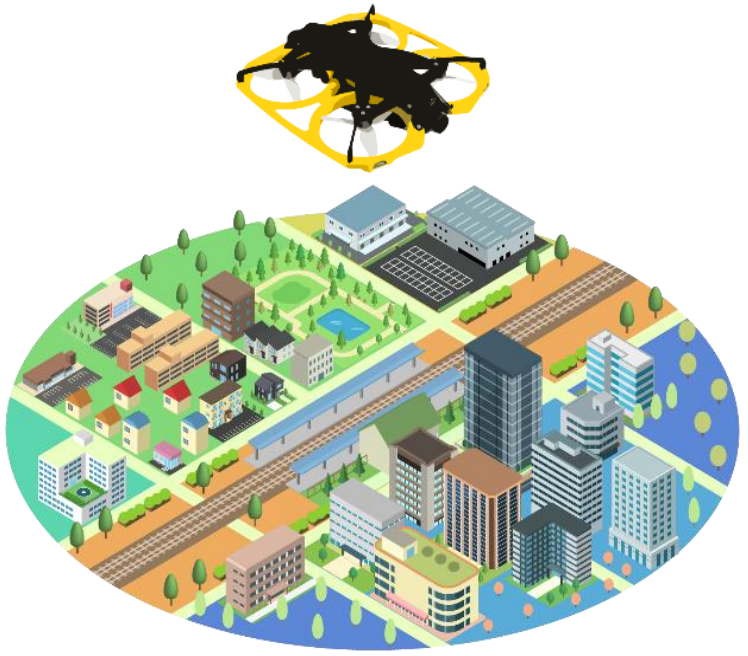
Accumulation of case studies



Re-evaluation

- **Operation flow**
- **Inspection accuracy**
- **Data reproducibility**

Toward standard equipment for infrastructure inspection



Business alliances with major companies and local governments toward commercialization and social implementation are accelerating

- In the last three months, initiatives leading to commercialization and social implementation have progressed one after another, including co-creation with Kansai Electric Power, demonstrations with Tokyo Metropolitan University, and selection for Pacific Consultants-related programs.
- The application areas for our drone and robotics technology are expanding beyond infrastructure inspection to disaster prevention, urban spaces, and solving social issues.

01

Selected as a co-creation partner for the co-creation program by eiicon and Kansai Electric Power

eiicon と関西電力による共創プログラム
「KANDEN DOKEN SOCIAL-DRIVEN」において共創パートナー企業として採択
～共創テーマ「KANDEN DOKEN × 担い手不足の解消」において社会課題の解決を目指す～

株式会社 Liberaware（本社：千葉県千葉市、代表取締役：関弘圭、以下「当社」）は、株式会社 eiicon（本社所在地：東京都文京区後楽、代表取締役社長：中村 亜由子）と、関西電力株式会社（本店所在地：大阪市北区中之島、代表執行役社長：森 望）土木建築部門が主催する、共創による社会課題解決イノベーションプログラム「KANDEN DOKEN SOCIAL-DRIVEN（以下「本プログラム」）」において、共創パートナー企業として採択されましたことをお知らせいたします。



02

Conducted demonstration experiments of a quadruped robot in collaboration with TIS and Tokyo Metropolitan University

Tokyo NEXT 5G Boosters Project において、ローカル 5G を活用した
四足歩行ロボットの実証実験を実施
～TIS・東京都立大学と連携し、四足歩行ロボットで設備の状態をデジタル空間上に再現～

株式会社 Liberaware（千葉県千葉市、代表取締役 関 弘圭、以下「Liberaware」）は、東京都が実施する「次世代通信技術活用型スタートアップ支援事業（Tokyo NEXT 5G Boosters Project）」に開発プロモーターとして採択されている TIS 株式会社（以下「TIS」）の支援を受け、ロボット技術を活用した次世代インフラ点検ソリューションの実証実験（PoC）を実施しました。

Tokyo NEXT 5G
Tokyo NEXT 5G Boosters Project

本実証では、東京都立大学（以下「都立大」）の実環境フィールドを活用し、次世代通信技術でのローカル 5G 環境におけるロボットによるデータ取得と、株式会社アプトポッド（本社：東京都新宿区、代表取締役 坂元 淳一、以下「アプトポッド」）の IoT データプラットフォーム「intdash」によるデータ統合を組み合わせることで、設備の状態をデジタル空間上へ再現する『デジタルツイン』の構築および、その実運用に向けた検証を実施いたしました。

03

Selected as a partner company for the "Pacific Consultants Co-creation Program 2025"

Liberaware、「パシフィックコンサルタンツ共創プログラム 2025」の
パートナー企業に選定
～「社会経済を止めない災害レジリエンスビジネス」の共創に向けた検討を開始～

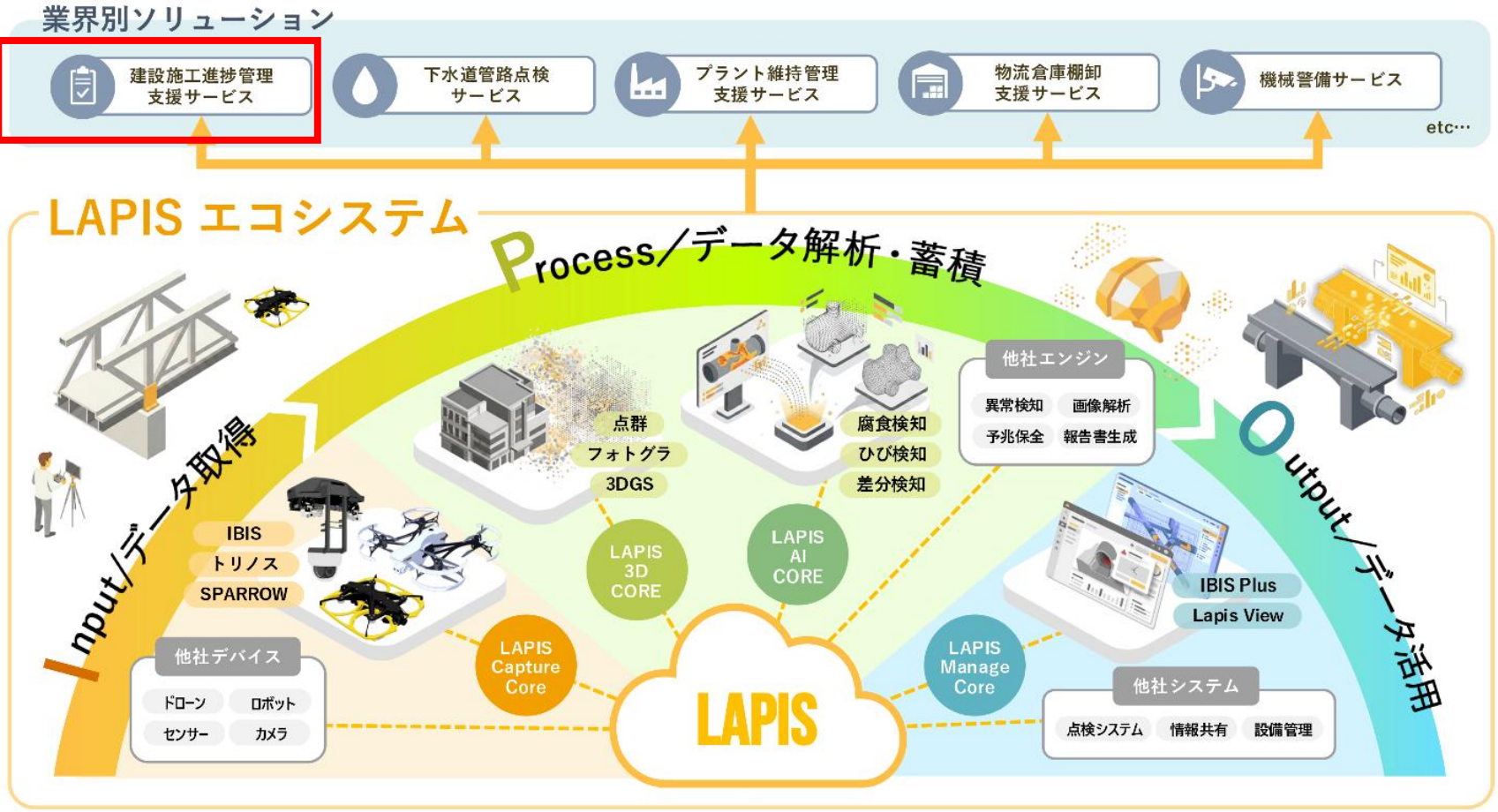
株式会社 Liberaware（本社：千葉県千葉市、代表取締役：関 弘圭、以下「当社」）は、パシフィックコンサルタンツ株式会社（本社：東京都千代田区、代表取締役社長執行役員：大本修、以下「パシフィックコンサルタンツ」）が主催するオープンイノベーションプログラム「パシフィックコンサルタンツ共創プログラム 2025」において、最終選考の結果、共創パートナーとなるスタートアップ企業 6 社のうちの 1 社として選定されましたことをお知らせいたします。

今後は、パシフィックコンサルタンツが長年培ってきた建設コンサルタントとしての高度な技術・知見と、当社が培ってきた画像処理・データ解析技術、およびハードウェア・ソフトウェアの垂直統合的なソリューション開発力を掛け合わせ、「未来をプロデュースする」新たな価値創出に向けた検討を開始いたします。

Evolving into a Data Platform Company Centered on the Spatial iPaaS Platform "LAPIS"

- Strengthening "LAPIS," which has been provided as an image analysis tool, into a spatial iPaaS* platform that supports on-site DX
- Aggregating spatial data acquired not only from our own products but also from partner products on LAPIS, and creating new solution businesses by connecting image analysis, AI, business systems, etc.

National Project
Developed based on "Solution Development for Improving Operational Efficiency at Construction Sites" (total subsidy of 470 million yen), it is currently in the final phase toward the start of business in July 2026 (see next page)

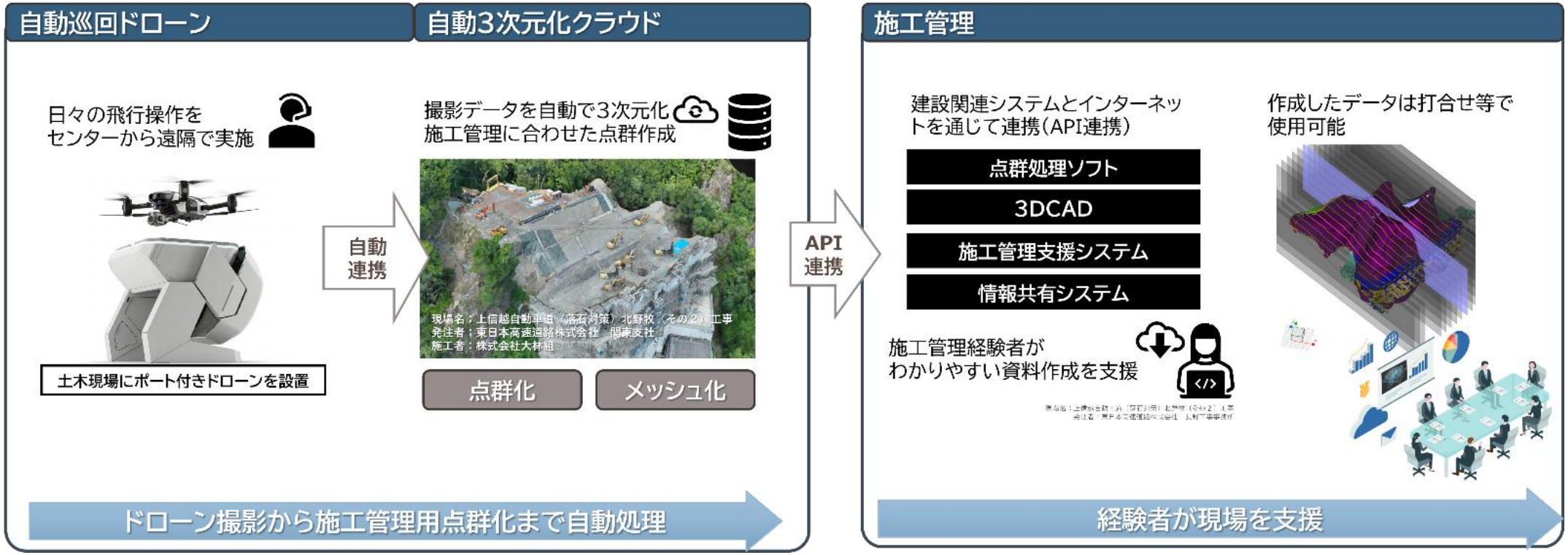


Note: *Spatial iPaaS (Integration Platform as a Service) refers to a cloud-based data integration platform for centrally connecting devices such as robots, drones, and cameras, as well as various software in digital space (3D data, point cloud data, BIM, etc.)

First Industry-Specific Solution Utilizing LAPIS: "Construction Progress Management Support Service"

- National project "Solution Development for Improving Operational Efficiency at Construction Sites" conducted jointly with KDDI SmartDrone and Obayashi Corporation
- Based on technical development (total subsidy of 470 million yen), the construction progress management support service will be launched in July 2026
- Combining remote autonomous drones with high-precision 3D technology to support the efficiency of major construction site operations, such as work-in-progress management, inspection document preparation, and as-built management.

Solution Case Study



South Korea: S-OIL (ACE Plantech) Introduces IBIS2

- S-OIL, a major South Korean energy company under the ARAMCO Group, introduced IBIS2 through its inspection partner ACE Plantech.
- In addition, business promotion is ongoing to establish the market through business alliances and active participation in exhibitions.

IBIS2 Case Study

ACE PLANTECH CO., LTD.
The Inspection & Expediting Services

Background of Introduction

✓ Since inspection of confined space facilities involves high-risk work, improvements through the use of robots and drones were required.

✓ While balancing work safety and inspection efficiency was a challenge, the decision to introduce IBIS2 was made based on its mobility, high image quality, and excellent cost efficiency.

Future Outlook

✓ Promote horizontal expansion to S-OIL's domestic plants and large-scale projects

✓ Using this project as a reference, promote introduction proposals to other global EPCs and plant
owners

Other Activities to Increase Awareness

Business Alliance

CHEIL Cheil Engineering co., Ltd.



✓ Established a collaboration system with a top-class South Korean water and sewage
engineering company

✓ Plan to participate in the formulation of ICT education curricula for the Korea Expressway Corporation

Exhibition Participation

✓ Exhibited at DSK2026, one of Asia's largest drone exhibitions







Note: *EPC companies are companies that undertake plant construction and other projects on a turnkey basis, named after the initials of "Engineering," "Procurement," and "Construction."

"JR East Group DRONE DX CHAMPIONSHIP 2026" Held

- This event was hosted by the JR East Group, featuring content such as a drone race competition using IBIS2 in collaboration with CalTa.
- Following last year's success, the event generated significant excitement, broadly promoting our technical capabilities and the presence of IBIS2 and PJ SPARROW both within and outside the industry.

<Example of Media Coverage>





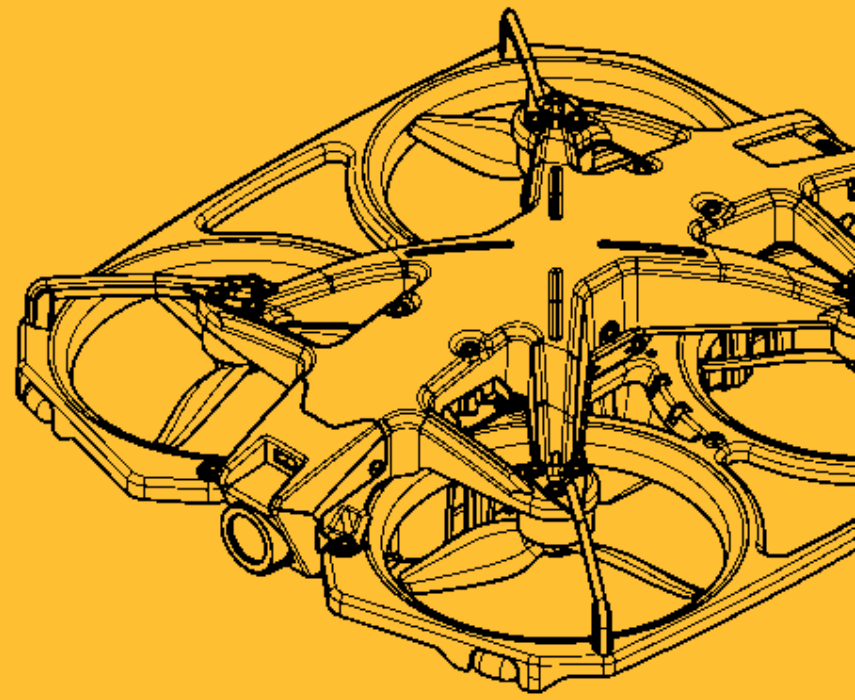






Source: June 8 (Mon), Mezamashi TV / Fuji Television

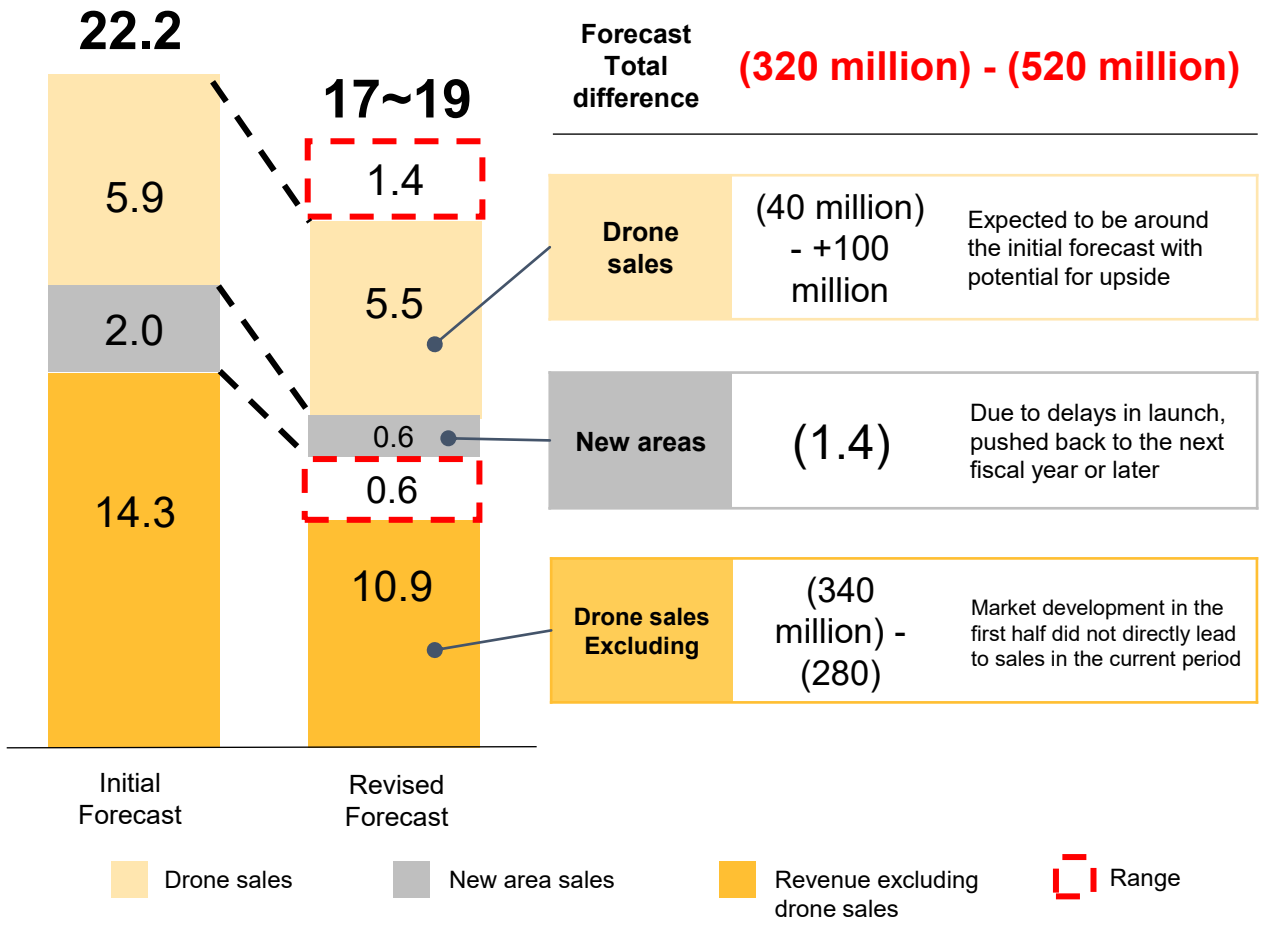
05 FY7/2026 Revision of Financial Results Forecast



Full-year Net Sales Forecast Revised to 1.7 Billion Yen - 1.9 Billion Yen

- Due to delays in the launch of new areas and the loss of sales opportunities resulting from sales and business development activities for mid- to long-term growth in the first half, we expect an increase in revenue for the full year, but we have revised the full-year earnings forecast downward based on progress through 3Q.

(Unit: 100 million yen)



Forecast Total difference	**(320 million) - (520 million)**	
Drone sales	(40 million) - +100 million	Expected to be around the initial forecast with potential for upside
New areas	(1.4)	Due to delays in launch, pushed back to the next fiscal year or later
Drone sales Excluding	(340 million) - (280)	Market development in the first half did not directly lead to sales in the current period

Analysis of Factors for Sales Shortfall

Summary

Impact on existing business is limited; the second half is on a recovery trend toward the next fiscal year

The main factors for this revision of the sales budget are delays in new areas and the lack of short-term sales progress due to the focus on awareness-building activities in the sewerage sector during the first half. The third quarter secured record-high net sales, and the second half is on a recovery trend.

Causes

Postponement of new areas and delay in revenue realization from first-half sales activities

New areas

Due to more time than expected being required for customers' consideration of introduction, confirmation of operational conditions, and the transition from PoC to full-scale deployment, sales expected in the second half of this fiscal year have been pushed back to the next fiscal year.

Impact of first-half sales activities

In the first half, we focused on sales activities for customer awareness, market development, and project creation, particularly in the sewerage sector.
As a result, it did not fully materialize as the first-half sales initially assumed.

Outlook

Drone sales are strong
Anticipating an increase in orders in the second half and from the next fiscal year onward

Drone sales have remained steady, and market needs continue to be high
Orders are on a recovery trend in the second half, and customer awareness and market development activities in the sewerage sector, which were focused on in the first half, are building up as a business pipeline from the second half onward. On the other hand, since there is a certain degree of uncertainty regarding the timing of revenue recognition, the revised earnings forecast adopts a range format.

Main Factors for Revision of Net Sales and Future Measures

Inspection Solution and Digital Twin Business

Main Factors for Revision

Although orders are on a recovery trend in the second half, the acquisition of short-term sales opportunities fell below expectations as a result of focusing on strategic activities such as customer education and market development in the sewerage sector for medium- to long-term growth during the first half.

Future Measures

The education activities and expansion of customer touchpoints conducted in the first half are mostly complete. We recently increased sales personnel by four, strengthening the system for lead generation and order acquisition. From the next fiscal year onward, we will promote an industry-specific focused approach, aiming to improve order probability and expand sales.

New Business Area - Torinosu -

Main Factors for Revision

Torinosu is currently conducting PoCs with four companies, and customer interest in adoption has been confirmed. On the other hand, it has taken more time than initially expected to confirm the facility environment, driving conditions, data utilization methods, connection with existing operations, and maintenance/operation systems for each customer, requiring a certain lead time for the transition from PoC to mass production rollout.

Future Measures

Going forward, based on the knowledge gained through PoCs, we will establish standard specifications, introduction procedures, and maintenance systems to enhance reproducibility for mass production rollout, and we expect sales contributions from the next fiscal year onward.

New Business Area - Overseas -

Main Factors for Revision

Initially, we expected early expansion of overseas sales by horizontally deploying the successful Japanese model, primarily in South Korea. However, it is taking more time than expected for market formation and operational establishment by customers in South Korea, and for regulatory/certification compliance, adoption decisions, and assessment of maintenance systems and profitability outside of South Korea.

Future Measures

In the future, we will focus on accumulating a track record of adoption and improving market recognition through our local subsidiary in South Korea. Outside of South Korea, we will scrutinize expansion regions while assessing marketability, customer needs, the execution capabilities of local partners, maintenance/operation systems, and profitability. We will reliably capture the demand for indoor drones in overseas markets and link this to sustainable growth opportunities.

Other Factors for Revision

01 Gross Profit Margin

Gross profit is expected to fall below the initial forecast due to changes in the sales mix

✓ While an increase in high-margin drone sales is expected, certain low-margin projects have occurred, and the Gross Profit Margin is expected to fall below the initial forecast.

✓ On the other hand, there is no change in the gross profit margin of existing businesses, and improvement in the profit margin is possible for the future.

02 SG&A expenses other than R&D expenses

Activities necessary for growth have increased, including an increase in sales activities in the sewerage sector

✓ Expenses necessary for growth increased due to the expansion of sales activities, recruitment activities, business development, and external collaborations.

✓ Regarding personnel expenses, while we will continue necessary investment in human resources, we will manage them at an appropriate cost level based on sales growth and productivity improvements.

03 SBIR R&D expenses and subsidy income

Losses increased due to a shift in the timing of SBIR subsidy income receipt

✓ While SBIR R&D expenses are expected to be lower than the initial forecast, losses are expected to increase due to a shift in the SBIR subsidy income receipt schedule.

Revision of Full-Year Consolidated Business Performance Forecast for FY7/2026

- Although net sales are expected to increase for the full year, the full -year business performance forecast has beenrevised downward based on progress through 3Q, due to lost sales opportunities resulting from strategic activitiesfor the medium to long term in the inspection solution business in the first half, and delays in launching new areas.
- Net sales forecast by service is described on the next page

(Unit: million yen)	**Previous Forecast (A)**	**Revised Forecast (B)**	**Change (B-A)**	**FY7/2025 Results (C)**	**Revised Forecast vs. Year-over-Year Change (B-C)**	**Revised Forecast vs. Year-over-Year Rate of Change (B-C)/C**
Net Sales	**2,220**	**1,700 to 1,900**	**(520) to (320)**	**1,406**	**+294 to +494**	**+21% to +35%**
Gross Profit Margin	***50.6%***	***44% to 48%***	**-**	***47.6%***	**-**	***(3) to ±0pt***
Operating profit/loss	(2,412)	(2,154) to (2,311)	+258 to +101	(1,588)	(566) to (723)	-
Ordinary profit/loss	(177)	(574) to (730)	(397) to (553)	46	(620) to (776)	-
Net Income (Loss)	(178)	(575) to (731)	(397) to (553)	46	(621) to (777)	-

Net Sales Forecast by Service

Drone Business

Inspection solution

Due to many free sewer inspections and small projects in the first half, sales decreased year-over-year

Product provision service

Drone sales increased steadily. Rental services also grew steadily, and the upper limit is expected to exceed the initial forecast

Digital Twin Business

Due to a decrease in inspection solutions, data processing sales, etc. were low, and the initial forecast is expected to be missed

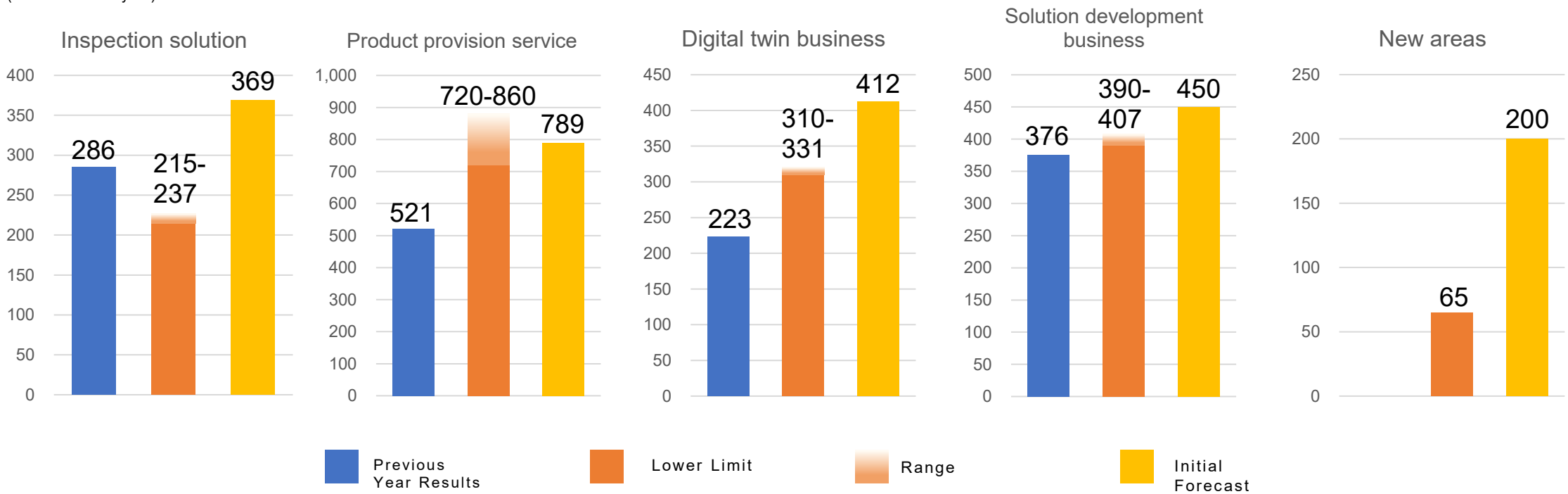
Solution Development Business

While projects continued from the previous year account for the majority, net sales are expected to be at the same level as the previous year due to failure to acquire new large-scale projects

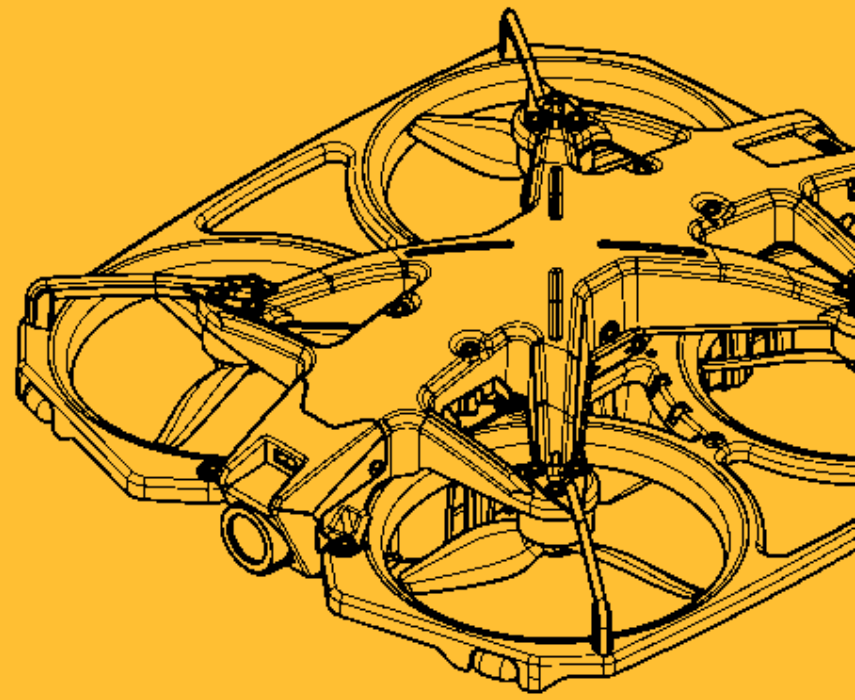
New Areas

Expected to fall below the initial forecast due to delays in launching in new areas

(Unit: million yen)



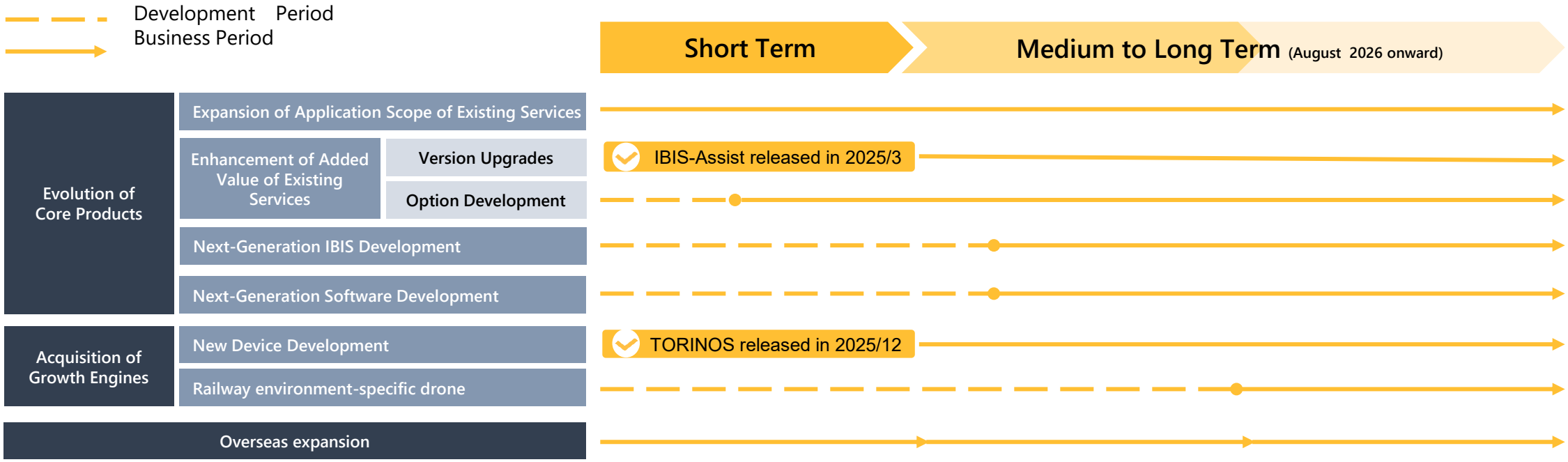
06 Growth Strategy Progress FY7/2026 3rd Quarter



FY26/7

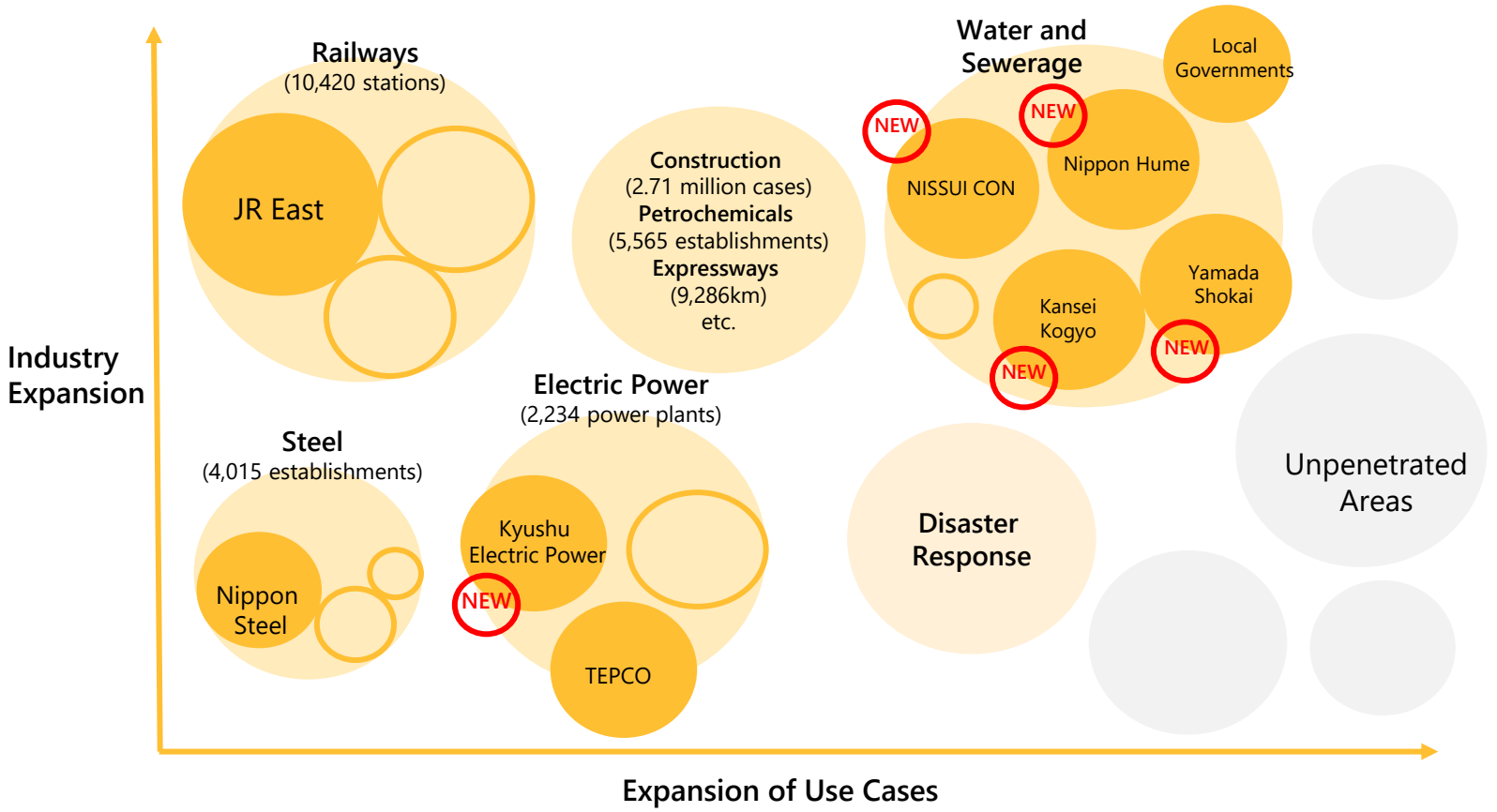
Accelerating continuous growth by expanding business domains with co-creation as the core axis and enhancing added value of existing services

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



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

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



Expansion of Use Cases in Existing Industries

- ✓ Use cases such as factory piping and ducts are created, and the use of indoor drones spreads within those industries.
- ✓ Similar environments exist in other industries.

Demand for Inspection due to Aging, etc.

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

Expansion of Use in New Industries

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

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

National Project Participation: Drone Solution Development for Railway Inspection

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

Subsidy grant amount

5.2 billion yen

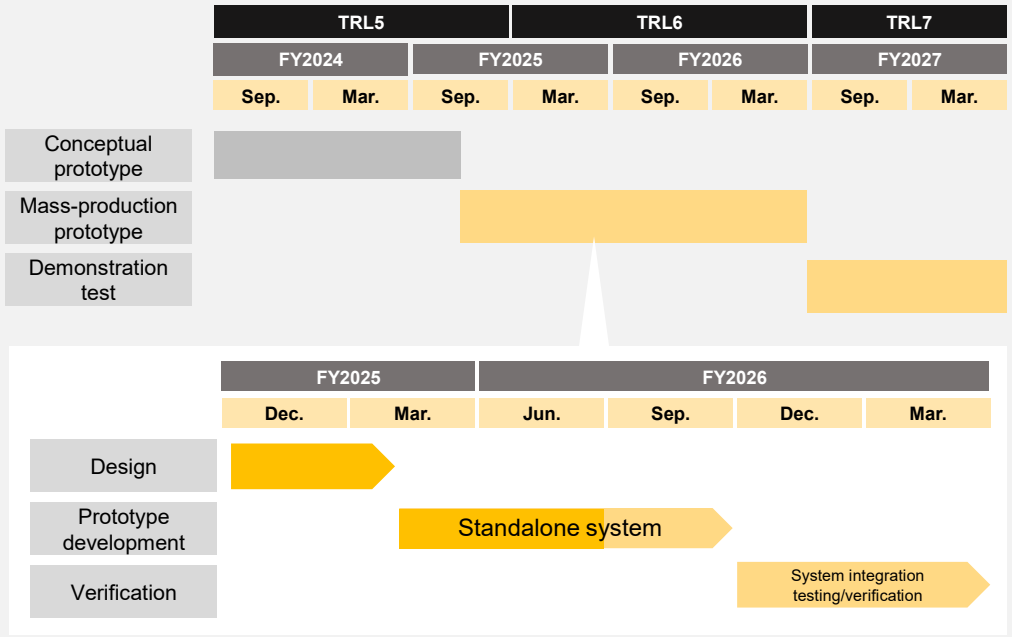
Amount received by FY7/2025	1.32 billion yen

Consortium members

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

Project progress: Mass-production prototype under development

✓ Scheduled to start individual verification of each system around September 2026



TRL: Technology Readiness Level. A scale used to assess the stage of a particular technology in the development process.

Drone Solution Image for Railway Inspection

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



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

Work Request





Safe flight with track recognition AI



*Development image; differs from the actual product

3D Modeling



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

Monitoring and Control



Centralized management of multiple drone operations at the control center

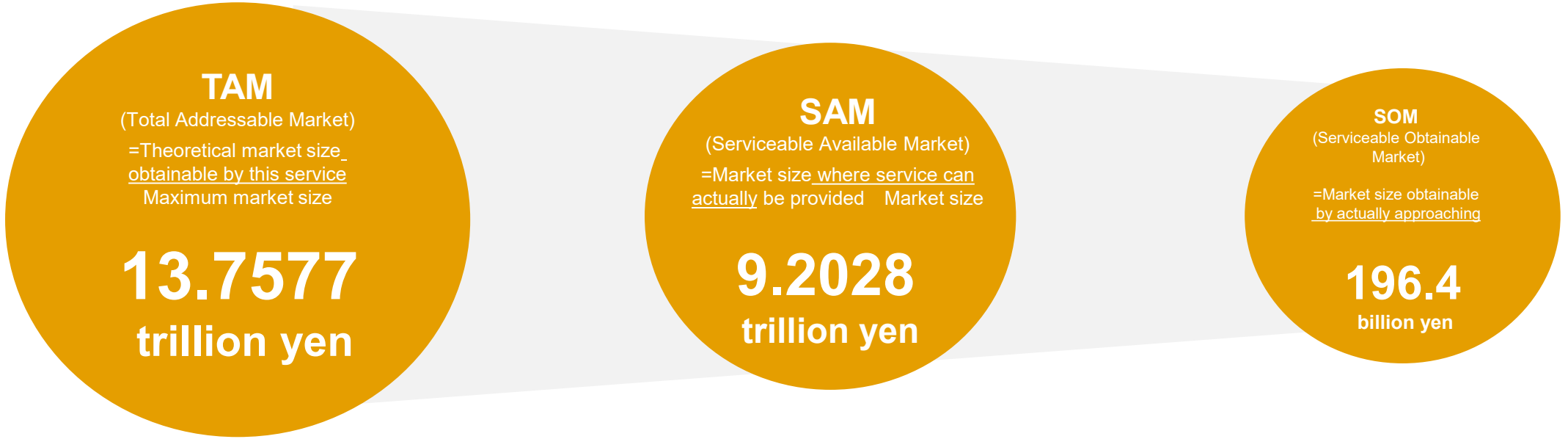
Envisioned Use Cases

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

Market Potential of Drone Solutions for Railway Inspections

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

TAM, SAM, and SOM for this service*123



Overall market size for inspection work related to facility Infrastructure **targeting railway operators** worldwide

This service can theoretically replace all tasks related to railway infrastructure inspection

Market size of inspection work that can be initially replaced **by this service for** railway operators worldwide

Since the aging of the railway environment and the risk of securing inspection personnel are inferred to be observed worldwide, service provision is possible

Market size of inspection drones targeting railway operators throughout Japan

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

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

*1: The market size was calculated by estimating the extent to which labor costs for inspection work could be reduced by introducing this drone service, based on interviews with railway operators.
Market size = Number of inspection personnel per inspection type (persons) x Inspection frequency (times/year) x Inspection reduction rate by this service (%) x Labor cost unit price for inspections (yen)
*2: Assumes that labor costs for inspections are proportional to track distance.
*3: Labor cost unit price, number of inspection personnel, number of personnel involved in inspections for each railway operator, operating distance of each railway operator, etc., were calculated based on public information and interviews with railway operators, as well as the results of calculations based on those.

Participation of Multiple Railway Operators in the Railway SBIR Project

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

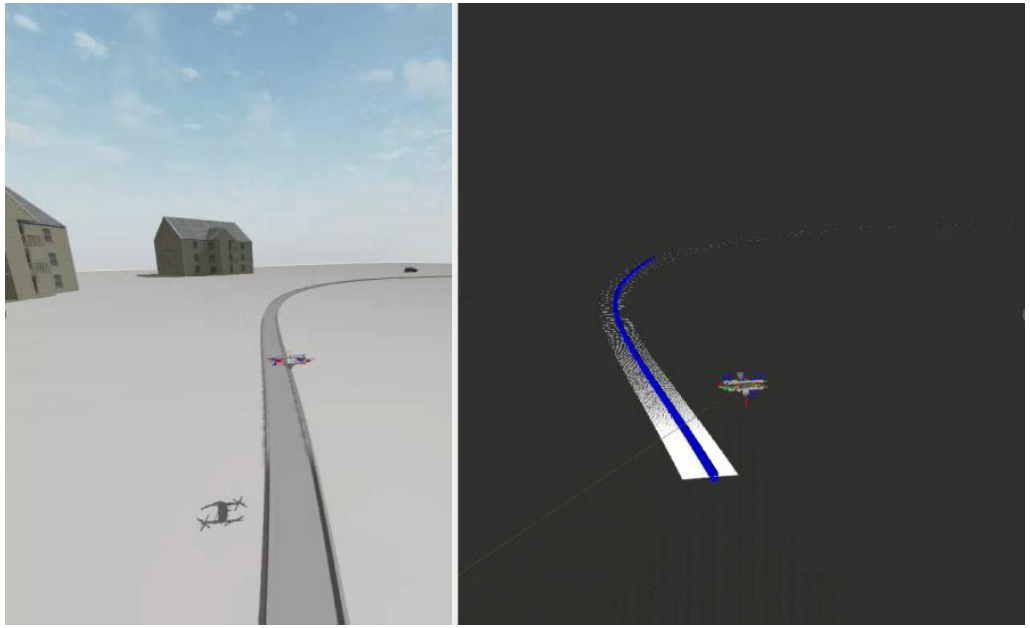
JR東日本 JR東海 JR西日本

JR四国 JR九州 西武鉄道

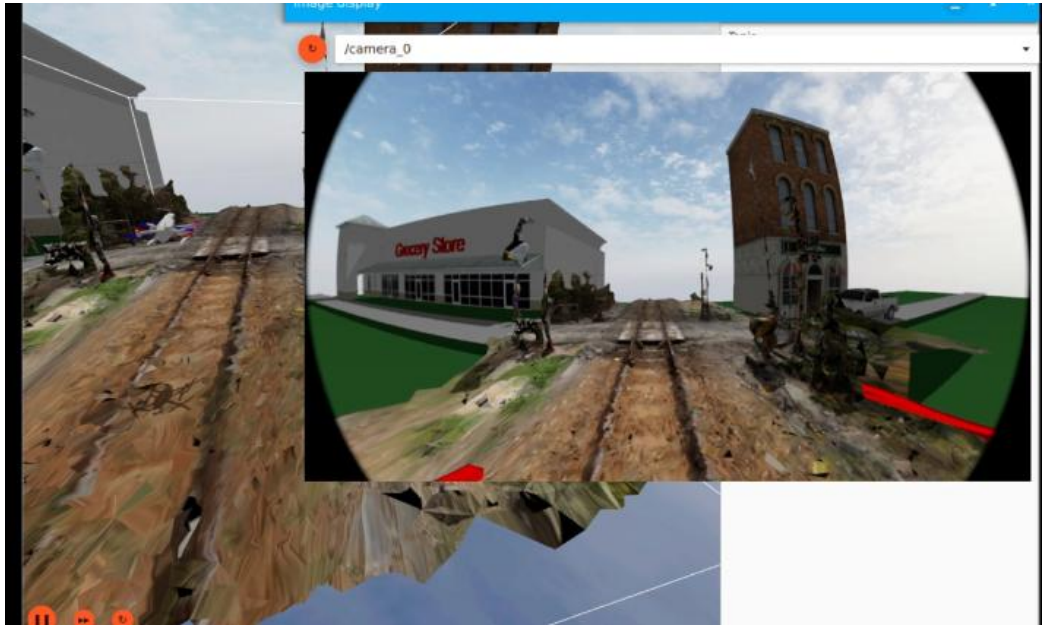
Progress in Demonstration of Elemental Technologies for Autonomous Control

- Developing and verifying elemental technologies unique to railway environments, such as flight control using rail recognition and behavior when crossing railroad tracks

Rail Recognition AI



Railroad Crossing



Expansion of Testing and Evaluation Infrastructure to Accelerate Development

- Newly established anechoic chamber in addition to test site and wind tunnel facilities
- Strengthen verification capabilities for aircraft, communications, and operations assuming railway environments to improve development speed and reliability

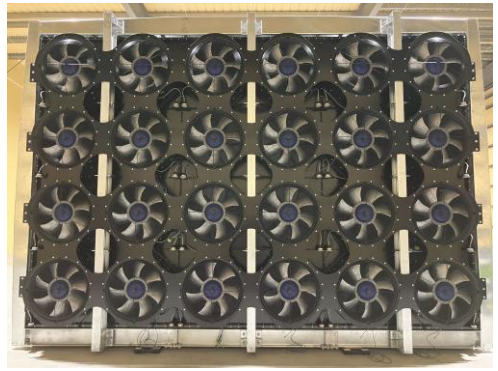
Test site





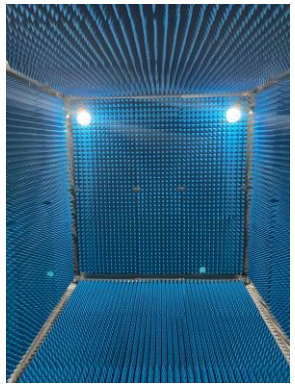
Wind tunnel facilities





Anechoic chamber (← New)







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

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

Defense

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

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

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

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

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

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

Industrial Base

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

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

→ Development of domestic supply chains including parts is progressing

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

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

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

Economic Security

Support for Domestic Production through Designation as Specified Critical Materials

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

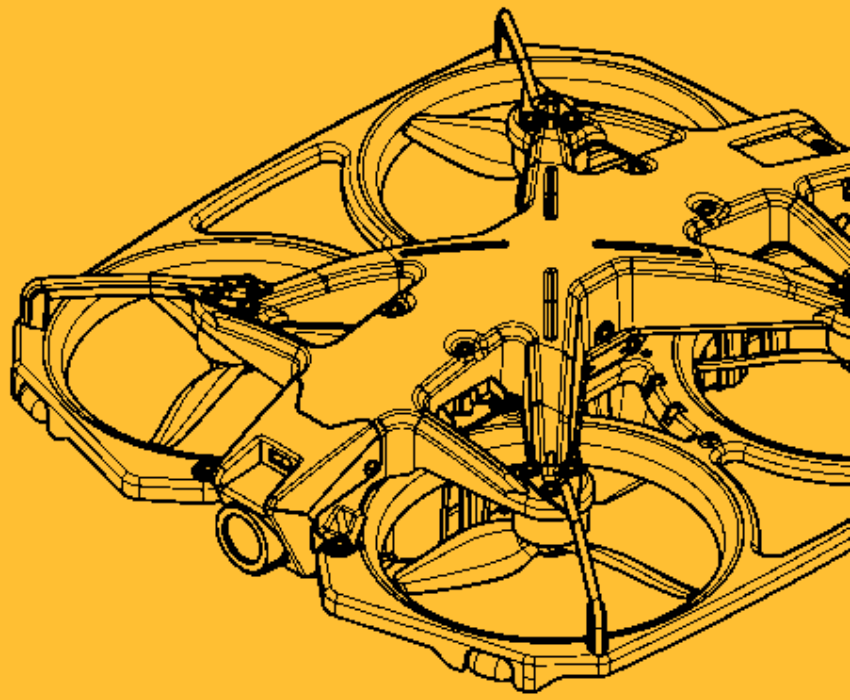
→ Potential for accelerated support for domestic drones through subsidies for R&D and capital investment

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

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

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

07 Appendix
(1) Company overview, etc.



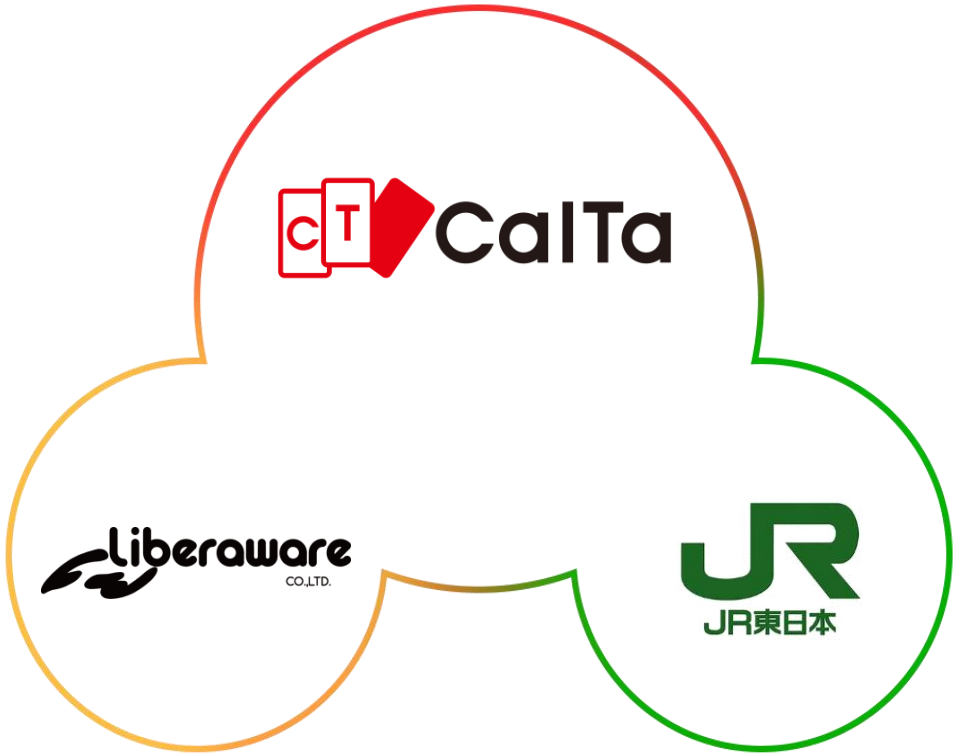
Company Overview (Liberaware)

Company Name	Liberaware Co., Ltd.
Established	August 22, 2016
Number of Employees	143 employees *Excluding non-executive directors, including temporary employees and dispatched workers (as of the end of April 2026)
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: 11.3% shareholding
Location	Head Office: Fujimoto Dai-ichi Seimei Building 6F, 3-3-1 Chuo, Chuo-ku, Chiba City, Chiba Tokyo Office: Mita JEBL 4F, 3-9-7 Mita, Minato-ku, Tokyo
Business Description	・Drone Business: Survey, inspection, and surveying services using drones, etc., sales and rental services of in-house developed drones, etc. ・Digital Twin Business: Image processing and data analysis services of data acquired by drones, etc., and license provision of the company's image processing technology ・Solution Development Business: Contract development business providing a wide range of solutions from hardware to software

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

Related Company Overview (CalTa)

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

Infrastructure



Road bridges over 50 years old

30% → 75%

2020 2040

- In addition to road bridges, tunnel aging is also serious

Facilities



Factories and commercial facilities over 50 years old

5.6 million m² → 140 million m²

2021 2040

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

Equipment



Many aging facilities Require high-frequency maintenance

30% vs 59%

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

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

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

Policy Trends

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

Support for drone companies under the SBIR system



29.4 **billion yen** (*1)

Analog regulations (*2) Review



Approximately 10,000 **provisions** reviewed

Grace period for overtime regulations



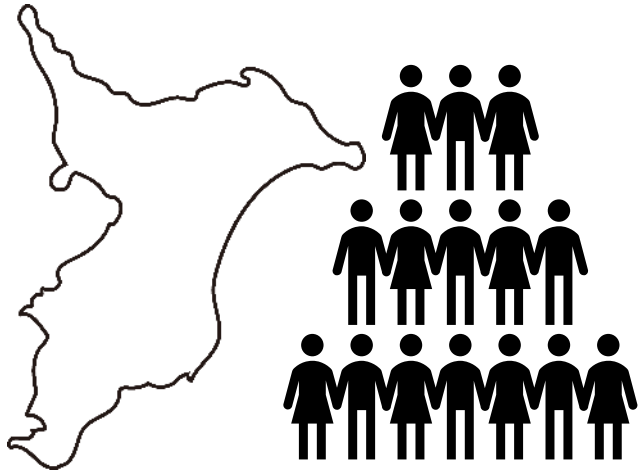
Strengthening of overtime regulations

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

Social Issue: Declining Labor Population and Productivity Improvement

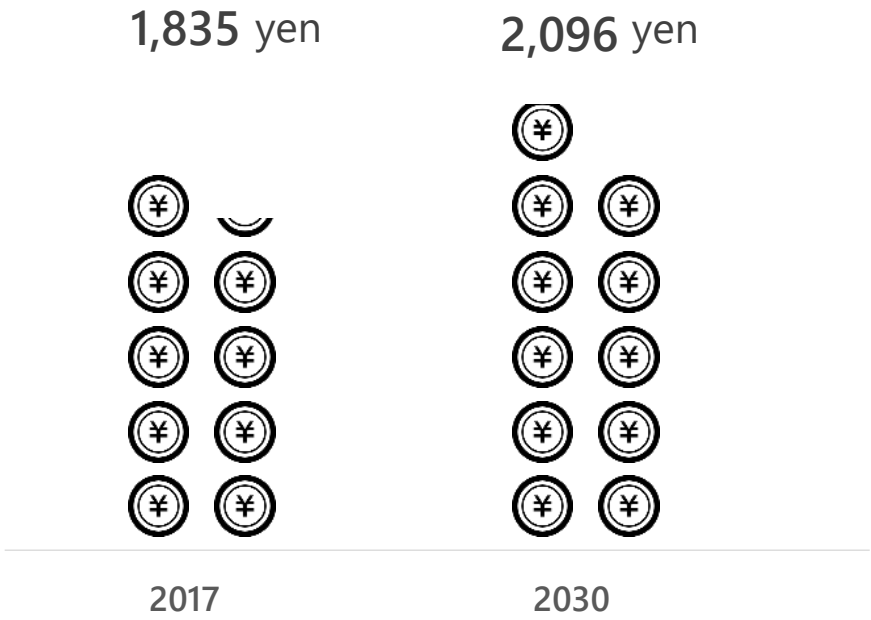
- By 2030, there will be a shortage of 6.44 million workers, and wages are expected to exceed 2,000 yen per hour, necessitating improvements in labor productivity

Labor population



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

Hourly wage



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

MISSION

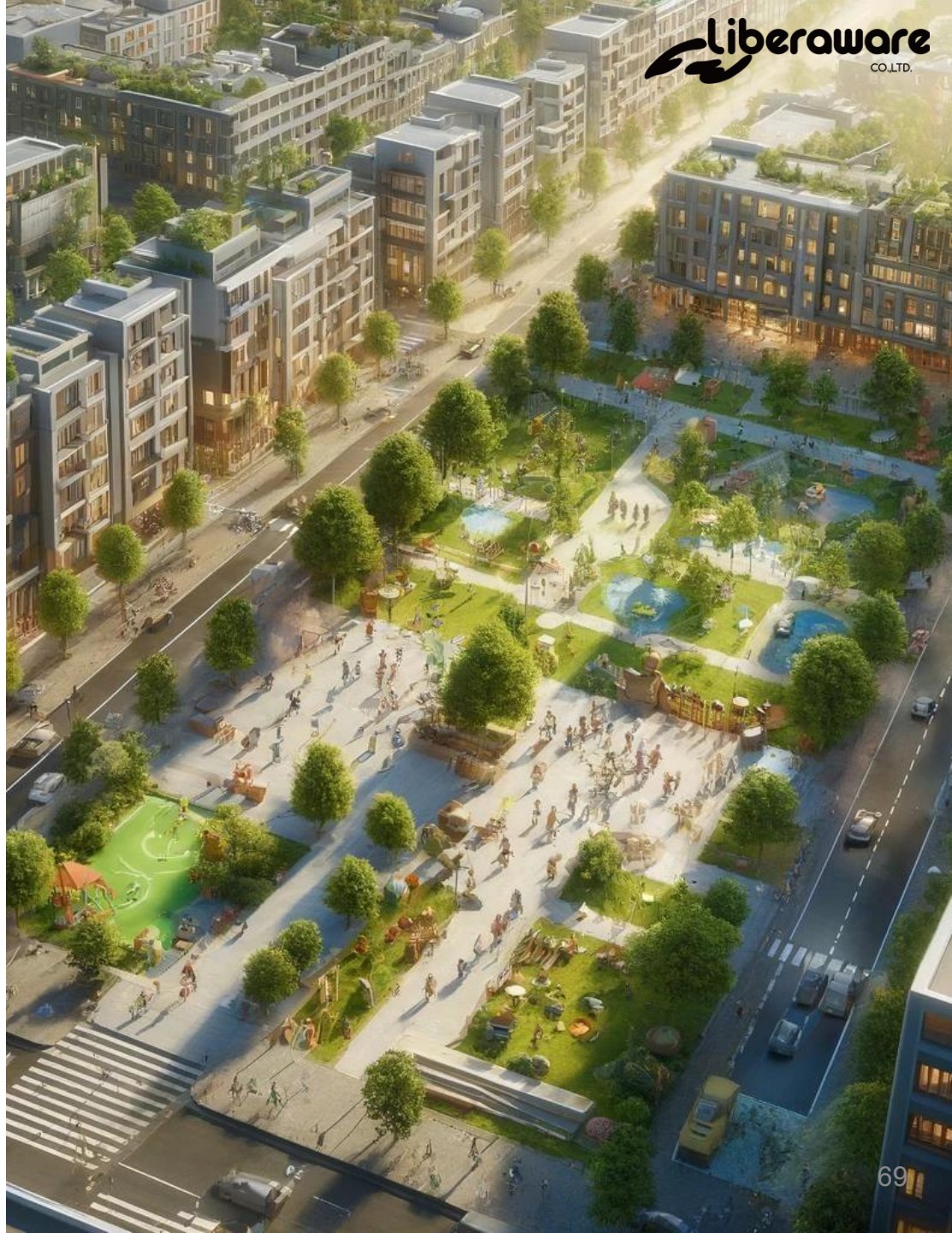
Create a society where safety is accessible to all

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

VISION

Making invisible risks visible

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



Business Model

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

Hardware

Confined space inspection drone

Special environment specialized drone



Compact and lightweight

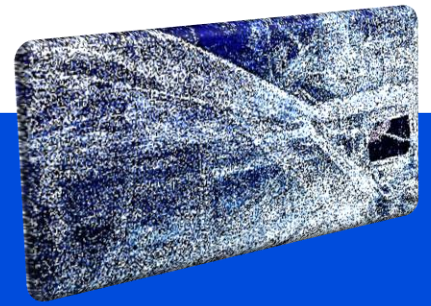
Confined space compatible

IBIS

Software

Confined space data analysis technology

Digital Twin Platform



Point cloud

Volume

Differential analysis

Ortho

LAPIS

Acquires data from narrow and dark indoor spaces inaccessible to humans

Quantifying and digitizing equipment conditions in confined and dark spaces

Business Model

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

01 Drone Business (Hardware)

Inspection Solution



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

Product Provision Service



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

02 Digital Twin Business (Software)

Data Processing and Analysis Service



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

Digital twin platform



Provision of licenses for image processing functions of "TRANCITY"

03 Solution Development Business

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

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

Composition ratio by business

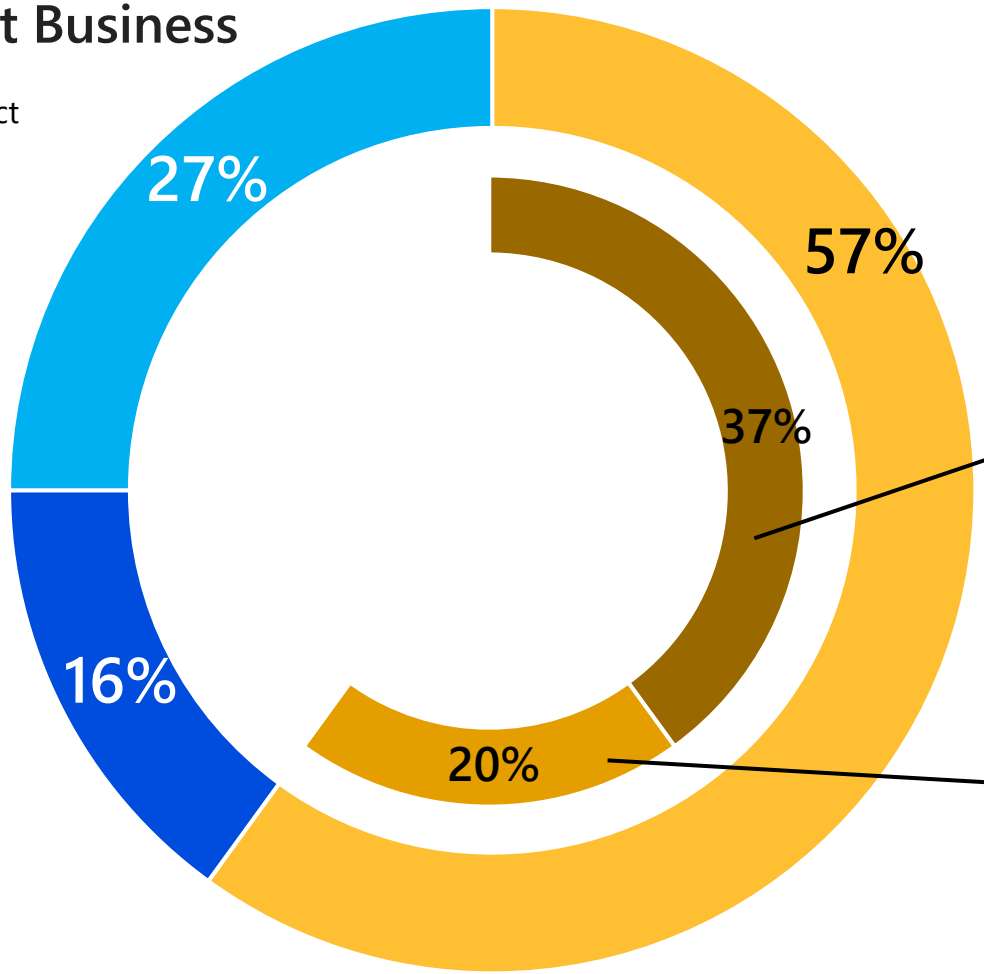
- The Drone Business accounts for approximately 60% of the total. The Digital Twin Business has contributed to revenue within two years of full-scale launch

Solution Development Business

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

Digital Twin Business

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



Drone Business

Breakdown

Product Provision Service

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

Inspection Solution

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

Hardware:
About the confined space inspection drone "IBIS2"

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

Flight control algorithm

Proprietary algorithm developed from scratch

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

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-housedesigned propellers

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

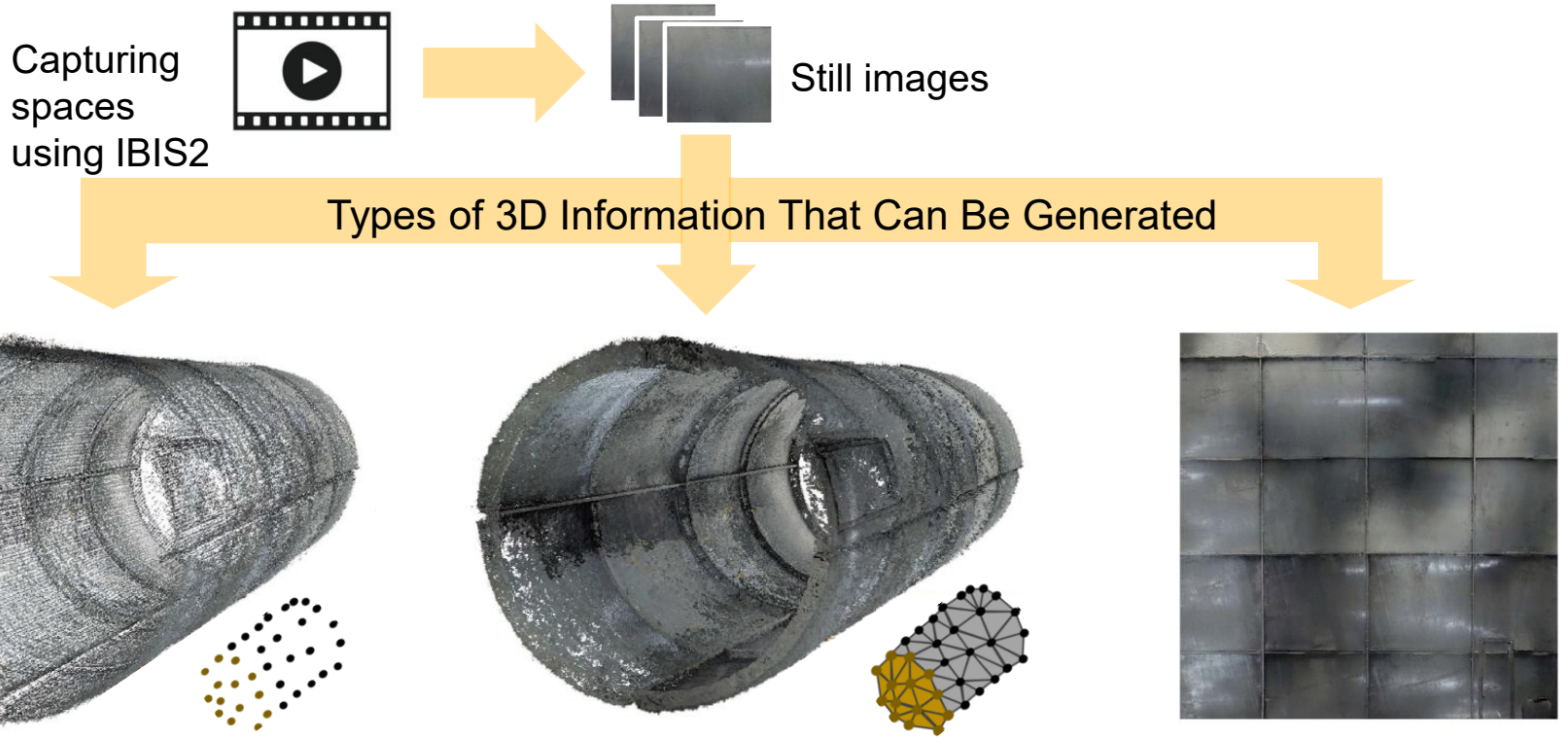
High-sensitivity camera

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

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

Digital Twin Business:
Overview of Data Processing and Analysis Service

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



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

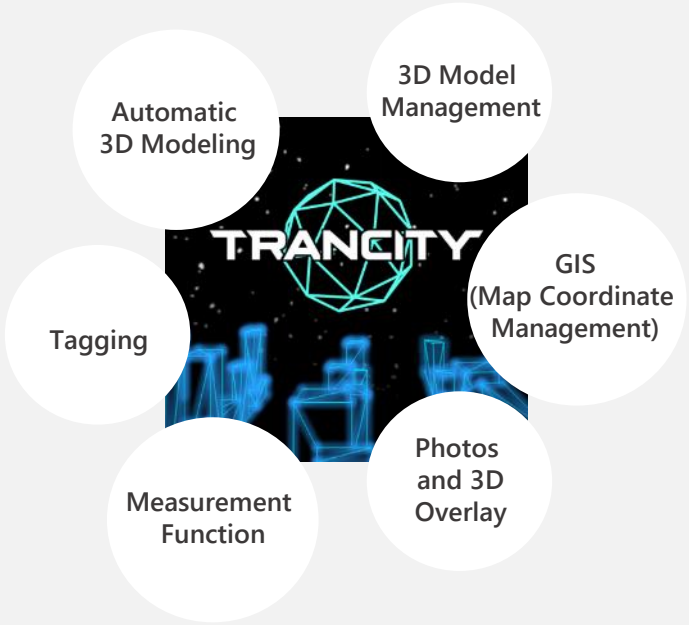
Three-dimensional images (photogrammetry)
Image textures applied to point clouds, providing not only dimensions but also information such as texture

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

Digital Twin Platform " TRANCITY" Overview

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

Digital Twin Platform "TRANCITY"



Easy Data Acquisition with Various Devices



Easy Sharing Anytime via Cloud



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

Strengths and Competitive Advantages

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

Cumulative Number of Client Companies

More than 430 companies

As of the end of 2026/4

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

LAPIS for Drones

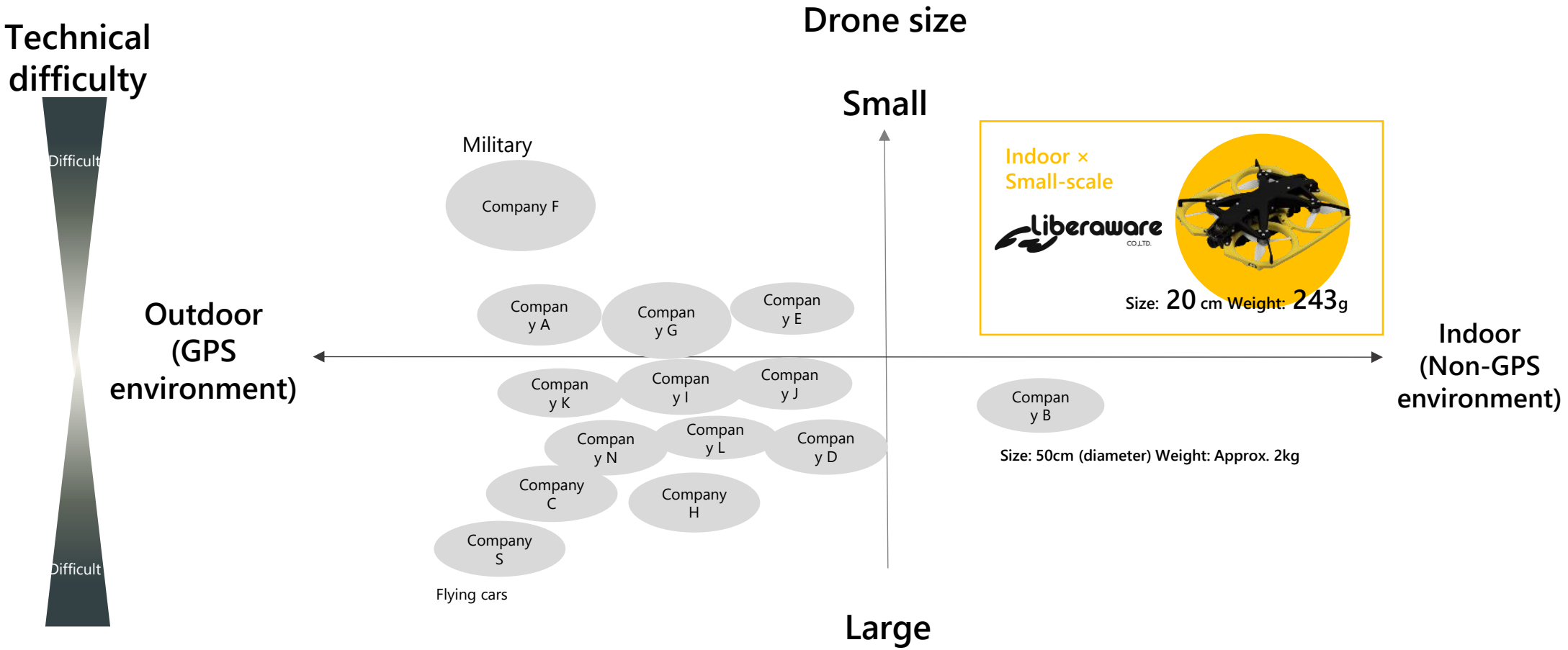
3 Business with Major Corporations

- Switching Costs
- Strong Branding

CalTa
JR東日本 × Liberaware

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

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



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

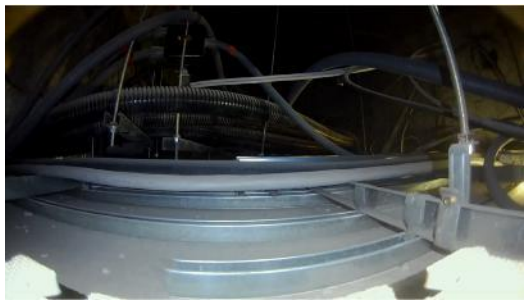
Strengths and Advantages (Software): 3D Digitization Technology for Harsh Environments

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

3D digitization of harsh environments

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

Video

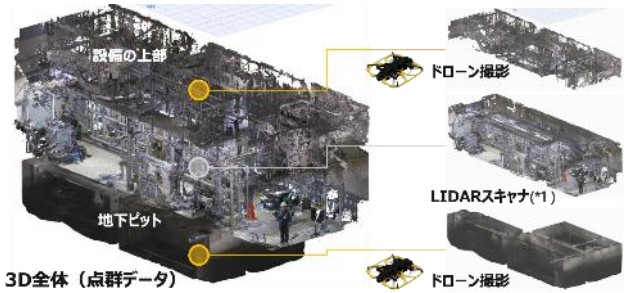


3D point cloud data

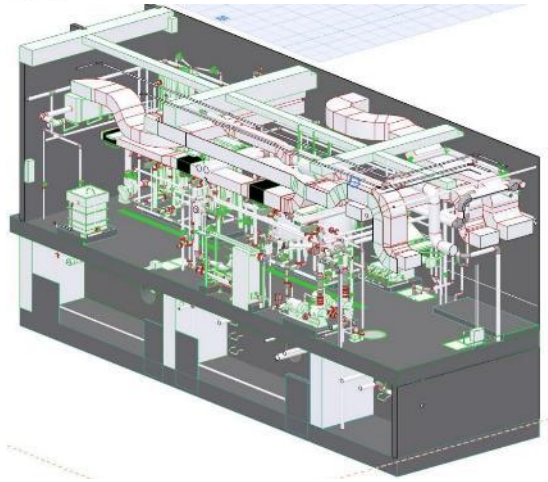


BIM conversion of entire buildings

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



BIM (3D drawings)



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

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

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

Narrow environments



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

Harsh environments



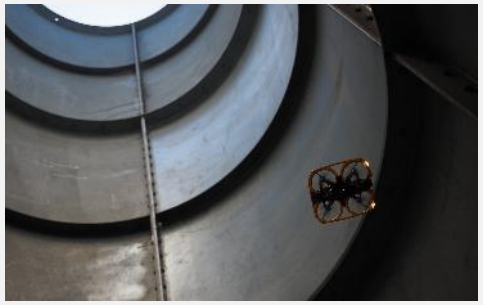
Even in harsh environments such as dust-filled or high-temperature environments**, the dust-proof motors and robust airframe** enable the drone to return without failure

Dark environments



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

Dangerous environments



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

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

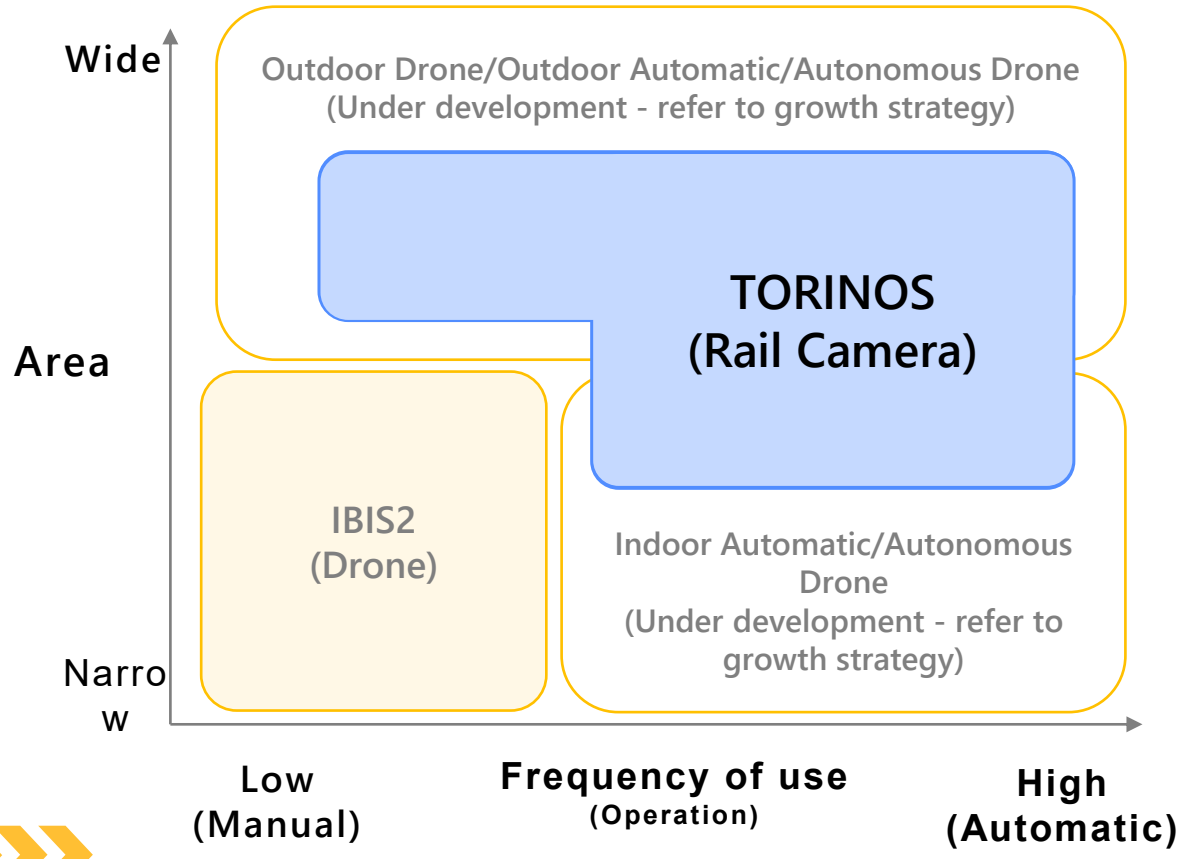
TAM (Global): 920 billion yen

SOM (Relevant Industry): 15 to 30 billion yen

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

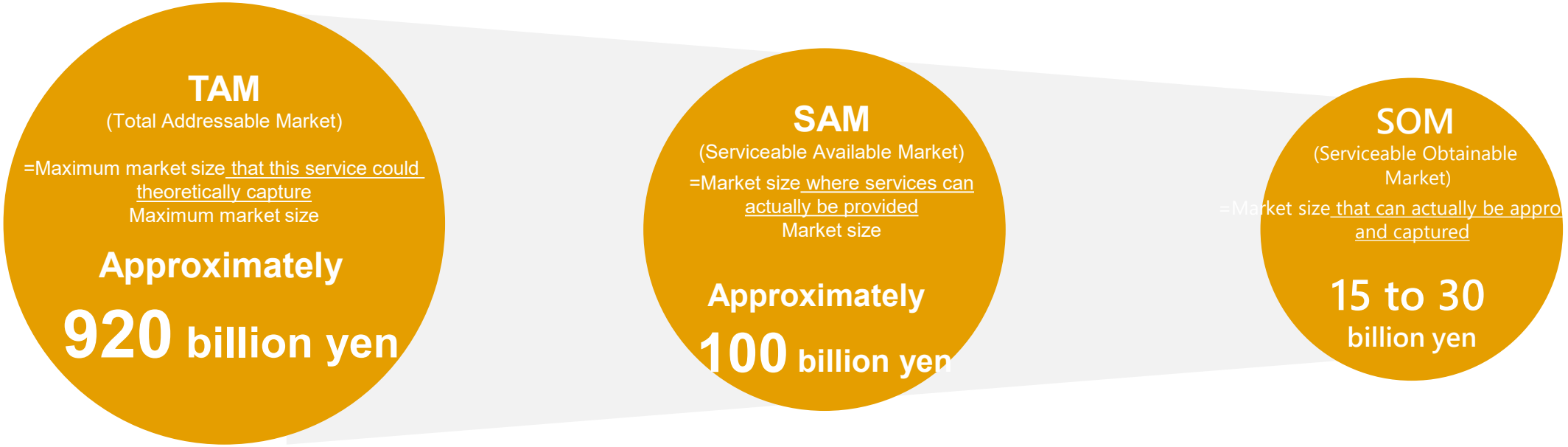
IBIS2 (Drone)	
Target	Boiler interiors, tank interiors, flues, etc. **"Confined, high-risk spaces where humans cannot/should not enter"**
Purpose	**Acquire high-density information in a short time**, reducing downtime and scaffolding setup
Characteristics	Each inspection has high value, **"spot-based"** **"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

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



Market size of construction, manufacturing/logistics, and infrastructure/public sectors within the global surveillance camera and system market* 1

Market size of construction, manufacturing/logistics, and infrastructure/public sectors within the domestic surveillance camera and system market* 2

Market size of electric power, underground tunnels, tunnels, and data centers within SAM* 3

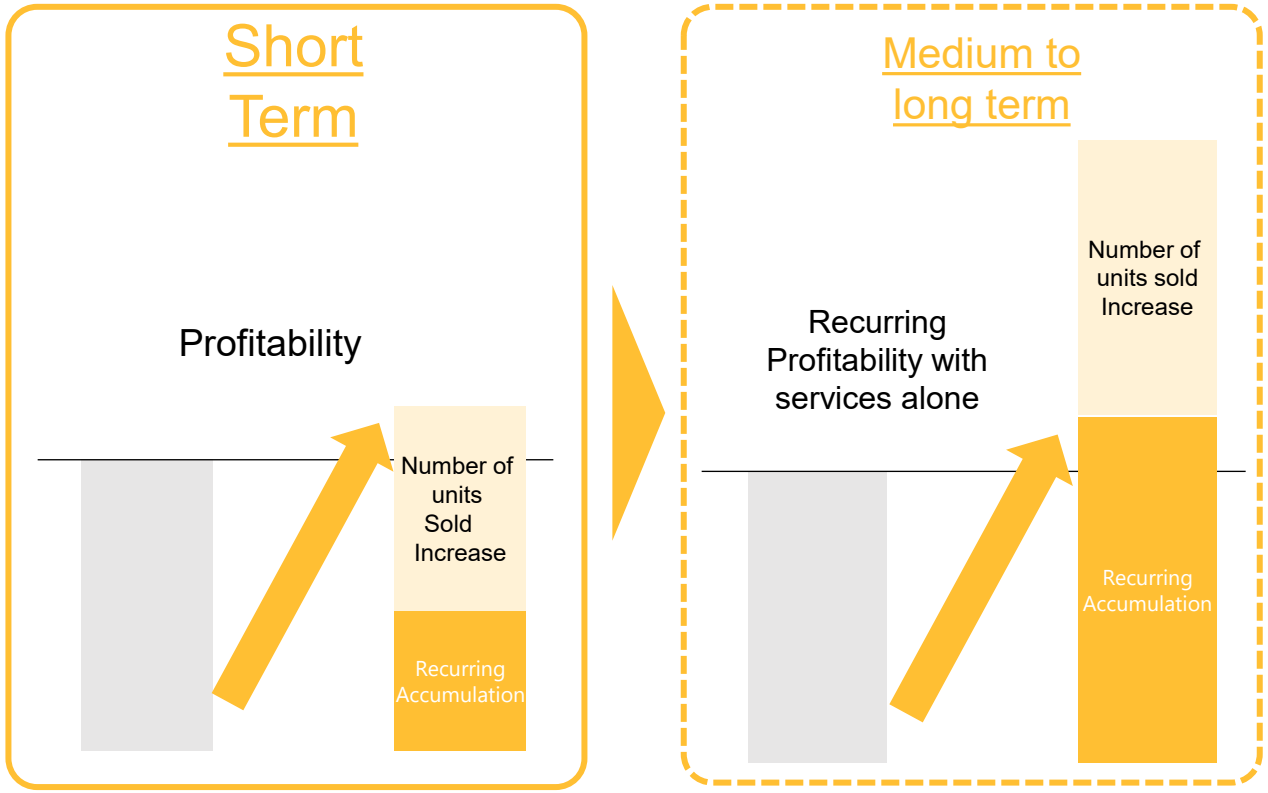
Assumptions for estimated figures

*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

Revenue Model

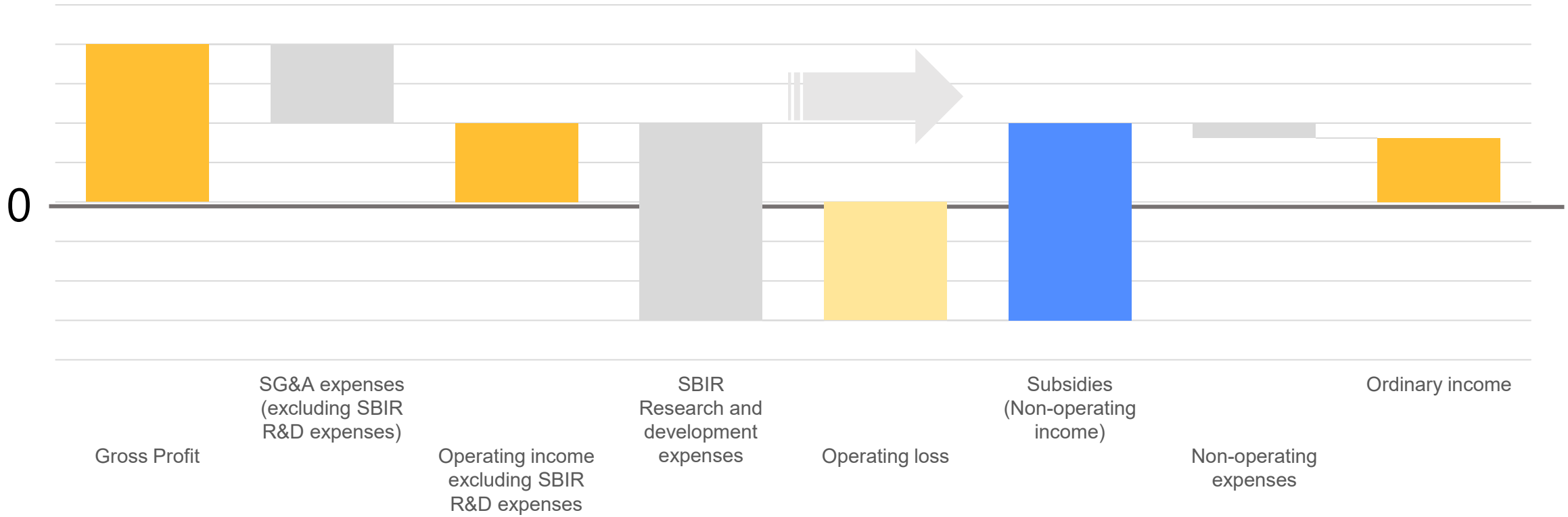
- By accumulating high gross margin drone sales and recurring service revenue with improving gross margin as the number of projects increases, Liberaware Co., Ltd. will achieve profitability
- In the medium to long term, Liberaware Co., Ltd. aims to achieve profitability with recurring services alone

Services			Nature	
Drone business	Products Provision	Drone Sales	High gross margin	
		Rental	Recurring	
	Inspection solution		Recurring	New Customers
Digital Twin Business	Data processing and analysis		Recurring	New Customers
	Digital Twin PF		Recurring	
Solution development business			Recurring	Spot Projects

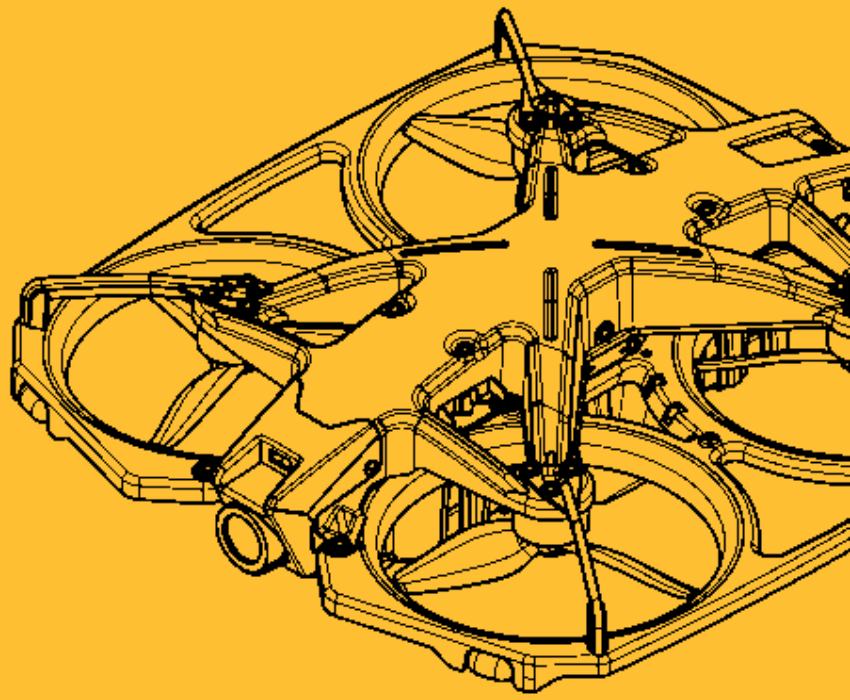


Impact of Research and Development Expenses and Subsidies on Segment Income

- 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



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

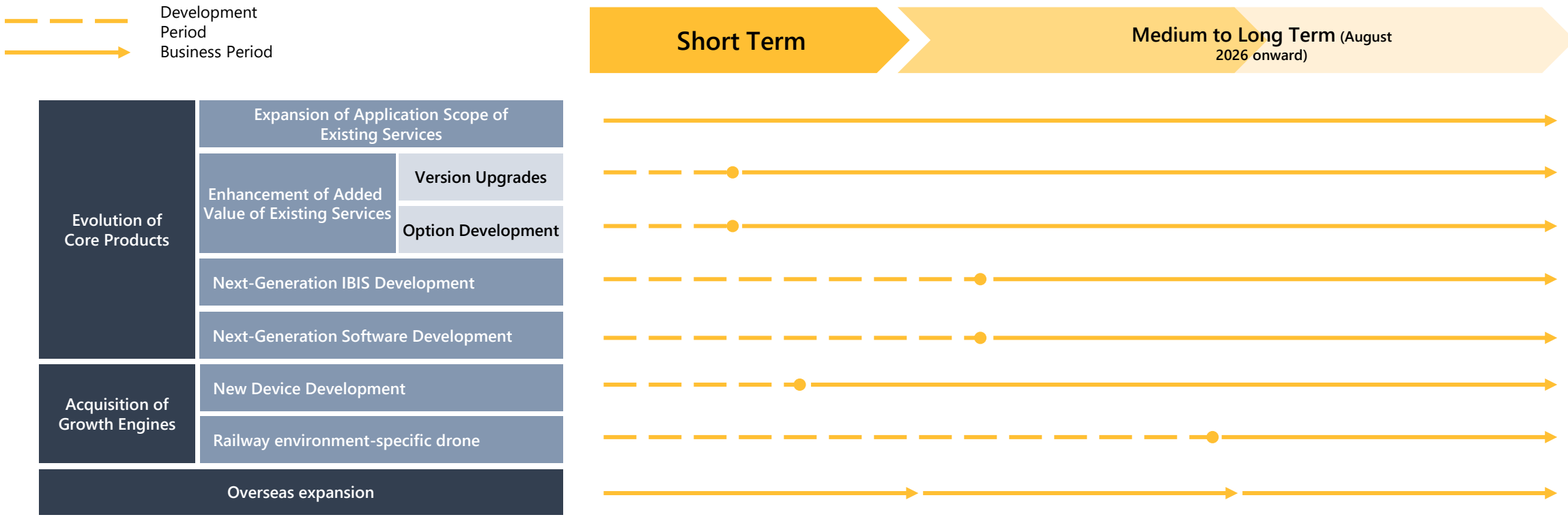


Growth strategy - SUMMARY

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

Growth Strategy - Roadmap

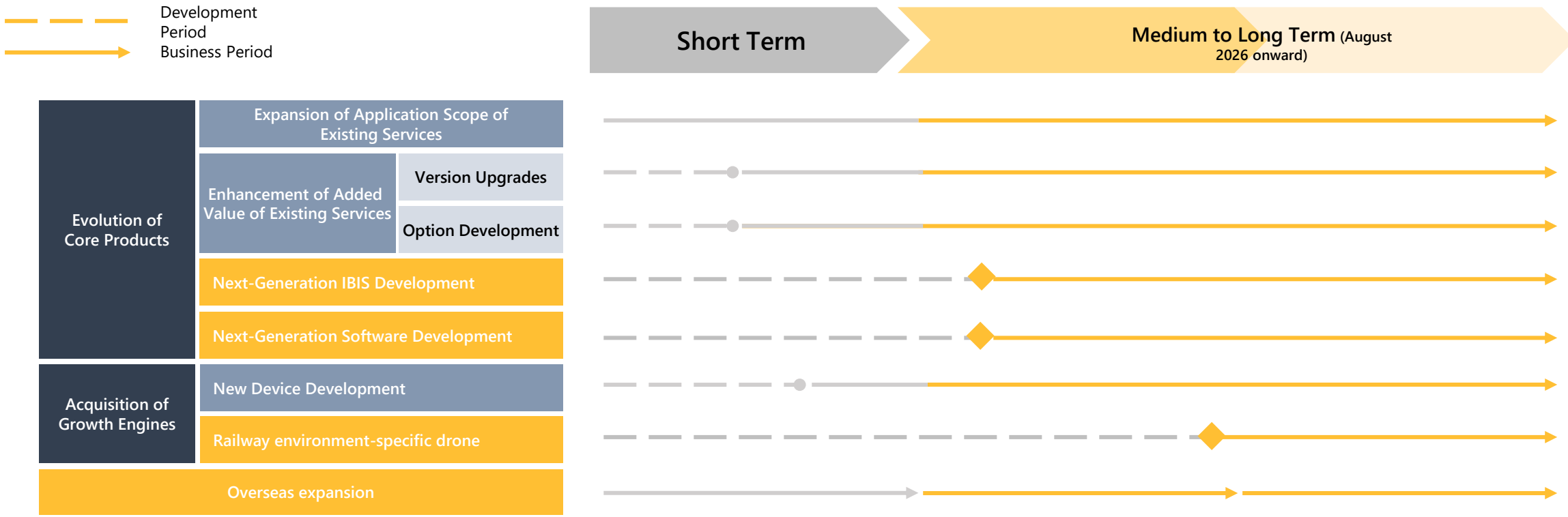
- In the short term, expand business by enhancing existing services, improving added value, and developing new devices and solutions
- In the medium to long term, launch next-generation IBIS and software, as well as railway environment-specific drones, to acquire new growth engines



Medium to long term

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

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



Next-generation product development of hardware and software

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



New product development

Next-generation **IBIS**





Next-generation software



Usage area expansion

Data center monitoring



Instrument monitoring



Construction progress management



Inventory work



Patrol security



Underground tunnel inspection



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

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

Railway know-how × Liberaware

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



Proposal background

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



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

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

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

5.2 billion yen

Consortium members

Drone
Liberaware CO.,LTD.

On-site
JR東日本

Data
CalTa

Control and communication
KDDI SmartDrone

Notes on This Document

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

- This document contains information about entities other than the Company, such as information on our competitive environment, industry trends, and changes in general social structures. This information is cited from publicly available information, etc., and the Company has not independently verified the accuracy, reasonableness, or appropriateness of such information, and does not guarantee any such information.