Financial Results Briefing Materials

for the First Quarter of the Fiscal Year Ending December 31, 2026

May 14, 2026

KINJIRO CO., LTD.

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1. **Consolidated Financial Results**
   for the First Quarter of the Fiscal Year Ending December 31, 2026 (FY2026)
2. **Progress on Our Mid-Term Management Plan**
3. **Growth Strategy**
4. **Topics**

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Highlights (Summary)

Executive summary of FY2026 1Q financial results

Sales grew steadily with the expansion of cloud HRM

Net sales	Number of licenses	Number of corporate clients	Recurring revenue
1,331 million yen	848,000 licenses	2,649 companies	78.4 %
IQ results: ↑ YoY +6%	YoY change: +174,000 licenses: ↑ YoY +26%	YoY change: +244 companies: ↑ YoY +10%	↑ YoY +8.7%

Key points (factors) for FY2026 1Q

Strong sales driven by the Cloud Business growth

Cloud license sales grew strongly to achieve a YoY increase of 28%.
Sales in the on-premises business decreased with cloud migration, but total sales increased by 6% YoY as planned.

Profit decreased YoY due to upfront investment

Profit decreased due to investment in cloud infrastructure to support growing cloud license volumes and increased amortization of software assets following new feature releases, while remaining on track to achieve the first-half and full-year targets

Future outlook and investment policy

Continue with cloud migration and expand recurring revenue

Continue driving cloud migration of existing on-premises customers and acquiring new customers for the further expansions of cloud license volumes.
Increase profit stability through improving the recurring revenue ratio.

Focus on both investment for growth and profit targets

Continue enhancing the cloud infrastructure, developing new features and enhance product competitiveness toward achieving HRM all-in-one solutions. Secure profit to meet the 6-month and full-year targets while implementing planned investments.

Summary of Consolidated Financial Results for the First Quarter of FY2026

■ Consolidated statement of income

・Expansion of cloud license volumes, a major KPI, progressed as planned. As a result, cloud license sales increased strongly by 28% YoY while non-recurring sales of on-premises software products were down by 35% as more customers migrated to cloud. Total net sales increased as planned by 6% YoY.
・Profit decreased due to upfront investments including investment in cloud infrastructure to support growing cloud license volumes and increased amortization of software assets following new feature releases, but remains on track to achieve the first-half and full-year targets.

(Unit: Million yen)

	FY2026 full-year forecast	FY2026 1Q results	Progress rate (%)	FY2025 1Q results	YoY change (%)
Net sales	2,900	1,331	46%	1,253	+6%
Operating profit	741	326	44%	350	-7%
Ordinary profit	742	319	43%	349	-9%
Profit	482	207	43%	233	-11%

YoY Changes in Net Sales by Business Segment

■Cloud Business as a whole grew strongly, up 16% YoY

(Unit: Million yen)

Business segment		Sales segment		FY2025 1Q results	FY2026 1Q results	YoY changes (%)
Net sales	HRM Business	Cloud Business	Cloud License	701	900	+28%
			Cloud Consultation Support (introduction support)	157	129	-17%
			Others (mainly employment information devices)	61	33	-45%
			Subtotal	920	1,064	+16%
		On-Premises Business	Operation and Maintenance Support	140	118	-16%
			Software Products	96	62	-35%
			Software Consultation Support (introduction support)	38	31	-16%
			Employment Information Device	20	25	+24%
			Subtotal	294	238	-19%
		Total		1,215	1,302	+7%
		*Recurring Revenue		847	1,021	+21%
	Real Estate Rental Business			37	28	-23%
	Total			1,253	1,331	+6%

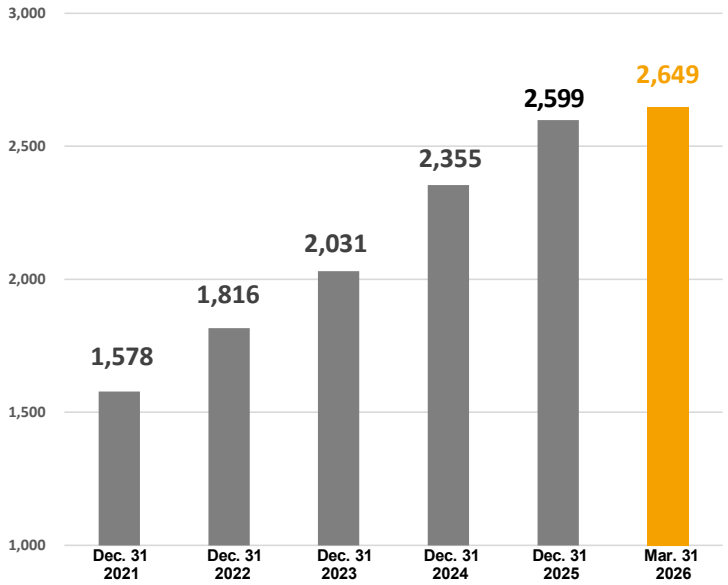
※Recurring Revenue includes revenue from cloud licensing, operation and maintenance support, and ither services

Number of Corporate Clients on Contract and Number of Licenses

■ Growth in the number of licenses remains strong, with an average annual growth rate (AAGR) of 20.2%.

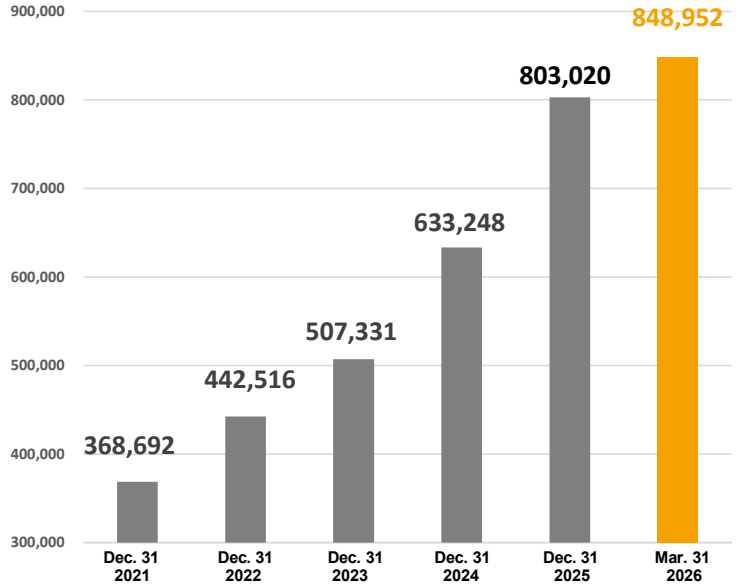
Number of corporate clients on cloud-based contracts (companies)

13.5%
AAGR for the last 5 years*



Number of cloud-based licenses* (persons)

20.2%
AAGR for the last 5 years*



*The number of licenses for each employee at a corporate client is counted as one, even where the employee uses multiple services (Recruitment, HR, Salary, Health & Productivity Management).

ARPU trend

ARPU	March 2024	September 2024	December 2024	March 2025	June 2025	September 2025	December 2025	March 2026
Enterprise	370 yen	379 yen	389 yen	395 yen	398 yen	398 yen	400 yen	397 yen

* AAGR for the last 5 years is calculated for the period from April 2021 to March 2026.

Cloud-Based Contract Cancellation Rate

■ **The average rate of cloud-based contracts cancelled per month remains low at 0.21%.**

Cloud-based contract cancellation rate*

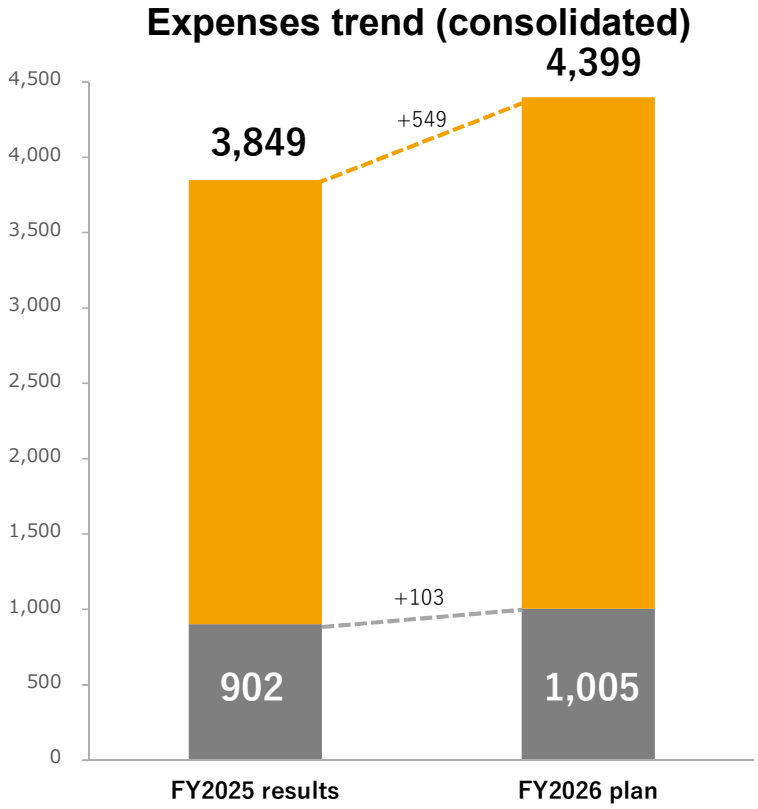


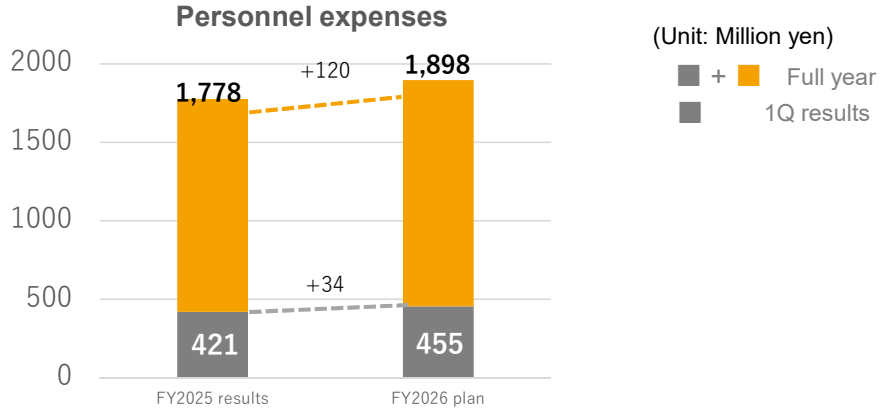
*The monthly average cancellation rate is calculated by dividing revenue from customers who cancelled their contracts in the current month by revenue from total customers in the previous month.

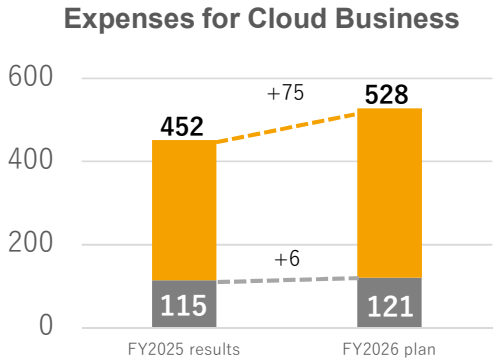
Cost Structure

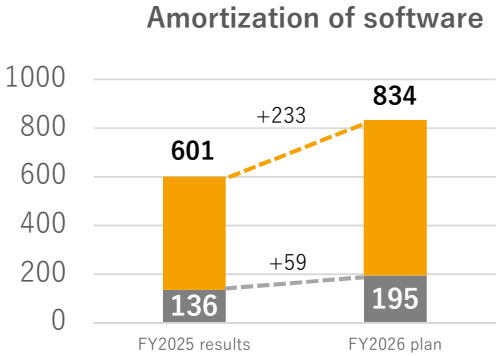
Cost structure for the first quarter of the fiscal year ending December 31, 2026

・The YoY cost rose by 103 million yen due to increases in amortization of software with new feature releases and personnel expenses to hire high-level talents. Both are essential upfront investments for future growth, expected to contribute to growth in the next fiscal year and beyond.









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for the First Quarter of the Fiscal Year Ending December 31, 2026 (FY2026)

2. Progress on Our Mid-Term Management Plan

3. Growth Strategy

4. Topics

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Progress on Our Mid-Term Management Plan

■ Operating results grew significantly higher than initially projected in the three-year plan

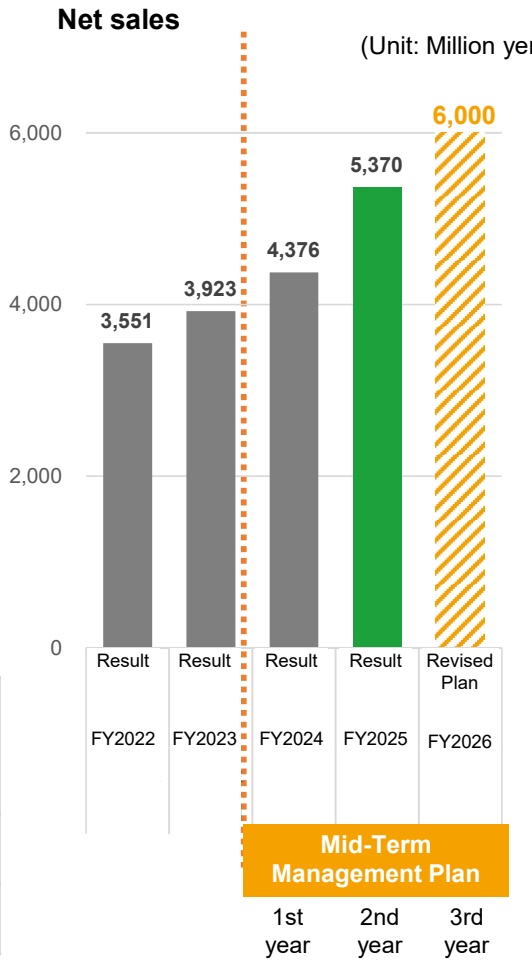
- We plan to increase upfront investments with a primary focus on product development to accelerate the growth of the Cloud Business.
- Investments and expenses for cloud facility are projected to rise in stages from FY2025 onward in conjunction with efforts to achieve target of 1 million cloud licenses in FY2027 or later.

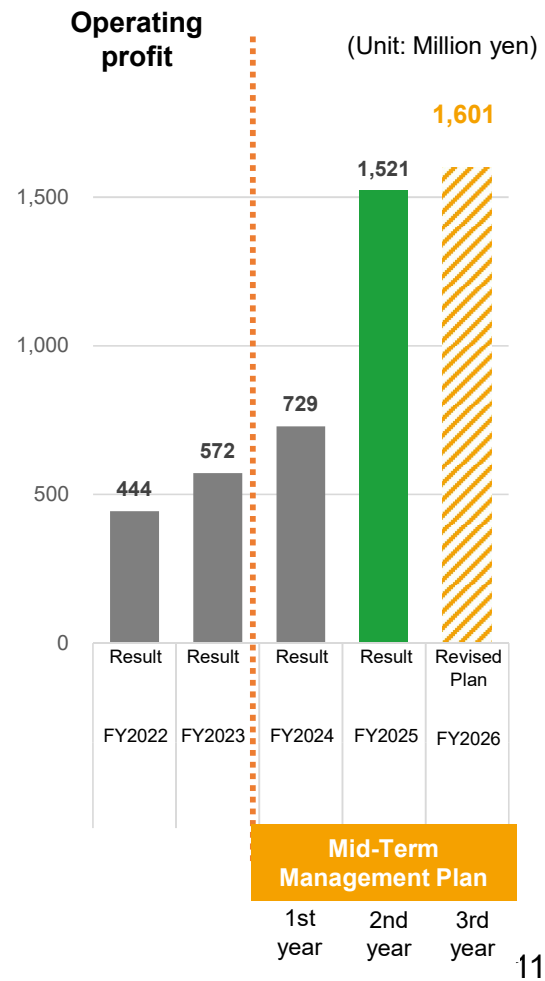
[Progress on three-year plan] (Unit: Million yen)

	FY2024 Results	FY2025 Results	FY2026 Revised Plan
Net sales	4,376	5,370	6,000
Operating profit	729	1,521	1,601
Operating profit margin	16.7%	28.3%	26.7%

[Reference: Initial projections in three-year plan] (Unit: Million yen)

	FY2024	FY2025	FY2026
Net sales	4,300	4,950	5,700
Operating profit	573	953	1,215
Operating profit margin	13.3%	19.3%	21.3%





Mid-Term Management Plan

■ Business strategy: Increase recurring revenue with the Cloud Business as a growth driver

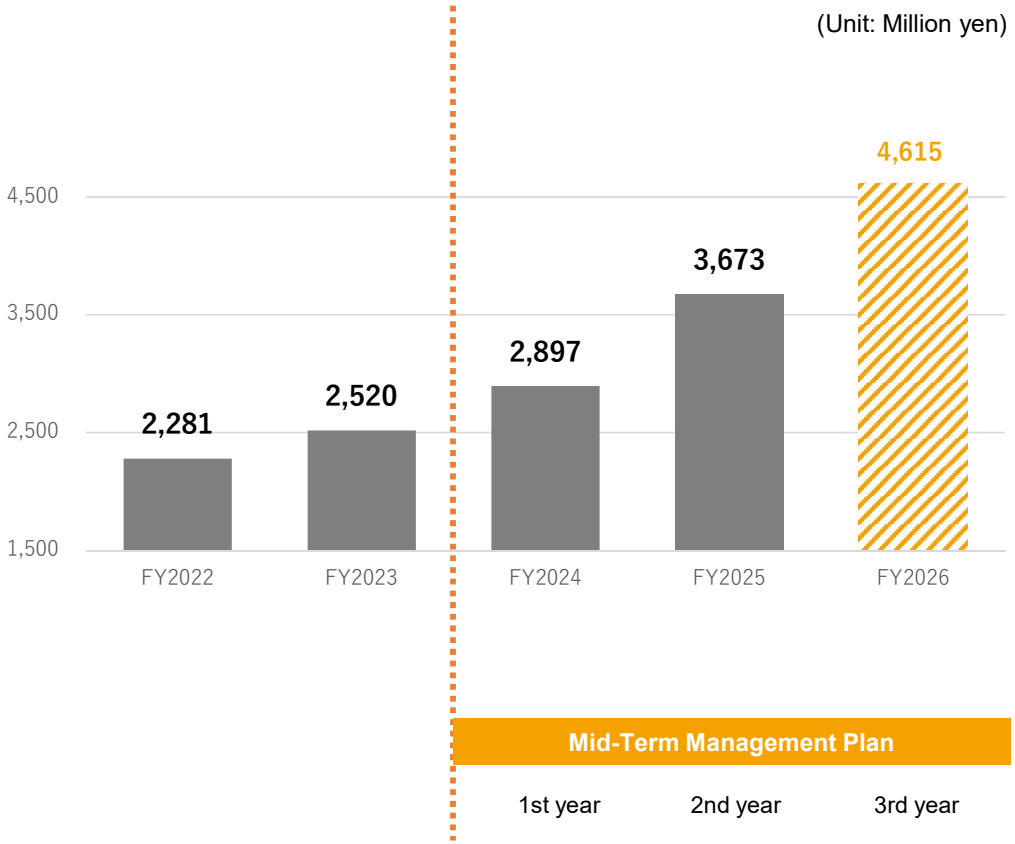
	Strategy to grow business laid out in the Mid-Term Management Plan	Key measures taken through FY2026 1Q
1	Accelerate the product feature development aimed at HRM all-in-one solutions*	✓ Added talent management and salary management features to “JOBEE,” cloud-based HRM solution for SMEs ✓ Acquired new customers and expanded areas of use by existing customers with an enhanced product line-up
2	Shift on-premises users of Kinjiro Enterprise, which is our previous product, to cloud-based services through Universal Kinjiro	✓ Accelerated existing on-premises customers’ shift to Universal Kinjiro
3	Pricing strategy	✓ Enhanced and added new features to improve ARPU, but the effects on actual sales are expected to come in the next year or later
4	Enhance services for employees (BtoE) and roll out services for consumers (BtoC)	✓ Used our HRM platform (Universal Kinjiro) at our office and was recognized as a Certified Health & Productivity Management Outstanding Organization for the nineth consecutive year ✓ Offered our know-how for our own health and productivity management as service value to corporate customers

*Our HRM solutions provide employment, attendance, HR, salary, and human capital data to facilitate health & productivity management.

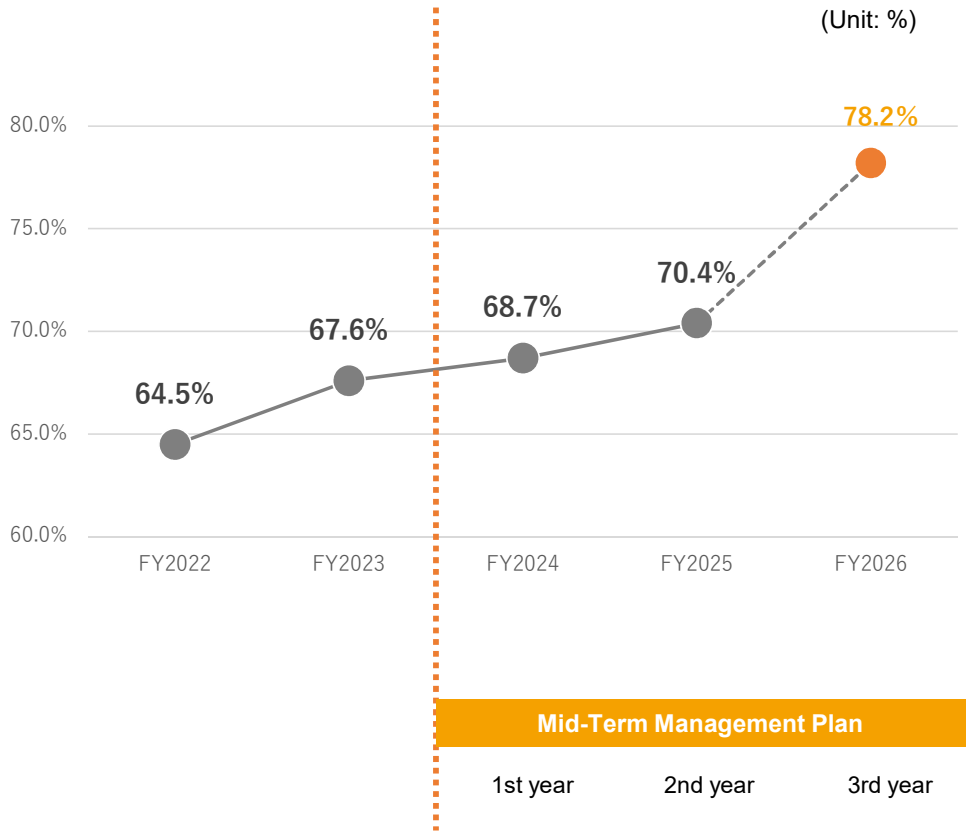
Key Management Metric Trends (5 Years)

Metrics evidently show our steady progress in driving the mid-term growth strategy

■ Trend in recurring revenue



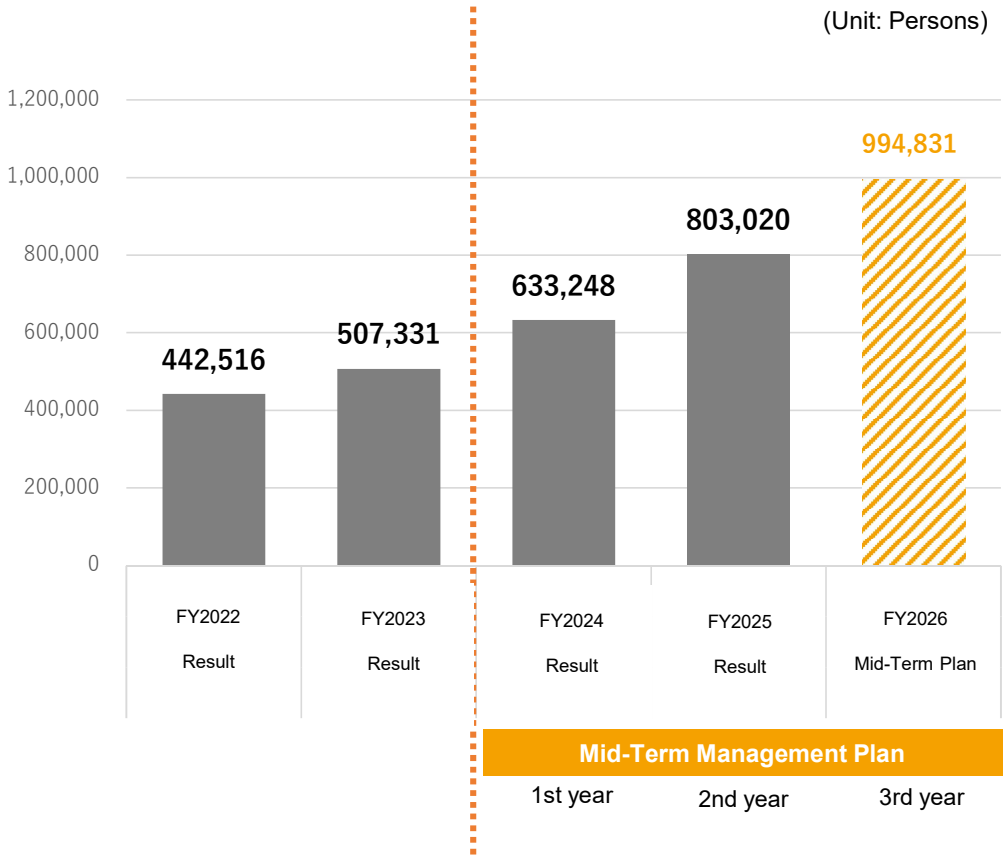
■ Trend in the recurring revenue ratio



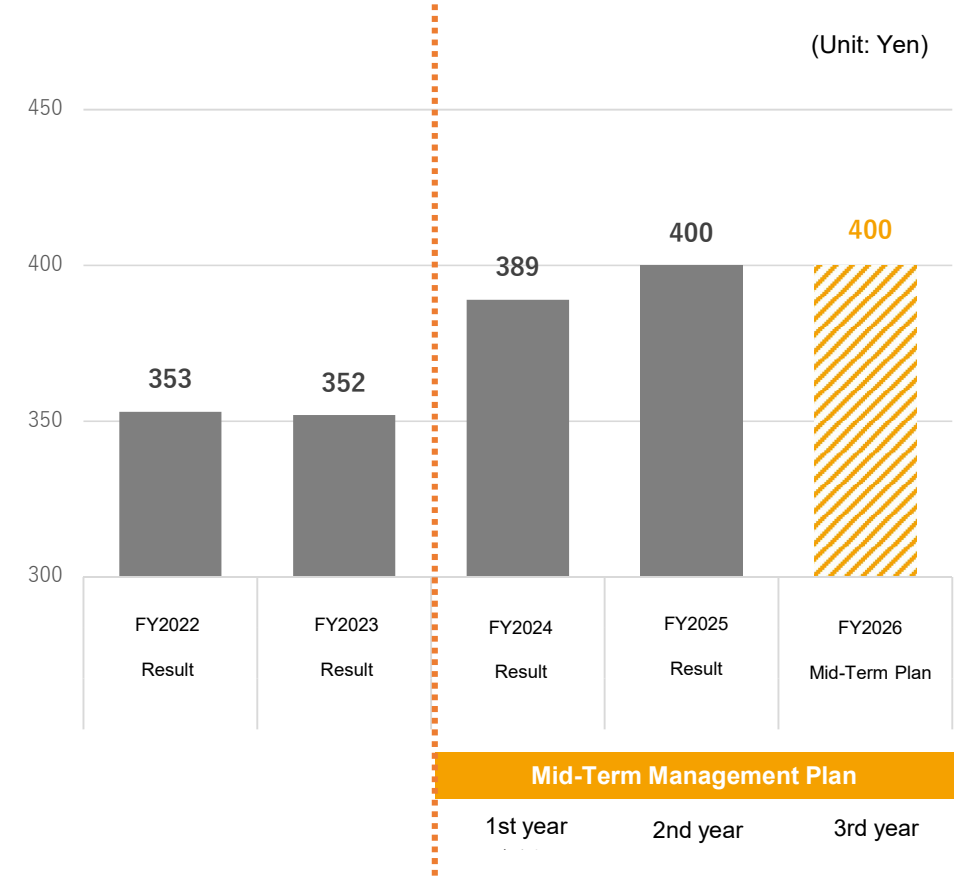
Key Management Metric Trends (5 Years)

Metrics evidently show our steady progress in driving the mid-term growth strategy

Number of cloud-based licenses



Trend in the ARPU



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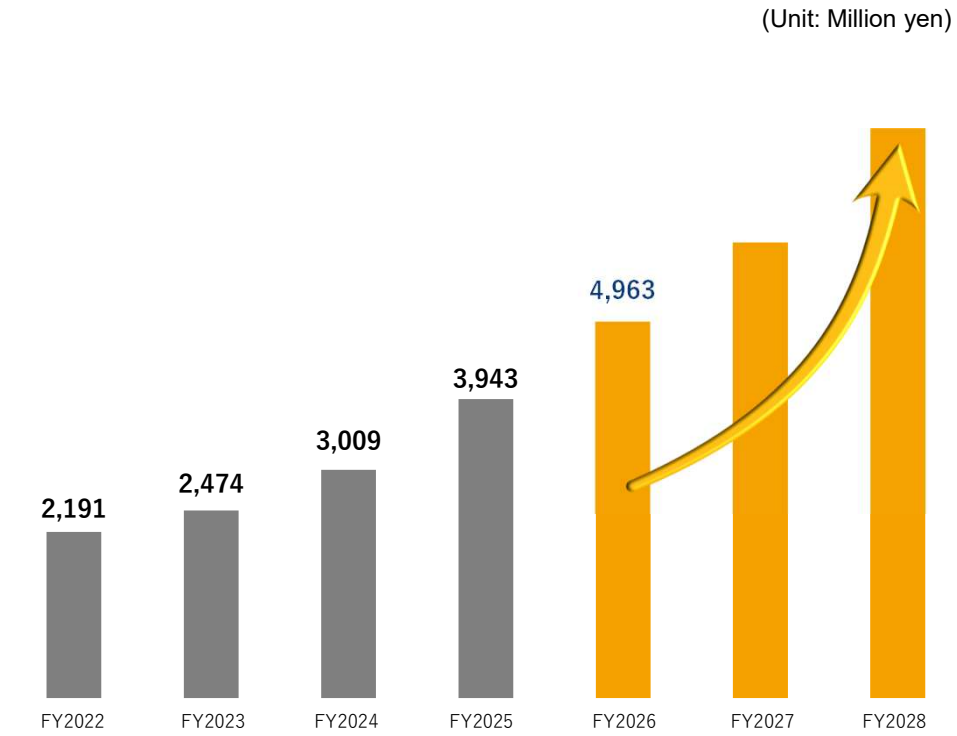
4. Topics

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Cloud Business Drives Medium- to Long-Term Growth

■ The Cloud Business will continue to expand as a core business driving medium- to long-term growth

Cloud Business sales trend



Key point: Growth of cloud business sales will drive the medium- to long- term growth

Cloud Business sales has continued to grow at a high rate

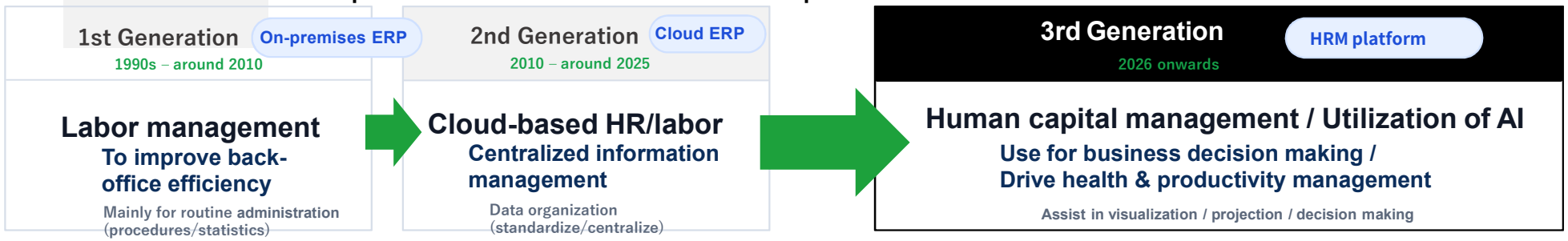
Cloud Business sales are expected to grow further in future

ARPU improvement will support further growth acceleration

Kinjiro's Growth Strategy

■Changing market environment: the HRM market shifts toward the 3rd generation

With the development of human capital disclosures, HRM evolves from a back-office administration tool into a platform to be utilized for business development



Conventional market: function-specific solutions

HR management	Attendance management	Salary management
Employee health management	Talent management	Hiring management

Data are separated function by function
Difficult to gain a comprehensive understanding necessary for business decisions

Kinjiro: Integrated HRM platform

HR / Health / Attendance / Labor cost data

↓

Data integration / Visualization / Utilization platform

↓

Decision support x Human capital value enhancement

Administration tool evolves into a business development platform

Growth Strategy Overview

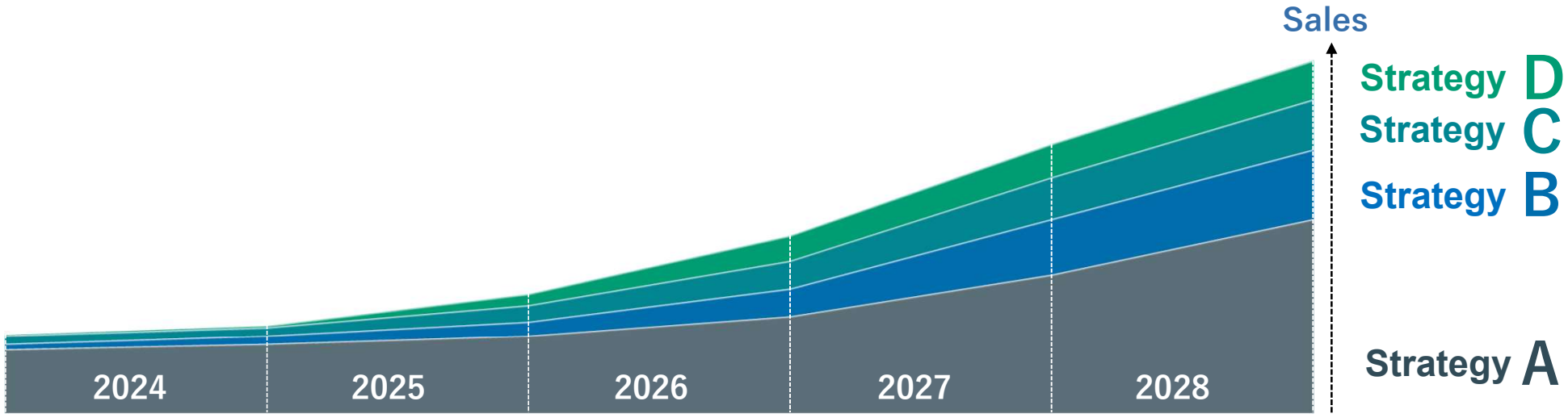
■ Overview of the growth strategy toward 2028

Strategy A Cloud strategy: Central core of sales growth through cloud user expansion

Strategy B Farm existing customers: Improve ARPU through adoption of HRM by existing customers

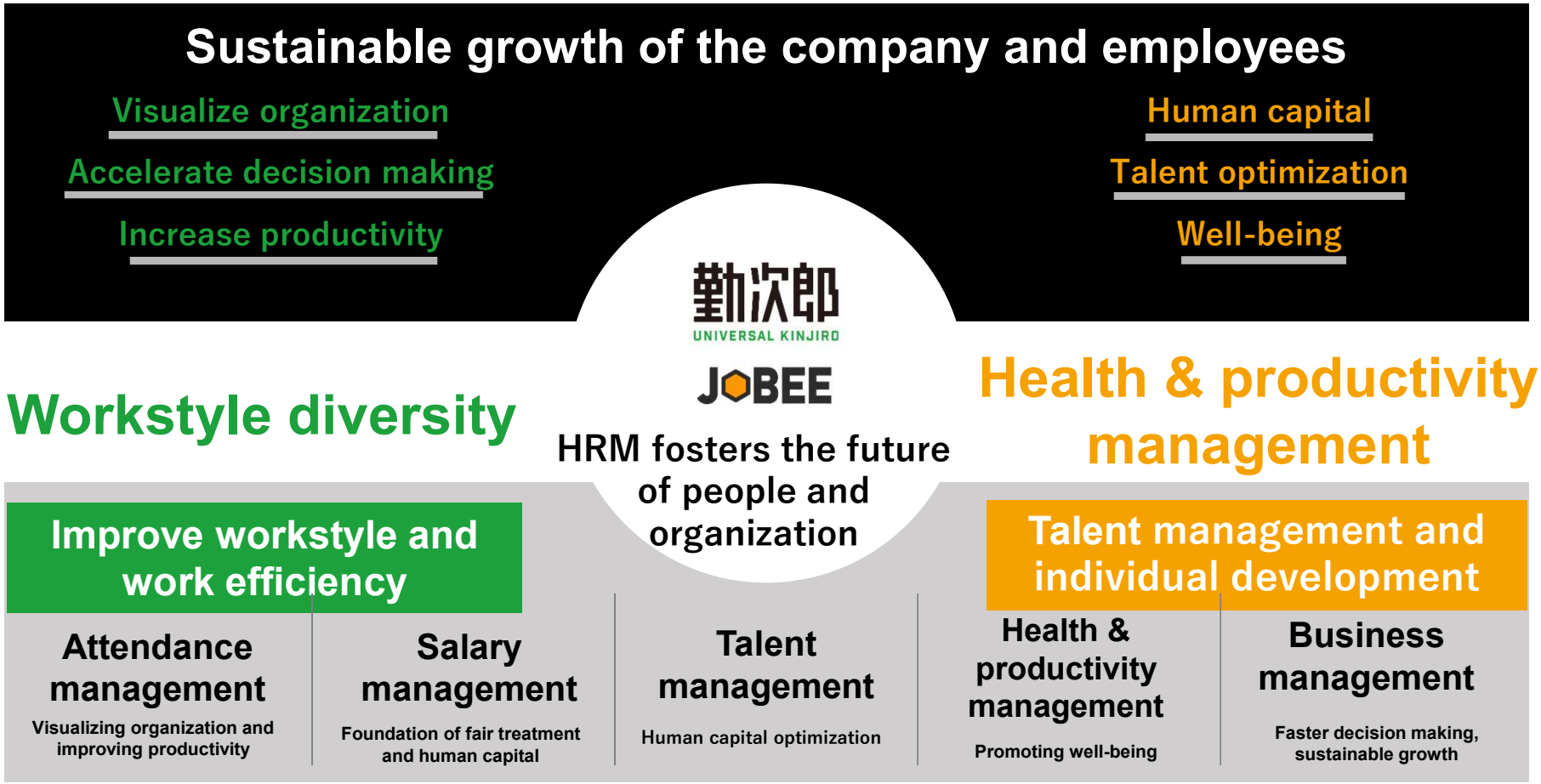
Strategy C Strengthen the could infrastructure: boost development efficiency, scalability and competitiveness of offerings

Strategy D Roll out HRM platform: create new value that supports human capital management



Growth Strategy Overview

Strategy A Strategy B **Business and product concept**



Growth Strategy Overview

Strategy A Growth measures to accelerate new customer acquisition

Standardized solution with high functionality



The #1 HRM solution

KINJIRO aims to be the #1 company in the industry with the best HRM solution

Offer Compelling value propositions to customers

Multi-faceted promotion activities

Increase reliability and cooperate with partners

Partners

Enhancement of reliability and cooperative partnerships

Cross-selling to our users

Propose HR/ salary/ health management to increase revenue

Direct sales

Catch customer needs directly and strengthen proposal capabilities

Diverse channels and cross-selling strategies

Growth Strategy Overview

Strategy B Improve ARPU through adoption of HRM by existing customers

Through adoption of HRM, expand the areas of use and promote workflow integration to increase ARPU and retention rate, to increases ARR

Key management metric		Customer unit price		Contract size		Maintain/increase
ARR Annual Recurring Revenue	=	ARPU		Number of licenses	x	Retention rate (NRR)

ARPU improvement

400 yen

Enlarge the areas of use within existing customers through enhancing the value offered, to improve ARPU

Number of licenses

About 1 million Licenses

Promote to our customer base the enlargement of the areas of use and workflow integration through adoption of HRM

Retention rate (NRR)

99.79 %

Reduce cancellation through adoption in operations and expansion of use to improve retention rate

Growth Strategy Overview

Strategy C **Strengthen the could infrastructure**

■Build infrastructures to connect all processes integrally from data organization through decision support

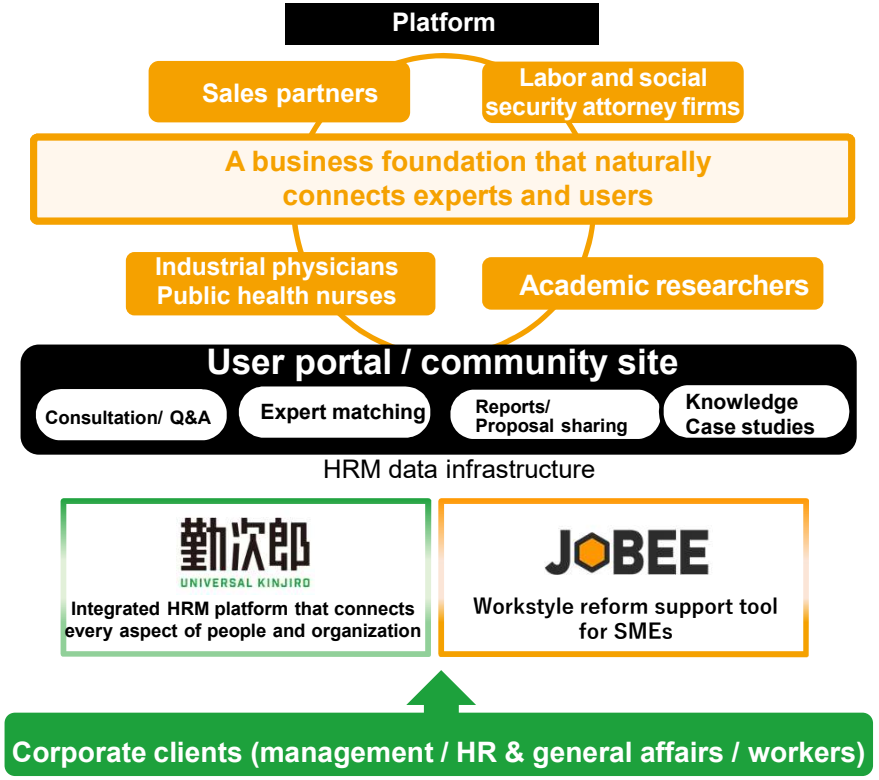
To support the acquisition of new customers, the adoption of HRM by existing customers, and future platform plans, we will accelerate the shift from on-premises to cloud-based solutions and systematically strengthen our infrastructures for data integration, authentication and authorization, and visualization and projection.

① Strengthen infrastructure for shift from on-premises to cloud	② Data integration and authentication/authorization infrastructure	③ Visualization, projection and decision making
Kinjiro Private Cloud	Kinjiro AuthLink	Kinjiro EX-workbench (tentative) <Enhancement of API and MCP>

We will enhance cloud infrastructures as a strategic infrastructure investment to connect processes from data organization through visualization, projection to decision support

Growth Strategy Overview

Strategy D HRM Platform Vision



Corporate clients: Comprehensively solve HRM challenges	Co-creation partners: Expand business by utilizing their expertise	Kinjiro: Grow as a hub of HRM services
Comprehensive resolution of HRM challenges	Opportunities to expand business by leveraging their expertise	Sustainable growth as a hub of HRM services

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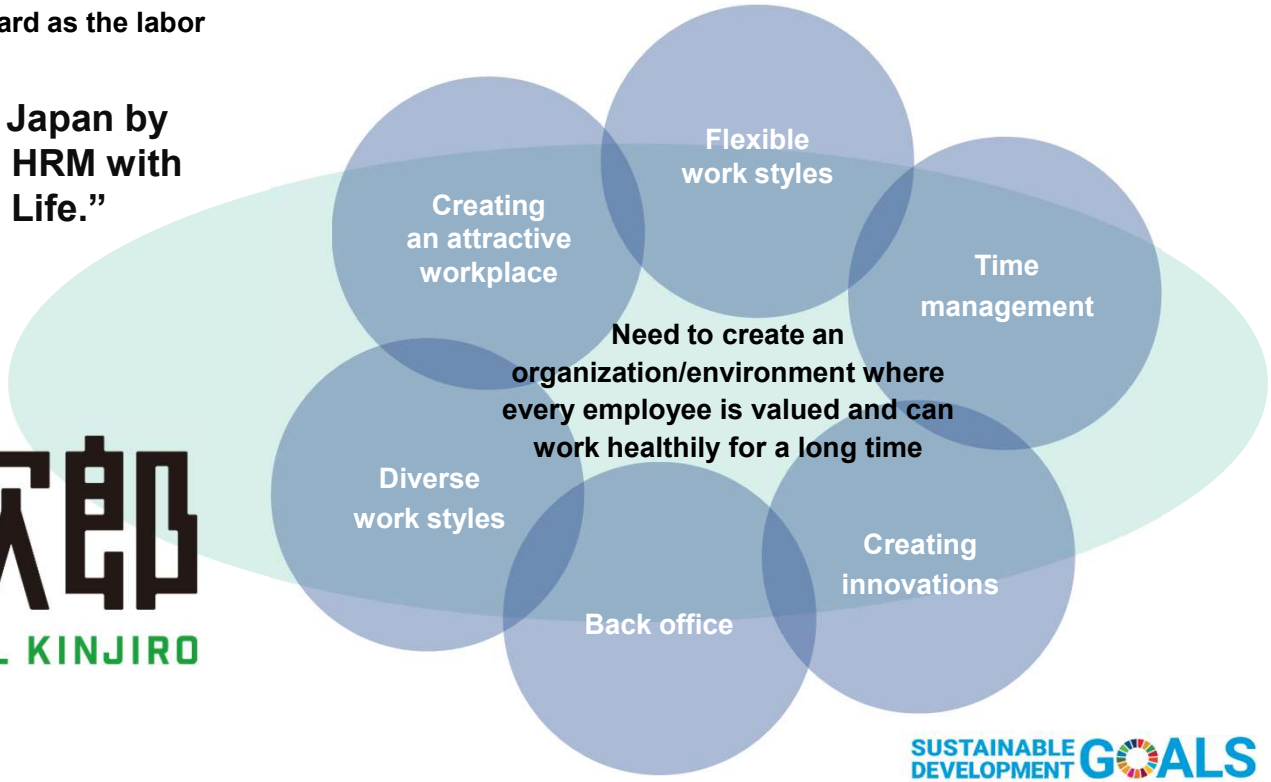
Kinjiro's Mission and Strength

■ Offer products and services that solve social challenges faced by modern Japan

Performance delivered by each and every worker will become increasingly important going forward as the labor force is expected to decline significantly.

Solve social challenges faced by Japan by contributing to corporate clients' HRM with "Universal Kinjiro" and "Health x Life."

勤次郎
UNIVERSAL KINJIRO



SUSTAINABLE DEVELOPMENT GOALS

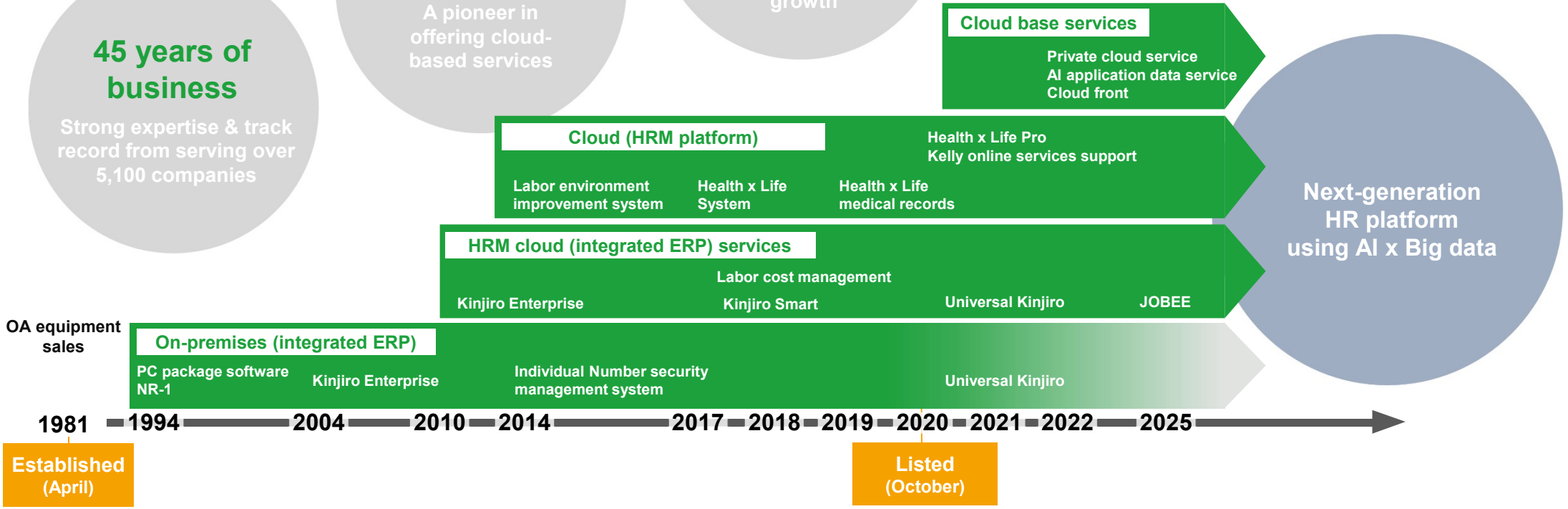
Our History

Providing services that accurately anticipate the changing times

45 years of business
Strong expertise & track record from serving over 5,100 companies

Moving into cloud-based services
A pioneer in offering cloud-based services

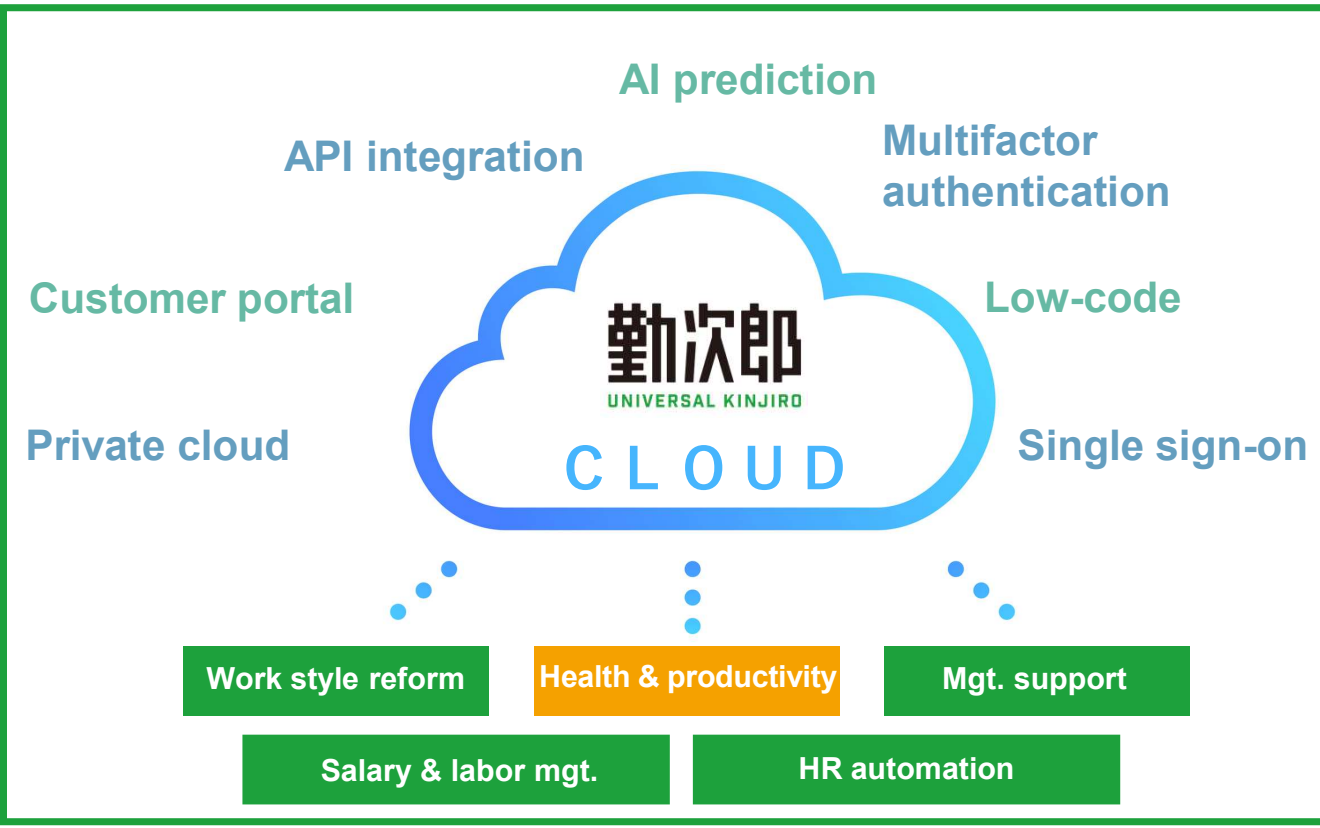
Focusing on human capital management
Supporting worker happiness and corporate growth



Business Scope

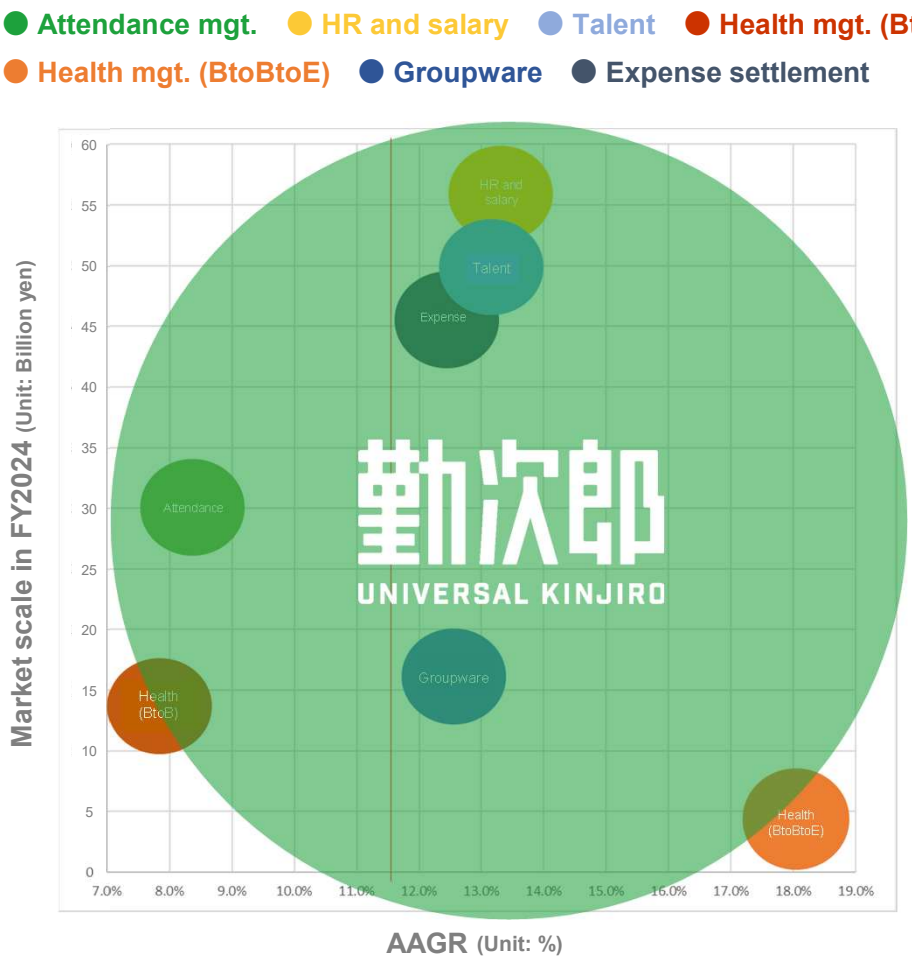
Simultaneously manage work and health to achieve work style reform and health & productivity management, and help enhance corporate value by improving labor productivity

The health and happiness of employees builds the company's future



Human Capital Management

Market scale in FY2024 (billion yen) and AAGR (’29/’24)



Aiming to be No. 1 in HRM services within the growing HR services market

		AAGR	Market scale
Attendance management		8.5%	30.3 billion yen
HR and salary management		13.4%	56.3 billion yen
Talent management*1		13.1%	49.8 billion yen
Labor management*2		25.6%	31.0 billion yen
Health management	BtoB*3	7.6%	13.9 billion yen
	BtoBtoE*4	18.1%	2.9 billion yen
Groupware		12.5%	16.4 billion yen
Expense settlement		12.5%	45.6 billion yen

*1 Services that manage and support the full cycle of talent utilization, including recruitment, allocation, training, and evaluation.
*2 Services that streamline corporate labor operations such as salary, working hours, benefits, and social insurance procedures, focusing specifically on labor management.
*3 Services that comprehensively provide features such as health information management and recordkeeping, health examination scheduling and results management, and stress checks.
*4 Services that use wearables or other devices to collect employees’ vital data and manage health and safety during working hours.

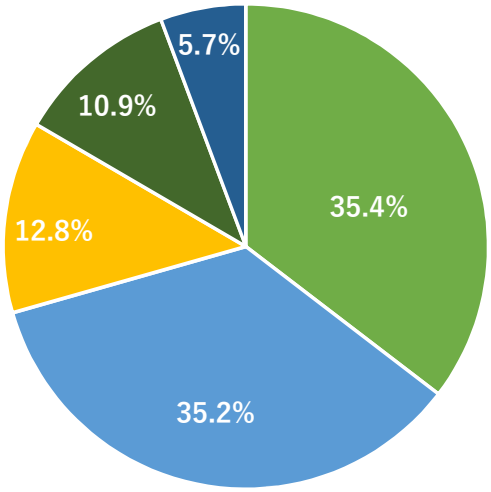
Reference: Software Business New Market 2025 Edition (by Fuji Chimera Research Institute)
Comprehensive Wearables/Healthcare Business Survey 2024 (by Fuji Chimera Research Institute)

Kinjiro Enterprise Installations Breakdown by Scale and Industry

Meet the needs of diverse enterprises in different sizes, ranging from SMEs to large enterprises, in different industries

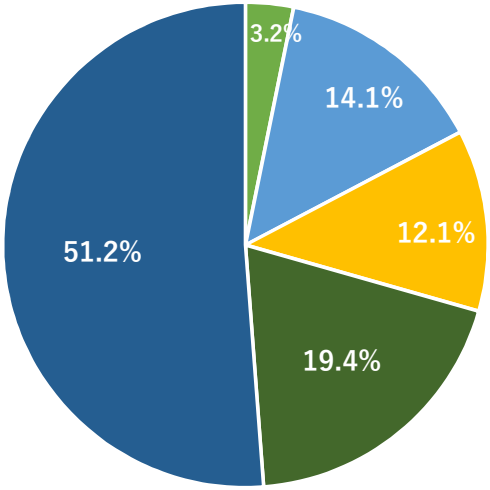
1. Breakdown of implementation by number of employees

Breakdown of clients by corporate scale



2. Breakdown of implementation by number of licenses

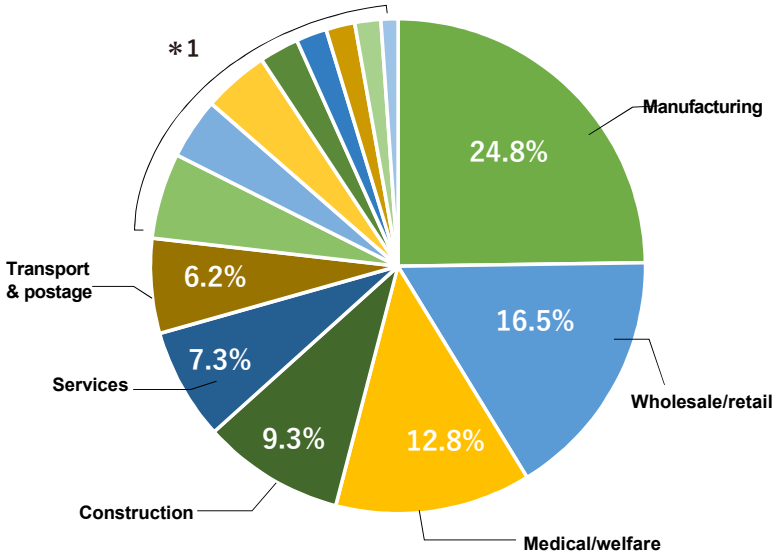
Breakdown of licenses by corporate scale



■ 1–100 ■ 101–300 ■ 301–500 ■ 501–1000 ■ 1,001 or more

3. Breakdown of client numbers by industry

*Implementation at a diverse range of different enterprises



＊1

- Academic & specialist / technical services: 5.6%
- Information & communications: 4.3%
- Real estate & rental: 4.0%
- Accommodation & food: 2.6%
- Lifestyle services & entertainment: 2.0%
- Finance & insurance: 1.9%
- Education & learning support: 1.7%
- Others: 1.1%

* Implementation results in cloud business and on-premises business as of March 31, 2026

Enhancement of the Features of Cloud HRM for SMEs

■ Added talent and salary management features

In March 2026, talent management and salary management features were added to “JOBEE,” a cloud-based HRM solution for SMEs. The update has enabled integrated management that encompasses also talent and salary information in addition to the original attendance management feature.



■Evolved into an easy-to-adopt HRM solution optimized for SMEs

Starting with employment and attendance management, JOBEE covers everything from talent management to salary management. It streamlines back-office operations and centralizes information with strengthened features to meet the needs of SMEs that wish to adopt HRM solutions.

■ Enhanced product competitiveness to help drive Cloud Business growth

To drive forward the shift to HRM all-in-one solutions, one of the pillars of the medium-term growth strategy.
This aims to accelerate growth by acquiring new customers and expanding the areas of use.

Sustainability: Health & Productivity Management Initiatives

■ Recognized as a “Certified Health & Productivity Management Outstanding Organization” for the ninth Consecutive Year

Kinjiro was recognized as a “Certified Health & Productivity Management Outstanding Organization” for the ninth consecutive year for its ongoing implementation of health and productivity management through utilizing Universal Kinjiro, its own HRM platform.





■Recognized as a “Sports Yell Company 2026”

Kanjiro was recognized by the Japan Sport Agency as a “Sports Yell Company” for its initiatives to promote sport activities for the promotion of employees’ health.

The company has been rolling out measures to support employees’ sport activities again this year, and intends to share insights from its initiatives with corporate clients.





FY2026 Kinjiro Genki Project Activities

■ Further enhanced our health & productivity management initiatives through the “Kinjiro Genki Project” led by young employees
Various events were held

Concept for activities in FY2026

Work and life in order

◆Morning cleanup project: Outdoor cleanup
・Clean-up events are held regularly in areas around the Nagoya headquarters building



◆Meal project: Breakfast service
・Employees are served healthy breakfast every month with the aim of reducing the rate of meal skipping as well as communicating the importance of breakfast



Disclaimer

To the extent that statements in this presentation do not relate to historical or current facts, they constitute forward-looking statements. These statements represent the judgment of our senior management, based on the information currently available, and involve risks and uncertainties. Actual results may differ significantly from the outlook for performance and other matters presented here, due to various factors including economic conditions, the status of competition within the industry, and the success or failure of new services.

The health and happiness of employees builds the company’s future

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