

# **Annual Business Report**

**for the Year**

**Ended at September 30, 2025**

(Based on Japanese Accounting Standards)

**From October 1, 2024**

**to September 30, 2025**



## **1. Current Situation of the Company**

### **(1) Progress and results of operations of the Company**

In the fiscal year from October 2024 to September 2025, net sales was ¥544,689 thousand. Net loss of ¥940,663 thousand was recorded.

The net sales for the fiscal year by service category are as follows.

#### **(i) Enterprise wireless mesh:**

The net sales of enterprise wireless mesh solutions amounted to ¥450,665 thousand. The service includes direct sale of and sale through distributors of PCWL series hardware products, product supply as an original design manufacturer (ODM), PicoCELA Backhaul Engine (PBE) licenses, and project-based functional customization.

#### **(ii) Edge platform:**

The net sales of edge platform services centered on subscription fee of a cloud management system PicoManager® amounted to ¥79,239 thousand.

#### **(iii) Customer success:**

The net sales of customer support services including product support, network design service, and network site design services amounted to ¥14,784 thousand.

### **(2) Financing**

In the current fiscal year, the Company raised ¥941,458 thousands through the issuance of shares for subscription and ¥300,000 thousands through a third-party allotment of new shares.

### **(3) Capital expenditures**

Not applicable.

### **(4) Issues to be addressed**

Amid a challenging business environment with sharp exchange rate fluctuations, rise in prices, etc., the Company recognizes the need to transform its business model to one that enables sustainable and stable growth. To that end, we will prioritize and implement the following initiatives through the strategic selection and concentration of operating resources.

1. Development and sale of customized products tailored to customer industrial specifications.
2. Development and sale of PicoMESH (PBE module) for integration into IoT devices
3. Strengthening of sales strategies targeting non-office markets in Japan
4. Expansion to the global market

Please Go to Concern issue in the notes to the financial statements.

## (5) Changes in financial position and operating results

(Thousands of yen, unless otherwise stated)

Account item	Fiscal Year from Oct. 1, 2021 to Sep. 30, 2022	Fiscal Year from Oct. 1, 2022 to Sep. 30, 2023	Fiscal Year from Oct. 1, 2023 to Sep. 30, 2024	Fiscal Year from Oct. 1, 2024 to Sep. 30, 2025
Net sales	652,647	599,676	784,402	544,689
Operating (loss)	(32,591)	(540,971)	(375,903)	(578,445)
Ordinary (loss)	(23,902)	(681,213)	(609,985)	(906,441)
(Loss)	(38,396)	(683,265)	(612,068)	(940,663)
Basic (loss) per share (Yen)	(2.10)	(34.56)	(27.69)	(34.35)
Total assets	654,368	1,069,898	1,016,326	1,057,975
Net assets	445,291	631,970	154,825	459,722
Net assets per share (Yen)	1,466.36	1,747.86	405.05	13.28

Notes: 1. Basic (loss) per share are calculated based on the average number of issued shares during the period, while net assets per share are calculated based on the number of issued shares at the end of the period.  
2. While the Company executed a 60-for-1 stock split for its common shares effective October 24, 2024, the basic (loss) per share and net asset per share information for the year ended Septe has been calculated based on the assumption that the stock split was executed at the beginning of the term.  
3. In January of 2025, the Company has been listed on NASDAQ by the listing of American Depositary Receipts (ADR) backed by its common shares, and its annual report, Form F-20, has been publicly disclosed in accordance with U.S. Generally Accepted Accounting Principles (U.S. GAAP).

## (6) Significant subsidiaries

Not applicable.

## (7) Overview of principal businesses

Business overview

The Company has the following three business segments:

(i) Enterprise wireless mesh business:

The businesses utilizing PBE, including sales of proprietary hardware products, ODM product sales to other companies, and licensing of PBE applications.

(ii) Edge platform business:

The business of providing services, such as the cloud management system PicoManager®, contract development (NRE), and certified developer program (PicoCELA Certified Developer (PCD) program).

(iii) Customer success business:

The business of providing professional services, including maintenance and network consultation, to those customers who have purchased hardware.

**(8) Main sales offices and state of employees****(i) Sales office**

Name	Location
Headquarters	Chuo-ku, Tokyo
Fukuoka Technology Center	Fukuoka City, Fukuoka

**(ii) Employees**

As of September 30, 2025

Number of employees	Change from the end of previous fiscal year	Average age	Average years of employment
51	Increased by 2	42.6	4.1

Note: The number of employees, average age, and average years of service do not include data of temporary workers (part-time employees and employees dispatched by staffing companies).

**(iii) State of labor organization**

Although no labor organization has been established, labor-management relations remain good.

**(9) Major lenders**

As of September 30, 2025

Lender	Outstanding borrowings (Thousands of yen)
The Shoko Chukin Bank, Ltd.	176,000
MUFG Bank, Ltd.	37,500
Mizuho Bank, Ltd.	31,328
Fivot, Inc.	27,548
Total	272,376

**(10) Other significant matters related to the Company's situation**

Not applicable.

## 2. Shares of the Company (As of September 30, 2025)

- |                                       |                    |
|---------------------------------------|--------------------|
| (1) Total number of authorized shares | 138,456,828 shares |
| (2) Total number of issued shares     | 34,614,207 shares  |
| (3) Number of shareholders            | 38                 |
| (4) Major shareholders                |                    |

Shareholder name	Number of shares held (Shares)	Shareholding ratio (%)
Citibank N.A.	9,850,040	28.46
Hiroshi Furukawa	2,793,960	8.07
Nikken Lease Kogyo Co., Ltd.	2,531,645	7.31
MCC, LLC	1,913,851	5.53
EXEO Group, Inc.	1,727,820	4.99
Shimizu Corporation	1,696,440	4.90
Kluk Jan Juliusz Zygmunt	1,330,140	3.84
You Planning, LLC	1,281,571	3.70
Japan Post Capital Co., Ltd.	1,264,500	3.65
Sojitz Corporation	1,264,500	3.65

### (5) Other important matters concerning shares

On October 24, 2024, a 60-for-1 stock split of common shares was implemented.

### 3. Stock Acquisition Rights of the Company

- (1) State of stock acquisition rights and other instruments granted to the Company's officers as consideration for their duties as of the end of fiscal year.

#### The 5th stock acquisition rights

Position	Number of stock acquisition rights	Type and number of shares	Exercise period	Exercise value	Number of holders
Directors (Excluding Outside Directors)	3,000	180,000 common shares	From May 16, 2025 to May 15, 2033	¥250 per share	1
Total	3,000	180,000 common shares			1

Note: Conditions for exercise of stock acquisition rights

- (i) Regardless of the exercise period, the allotted holder of the stock acquisition rights (the "Holder") shall not be permitted to exercise any of such rights until the date following the initial listing of the Company's shares on a financial instruments exchange in Japan or the United States.
- (ii) The Holder shall, until the time of exercise, remain in one of the positions of Director, Executive Officer, Audit and Supervisory Board member, employee of the Company or its subsidiaries, or external collaborator (any third party other than a Director, Executive Officer, Audit and Supervisory Board member, or employee of the Company or its subsidiaries who has entered into a written or electronic agreement with the Company and provides services to the Company under such agreement. The same applies in this section). In all other cases, the stock acquisition rights may not be exercised. Notwithstanding the foregoing, the rights may still be exercised if the Holder, at the time of exercise, no longer holds such a position but has retired from Director, Executive Officer, or Audit and Supervisory Board member of the Company or its subsidiaries upon expiration of their term, retired due to circumstances attributable to the Company or its subsidiaries as defined in the respective employment regulations, or received approval from the Company's Board of Directors to exercise the rights.
- (iii) Any other terms and conditions shall be as stipulated in the stock acquisition rights allotment agreement to be entered into between the Company and the Holder.

#### The 6th stock acquisition rights

Position	Number of stock acquisition rights	Type and number of shares	Exercise period	Exercise value	Number of holders
Directors (Excluding Outside Directors)	150	9,000 common shares	From May 16, 2025 to May 15, 2033	¥184 per share	1
Total	150	9,000 common shares			1

Note: Conditions for exercise of stock acquisition rights

- (i) Regardless of the exercise period, the allotted holder of the stock acquisition rights (the "Holder") shall not be permitted to exercise any of such rights until the date following the initial listing of the Company's shares on a financial instruments exchange in Japan or the United States.
- (ii) The Holder shall, until the time of exercise, remain in one of the positions of Director, Executive Officer, Audit and Supervisory Board member, employee of the Company or its subsidiaries, or external

collaborator (any third party other than a Director, Executive, Audit and Supervisory Board member, or employee of the Company or its subsidiaries who has entered into a written or electronic agreement with the Company and provides services to the Company under such agreement. The same applies in this section). In all other cases, the stock acquisition rights may not be exercised. Notwithstanding the foregoing, the rights may still be exercised if the Holder, at the time of exercise, no longer holds such a position but has retired from Director, Executive Officer, or Audit and Supervisory Board member of the Company or its subsidiaries upon expiration of their term, retired due to circumstances attributable to the Company or its subsidiaries as defined in the respective employment regulations, or received approval from the Company's Board of Directors to exercise the rights.

- (iii) Any other terms and conditions shall be as stipulated in the stock acquisition rights allotment agreement to be entered into between the Company and the Holder.

#### 4. Officers of the Company

(1) Names and other information of Directors  
(as of September 30, 2025)

Name	Position	Important concurrent positions
Hiroshi Furukawa	CEO and Representative Director	None
Toshihito Kanai	Director	None
Hideaki Horikiri	Director (Audit and Supervisory Committee member)	None
Yoshinari Noguchi	Director (Audit and Supervisory Committee member)	External Supervisory Board member at CARTA HOLDINGS, INC. Outside Auditor at PC DEPOT CORPORATION Outside Auditor at rakumo Inc.
Mutsuko Oba	Director (Audit and Supervisory Committee member)	Representative at Statice Tax Accountant Office Outside Director at TASUKI Holdings Inc. Outside Auditor at M&A Capital Partners Co., Ltd. Outside Director at OOTOYA Holdings Co., Ltd.

- Notes: 1. Directors (Audit and Supervisory Committee members) Yoshinari Noguchi and Mutsuko Oba are outside directors stipulated in Article 2, item (xv) of the Companies Act.  
2. Director (Audit and Supervisory Committee member) Mutsuko Oba is a certified public accountant and possesses substantial expertise in finance and accounting.  
3. Audit and Supervisory Board member resigned during the fiscal year

Name	Date of resignation	Position, responsibilities and important concurrent duties at the time of resignation
Mirei Kuroda	September 30, 2025	Full-time Audit and Supervisory Board member

(2) Summary of liability limitation agreement

The Company has entered into a liability limitation agreement with all Outside Directors as set forth in Article 427, paragraph (1) of the Companies Act. Under this agreement, in cases where a Director or Audit and Supervisory Board member has performed their duties that gave rise to liability in good faith and without gross negligence, the liability under Article 423, paragraph (1) of the Companies Act shall be limited to the minimum liability amount as provided in Article 425, paragraph (1) of the Companies Act.

(3) Compensation for Directors and Audit and Supervisory Board members pertaining to the fiscal year

Position	Number of recipients	Compensation amount by type
		Basic compensation (Thousands of yen)
Director	3	52,824
Outside Audit and Supervisory Board member	4	12,733
Total	7	65,557



(Note: Based on the resolution at Extraordinary Shareholders Meeting on September 30, 2025, the Company eliminated the Audit and Supervisory Board and established Audit and Supervisory Committee at the Board of Directors.)

(4) Outside officers

(i) Relationship between the Company and the organizations at which outside officers hold important concurrent duties are as follows.

Position	Name	Important concurrent duties	Relationship between the Company and the organizations at which outside officers hold important concurrent duties
Directors (Audit and Supervisory Committee Member)	Yoshinari Noguchi	External Supervisory Board Member at CARTA HOLDINGS, INC. Outside Auditor at PC DEPOT CORPORATION Outside Auditor at rakumo Inc.	None
Directors (Audit and Supervisory Committee Member)	Mutsuko Oba	Representative at Statice Tax Accountant Office Outside Director at TASUKI Holdings Inc. Outside Auditor at M&A Capital Partners Co., Ltd. Outside Director at OOTOYA Holdings Co., Ltd.	None

(ii) Principal activities during the fiscal year

Position	Name	Principal activities
Outside Audit and Supervisory Board member	Mirei Kuroda	He attended all 11 meetings of the Board of Directors and 8 meetings of the Audit and Supervisory Board held during the period from the assumption of office in December 2024 to his resignation in September 2025. He made appropriate remarks as an Audit and Supervisory Board member during the period.
Director (Audit and Supervisory Committee member)	Yoshinari Noguchi	He attended 16 out of 17 meetings of the Board of Directors, all 13 meetings of the Audit and Supervisory Board, and one meeting of the Audit and Supervisory Committee held during the fiscal year. He made appropriate remarks as an Audit and Supervisory Board member.
Director (Audit and Supervisory Committee member)	Mutsuko Oba	She attended all 17 meetings of the Board of Directors and all 13 meetings of the Audit and Supervisory Board held during the fiscal year. She made appropriate remarks as an Audit and Supervisory Board member.

## 5. Accounting Auditor

- (1) Name of Accounting Auditor:  
Nanatsu-boshi Audit Corporation
- (2) Remuneration of Accounting Auditor for the fiscal year  
Amount of remuneration of Accounting Auditor for the fiscal year: ¥4,800 thousands.

Note: The Audit and Supervisory Committee of the Company agreed to the payment of the amount shown above to Nanatsu-boshi Audit Corporation as its remuneration as Accounting Auditor after determining that the audit corporation is suitable for the position through comprehensive consideration of, among other things, its independence and expertise as Accounting Auditor and its audit fee.

- (3) Policy for determining the dismissal or non-reappointment of Accounting Auditor  
If it is reasonably expected that there will be a significant hindrance to the audit of financial statements and related documents, such as in the case of an event that falls under the items of Article 340, paragraph (1) of the Companies Act, the Audit and Supervisory Committee shall dismiss the Accounting Auditor with the unanimous consent of its members.

If the Audit and Supervisory Committee has determined that the Accounting Auditor's system for the execution of its duties, audit competence, expertise, etc., is insufficient, or that an audit system that is more appropriate for the Company can be developed by replacing the Accounting Auditor, the Committee shall submit a proposal for non-reappointment of the Accounting Auditor to the General Shareholders' Meeting.

## 6. Company Structure and Policies

- (1) Establishment of a system to ensure the appropriateness of business activities  
Pursuant to a resolution passed at the Extraordinary General Shareholders' Meeting held on September 30, 2025, the Company abolished its Audit and Supervisory Board and established an Audit and Supervisory Committee effective the same day. As the Company was a company with an Audit and Supervisory Board during the period from October 1, 2024 through the conclusion of the Extraordinary General Shareholders' Meeting, it has not established a system to ensure the appropriateness of business activities as of the end of the current fiscal year. For this reason, the description of such a system is omitted.
- (4) Policy regarding a decision of dividends of surplus  
Given the need to respond flexibly to rapid changes in the current economic climate and business environment, the Company determines dividends based on factors such as the profit level for each fiscal period, business outlook for the next period onwards, dividend payout ratio, and internal capital demands including capital expenditures.

As the Company has recorded a loss for the fiscal year, the Company has determined not to pay a dividend.

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Note: The amounts and number of shares in this report are rounded down to the nearest whole unit.

The percentages are rounded off to the nearest unit.