

# baudroie inc.

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**Financial Results Briefing Material  
for the Fiscal Year Ended February 2026**

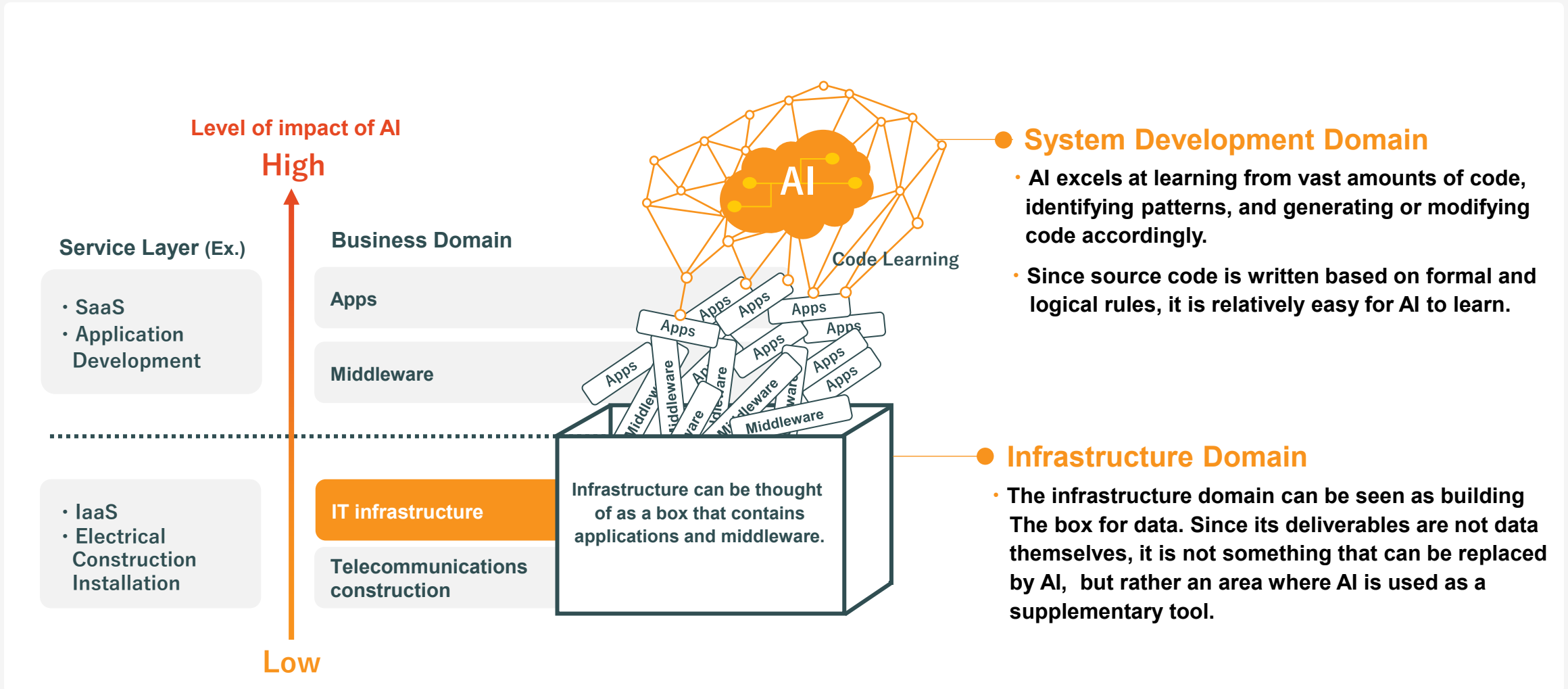
Stock code : 4413

April 2026



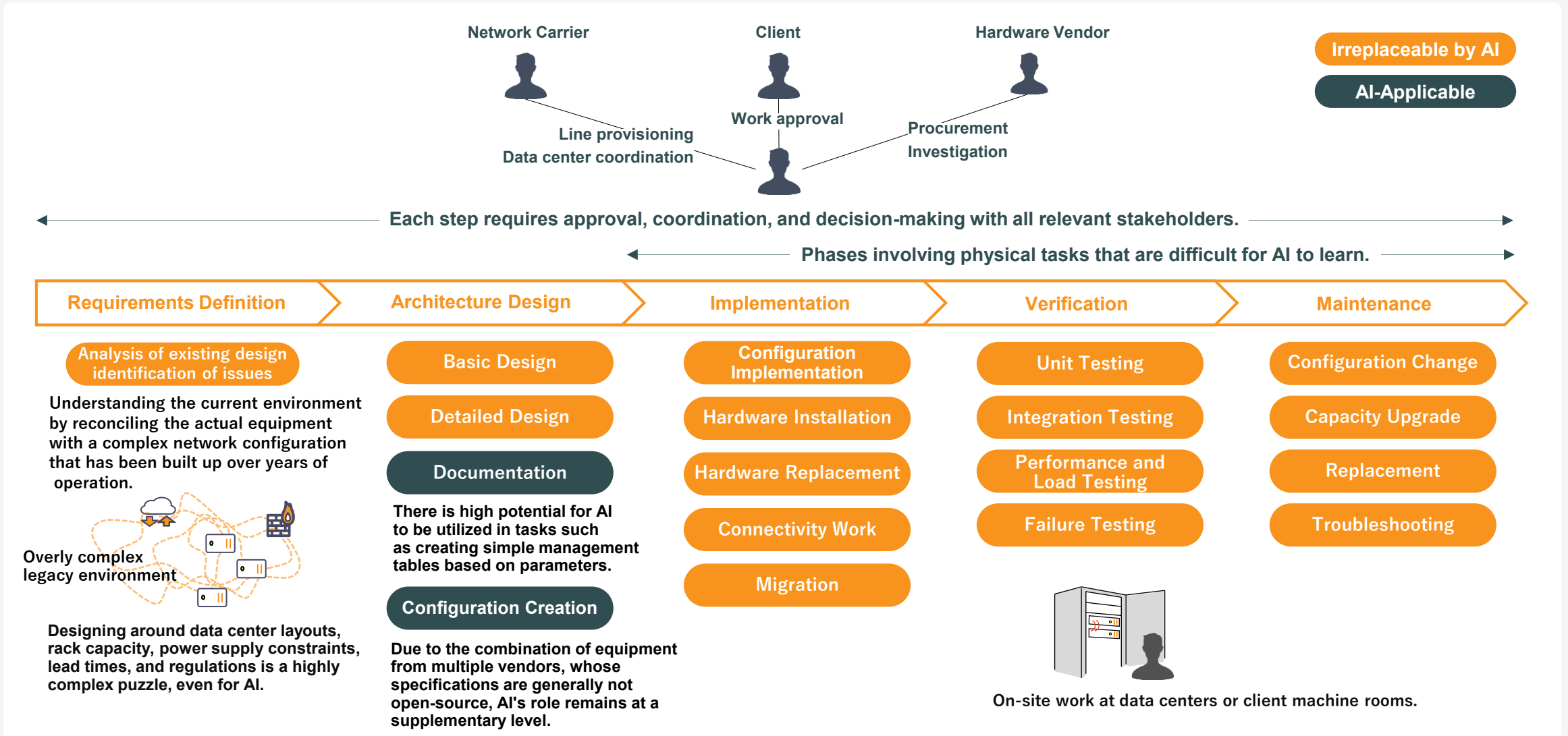
# The possibility of jobs being replaced by generative AI

The risk of generative AI replacing tasks in the infrastructure field is low, as there is fundamentally no development work involving programming.



# AI Substitutability Across Project Phases

The IT infrastructure domain is mission-critical for every business, requiring meticulous decision-making and approval at every phase. Compared to the application domain, the scope of tasks that AI can replace is limited to a very small portion of the design phase.



# oie inc.

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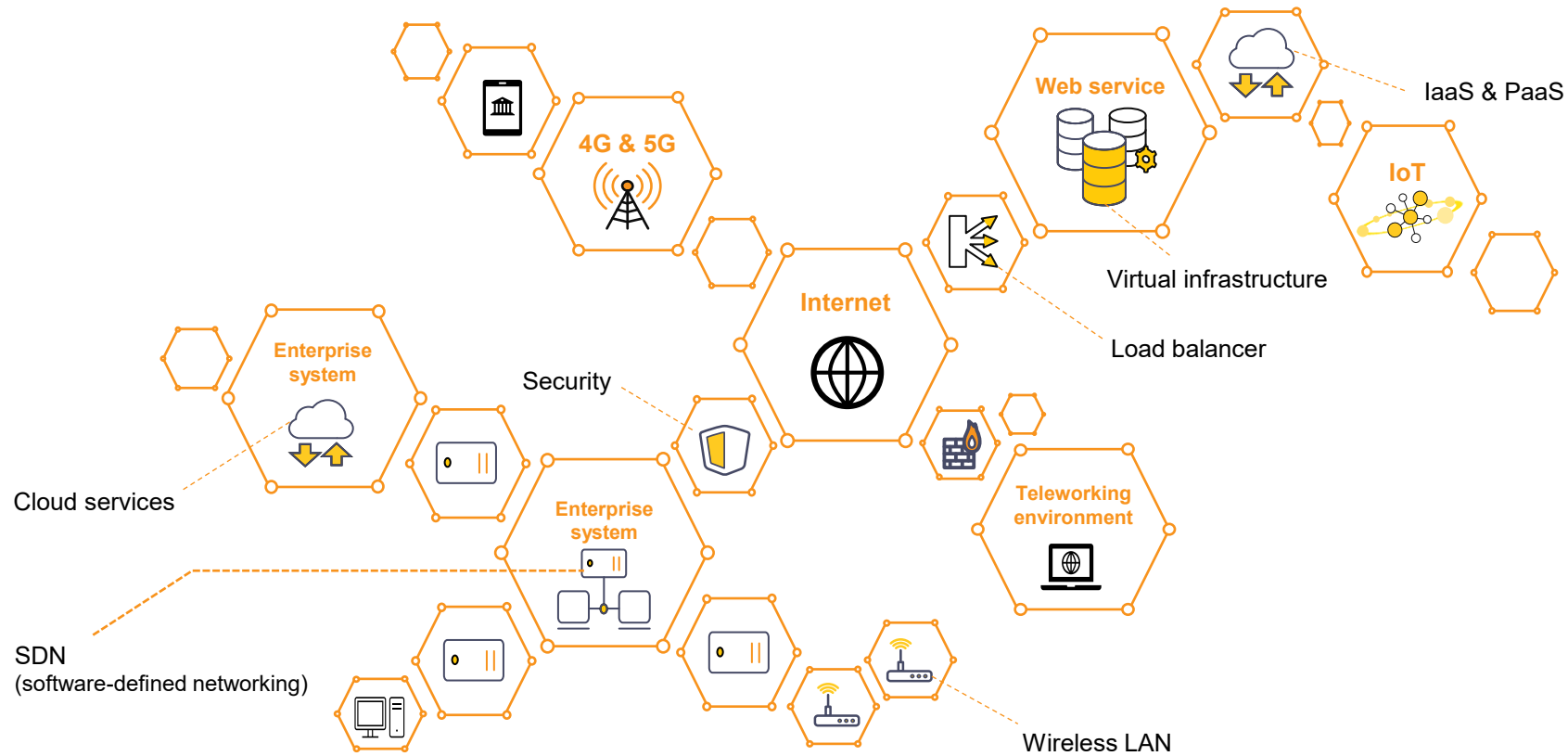
# Business Overview

# Company Overview

<b>Company name</b>	baudroie inc.	<b>Line of business</b>	IT infrastructure business
<b>Directors</b>	<b>President and Chief Executive Officer</b> Shigehiro Tominaga <b>Representative Director</b> Kazuya Fujii <b>Director</b> Yoshiaki Hodoshima <b>Director (Audit and Supervisory Committee Member)</b> Toshio Okamoto Kiyoko Yagami Anna Seo	<b>Major clients</b>	SoftBank Corp. NTT DOCOMO BUSINESS, Inc. NTT EAST, Inc. KDDI CORPORATION Mitsubishi Research Institute, Inc. Nomura Research Institute, Ltd. SQUARE ENIX CO., LTD.
<b>Established</b>	April 2007	<b>Major Subsidiaries</b>	actias Inc. FunClock Inc. RIKSOL Inc. SPIN TECHNOLOGY Inc.
<b>Fiscal year-end</b>	February	<b>Head office</b>	Azabudai Hills Mori JP Tower 17F, 1-3-1 Azabudai, Minato-ku, Tokyo
<b>Listing Segment</b>	TSE Prime Market	<b>Second office</b>	BPR Place Kamiyacho 5F, 1-11-9 Azabudai, Minato-ku, Tokyo
<b>No. of employees</b>	1315 (including full-time and contract employees) *As of February 2026		

# What Are IT Infrastructure Services?

IT infrastructure services refer to designing and constructing complex IT infrastructure, including servers that operate systems, networks that connect devices to systems, and security solutions that protect secure communications and information, as well as conducting their operation and maintenance so that a variety of applications and systems can be utilized. These components constitute the IT infrastructure, which has become part of the infrastructure for living.



\*Cloud services (IaaS/PaaS): mainly refer to cloud computing services.

\*SDN: a technology for creating a virtual network environment using software, allowing flexible setting of network configuration free from physical restrictions.

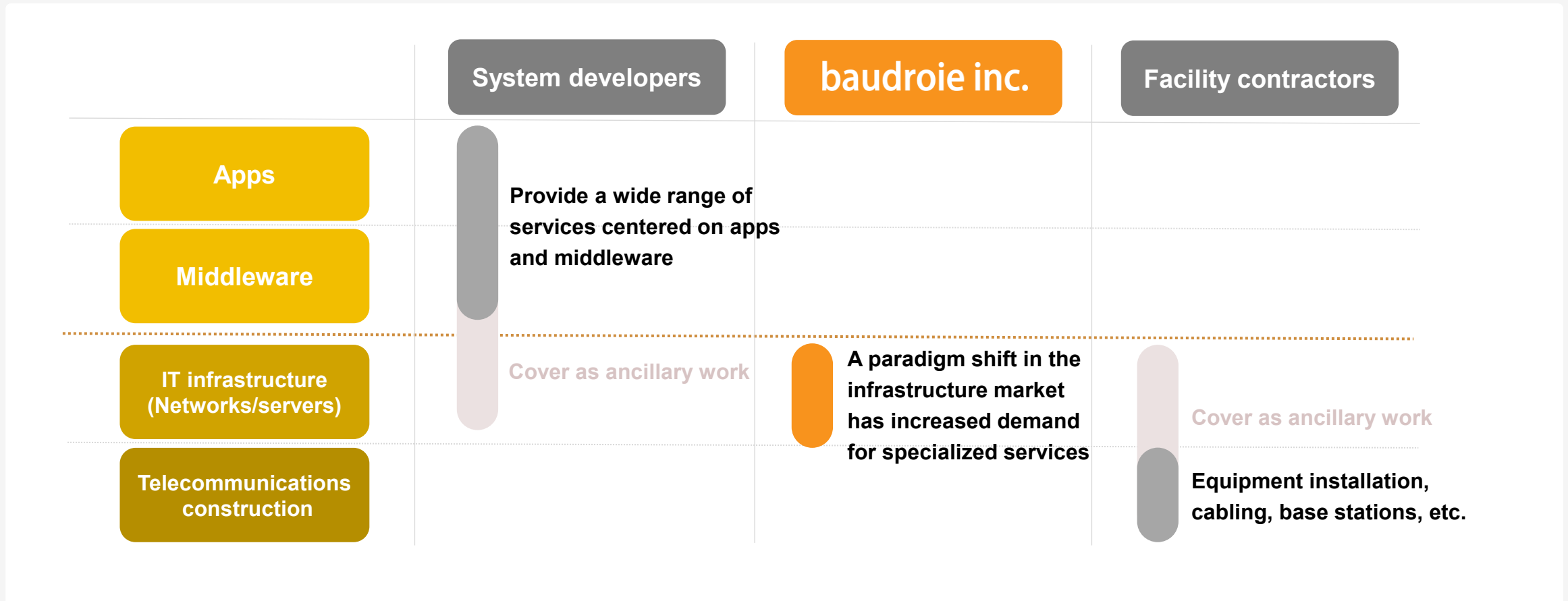
\*Virtual infrastructure: a mechanism for operating multiple hosts and operating systems on a single physical device.

\*Load balancer: a mechanism for appropriately distributing communication from terminals for each resource (such as CPUs and memories) when a group of servers is used.

\*Security solutions: refers to firewall, IPS (intrusion prevention system) / IDS (intrusion detection system), sandbox, web filtering, etc.

# What Differentiates Us from System Developers and Facilities Contractors

In Japan, it is standard practice to outsource IT system operations. As systems become increasingly complex, attention is shifting toward specialized firms that focus on specific domains, rather than system developers who cover the entire system. Following this trend, we have established ourselves as a company specializing in IT infrastructure.



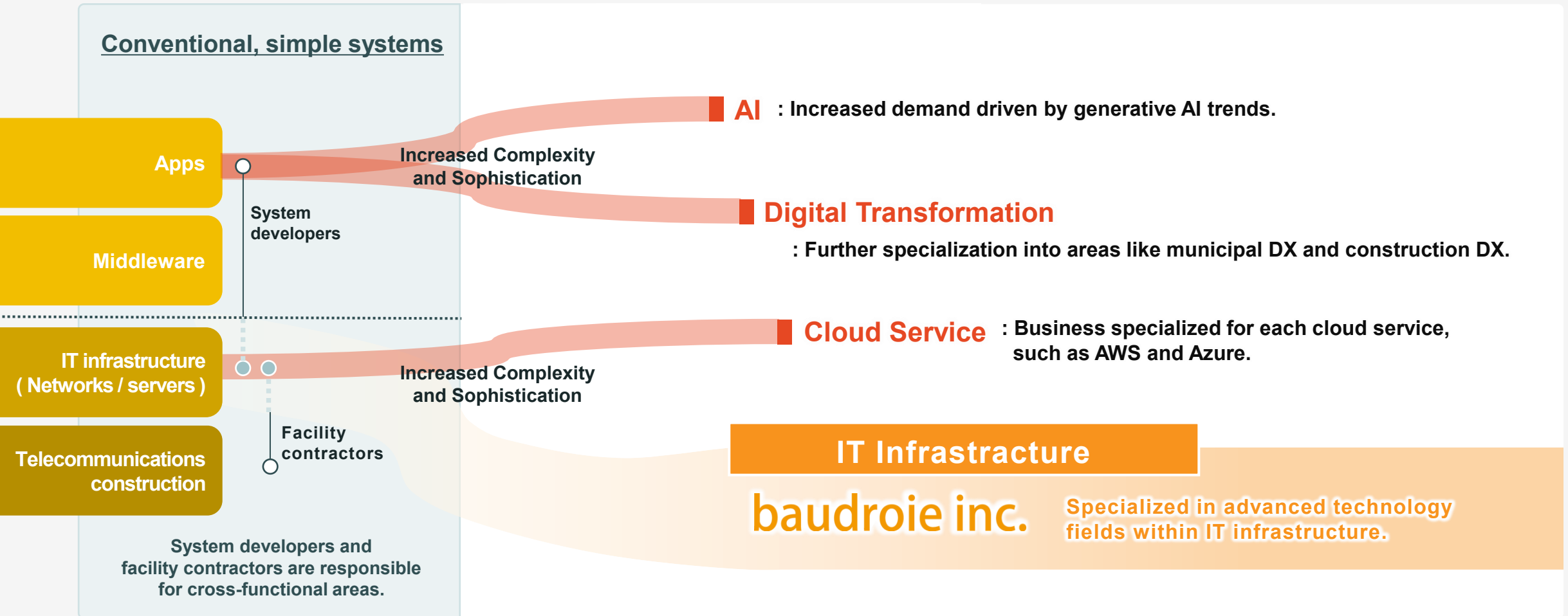
\*Apps (applications): refer to such programs as mission-critical systems (for enterprise resource planning), programs operated by users such as web and smartphone applications, groupware (like Microsoft Office 365), and AI and machine learning. These programs are developed using programming languages like Java, C, and Python.

\*Middleware: refers to software that runs between applications and the operating system and includes Oracle Database, WebLogic, and Apache HTTP Server.

\*Telecommunications construction: LAN wiring, construction of base station facilities, equipment installation, etc.

# Specialized Systems Companies

Due to the diversification of societal demands for IT, technologies in various IT fields have become more complex and advanced. System companies specialized in each field have been gaining increasing attention.

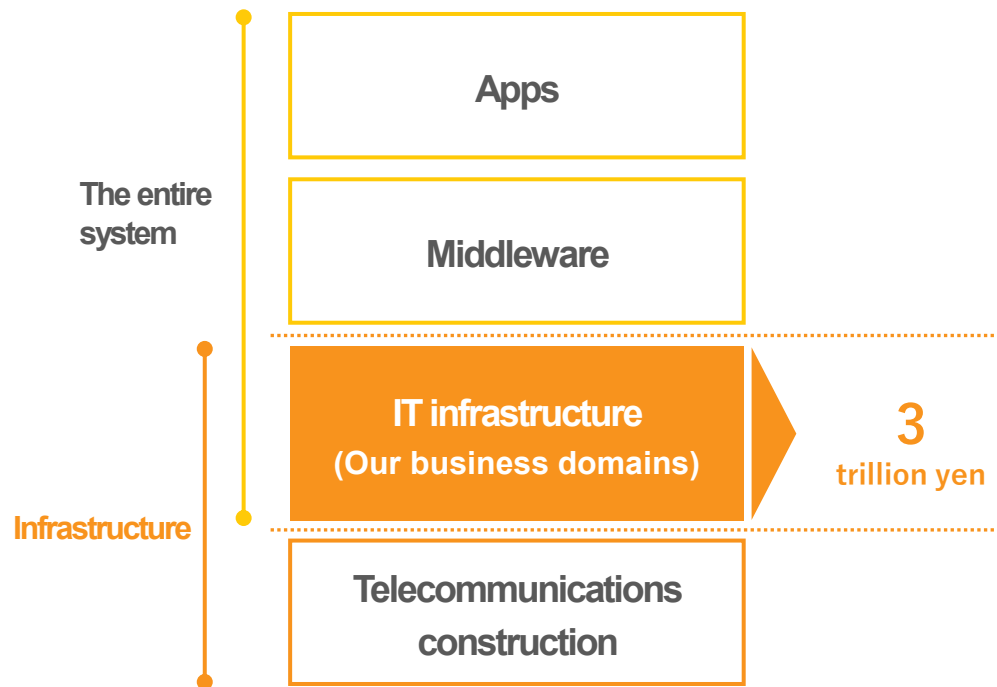


# Business Domains

We are a professional operator specializing in IT infrastructure services, especially in advanced technology areas.

## Where the IT infrastructure services market is positioned

In 2029, the entire Japanese IT market amounted to 33 trillion yen, of which the IT infrastructure services market accounted for 3 trillion yen.



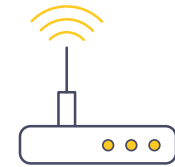
## Advanced technology areas that are growing prominently in the IT infrastructure area



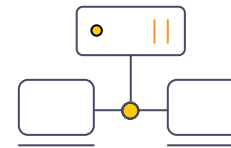
Cloud



Security



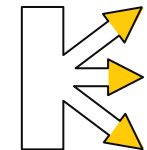
Wireless LAN



SDN  
(Software-Defined Networking)



Virtual  
infrastructure



Load balancer

\*Source: Press release by IDC Japan, "Latest 2025 Japan IT Market Forecast: Analysis by Industry Vertical, Employee Size, and Region" (May 29, 2025)

\*Source: Press release by IDC Japan, "Latest Forecast for the Japan IT Infrastructure Services Market" (May 19, 2025)

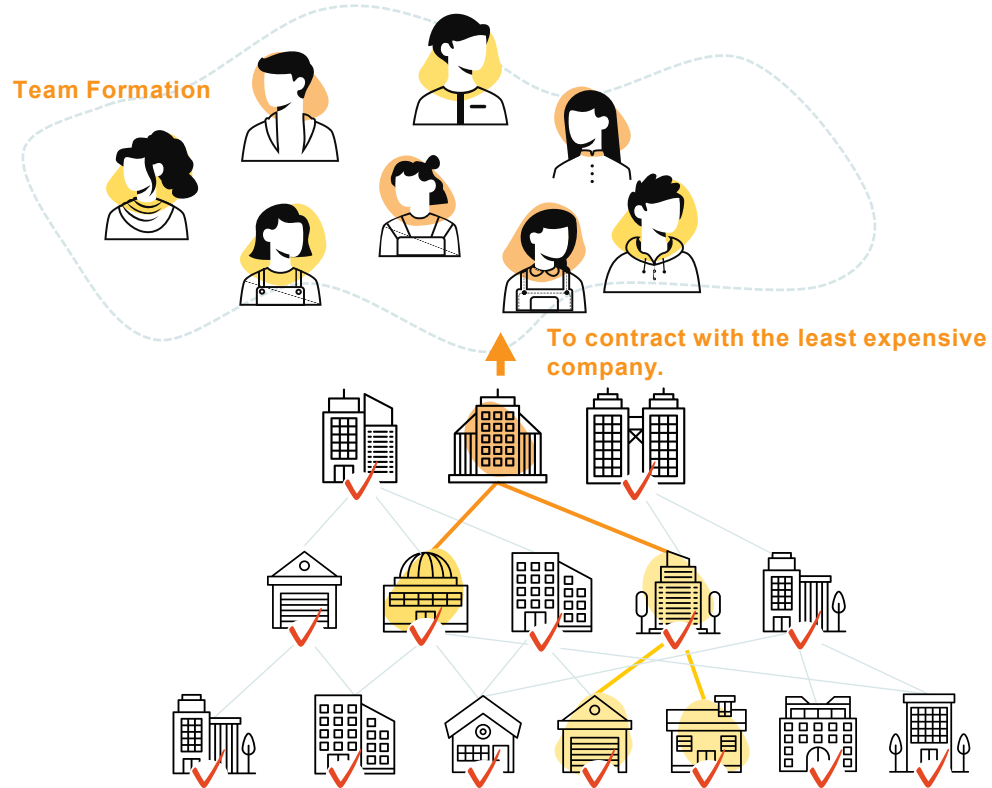
# Our Competitive Advantage

## A typical case of team formation in general system companies.

### A system based on conventional technology

Since many companies have engineers, it is easier to gather people.

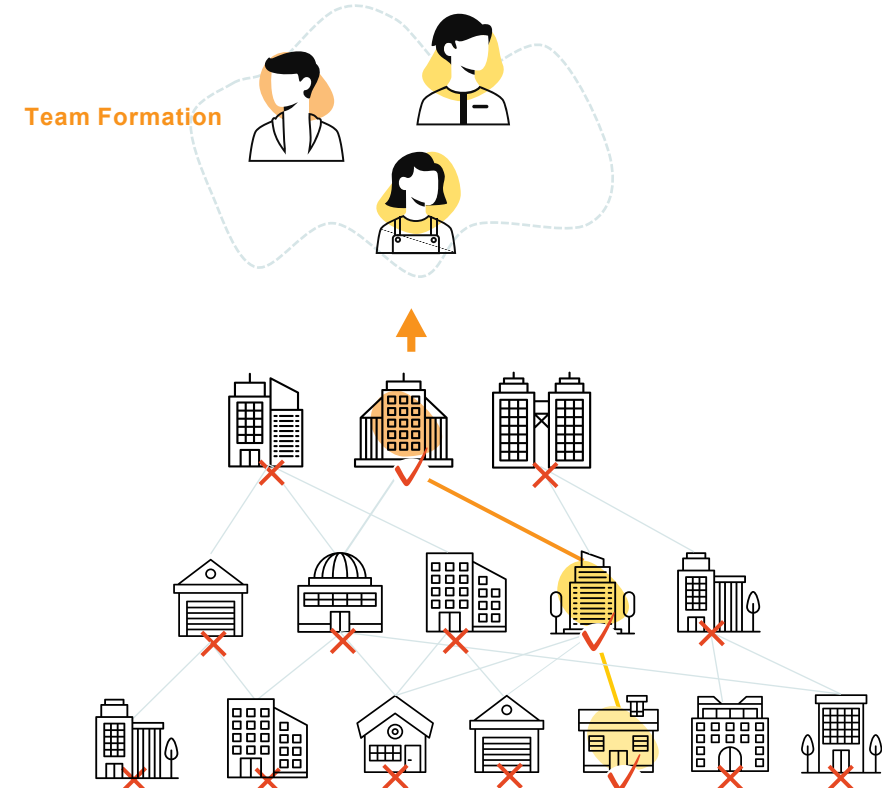
→ The project will involve hiring the most affordable company, resulting in a team composed of multiple firms.



### A system incorporating advanced technology

Since there are few engineers with advanced technical skills, the difficulty of gathering people and forming a team increases.

→ The rarer the skills, the more time and cost it takes to form a team.



# Our Competitive Advantage

Efficient team formation is possible through specialization and the development of young talent.

**baudroie inc.**

**We can form a team using only our company.**

So we can create teams with consideration of the compatibility of the members.



**Our engineers build their experience solely in IT infrastructure, from training through project assignments, which enables them to learn various technologies related to IT infrastructure.**

→ **The number of people forming the team becomes relatively small.**

**Our engineers specialize in building experience in IT infrastructure, so even engineers with the same skills as those from other companies tend to have a lower average age.**



**Our engineers  
(32 years old)**

Years of experience

**IT Infrastructure**



Middleware



Application



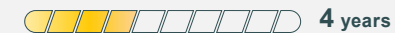
**General engineers\*1  
(40 years old)**

**IT Infrastructure**



**9 years**

Middleware



**4 years**

Application



**5 years**



**Compared to our company, general engineers tend to have a higher average age, leading to higher costs. Inefficient team composition.**

\*1 Years of experience for a typical engineer is just a guess.

# Highlights of Consolidated Financial Results

# Executive Summary

## FY2026 Full-year Results

Revenue

**17.42** billion yen

(up **49.6%** YoY)

Operating profit

**3.39** billion yen

(up **37.8%** YoY)

✓ Acquired four subsidiaries in FY2026.

- SPIN TECHNOLOGY, GOKU TECHNOLOGIES and ONE-TECH were consolidated starting in Q2.
- RIKSOL was consolidated in Q4, beginning in January.

➔ While profit margins declined this year due to the accelerated pace of M&A, they are expected to trend upward as Post-Merger Integration progresses.

(Please refer to page 31 for an overview of the PMI process.)

## FY2027 Full-year Forecast

Revenue

**23.5** billion yen

(up **34.9%** YoY)

Operating profit

**4.41** billion yen

(up **30.0%** YoY)

✓ We will focus on the PMI of the subsidiaries consolidated in FY2026 to drive growth across the entire Group.

✓ In preparation for the AI era, a new subsidiary has been launched for new business ventures.

Launching new AI businesses while simultaneously driving other new ventures that leverage IT infrastructure synergies to accelerate existing business growth.

✓ Dividend

The dividend per share is expected to increase from 7.58 yen in FY2026 to 10.1 yen.

# Summary of Consolidated Financial Results

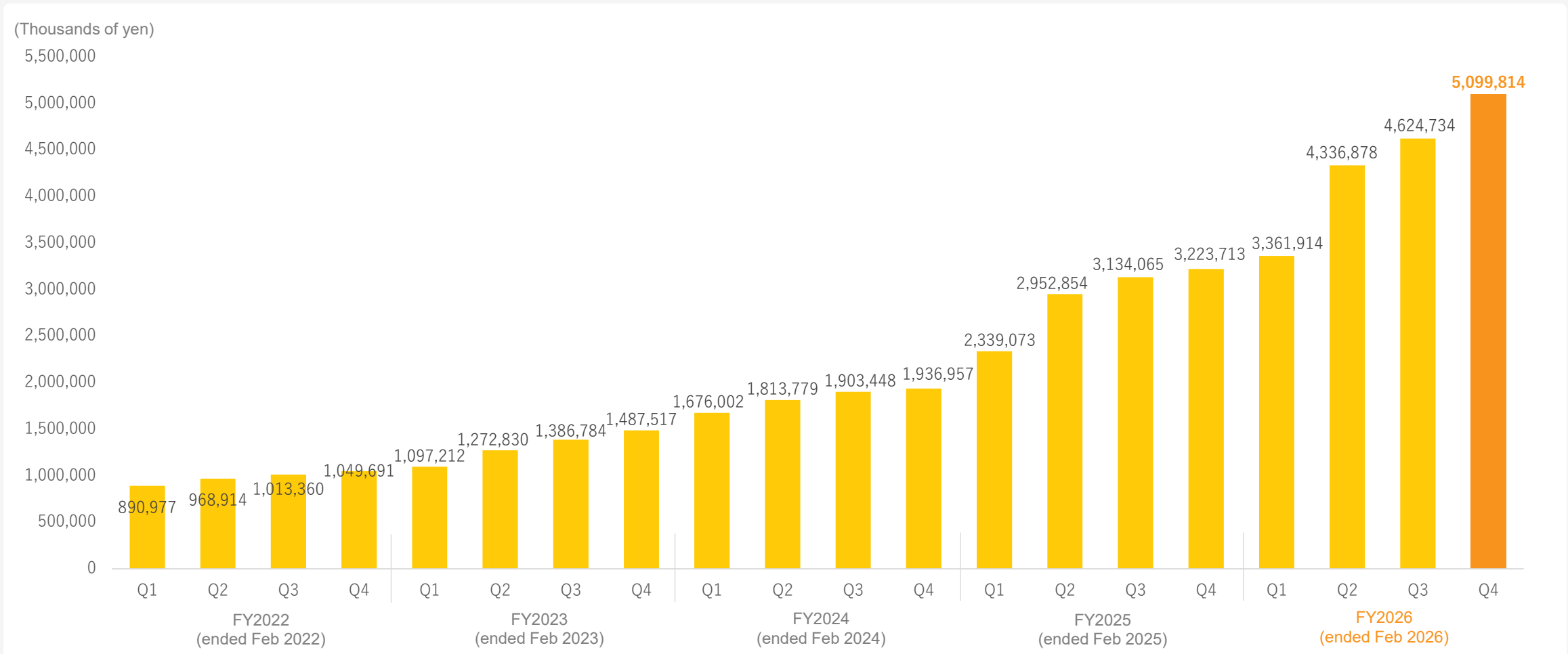
- ✓ As in previous years, both revenue and profit increased quarter-over-quarter.
- ✓ Final results exceeded all figures in the full-year earnings forecast that was revised upward in May 2025.

(Thousands of yen)	FY2025 Full-year Results	FY2026 Full-year Results	YoY	FY2026 Full-year Forecast (Revised)	YoY (Full year)
<b>Revenue</b>	<b>11,649,705</b>	<b>17,423,340</b>	<b>+49.6%</b>	<b>17,100,000</b>	<b>+46.8%</b>
<b>Operating profit</b>	<b>2,460,813</b>	<b>3,391,334</b>	<b>+37.8%</b>	<b>3,250,000</b>	<b>+32.1%</b>
<b>Profit before tax</b>	<b>2,461,226</b>	<b>3,371,702</b>	<b>+37.0%</b>	<b>3,234,890</b>	<b>+31.4%</b>
<b>Profit</b>	<b>1,799,365</b>	<b>2,457,800</b>	<b>+36.6%</b>	<b>2,345,295</b>	<b>+30.3%</b>

# Trends in Quarterly Consolidated Revenue

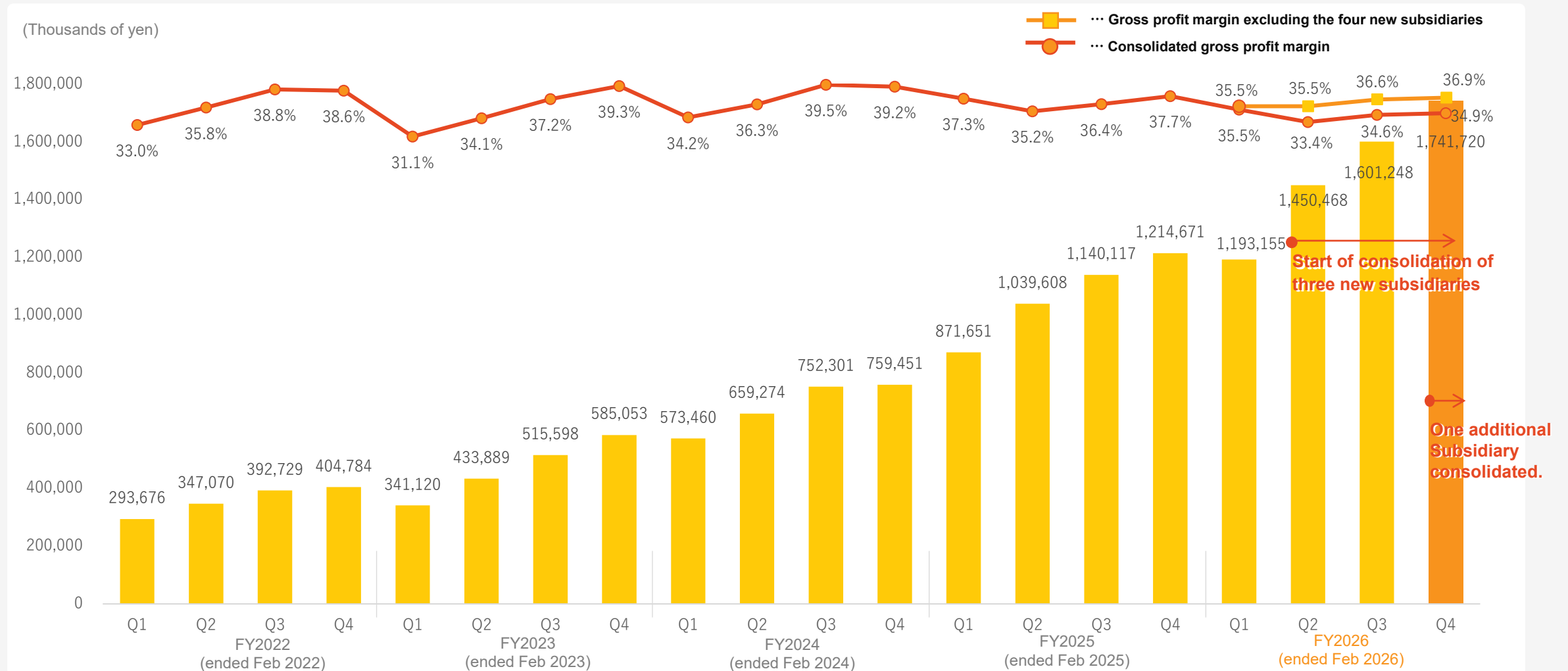
✓ As before, revenue are expected to increase gradually in the remaining quarters of FY2026 for the following reasons.

- The number of acceptance inspections will further rise in Q2 through the end of the fiscal year.
- With engineers (new graduate employees in the second or more year of employment) becoming capable of conducting actual work, reassignment of specialized talents (new graduate employees in the third or more year of employment) and highly specialized talents will be conducted in Q2 through the end of the fiscal year.



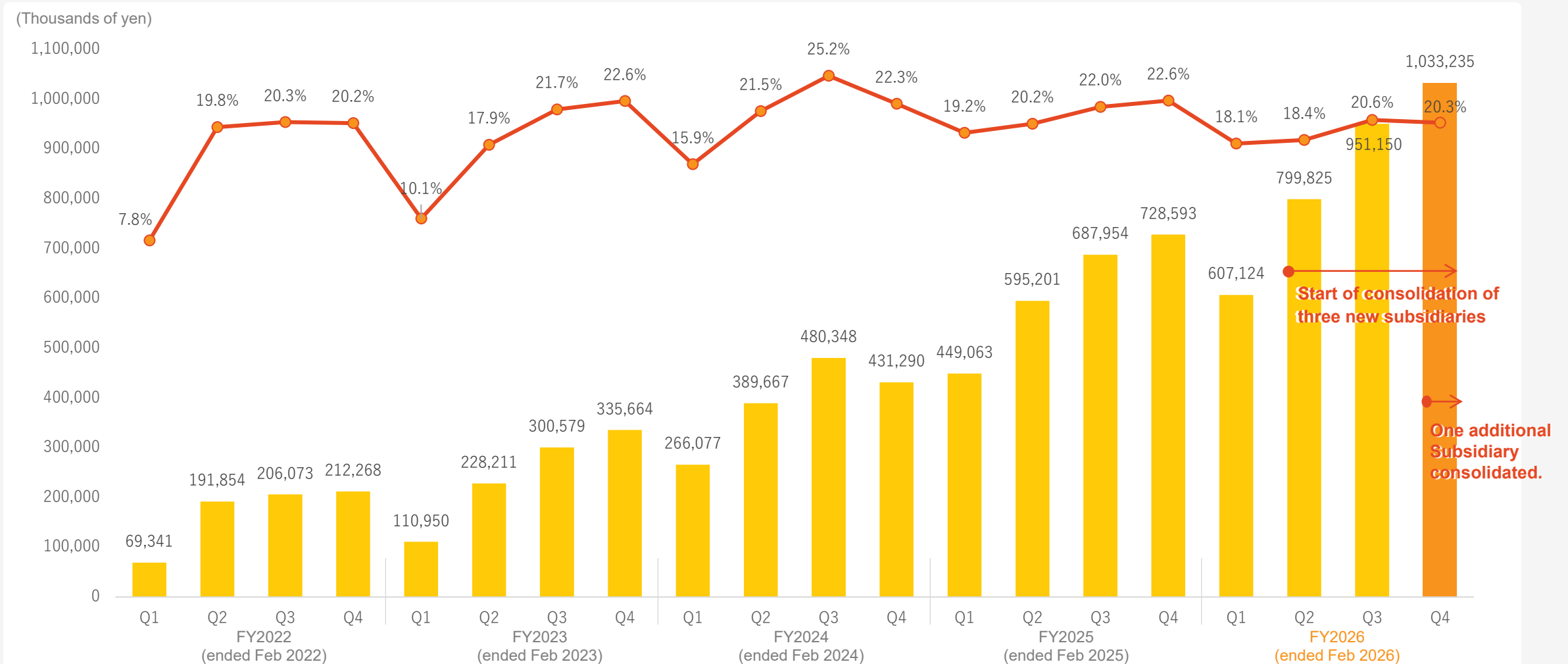
# Trends in Quarterly Consolidated Gross Profit

- ✓ Along with the usual pattern of increasing quarterly profits, our profit margin showed a gradual upward trend over the course of the year.
- ✓ The subsidiary acquired in 4Q achieved a rapid ramp-up; despite being in the red at the time of acquisition, it reached profitability within just two months.



# Trends in Quarterly Consolidated Operating Profit

✓ While our profit margin is currently affected by the accelerated pace of M&A, we expect the margins of each company to rise as the PMI process progresses.

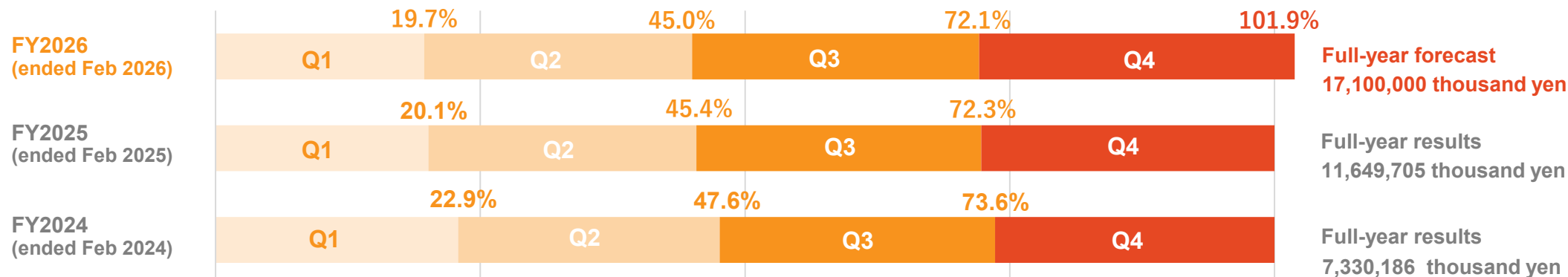


# Status of Progress Against the Full-Year Consolidated Earnings Forecast

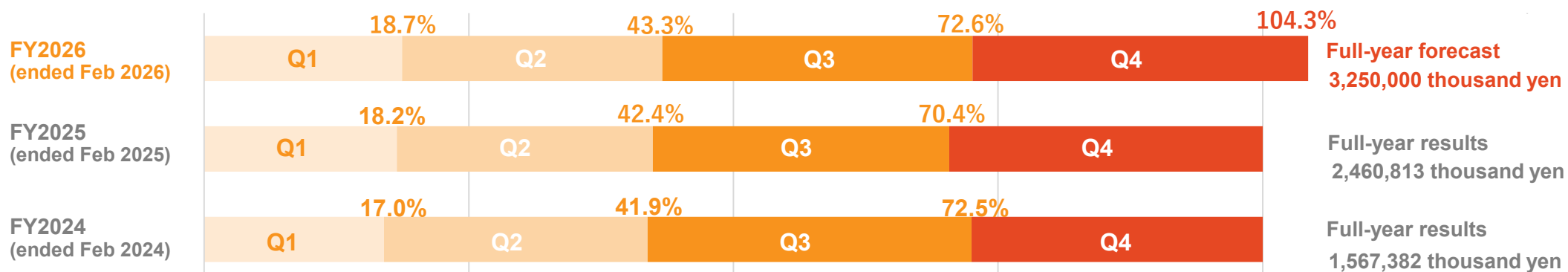
## Revenue

RIKSOL was consolidated for only two months, starting in Q4.

SPIN TECHNOLOGY, GOKU TECHNOLOGIES and ONE-TECH will be consolidated starting from Q2.



## Operating profit



# FY2027 Full-year Earnings Forecast

✓ We will continue to aim for high growth of 30% or more.

	FY2026 Full-year Results	FY2027 Full-year Forecast	YoY
(Thousands of yen)			
Revenue	17,423,340	23,500,000	+34.9%
Operating profit	3,391,334	4,409,000	+30.0%
Profit before tax	3,371,702	4,383,000	+30.0%
Profit	2,457,800	3,134,000	+27.5%

## Dividend Forecast

✓ The dividend will be increased by 2.52 yen, up from 7.58 yen in FY2026.

Dividend Payout Ratio

10%

Annual Dividend

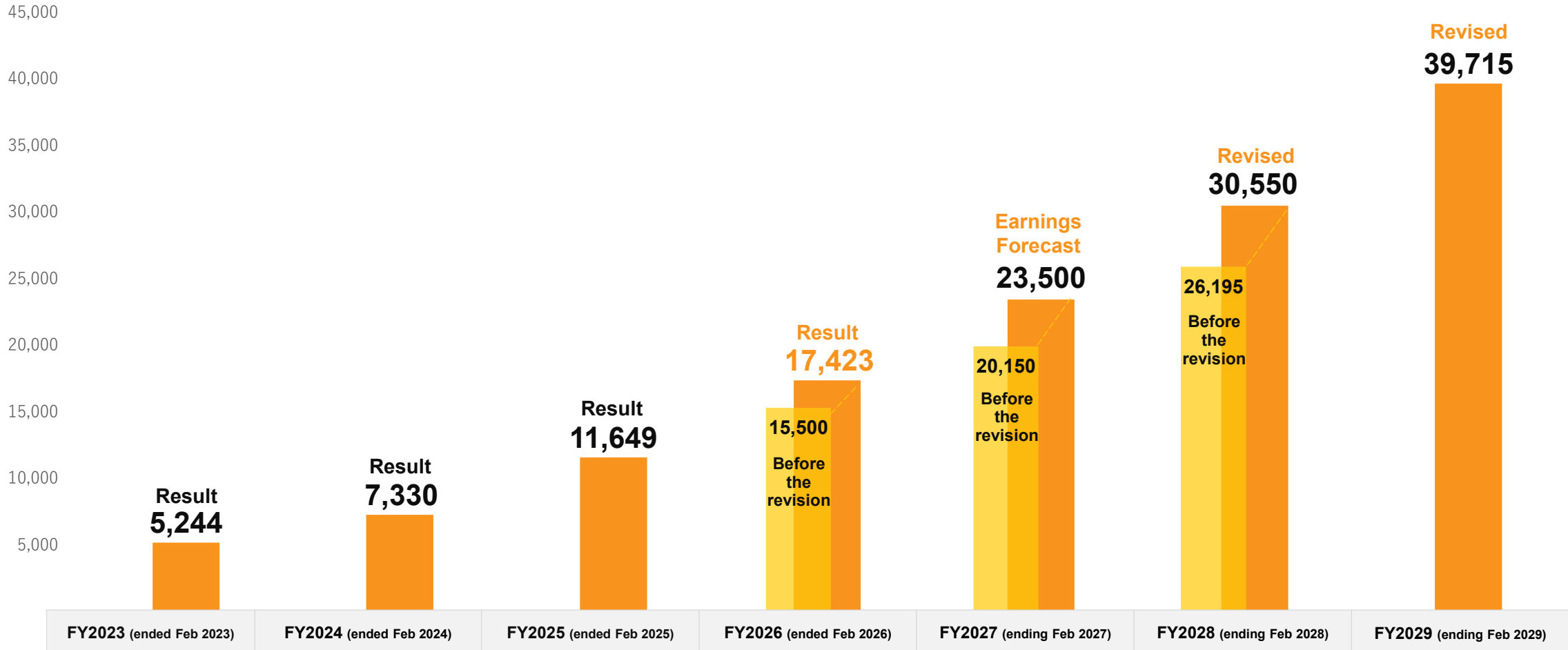
10.1 yen  
(+33.2%)

# Medium-Term Management Plan

# Medium-Term Business Plan: Revenue

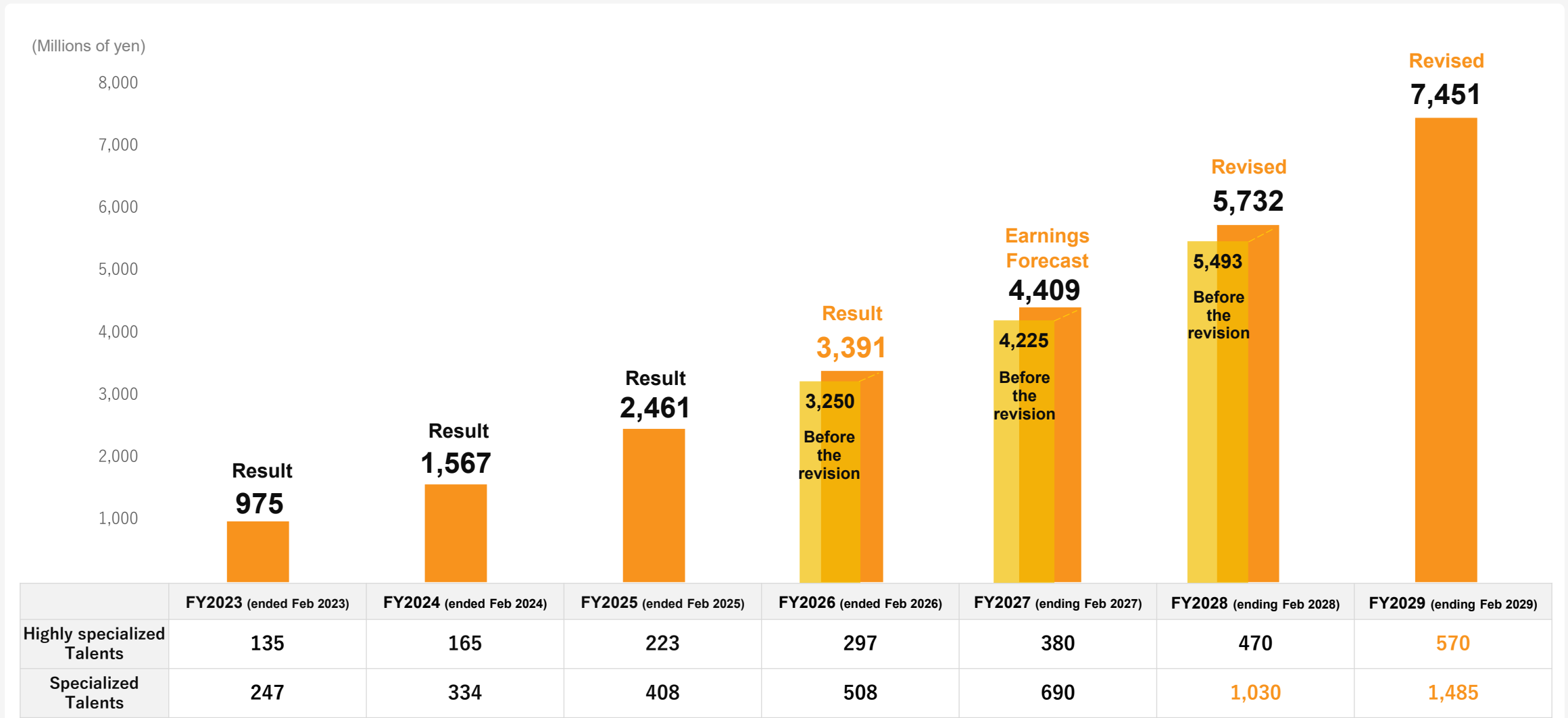
✓ Performance has been trending above the initial plan set in the previous fiscal year, and we have now updated our long-term plan through FY2029.

(Millions of yen)



# Medium-Term Business Plan: Operating Profit

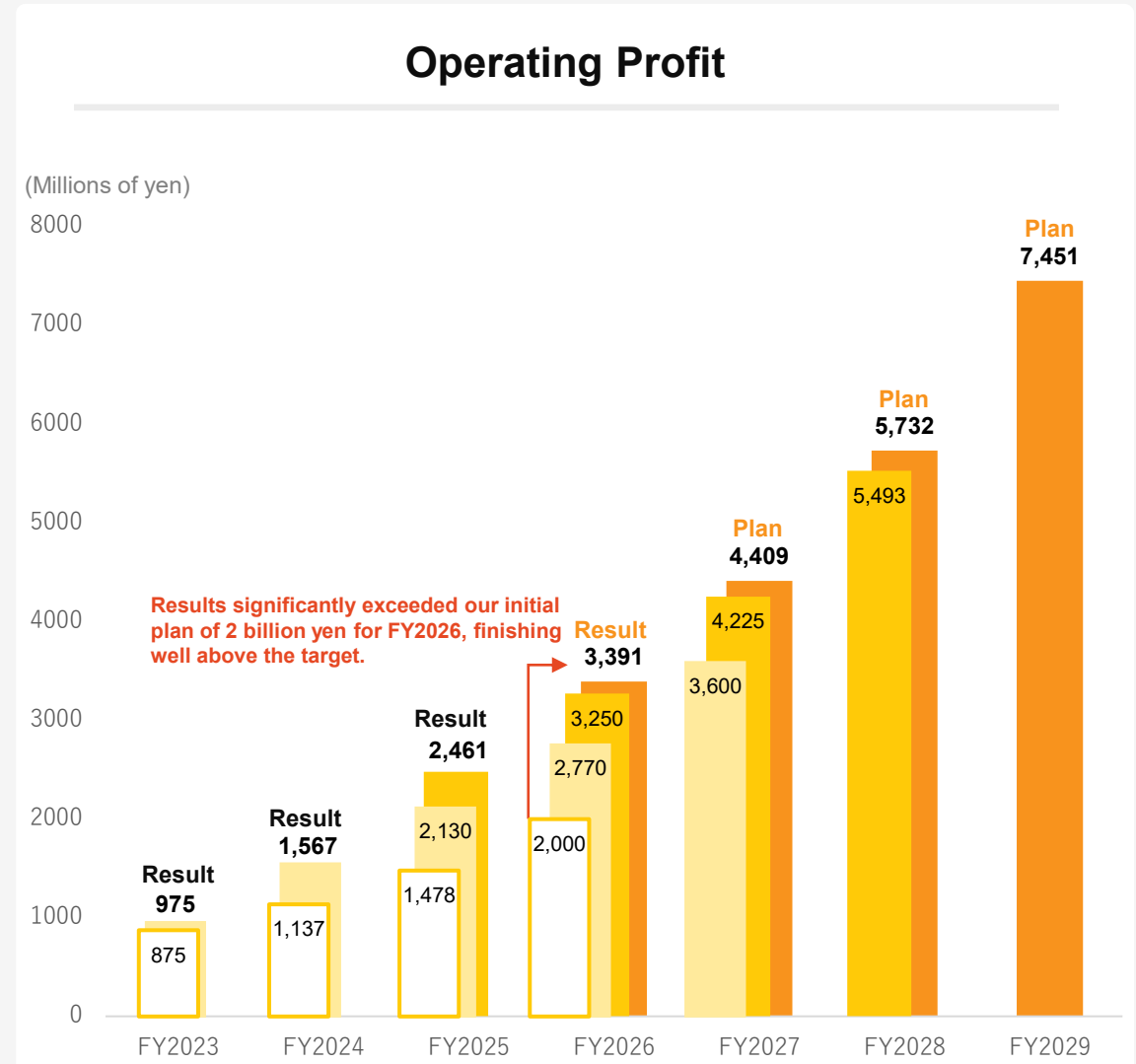
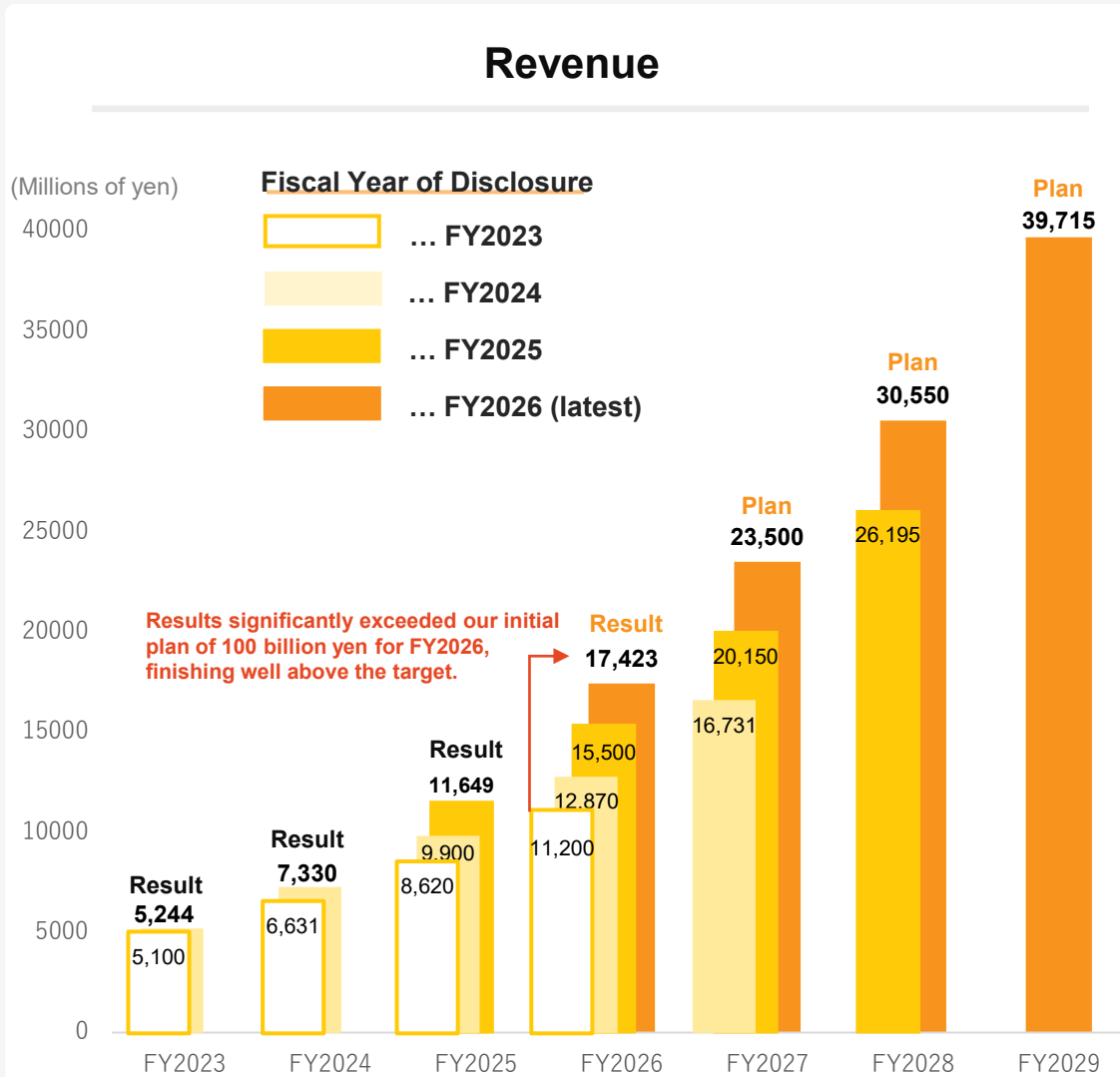
✓ Even after the transition to the Prime Market, we aim to maintain strong growth.



\* Subsidiary personnel are expected to be included in the specialized talents from FY2026 by sharing our skills with those who wish to do. Therefore, it already reflects the approximate number of people.

# Past revisions to the medium-term management plan

✓ Third upward revision to the Medium-Term Plan; maintaining 30%+ annual growth.

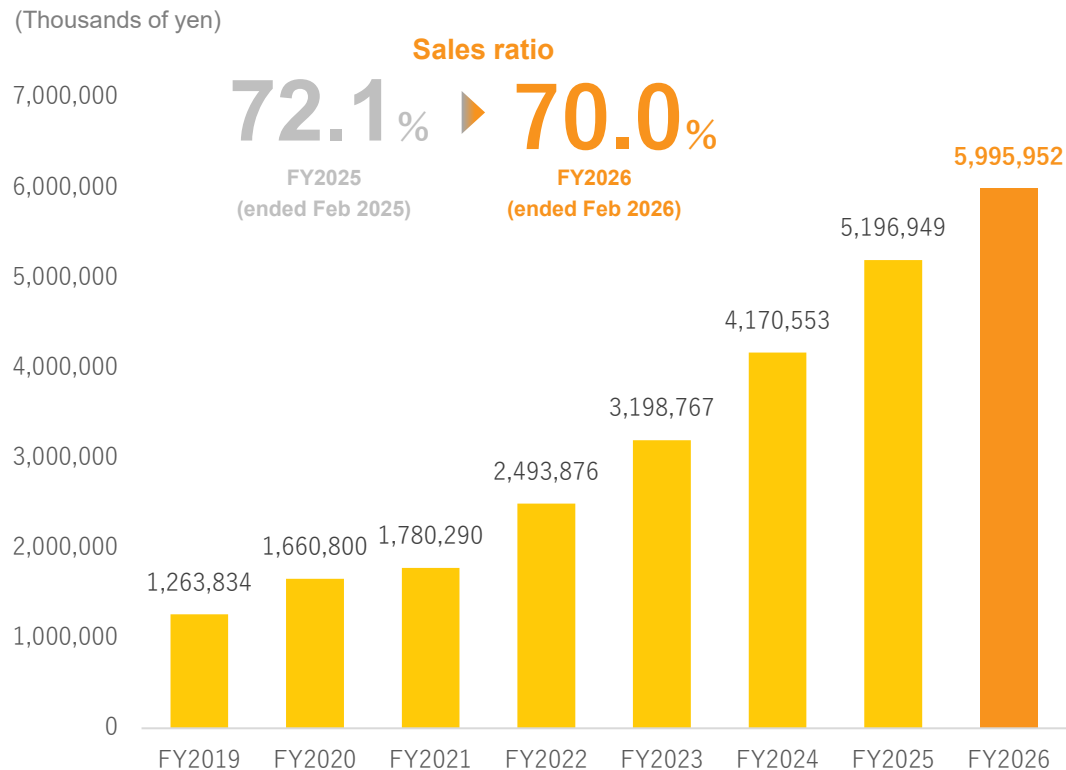


# Growth Strategy

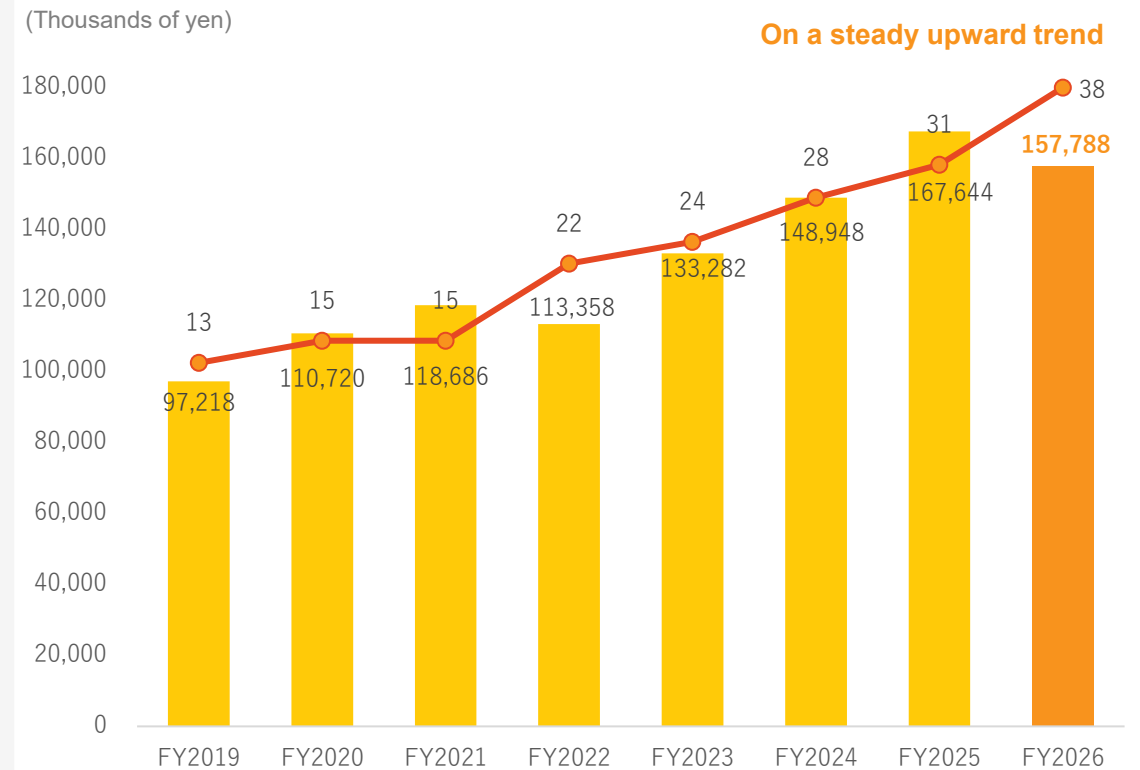
# Sales to Enterprise Clients (Non-consolidated)

- ✓ Driven by group management, SMB customer sales are trending upward this fiscal year. From the next fiscal year, we plan to shift our focus back to increasing the proportion of sales from enterprise customers.
- We will control costs with an awareness of the expected year-end profit, while operating on the basis of achieving results above the full-year forecast.

## Total sales to enterprise clients



## Average sales per company and the number of enterprise clients

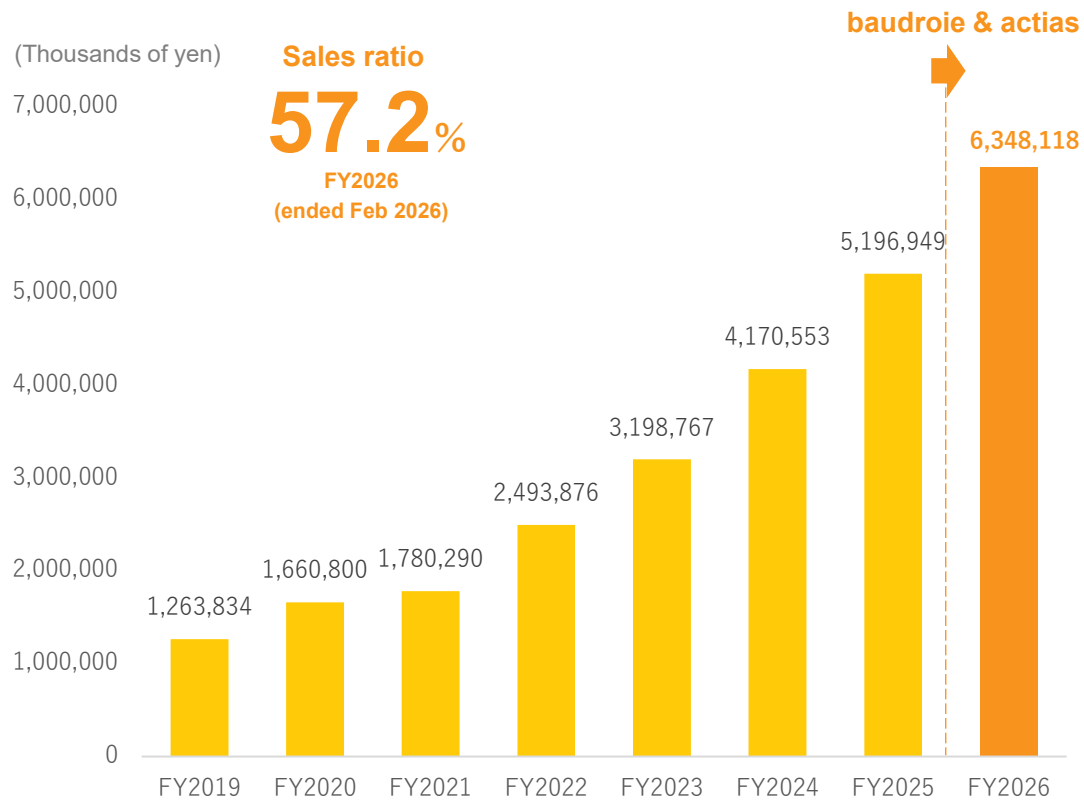


\*Enterprise clients are defined as companies selected for either the Nikkei 225, Nikkei 400, or Nikkei 500, or companies with sales of 50 billion yen or more.

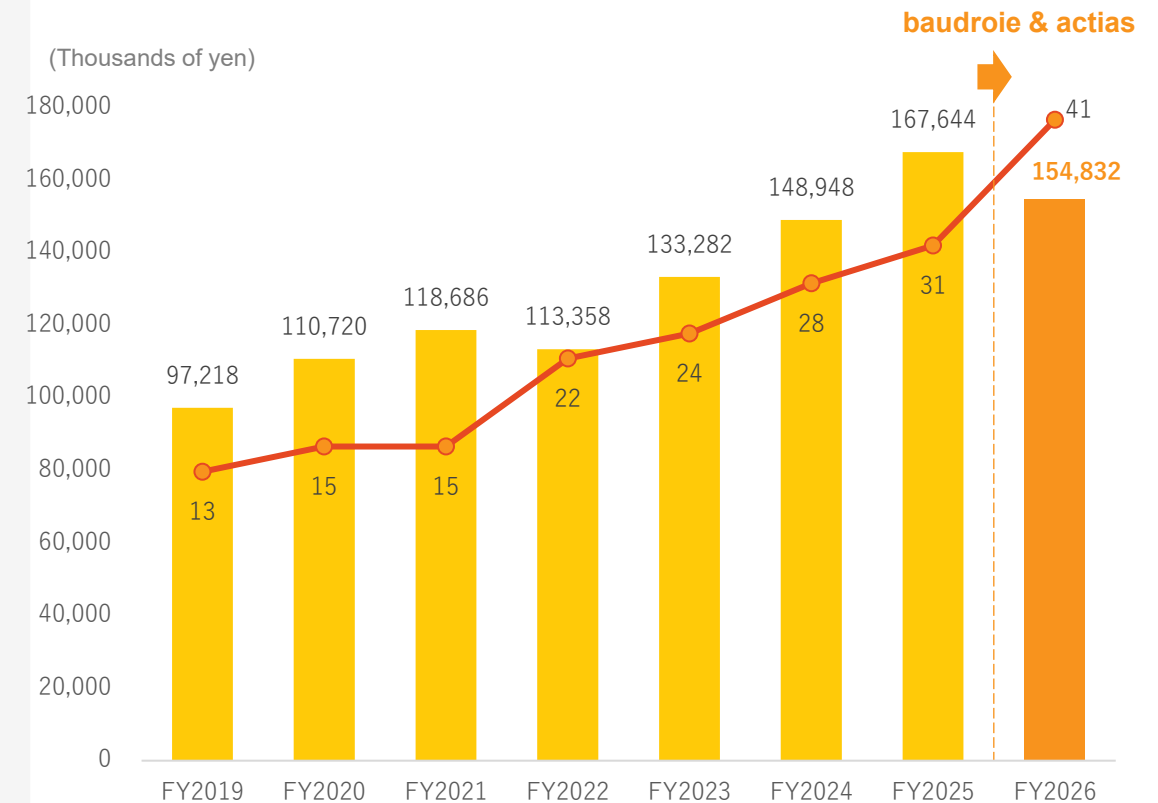
# Sales to Enterprise Clients (baudroie & actias)

- ✓ Starting from Q1 of this fiscal year, we have begun aggregating the enterprise customer sales of baudroie inc. and actias Inc.
- ✓ In the medium to long term, we aim to increase the combined enterprise customer sales ratio of the two companies.

### Total sales to enterprise clients



### Average sales per company and the number of enterprise clients

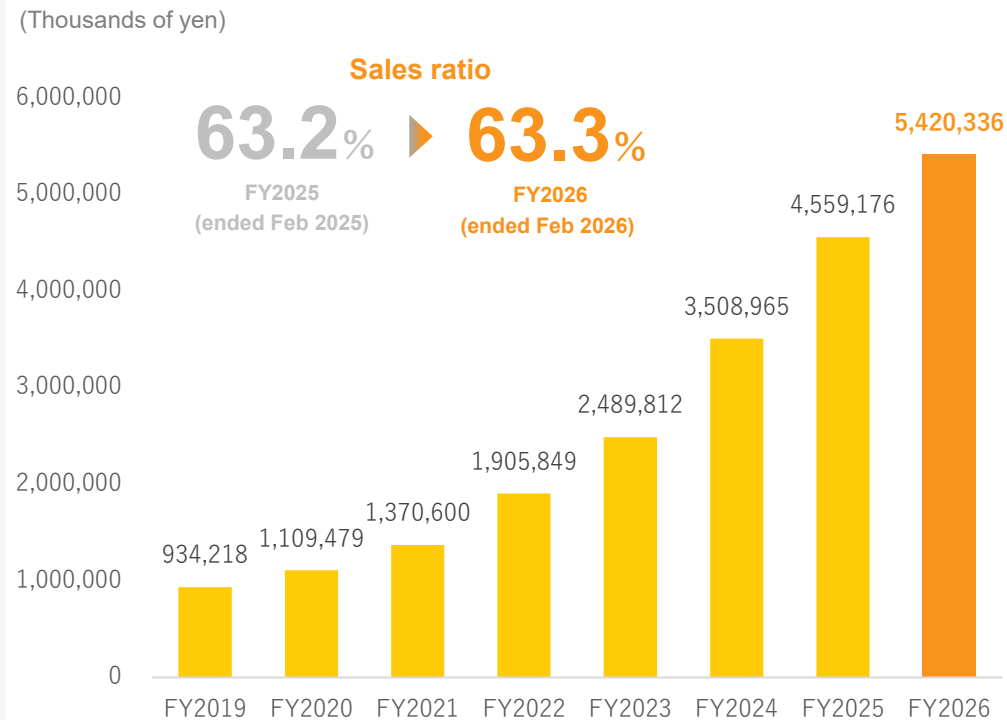


※ From FY2026, the number of companies excludes customers that overlap between baudroie and actias.

# Sales in Advanced Technology Areas (Non-consolidated)

- ✓ We are proactively securing security-related projects, with a recent increase in cloud security engagements driven by SASE implementation.

Sales trends  
in the advanced technology areas



Advanced technology areas  
expected to have high growth potential

	Forecasted market size	CAGR of the market	Our sales ratio ※7
<b>Wireless</b> (global market)	US\$ <b>236.6</b> billion (2031)*1	<b>13%</b>	<b>19%</b> ↑1p
<b>Load balancer</b> (global market)	US\$ <b>16.1</b> billion (2030)*2	<b>13%</b>	<b>21%</b> ↓1p
<b>Network virtualization</b> (global market)	US\$ <b>38.1</b> billion (2026)*3	<b>3%</b>	<b>10%</b> →0p
<b>Cloud</b> ※6 (domestic market)	¥ <b>10.1</b> trillion (2030)※4	<b>21%</b>	<b>23%</b> ↓3p
<b>Security</b> (Domestic market: software, appliances)	¥ <b>531.7</b> billion (2026)*5	<b>4%</b>	<b>21%</b> ↑3p

\*Advanced technology areas: technology areas where we are deemed to have high specialty and that are related to any of the wireless, load balancer, SDN, cloud, security, or server virtualization technologies.

\*1 Source: "Global Wireless Connectivity Market" by KBV Research (provided by Global Information, Inc. as agent)

\*2 Source: "Load Balancer Market Size, Share, and Trends Analysis Report" by Grand View Research (provided by Global Information, Inc. as agent)

\*3 Source: "Network Function Virtualization Global Market Report" by The Business Research Company (provided by Global Information, Inc. as agent)

\*4 Source: Press release by IDC Japan, "IDC Announces Japan Public Cloud Services Market Forecast" (March 12, 2026)

\*5 Source: Press release by IDC Japan, "Announcement of Latest Domestic Information Security Market Forecasts" (May 26, 2022)

\*6 Market size forecasts include public cloud only, whereas our sales ratios include both public and private clouds.

\*7 The changes in "our sales ratio" (indicated by arrows) show comparison with FY2025 results and include overlapping sales in two or more areas.

# Development of Specialized and Highly Specialized Talent

- ✓ Develop highly specialized talents based on our education and training systems dedicated to IT infrastructure.
- ✓ The increase in the number of highly specialized talents are becoming larger as a result of intensified recruitment prior to the listing.

	Specialized talents	Highly specialized talents
FY2021 (ended Feb 2021)	122	97
FY2022 (ended Feb 2022)	174	109
FY2023 (ended Feb 2023)	247	135
FY2024 (ended Feb 2024)	334	165
FY2025 (ended Feb 2025)	408	223
<b>FY2026 (ended Feb 2026)</b>	<b>508</b>	<b>297</b>

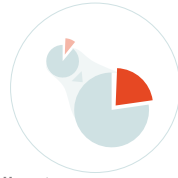
# Illustrative Drawing of Our Strategy

Prepare for high growth to be achieved in FY2028 and onward.

## Transform sales composition

Raise the sales ratio

of advanced technology areas and enterprise clients



## Transform talent structure

Raise the ratio of specialized and highly specialized talents



Highly specialized talent

Specialized talent

New employees that need up-front investment

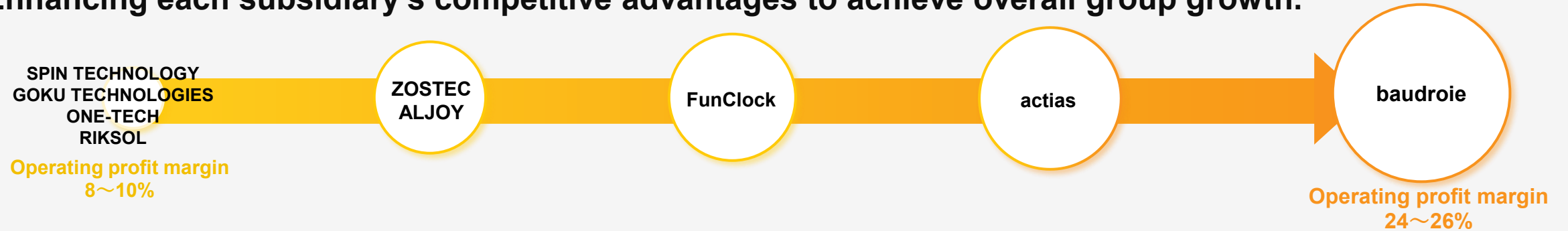
Expand the talent base that will eventually grow into specialized and highly specialized talent

M&As

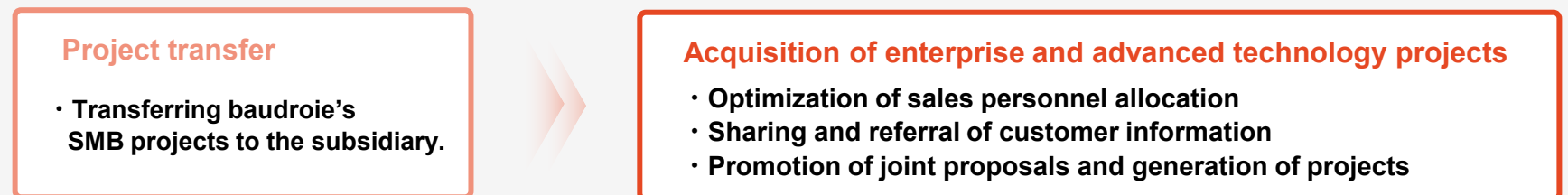
Hiring

# PMI Overview

Through PMI, we aim to raise the subsidiaries' profit margins to the level of baudroie inc. Enhancing each subsidiary's competitive advantages to achieve overall group growth.



## Enhancing Competitive Advantage



\*CCNA and CCNP ... Certification programs offered by Cisco Systems, a leading network equipment vendor.

# Summary of Highlights

01

- ✓ Raise the ratio of specialized talents and highly specialized talents.
- ✓ Expand and deepen projects in advanced technology areas and for enterprise clients.
- ✓ M&A

02

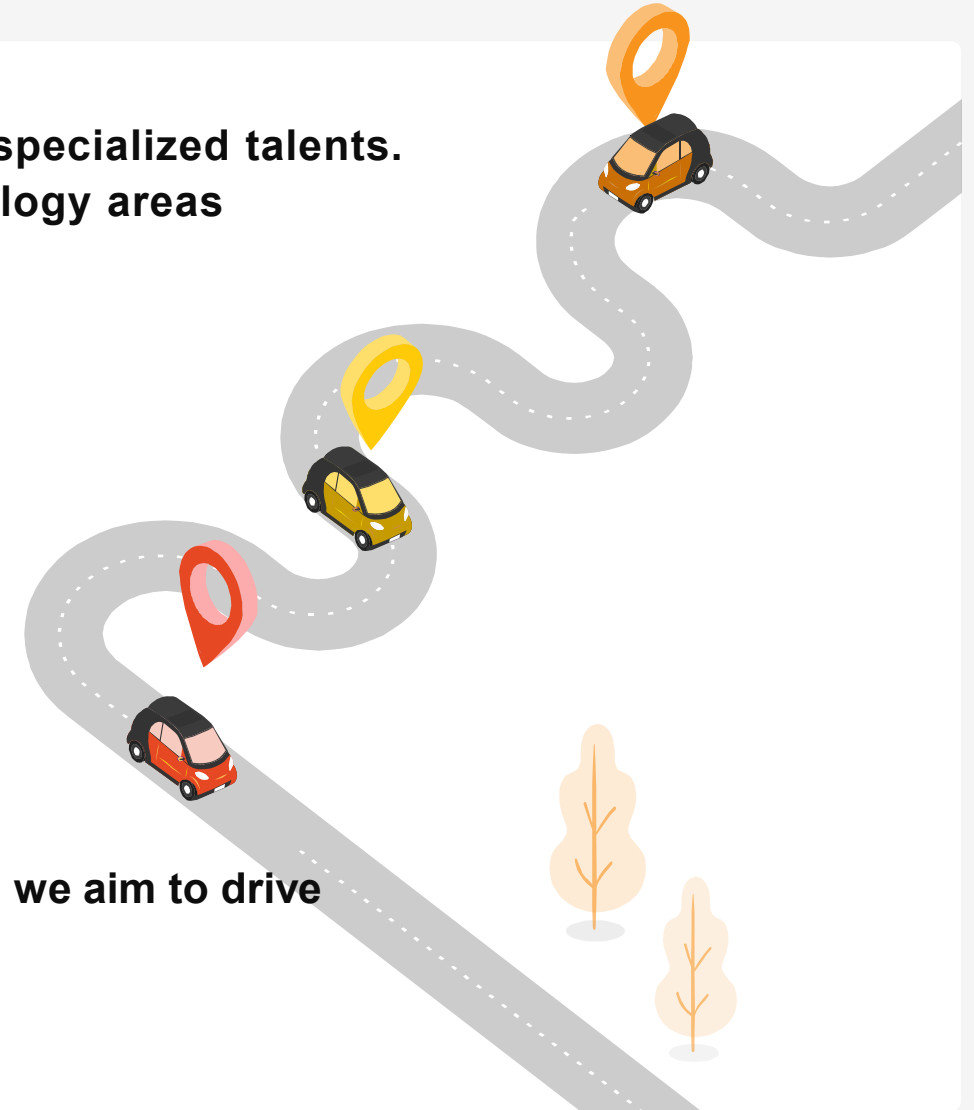
- ✓ Maintain high growth rates
- ✓ Medium-term business plan

03

- ✓ Transition to the TSE Prime market.
- ✓ Start paying dividends.

04

- ✓ While enhancing baudroie's competitive advantage, we aim to drive growth for the entire group company.
- ✓ Dividend Policy



# Appendix

# FY2026 Dividend Forecast

- ✓ We will begin paying dividends from FY2026.
- ✓ According to the material on the right, it appears that transitioning from no dividend paying to dividend paying may lead to a decrease in volatility.

Dividend	The Effect of Dividends on Volatility	Number of companies	90-day volatility median	Dividend payout ratio median
<p>As previously communicated, we have initiated dividend payments from FY2026, coinciding with our transition to the Prime Market.</p> <p style="text-align: center;">▼ ▼ ▼</p> <p><b>Purpose</b></p> <p>To encourage investment from investors who focus solely on dividend-paying companies, thereby broadening our investor base.</p> <p>By transitioning from no dividends to dividend payments, there is a possibility of reduced volatility, and we are optimistic about the potential impact of this effect.</p>	Group 1 total (The highest dividend payout ratio)	303	21.24	101.2%
	Group 2 total	303	22.84	56.8%
	Group 3 total	303	23.80	46.1%
	Group 4 total	303	24.63	39.5%
	Group 5 total	303	24.78	34.4%
	Group 6 total	303	27.25	30.6%
	Group 7 total	304	25.11	27.2%
	Group 8 total	304	26.49	22.8%
	Group 9 total	304	26.75	18.1%
	Group 10 total (The lowest dividend payout ratio)	304	29.33	10.6%
	The total number of companies with a positive dividend payout ratio	3034	25.07	32.2%
	Non-dividend paying companies	721	45.66	0.0%
	The total number of companies with a negative dividend payout ratio	181	26.40	-25.4%

The difference in value is the largest when transitioning from no dividends to dividend payments.

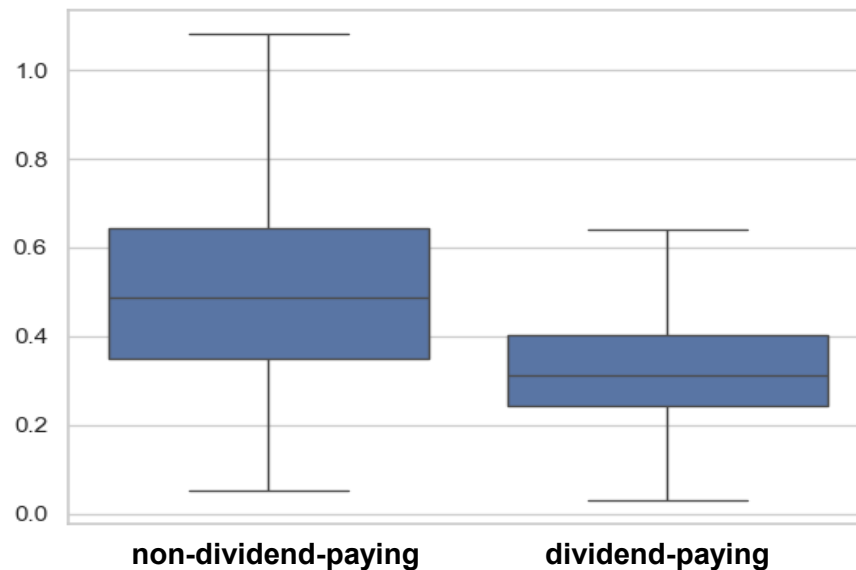
\* Reference: Data from Nezu Asia Capital Limited's report as of December 2024.

# Approach to Dividends

- ✓ There is a tendency for stock price volatility to decrease when a company transitions from being non-dividend-paying to dividend-paying.
- ✓ Accordingly, we are initiating dividend payments as a management initiative with an awareness of the capital markets.

## Comparison of non-dividend-paying and dividend-paying companies

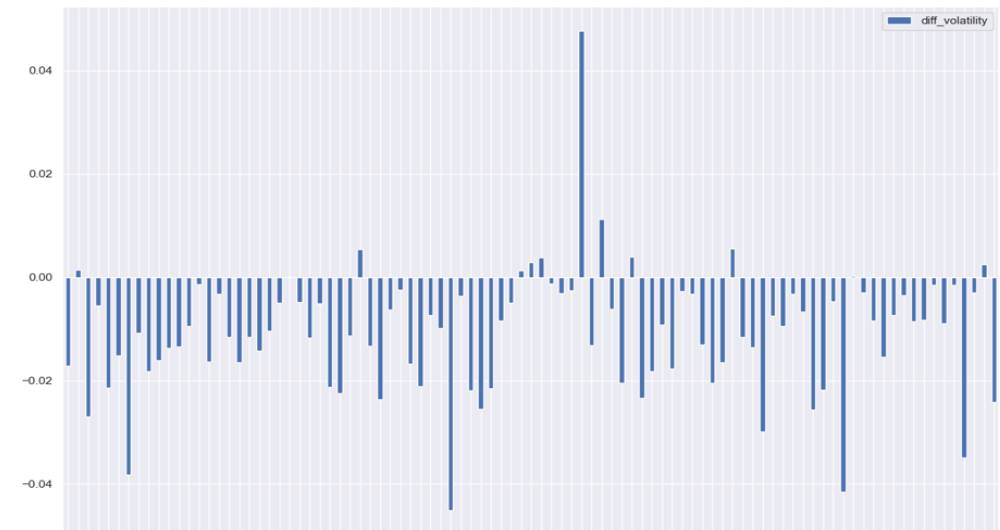
Dividend-paying stocks tend to have lower volatility.



\* Daily volatility (annualized) was calculated for the 250 trading days following the forecast dividend announcement date, and aggregated separately for non-dividend and dividend-paying stocks. The analysis covers the period from 2009 to 2024. In the chart, the black line in the center represents the average, while the other lines indicate the maximum, minimum, and quartile values.

## The relationship between dividend initiation and stock price volatility

After the initiation of dividends, approximately 90% of the stocks experienced a decrease in volatility.



\* Among the non-dividend-paying stocks as of 2015, those that issued dividends five or more times by 2024 were selected. For each, the daily volatility (annualized) was calculated for the 250 trading days before and after the first dividend announcement, and the difference was computed. The results were sorted by stock code.

# Past M&A Results and Future M&As Utilizing Treasury Shares

Company Name	ZOSTEC Inc.	ALJOY Inc.	FunClock Inc.	actias Inc.
Business Description	Network and Server Integration	Network and Server Integration	Testing and Validation	Network and Server Integration
Revenue Operating Profit	224 million yen -8 million yen (At the time of acquisition)	389 million yen 6 million yen (At the time of acquisition)	1 billion yen 50 million yen (FY2023 ended in June)	1.7 billion yen -30 million yen (FY2024 ended in January)
Acquisition Date	April 2022	March 2023	March 2024	June 2024

## Revenue and Operating Profit Trends of ZOSTEC and ALJOY (Combined Total for Both Companies)




	At the time of acquisition		FY2024 results (full-year)		FY2025 results (full-year)
<b>Net sales</b>	613,703 thousand yen	▶	1,339,199 thousand yen	▶	1,693,779 thousand yen
<b>Operating profit</b>	-2,136 thousand yen	▶	135,273 thousand yen	▶	236,001 thousand yen

Post-merger integration (PMI) is sufficiently conducted even now, but we will achieve more effective PMI by using the following method.

Going forward, we will use part of our treasury shares to acquire companies. By retaining their ownership not only at the management team of the parent company but also at the **management team of the acquired companies**, we will build an organizational structure that can generate **further** added value.

# Our Stance for Implementing Future M&As

As an acquisition scheme to deepen group synergy, we intend to provide incentives for the target company's president to remain committed to expanding the group's corporate value from a founder's perspective. This is achieved by using our own shares as part of the acquisition consideration to maintain their ownership or by implementing earn-out structures.

	No participation in the Group	Participation in the Group (100% share transfer)	Participation in the Group (Partial share exchange or Earn-out)
Consideration for acquisition	No consideration	Consideration in money only ▶ No ownership	<b>Cash + Treasury shares</b> ▶ Retain ownership <hr/> <b>Cash + Performance-based additional consideration</b> ▶ Enhancing motivation
Company growth	Realistic and achievable growth 	Growth through PMI 	<b>Accelerated growth through PMI</b> 

With a weak sense of unity in the Group, it is difficult to conduct PMI for deeper collaboration.

With a strong sense of unity in the Group, it is possible to conduct PMI for deeper collaboration.

# Image of M&A Strategy

As M&A targets, 1–3 are included, with the three subsidiaries consolidated from Q2 FY2026 classified as Category 1.

## 1. M&A of Companies mainly staffed by young employees

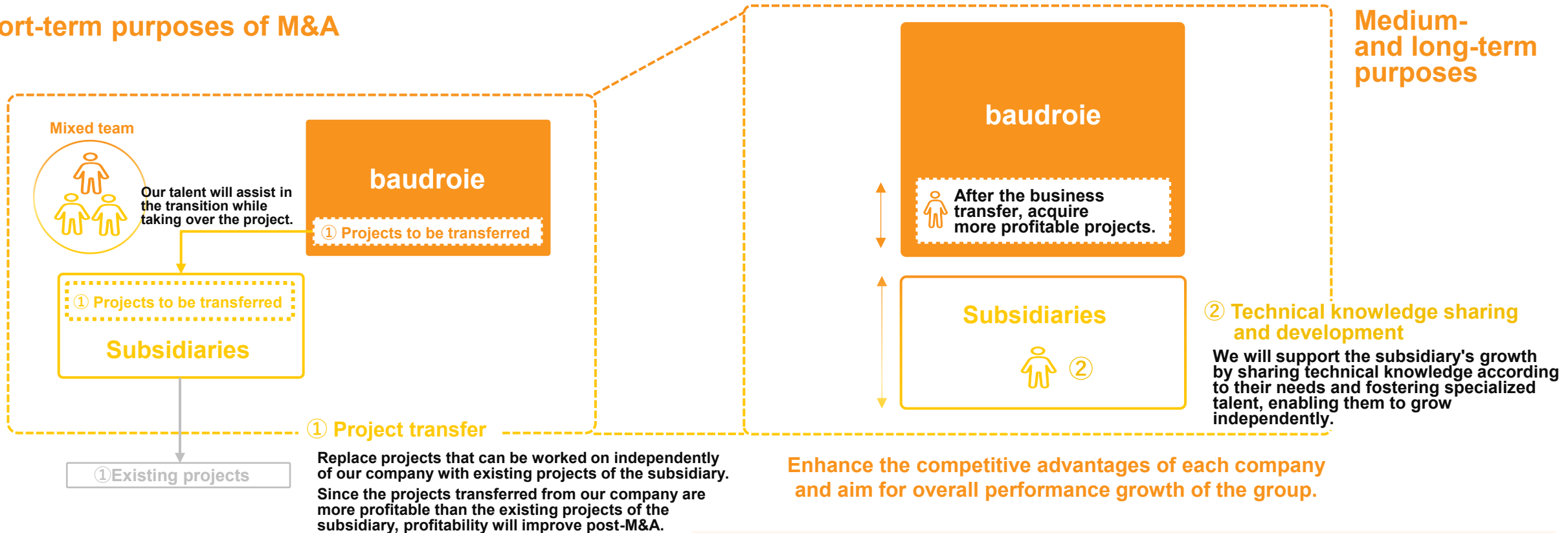
→ Companies primarily composed of young employees and engaged in comprehensive IT support services are easier to reskill.

## 2. Companies that are not primarily composed of young employees, but already possess advanced expertise in a specific field.

→ Since it is difficult to reskill them, their business domain needs to be closely aligned with ours.

## 3. Companies operating in areas closely aligned with IT infrastructure, including AI, IoT, and DX.

### Short-term purposes of M&A



ZOSTEC Inc. and ALJOY Inc., which were previously acquired through M&A, have improved their profitability post-acquisition due to factor ① from FY2024.

- Since the previous fiscal year (FY2025), ZOSTEC Inc. and ALJOY Inc. have also experienced growth driven by factor ②.
- actias Inc. is expected to develop approximately 50 specialized talents starting from FY2027.

# Effective Utilization of Shares

## Maximize the benefits of direct financing to increase corporate value

### ✓ Acquisition of treasury stock

December 2024~April 2025, acquired treasury shares

Number of treasury shares acquired **610,400**



### ✓ Three companies were newly made subsidiaries through the use of treasury shares.

#### • SPIN TECHNOLOGY Inc.

2,300 shares out of 4,000 shares issued were acquired through a share exchange.

Number of treasury shares delivered **115,000**

#### • GOKU TECHNOLOGIES INC.

1,150 shares out of 2,000 shares issued were acquired through a share exchange.

Number of treasury shares delivered **116,150**

#### • ONE-TECH Inc.

1,100 shares out of 4,000 shares issued were acquired through a share exchange.

Number of treasury shares delivered **36,300**

### ✓ Share-based compensation

Regularly grant share-based compensation to employees



### ✓ Call options from major shareholders

Employees purchases call options



Number of eligible allottees of the share

**436**

(As of August 31, 2025)

Unrealized profit per person (approximation)\*

**7.5 million yen**

(Calculated based on the closing price as of August 31, 2025)

\* Includes unexercised stock options and call options; does not take into account sales after exercise.

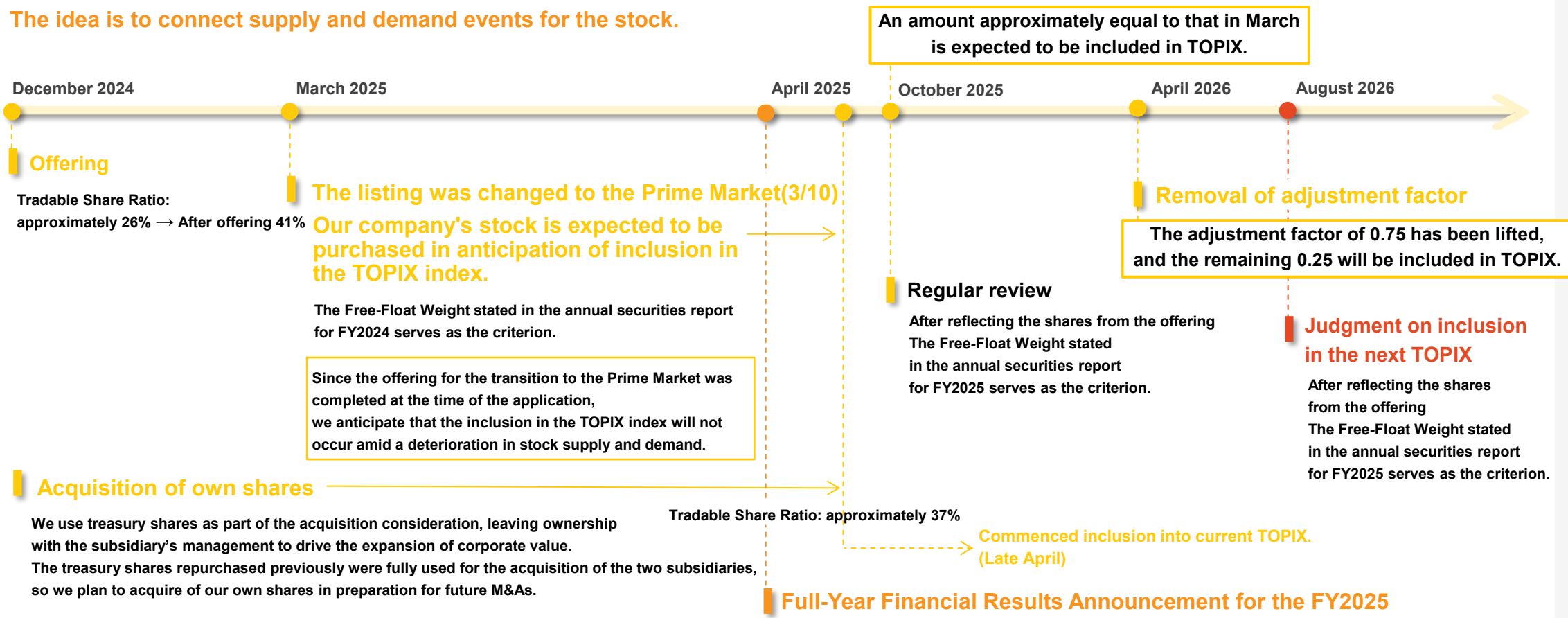
\* Call options are traded relative to major shareholders. And are different from share-based compensation plans implemented by the Company itself.

\* 2.62% residual potential shares from share acquisition rights; 231,200 call options from major shareholders.

# Purpose and Timing of the Offering / Acquisition of Own Shares for the Next M&A

- The offering was conducted in December 2024 to comply with the Tradable Share Ratio requirement for transitioning to the Prime Market.
  - ➔ **Tradable Share Ratio: approximately 26% → After offering: approximately 37%** (Excluding the 2.25% for the over-allotment option and the estimated 4% for acquisition of own shares)
- As the number of IR meetings with overseas institutional investors has increased recently, we need to increase liquidity so that new investors can purchase our shares.
- This will also increase the likelihood of inclusion in the **next TOPIX** (top 97% criterion based on the cumulative free float market capitalization weight).
  - ➔ Since the judgment will be based on the figures from the annual securities report for the FY2025, our company needed to take action within this fiscal year to meet the criteria. Therefore, the offering was carried out simultaneously with the resolution for the market change application.

The idea is to connect supply and demand events for the stock.



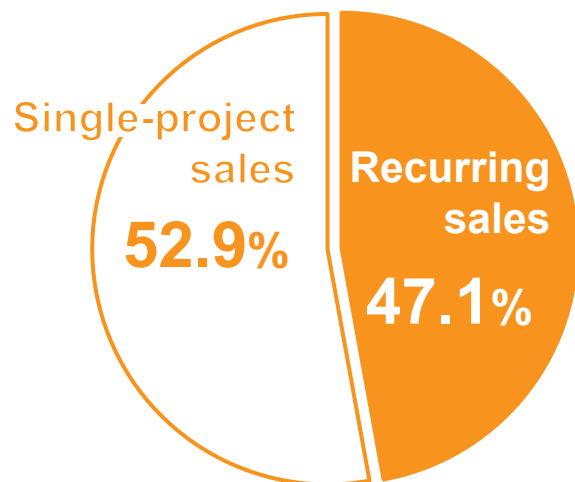
# Trends in Financial Results

	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026
(Thousands of yen)	10th period	11th period	12th period	13th period	14th period	15th period	16th period	17th period	18th period	19th period
									※Transitioned to IFRS	
<b>Revenue</b>	<b>1,626,968</b>	<b>2,087,013</b>	<b>2,261,561</b>	<b>2,648,008</b>	<b>3,084,973</b>	<b>3,922,944</b>	<b>5,244,343</b>	<b>7,330,186</b>	<b>11,649,705</b>	<b>17,423,340</b>
Operating profit	131,471	230,012	274,696	409,339	509,439	679,536	975,404	1,567,382	2,460,813	3,391,334
Ordinary profit	116,255	217,992	237,982	395,841	542,494	688,011	1,033,662	1,558,439	—	—
Profit*	79,757	135,544	162,557	278,824	415,711	542,774	793,970	1,171,690	1,799,365	2,457,800
<b>Operating profit margin</b>	<b>8.1%</b>	<b>11.0%</b>	<b>12.1%</b>	<b>15.5%</b>	<b>16.5%</b>	<b>17.3%</b>	<b>18.6%</b>	<b>21.4%</b>	<b>21.1%</b>	<b>19.3%</b>
Ordinary profit margin(%)	7.1%	10.4%	10.5%	14.9%	17.6%	17.5%	19.7%	21.3%	—	—
Net sales growth rate (%)	-	28.3%	8.4%	17.1%	16.5%	27.2%	33.7%	39.8%	58.9%	49.6%
Operating profit growth rate (%)	-	75.0%	19.4%	49.0%	24.5%	33.4%	43.5%	60.7%	55.2%	37.8%

## Recurring Sales through Continuous Services with Retained Clients (Non-consolidated)

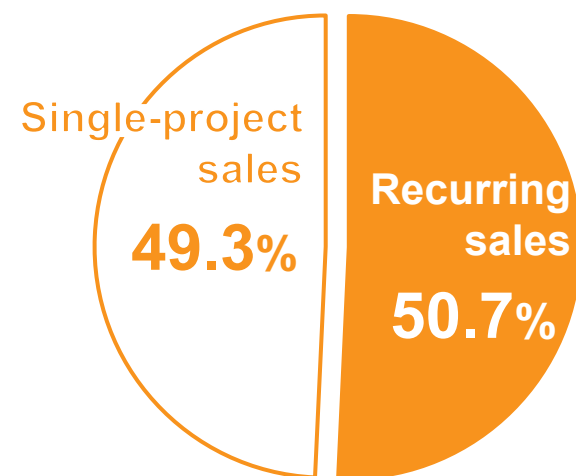
✓ Continued stable earnings from recurring sales.

**FY2025 (ended Feb 2025)**



**Recurring sales: 3,398,923 thousand yen**

**FY2026 (ended Feb 2026)**



**Recurring sales: 4,345,907 thousand yen**

# Definitions of Specialized and Highly Specialized Talents

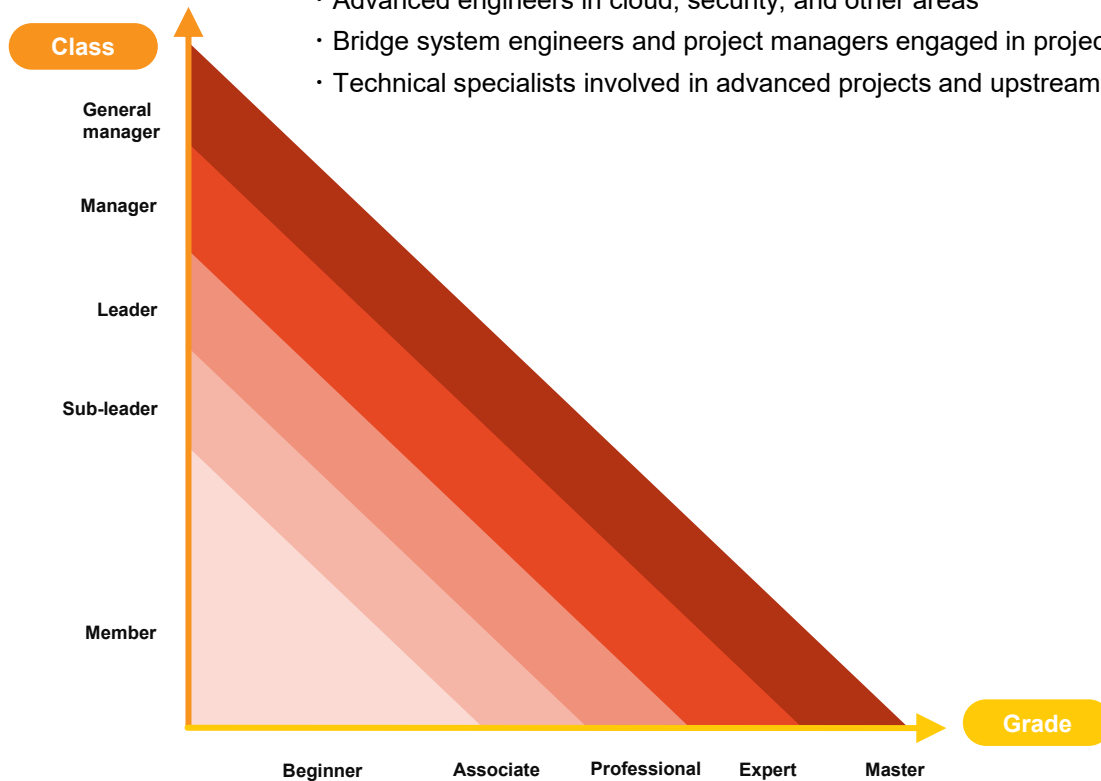
## Specialized talents

Employees at sub-leader or higher levels in comprehensive capabilities, which are rated by class, or associate or higher levels in technical capabilities, which are rated by grade, in our personnel assessment and who are certified as CCNP or have passed the in-house certification exam Level 2 or above. (excluding highly specialized talents)

## Highly specialized talents

Employees in our personnel assessment at leader or higher levels in comprehensive capabilities, which are rated by class, or professional or higher levels in technical capabilities, which are rated by grade, and who fall under any of the following categories:

- IT consultants, system architects
- Advanced engineers in cloud, security, and other areas
- Bridge system engineers and project managers engaged in project management
- Technical specialists involved in advanced projects and upstream processes



## Class

Comprehensive capabilities as a generalist, including such aspects as business improvement, client coordination, guidance, and development of talents.  
(classified into 5 levels of member, sub-leader, leader, manager, and general manager)  
Leader: can understand the plan for the project in which he or she is engaged, execute it, produce results, and give accurate guidance to juniors.

## Grade

Technical capabilities as a player, including knowledge, experience and skills  
(classified into 5 levels of beginner, associate, professional, expert and master)  
Professional: has basic knowledge and experience in his or her job domain and can handle routine work by himself or herself.

# Corporate Social Responsibility



We believe that developing young people who are capable of creating new IT industry areas and down-to-earth young people with advanced IT skills should lead to the development of a sustainable society.

The Company not only conducts education and training for its employees but also provides training for general university students, who will play an active role in society, to acquire IT qualifications.

(More than 150 such university students acquire the qualification annually.)



We propose to our clients that they adopt virtualization of servers and storage devices, etc., and promote the use of such services. Enhancing the use efficiency of IT infrastructure equipment should lead to consolidation of servers and storage devices in terms of their unit numbers, and fewer such units will reduce the amount of heat generated from them and the power required for the equipment to cool them.

We will contribute to energy savings in IT infrastructure equipment with such virtualization technologies.



IT, which has brought convenience to people, is now beginning to play a more important role in protecting people, securing people's lives, and other aspects.

With new IT services being created on a daily basis and gradually becoming a reality all around the world, we want to make the most of the power of IT to create a better future.

# Disclaimer

*This material contains forward-looking statements. These statements are based only on information available to the Company at the time they were prepared.*

*Moreover, such statements do not guarantee the future outcomes, and involve risks and uncertainties.*

*Please note that actual results may differ materially from future projections due to changes in the business environment and other factors.*

*Such factors that may affect the actual results include, but are not limited to, domestic and overseas economic conditions and trends in industries that are related to the Company.*

*We assume no obligation to update or revise any forward-looking statements contained in this material if new information arises or any event occurs in the future.*

*In addition, the information contained in this material with respect to anything other than the Company has been cited from public information, and we have not verified or guaranteed the accuracy or appropriateness of such information.*

**baudroie inc.**