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Summary of Consolidated Financial Results for the Six Months of the Fiscal Year Ending February 28, 2026 (IFRS)

October 14, 2025

Company name:	baudroie, inc.
Stock exchange listings:	Tokyo Stock Exchange
Stock code:	4413
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Scheduled date for submission of interim report:	October 15, 2025
Supplementary materials for financial summaries:	Yes
Financial results briefing:	Yes

(Amounts of less than one million yen are rounded down.)

1. Consolidated Financial Results for the Six Months of the Fiscal Year Ending February 28, 2026 (from March 01, 2025, to August 31, 2025)

(1) Consolidated operating results (Cumulative)

(Percentages indicate YoY changes)

	Revenue		Operating profit		Profit before tax		Profit		Profit attributable to owners of parent		Total comprehensive income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Six months ended August 31, 2025,	7,698	45.5	1,406	34.7	1,397	32.7	1,014	33.6	1,014	33.6	1,065	22.5
August 31, 2024,	5,291	51.6	1,044	55.6	1,053	58.1	759	54.7	759	54.7	869	77.2
	Basic earnings per share				Diluted earnings per share							
	Yen				Yen							
Six months ended August 31, 2025,	32.74				32.54							
August 31, 2024,	23.92				23.74							

(Note) 1 The Company conducted a stock split at a ratio of 2 shares for every 1 share of common stock as of June 1, 2025. Earnings per share and diluted earnings per share for the fiscal year ended February 2025 have been calculated on the assumption that the stock split was conducted at the beginning of the fiscal year.

(Note) 2 At the end of the fiscal year ended February 2025, the Company finalized the provisional accounting treatment related to business combinations. The figures for the second quarter and the full fiscal year reflect the finalized accounting treatment.

(2) Consolidated financial positions

	Total assets	Total Equity	Equity attributable to owners of parent	Ration of equity attributable to owners of parent to total assets
	Million yen	Million yen	Million yen	%
As of August 31, 2025,	11,809	6,270	6,270	53.1
February 28, 2025,	8,602	4,571	4,571	53.1

2. Cash dividends

	Annual dividends per share				
	End of first quarter	End of second quarter	End of the third quarter	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended February 28, 2025	-	0.00	-	0.00	0.00
Fiscal year ending February 28, 2026	-	0.00			
Fiscal year ending February 28, 2026 (Forecast)			-	7.58	7.58

(Note) 1 Presence or absence of revisions from the most recently announced Dividends forecast: None

(Note) 2 The Company conducted a two-for-one stock split of its common stock effective June 1, 2025. Based on the pre-split basis, the forecast for annual dividends per share is year-end: 15.16-yen, total: 15.16 yen.

3. Consolidated Financial Forecasts for the Fiscal Year Ending February 28, 2026 (from March 01, 2025 to February 28, 2026)

(Percentages indicate YoY changes)

	Revenue		Operating profit		Profit attributable to owners of parent		Basic profit per share
	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	17,100	46.8	3,250	32.1	2,345	30.3	75.79

(Note) 1 Correction of financial forecast from the most recent financial forecast: None

(Note) 2 The Company conducted a two-for-one stock split of its common stock effective June 1, 2025. The "Earnings per share attributable to owners of the Company" in the consolidated earnings forecast reflects the impact of this stock split. For reference, the "Earnings per share attributable to owners of the Company" based on the pre-split basis is 151.58 yen.

* Notes

- (1) Significant changes in the scope of consolidation during the period : None
- (2) Cumulative effects of changes in accounting policies, changes in accounting estimates
- (i) Changes in accounting policies required by IFRS : None
- (ii) Cumulative effects of changes in accounting policies other than (i) : None
- (iii) Changes in accounting estimates : None

(3) Number of shares issued (Common stock)

(i) Total number of issued shares at the end of the period (including treasury shares)

As of August 31, 2025	32,091,908 shares
As of February 28, 2025	32,068,708 shares

(ii) Number of treasury shares at the end of the period

As of August 31, 2025	953,420 shares
As of February 28, 2025	1,121,270 shares

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Six months ended August 31, 2025	30,993,382 shares
Six months ended August 31, 2024	31,746,775 shares

(Note) The Company conducted a stock split at a ratio of 2 shares for every 1 share of common stock effective June 1, 2025. Assuming that this stock split had been implemented at the beginning of the fiscal year ended February 2025, "Number of shares issued at period end," "Number of treasury stock at the period end," and "Average number of shares" have been calculated accordingly.

* The second quarter (interim) financial results report is not subject to review by certified public accountants or audit firms.

Notes regarding the appropriate use of earnings forecasts and other special items

1. Forward-looking statements such as earnings forecasts contained in this document are based on information currently available to the Company and on certain assumptions that are deemed reasonable. Actual results may differ significantly due to various factors. For the conditions underlying the earnings forecasts and notes on the use of such forecasts, please refer to the attached document on P.3, "1. Qualitative Information on the Financial Results for the Period under Review (3) Explanations on Consolidated Earnings Forecast and Other Forecast Information."

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1. Qualitative Information on the Financial Results for the Period under Review

(1) Explanation of Operating Results

In the previous fourth quarter consolidated accounting period, the provisional accounting treatment for business combinations was finalized, and for comparisons and analyses with the previous interim consolidated accounting period and the end of the previous consolidated fiscal year, the amounts after the revision due to the finalization of the provisional accounting treatment have been used.

During the six months ended August 31, 2025, the Japanese economy has shown a moderate recovery, supported by improvements in the employment and income environment as well as the effects of various government policies. On the other hand, uncertainty remains due to factors such as fluctuations in the financial and equity markets, concerns over a slowdown in overseas economies, persistently high resource prices, and a worsening labor shortage.

Even under such circumstances, the advancement of the IT-driven society continues, and IT/DX investments aimed at improving business efficiency and strengthening competitiveness among companies remain robust. In particular, demand is expanding in areas such as cloud infrastructure development, the acceleration and stabilization of networks, and the enhancement of security measures. Our group has been strengthening its capabilities to respond to these growth areas, such as cloud, load balancers, security, wireless, and network virtualization, to address these advanced technology fields.

Our group has promoted its business as a "team of professionals specializing in IT infrastructure," focusing on the following key initiatives.

Deepening and expanding enterprise customers: While improving the acquisition of new projects, we are also strengthening relationships with existing major customers, thereby ensuring stable revenue.

Selection-based order intake in advanced technology fields and strengthening of nurturing-type matching: We maintained the provision of high-quality services by implementing in-house training for the early development of young talent and designing assignments according to technical skill levels.

As a result, the performance for the six months ended August 31, 2025, in accordance with IFRS, was as follows: Revenue was 7,698,792 thousand yen (up 45.5% YoY), operating profit was 1,406,949 thousand yen (up 34.7% YoY), profit before tax was 1,397,733 thousand yen (up 32.7% YoY), profit was 1,014,802 thousand yen (up 33.6% YoY), and profit attributable to owners of parent was 1,014,802 thousand yen (up 33.6% YoY).

(2) Explanation of Financial Position

(i) Status of Assets, Liabilities and Equity

(Assets)

At the end of the interim consolidated accounting period, assets increased by 3,206,690 thousand yen compared to the end of the previous consolidated fiscal year, reaching 11,809,537 thousand yen. The main factors for this increase were the acquisitions of SPIN TECHNOLOGY Inc. GOKU TECHNOLOGIES Inc. and ONE-TECH Inc. which resulted in an increase of 1,905,434 thousand yen in goodwill and 606,235 thousand yen in trade and other receivables, among other factors.

(Liabilities)

At the end of the interim consolidated accounting period, liabilities increased by 1,508,422 thousand yen compared to the end of the previous consolidated fiscal year, reaching 5,539,426 thousand yen. The main factors for this increase were a rise in bonds and borrowings (non-current) of 659,444 thousand yen and an increase in other current liabilities by 732,770 thousand yen, among others.

(Equity)

At the end of the interim consolidated accounting period, equity increased by 1,698,268 thousand yen compared to the end of the previous consolidated fiscal year, reaching 6,270,110 thousand yen. The main factors for this increase were a 1,014,802 thousand yen rise in retained earnings due to the recording of profits attributable to owners of the parent, a 233,724 thousand yen increase in capital surplus resulting from share exchanges with SPIN TECHNOLOGY Inc. GOKU TECHNOLOGIES Inc. and ONE-TECH Inc. and a 646,185 thousand yen decrease in treasury shares.

(ii) Cash flows

(Cash flows from operating activities)

Net cash provided by operating activities amounted to 1,070,260 thousand yen (compared to an inflow of 751,118 thousand yen in the same period of the previous year). This was mainly due to the recording of profit before tax of 1,397,733 thousand yen, changes in liabilities related to employee benefits of 178,869 thousand yen, and income taxes paid of 416,355 thousand yen, among other factors.

(Cash flows from investing activities)

Net cash used in investing activities was 728,409 thousand yen (compared to net cash provided of 350,434 thousand yen in the same period of the previous year). This was mainly due to payments for acquisition of subsidiaries of 709,568 thousand yen and payments of leasehold and guarantee deposits of 32,485 thousand yen.

(Cash flows from financing activities)

Net cash provided by financing activities amounted to 96,142 thousand yen (compared to an outflow of 212,093 thousand yen in the same period of the previous year). This was mainly due to proceeds from long-term borrowings of 800,000 thousand yen, while there were repayments for acquisition of treasury shares of 259,168 thousand yen, repayments of long-term borrowings of 250,203 thousand yen, and repayments of lease liabilities of 163,928 thousand yen, among others.

(3) Explanations on Consolidated Earnings Forecast and Other Forecast Information

Regarding the earnings forecast for the fiscal year ending February 2026, there are no changes from the contents of the revision to the full-year earnings forecast for the fiscal year ending February 2026 (March 1, 2025, to February 28, 2026) announced on May 21, 2025.

2. Condensed of Consolidated Interim Financial Statements and Main Notes

(1) Condensed Interim Consolidated Statement of Financial Position

(Unit: Thousands of yen)

	As of February 28, 2025,	As of August 31, 2025,
Assets		
Current assets		
Cash and cash equivalents	3,486,412	3,924,406
Trade and other receivables	1,578,552	2,184,788
Other financial assets	90,217	67,307
Other current assets	228,858	396,407
Total current assets	5,384,041	6,572,910
Non-current assets		
Property, plant and equipment	266,871	265,884
Right-of-use assets	358,639	282,652
Goodwill	2,032,282	3,937,717
Intangible assets	106,327	106,255
Other financial assets	280,250	402,590
Deferred tax assets	102,363	207,425
Other non-current assets	72,070	34,102
Total non-current assets	3,218,805	5,236,627
Total assets	8,602,846	11,809,537

(Unit: Thousands of yen)

	As of February 28, 2025,	As of August 31, 2025,
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	68,113	76,248
Bonds and borrowings	441,742	666,659
Lease liabilities	273,302	230,053
Income taxes payable	464,261	430,242
Other current liabilities	1,578,351	2,311,121
Total current liabilities	2,825,770	3,714,324
Non-current liabilities		
Bonds and borrowings	885,744	1,545,188
Lease liabilities	191,462	147,413
Provisions	103,242	108,264
Deferred tax liabilities	24,783	24,235
Total non-current liabilities	1,205,233	1,825,101
Total liabilities	4,031,003	5,539,426
Equity		
Share capital	603,697	604,182
Capital surplus	989,198	1,223,408
Retained earnings	5,535,238	6,550,040
Treasury shares	(2,690,575)	(2,303,557)
Other components of equity	134,283	196,035
Total equity attributable to owners of parent	4,571,842	6,270,110
Total Equity	4,571,842	6,270,110
Total liabilities and equity	8,602,846	11,809,537

(2) Condensed Interim Consolidated Statement of Profit or Loss and Summary Interim Consolidated Statement of Comprehensive Income

Condensed Interim Consolidated Statement of Profit or Loss

Interim consolidated accounting period

(Unit: Thousands of yen)

	For the six months ended August 31, 2024,	For the six months ended August 31, 2025,
Revenue	5,291,928	7,698,792
Cost of sales	3,380,668	5,055,168
Gross profit	1,911,259	2,643,623
Selling, general and administrative expenses	867,269	1,218,247
Other income	339	6,954
Other costs	65	25,380
Operating profit	1,044,264	1,406,949
Finance income	15,642	3,725
Finance costs	6,656	12,942
Profit before income taxes	1,053,250	1,397,733
Income tax expense	293,766	382,931
Profit	759,484	1,014,802
Attributable to Profit		
Owners of parent	759,484	1,014,802
Profit for the period	759,484	1,014,802
Profit per share		
Basic earnings per share (Yen)	23.92	32.74
Diluted earnings per share (Yen)	23.74	32.54

Condensed Interim Consolidated Statement of Comprehensive Income

Interim consolidated accounting period

(Unit: Thousands of yen)

	For the six months ended August 31, 2024,	For the six months ended August 31, 2025,
Profit	759,484	1,014,802
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Changes in fair value of financial assets measured at fair value through other comprehensive income (loss)	110,405	50,813
Total other comprehensive income	110,405	50,813
Comprehensive income	869,889	1,065,615
Interim comprehensive income attributable to		
Owners of parent	869,889	1,065,615
Comprehensive income	869,889	1,065,615

(3) Condensed Interim Consolidated Statement of Changes in Equity

For the six months ended August 31, 2024

(Unit: Thousands of yen)

	Note	Equity attributable to owners of parent							Total Equity
		Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity		Total	
						Share acquisition rights	Net changes in fair value of financial assets measured at fair value through other comprehensive income (loss)		
Balances at beginning of period		601,421	556,842	3,735,873	(700,355)	9,543	48,080	57,623	4,251,405
Profit		-	-	759,484	-	-	-	-	759,484
Other comprehensive income		-	-	-	-	-	110,405	110,405	110,405
Comprehensive income		-	-	759,484	-	-	110,405	110,405	869,889
Issuance of new shares		-	334,554	-	-	-	-	-	334,554
Exercise of share acquisition rights		689	689	-	-	-	-	-	1,378
disposal of treasury shares		-	95,525	-	700,338	-	-	-	795,864
Share-based payment transactions		-	-	-	-	3,817	-	3,817	3,817
Issuance of share acquisition rights		-	-	-	-	2,137	-	2,137	2,137
Forfeiture of share acquisition rights		-	-	-	-	(25)	-	(25)	(25)
Total transactions with owners		689	430,769	-	700,338	5,929	-	5,929	1,137,726
Interim Balances at end of period		602,110	987,611	4,495,357	(16)	15,472	158,485	173,958	6,259,021

For the six months ended August 31, 2025

(Unit: Thousands of yen)

	Note	Equity attributable to owners of parent							Total Equity
		Share capital	Capital surplus	Retained earnings	Treasury shares	Share acquisition rights	Other components of equity		
							Net changes in fair value of financial assets measured at fair value through other comprehensive income (loss)	Total	
Balances at beginning of period		603,697	989,198	5,535,238	(2,690,575)	19,149	115,134	134,283	4,571,842
Profit		-	-	1,014,802	-	-	-	-	1,014,802
Other comprehensive income		-	-	-	-	-	50,813	50,813	50,813
Comprehensive income		-	-	1,014,802	-	-	50,813	50,813	1,065,615
Issuance of new shares		-	-	-	-	-	-	-	-
Exercise of share acquisition rights		485	485	-	-	-	-	-	971
Acquisition of treasury shares		-	-	-	(259,168)	-	-	-	(259,168)
disposal of treasury shares		-	233,724	-	646,185	-	-	-	879,910
Share-based payment transactions		-	-	-	-	3,817	-	3,817	3,817
Issuance of share acquisition rights		-	-	-	-	7,480	-	7,480	7,480
Forfeiture of share acquisition rights		-	-	-	-	(358)	-	(358)	(358)
Total transactions with owners		485	234,210	-	387,017	10,938	-	10,938	632,653
Interim Balances at end of period		604,182	1,223,408	6,550,040	(2,303,557)	30,088	165,947	196,035	6,270,110

(4) Summary Consolidated Statement of Cash Flows

(Unit: Thousands of yen)

	For the six months ended August 31, 2024	For the six months ended August 31, 2025
Cash flows from operating activities		
Profit before income taxes	1,053,250	1,397,733
Depreciation and amortization	110,054	132,028
Share-based payment expenses	3,817	3,817
Increase (decrease) in liability for employee benefits	92,548	178,869
Finance income and finance costs	(8,912)	8,878
Decrease (increase) in trade and other receivables	(115,951)	(175,385)
Increase (decrease) in trade and other payables	(11,395)	(49,152)
Increase (decrease) in other	(71,711)	(804)
Subtotal	1,051,700	1,495,985
Interest received	375	3,235
Interest paid	(6,322)	(12,604)
Income taxes paid	(294,634)	(416,355)
Cash flows from operating activities	751,118	1,070,260
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,780)	(666)
Proceeds from withdrawal of time deposits	-	20,001
Payments into time deposits	-	(20,609)
Proceeds from the sale of investment securities	-	3,157
Payments of leasehold and guarantee deposits	(1,263)	(32,485)
Proceeds from refund of leasehold and guarantee deposits	237	405
Proceeds from cancellation of insurance funds	57,192	-
Proceeds from acquisition of subsidiaries	346,355	-
Payments for acquisition of subsidiaries	(95,992)	(709,568)
Proceeds from distribution of investment in silent partnerships	44,217	-
Other	1,467	11,355
Cash flows from investing activities	350,434	(728,409)
Cash flows from financing activities		
Repayments of short-term borrowings	(17,000)	(5,010)
Proceeds from long-term borrowings	100,000	800,000
Repayments of long-term borrowings	(163,822)	(250,203)
Redemption of bonds	(27,000)	(34,000)
Proceeds from issuance of share acquisition rights	2,137	7,480
Proceeds from exercise of stock options	1,378	971
Repayments of lease liabilities	(107,787)	(163,928)
Repayments of acquisition of treasury shares	-	(259,168)
Cash flows from financing activities	(212,093)	96,142
Net increase (decrease) in cash and cash equivalents	889,459	437,993
Cash and cash equivalents at the beginning of the period	4,250,479	3,486,412
Cash and cash equivalents, balances at end of period	5,139,939	3,924,406

(5) Notes to the Summary Consolidated Financial Statements

(Notes on Going Concern Assumption)

There are no applicable items.

(Segment Information, etc.)

The reporting segment of our group consists solely of the IT Infrastructure Business as a single segment, and as its significance is immaterial, segment information has been omitted.

(Profit per share)

(1) Basic earnings per share

The basic earnings per share for the interim (quarterly) period and the basis for its calculation are as follows.

(Unit: Thousands of yen)

	For the six months ended August 31, 2024,	For the six months ended August 31, 2025,
Profit attributable to owners of parent		
Profit attributable to owners of parent	759,484	1,014,802
Amount not attributable to owners of the parent	-	-
Profit used for calculating basic earnings per share	759,484	1,014,802
Average number of shares of issued common stock	31,746,775 shares	30,993,382 shares
Basic earnings per share	23.92 Yen	32.74 Yen

(2) Diluted earnings per share

The diluted net income per share for the interim (quarterly) period and the basis for its calculation are as follows.

(Unit: Thousands of yen)

	For the six months ended August 31, 2024,	For the six months ended August 31, 2025,
Profit attributable to owners of parent (diluted)		
Profit used for the calculation of basic earnings per share	759,484	1,014,802
Profit adjustment amount	-	-
Profit used for calculating diluted earnings per share	759,484	1,014,802
Average number of shares of issued common stock	31,746,775 shares	30,993,382 shares
Effect of dilutive potential common stock: Share acquisition rights	250,241 shares	192,982 shares
After adjustment for dilution	31,997,016 shares	31,186,364 shares
Diluted earnings per share	23.74 Yen	32.54 Yen

(Note) The Company conducted a two-for-one stock split effective June 1, 2025. Basic earnings per share and diluted earnings per share have been calculated as if the stock split had been carried out at the beginning of the previous consolidated fiscal year.