Translation

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Consolidated Financial Results for the Three Months of the Fiscal Year Ending February 28, 2027 (Under IFRS)

July 15, 2026

Company name:	baudroie, inc.
Stock exchange listings:	Tokyo Stock Exchange
Stock code:	4413
URL:	https://www.baudroie.jp/
Representative:	Shigehiro Tominaga, President and Chief Executive Officer
Contact:	Kazuya Fujii, Representative Director
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Scheduled date for dividend payment:	None
Supplementary materials for financial summaries:	Yes
Financial results briefing:	None

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

1. Consolidated Financial Results for the Three Months of the Fiscal Year Ending February 28, 2027 (from March 01, 2026 to May 31, 2026)

(1) Consolidated operating results (cumulative)

(Percentage indicate YoY changes)

	Revenue		Operating profit		Profit before tax		Profit for the period		Profit attributable to owners of parent		Total comprehensive income	
Three months ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%
May 31, 2026	5,407	60.8	846	39.4	835	38.7	593	35.7	588	34.5	593	21.5
May 31, 2025	3,361	43.7	607	35.2	602	30.6	437	31.4	437	31.4	488	10.1

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
May 31, 2026	18.86	18.79
May 31, 2025	14.17	14.05

(Note) The Company conducted a stock split at a ratio of 2 shares for each 1 share of Common stock effective June 1, 2025. Basic earnings per share and Diluted earnings per share have been calculated assuming that the stock split had been conducted at the beginning of the Previous consolidated fiscal year.

(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
As of	Million yen	Million yen	Million yen	%
May 31, 2026	15,333	8,087	8,072	52.6
February 28, 2026	14,024	7,718	7,718	55.0

2. Cash dividends

	Annual dividends per share				
	End of the first quarter	End of the second quarter	End of the third quarter	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended February 28, 2026	-	0.00	-	7.58	7.58
Fiscal year ending February 28, 2027	-				
Fiscal year ending February 28, 2027 (Forecast)		0.00	-	10.10	10.10

Note: Whether there has been any revision to the most recently announced Dividends forecast: No

3. Consolidated Financial Forecasts for the Fiscal Year Ending February 28, 2027 (from March 01, 2026 to February 28, 2027)

(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	23,500	34.9	4,409	30.0	3,134	27.5	100.46

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

* 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 May 31, 2026	32,148,708 shares
As of February 28, 2026	32,148,708 shares

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

As of May 31, 2026	953,455 shares
As of February 28, 2026	953,455 shares

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

Three months ended May 31, 2026	31,195,253 shares
Three months ended May 31, 2025	30,872,346 shares

(Note) The Company conducted a stock split at a ratio of 2 shares for each 1 share of Common stock effective June 1, 2025. " Average number of shares" has been calculated assuming that the relevant stock split was conducted at the beginning of the Previous consolidated fiscal year.

※ Review of attached consolidated quarterly financial statements by a certified public accountant or an audit firm : Yes (voluntary)

* Explanation regarding the appropriate use of earnings forecasts, and other special notes

Forward-looking statements such as earnings forecasts contained in this document are based on information currently available to the Company and certain assumptions deemed reasonable, and actual results may differ materially due to various factors. For the assumptions underlying the earnings forecasts and notes on the use of the earnings forecasts, please refer to P.2 of the attached materials, "1. Overview of Operating Results, etc. (3) Explanations on Consolidated Earnings Forecast and Other Forecast Information."

○Table of Contents of Attached Materials

1. Overview of operating results, etc.

(1) Overview of operating results for the current quarterly consolidated cumulative period

During the current first-quarter consolidated cumulative period (March 1, 2026 ~ May 31, 2026), the Japanese economy continued on a moderate recovery trend, supported by improvements in the employment and income environment and the effects of various policies. On the other hand, concerns over exchange rates, prices, and interest rate trends have heightened against the backdrop of U.S. trade policy developments and geopolitical risks, including the situation in the Middle East, and the economic outlook remains uncertain.

Even under such circumstances, IT and DX investment aimed at improving operational efficiency and strengthening competitiveness at companies has continued to remain firm. In addition, against the backdrop of expanded use of AI, the spread of cloud services, and the advancement of cybersecurity measures, demand for investment in IT infrastructure has continued to expand.

Our Group has strengthened its capabilities in advanced technology areas such as cloud, load balancers (load balancing), security, wireless, and network virtualization in order to respond to these growth fields.

As a "professional group specializing in IT infrastructure," our group has promoted its business with the following priority measures as its core.

Deepening engagement with enterprise customers and developing new customers:

In addition to promoting improvements in project acquisition, we are securing stable Revenue by strengthening relationships with existing major customers.

Selective order intake in advanced technology fields and strengthening development-oriented matching:

We maintained the provision of high-quality services by conducting in-house training to achieve the early development of young talent and designing assignments according to technical steps.

As a result, for the current first-quarter consolidated cumulative period under IFRS Accounting Standards, revenue was 5,407,287 thousand yen (up 60.8% YoY), operating profit was 846,431 thousand yen (up 39.4% YoY), profit before tax was 835,762 thousand yen (up 38.7% YoY), and profit attributable to owners of parent was 588,455 thousand yen (up 34.5% YoY).

(2) Overview of Financial positions for the current quarterly consolidated cumulative period

Status of assets, liabilities and equity

(Assets)

Assets at the end of the Current first-quarter consolidated accounting period increased by 1,308,602 thousand yen compared with the end of the Previous consolidated fiscal year to 15,333,532 thousand yen. The main factors were increases in Cash and cash equivalents of 1,251,146 thousand yen and Other current assets of 117,122 thousand yen, among others.

(Liabilities)

At the end of the current first-quarter consolidated accounting period, liabilities increased by 939,952 thousand yen compared with the end of the previous consolidated fiscal year to 7,246,083 thousand yen. The main factors were an increase of 1,067,694 thousand yen in Bonds and borrowings (non-current), while Income taxes payable decreased by 371,598 thousand yen, among other factors.

(Equity)

Equity at the end of the current first-quarter consolidated accounting period increased by 368,649 thousand yen compared with the end of the previous consolidated fiscal year to 8,087,448 thousand yen. The main factors were an increase in retained earnings due to the recording of Profit attributable to owners of parent of 588,455 thousand yen, while retained earnings decreased due to the payment of year-end dividends of 236,460 thousand yen, among other factors.

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

There is no change to the full-year earnings forecast for the fiscal year ending February 2027 from the full-year earnings forecast announced on April 14, 2026.

2. Condensed Quarterly Consolidated Financial Statements and Primary Notes

(1) Condensed Quarterly Consolidated Statements of Financial Position

(Unit: Thousands of yen)

	As of February 28, 2026	As of May 31, 2026
Assets		
Current assets		
Cash and cash equivalents	4,371,492	5,622,639
Trade and other receivables	2,603,677	2,596,141
Other financial assets	76,224	74,216
Other current assets	314,087	431,209
Total current assets	7,365,482	8,724,207
Non-current assets		
Property, plant and equipment	290,006	286,038
Right-of-use assets	536,088	571,203
Goodwill	4,935,938	4,935,938
Intangible assets	101,948	99,795
Other financial assets	419,245	423,726
Deferred tax assets	266,745	258,418
Other non-current assets	109,474	34,203
Total non-current assets	6,659,447	6,609,324
Total assets	14,024,929	15,333,532

(Unit: Thousands of yen)

	As of February 28, 2026	As of May 31, 2026
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	117,816	155,588
Bonds and borrowings	609,757	676,184
Lease liabilities	325,711	364,911
Income taxes payable	638,696	267,097
Other current liabilities	2,709,040	2,813,469
Total current liabilities	4,401,021	4,277,251
Non-current liabilities		
Bonds and borrowings	1,285,372	2,353,067
Lease liabilities	297,239	307,410
Other financial liabilities	180,000	180,000
Provisions	125,953	126,101
Deferred tax liabilities	16,543	2,253
Total non-current liabilities	1,905,109	2,968,832
Total liabilities	6,306,130	7,246,083
Equity		
Share capital	605,300	605,300
Capital surplus	1,224,526	1,224,526
Retained earnings	7,993,039	8,345,035
Treasury shares	(2,303,668)	(2,303,668)
Other components of equity	199,601	201,289
Total equity attributable to owners of parent	7,718,798	8,072,482
Noncontrolling interests	-	14,965
Total Equity	7,718,798	8,087,448
Total liabilities and equity	14,024,929	15,333,532

(2) Condensed Quarterly Consolidated Statements of Profit or Loss and Condensed Quarterly Consolidated Statements of Comprehensive Income

Condensed Quarterly Consolidated Statements of Profit or Loss

Current first-quarter consolidated cumulative period

(Unit: Thousands of yen)

	For the three months ended May 31, 2025	For the three months ended May 31, 2026
Revenue	3,361,914	5,407,287
Cost of sales	2,168,759	3,689,298
Gross profit	1,193,155	1,717,988
Selling, general and administrative expenses	561,599	880,109
Other income	569	8,671
Other costs	25,000	120
Operating profit	607,124	846,431
Finance income	565	1,743
Finance costs	5,339	12,411
Profit before tax	602,351	835,762
Income tax expense	164,924	242,341
Profit for the period	437,427	593,421
Profit attributable to		
Owners of parent	437,427	588,455
Noncontrolling interests	-	4,965
Profit for the period	437,427	593,421
Earnings per share		
Basic earnings per share (Yen)	14.17	18.86
Diluted earnings per share (Yen)	14.05	18.79

Condensed Quarterly Consolidated Statements of Comprehensive Income

Current first-quarter consolidated cumulative period

(Unit: Thousands of yen)

	For the three months ended May 31, 2025	For the three months ended May 31, 2026
Profit for the period	437,427	593,421
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)	50,813	-
Total other comprehensive income	50,813	-
Comprehensive income	488,240	593,421
Comprehensive income attributable to		
Owners of parent	488,240	588,455
Noncontrolling interests	-	4,965

Comprehensive income	488,240	593,421

(3) Notes to Condensed Quarterly Consolidated Financial Statements

(Segment information)

The reporting segments of our group consist of a single segment, the IT infrastructure business, and as its significance is minor, disclosure of segment information has been omitted.

(Notes when there have been significant changes in the amount of shareholders' equity)

Not applicable.

((Notes on Going Concern Assumption))

Not applicable.

(Notes on Quarterly Consolidated Statement of Cash Flows)

Condensed Quarterly Consolidated Statements of Cash Flows for the current first-quarter consolidated cumulative period have not been prepared. In addition, Depreciation and amortization for the first-quarter consolidated cumulative period are as follows.

(Unit: Thousands of yen)

	For the three months ended May 31, 2025	For the three months ended May 31, 2026
Depreciation and amortization	63,688	81,908

(Significant subsequent events)

(Allotment of Share acquisition rights)

Based on the resolution of the Board of Directors held on May 25, 2026, the Company allotted the 7th Share acquisition rights on June 30, 2026.

The outline of the Share acquisition rights in question is as follows.

Allotment date of share acquisition rights	June 30, 2026
Number of share acquisition rights	8,394 units
Class of shares subject to share acquisition rights	Common stock
Number of shares underlying share acquisition rights	839,400 shares
Amount to be paid upon exercise of share acquisition rights	Per share 2 thousand 394 yen
Period for exercise of share acquisition rights	From June 1, 2029 to June 29, 2036
Share price and amount to be included in equity when issuing shares due to exercise of share acquisition rights	Issue price 2 thousand 397 yen Equity included amount 1 thousand 198 yen
Conditions for exercise of share acquisition rights	(i) The Share acquisition rights may be exercised only if EBITDA exceeds 7,451 million yen in either the fiscal year ending February 2029 or the fiscal year ending February 2030. EBITDA shall mean "Operating profit" + "Depreciation" in the Company's Consolidated Statement of Profit or Loss (or Statement of income if a Consolidated Statement of Profit or Loss is not prepared). (ii) During the period from the allotment date to February 29, 2028, the holder is required to continuously serve as a director or employee of the Company or its affiliated company.
Matters concerning the transfer of share acquisition rights	Requires approval by a resolution of our Board of Directors
Allottees of Share acquisition rights	Employees of the Company 177 persons 3,852 units Directors of the Company's subsidiaries 5 persons 216 units Employees of the Company's subsidiaries 119 persons 4,326 units