

Translation

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## Summary of Consolidated Financial Results for the First Quarter of the Fiscal Year Ending February 28, 2026 (IFRS)

July 15, 2025

Company name:	baudroie,inc..
Stock exchange listings:	Tokyo Stock Exchange
Stock code:	4413
URL:	<a href="https://www.baudroie.jp/">https://www.baudroie.jp/</a>
Representative:	Shigehiro Tominaga, President and Chief Executive Officer
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Scheduled date for dividend payment:	-
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 First Quarter of the Fiscal Year Ending February 28, 2026 (from March 01, 2025 to May 31, 2025)

#### (1) Consolidated operating results (Cumulative)

(Percentage indicates YoY changes)

	Revenue		Operating profit		Profit before tax		Profit for the period		Profit attributable to owners of parent		Total comprehensive income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Three months ended												
May 31, 2025,	3,361	43.7	607	35.2	602	30.6	437	31.4	437	31.4	488	10.1
May 31, 2024,	2,339	39.6	449	63.5	461	69.5	332	66.0	332	66.0	443	121.1

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
May 31, 2025,	28.34	28.10
May 31, 2024,	21.14	20.97

(Note) At the end of the fiscal year ended February 2025, the provisional accounting treatment for the business combinations has been finalized, and the figures for the first quarter and the fiscal year ended February 2025 reflect the finalized content of the provisional 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
As of	Million yen	Million yen	Million yen	%
May 31, 2025,	8,878	4,806	4,806	54.1
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	At the 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,	-				
Fiscal year ending February 28, 2026, (Forecast)		0.00	-	7.58	7.58

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

(Note) Effective June 1, 2025, we conducted a two-for-one stock split for our common shares. Based on the pre-split basis, the projected annual dividend per share is 15.16 yen, with the year-end dividend also expected to be 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 earnings 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) Correction of financial forecast from the most recent financial forecast: None

(Note) Effective June 1, 2025, we conducted a two-for-one stock split for our common shares.

The forecast for consolidated earnings per share reflects the impact of stock split. On a pre-split basic earnings per share are expected to be 151.58 yen.

### \* Notes

(1) Significant changes in the scope of consolidation during the period: No

(2) Cumulative effects of changes in accounting policies, changes in accounting estimates

(i) Changes in accounting policies required by IFRS : No

(ii) Cumulative effects of changes in accounting policies other than (i) : No

(iii) Changes in accounting estimates : No

(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, 2025	16,039,554 shares
As of February 28, 2025	16,034,354 shares

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

As of May 31, 2025	610,435 shares
As of February 28, 2025	560,635 shares

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

Three months ended May 31, 2025	15,436,173 shares
Three months ended May 31, 2024	15,742,065 shares

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

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

1. Forward-looking statements such as the earnings forecasts contained in this document are based on information currently available to the Company and on certain assumptions 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.2, "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

During the previous fourth quarter consolidated accounting period, the provisional accounting treatment related to a business combination was finalized. In conducting comparisons and analyses with the previous first quarter consolidated cumulative period and the previous fiscal year-end, figures adjusted following the finalization of the provisional accounting treatment have been used.

During the three months ended May 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, uncertainties remain due to continued volatility 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 operational efficiency and strengthening competitiveness remain robust. In particular, demand is expanding in areas such as the development of cloud infrastructure development, faster/more stable networks, enhanced 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, which are advanced technology fields.

Our group, as a team of professionals specializing in IT infrastructure, has been promoting its business based 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.

Strengthening selective orders in advanced technology fields and fostering-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 steps.

As a result, for the fiscal year ended March 31, 2025, Revenue was 3,361,914 thousand yen (up 43.7% YoY), Operating profit was 607,124 thousand yen (up 35.2% YoY), Profit before tax was 602,351 thousand yen (up 30.6% YoY), and Profit attributable to owners of parent was 437,427 thousand yen (up 31.4% YoY).

### (2) Explanation of Financial Position

#### (i) Status of Assets, Liabilities and Equity

##### (Assets)

At the end of the first quarter of the consolidated fiscal period, assets increased by 275,405 thousand yen compared to the end of the previous consolidated fiscal year, reaching 8,878,252 thousand yen. The main factors for this increase were a rise in cash and cash equivalents by 257,959 thousand yen and an increase in trade and other receivables by 35,573 thousand yen, among others.

##### (Liabilities)

At the end of the first quarter of the consolidated fiscal period, liabilities increased by 40,566 thousand yen compared to the end of the previous consolidated fiscal year, reaching 4,071,570 thousand yen. The main factors were an increase of 224,485 thousand yen in bonds and borrowings (non-current), while income taxes payable decreased by 282,514 thousand yen, among other reasons.

##### (Equity)

At the end of the first quarter of the consolidated fiscal period, equity increased by 234,838 thousand yen compared to the end of the previous consolidated fiscal year, reaching 4,806,681 thousand yen. The main factors for this were an increase in retained earnings by 441,201 thousand yen due to the recording of profit attributable to owners of the parent, while a decrease of 259,168 thousand yen was recorded due to the acquisition of treasury shares.

### (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 Quarterly Consolidated Financial Statements and Primary Notes  
(1) Condensed Quarterly Consolidated Statements of Financial Position

(Unit: Thousands of yen)

	As of February 28, 2025	As of May 31, 2025
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	3,486,412	3,744,372
Trade and other receivables	1,578,552	1,614,126
Other financial assets	90,217	86,104
Other current assets	228,858	273,385
<b>Total current assets</b>	<b>5,384,041</b>	<b>5,717,989</b>
<b>Non-current assets</b>		
Property, plant and equipment	266,871	259,669
Right-of-use assets	358,639	303,490
Goodwill	2,032,282	2,032,282
Intangible assets	106,327	104,428
Other financial assets	280,250	276,368
Deferred tax assets	102,363	156,500
Other non-current assets	72,070	27,522
<b>Total non-current assets</b>	<b>3,218,805</b>	<b>3,160,263</b>
<b>Total assets</b>	<b>8,602,846</b>	<b>8,878,252</b>

(Unit: Thousands of yen)

	As of February 28, 2025	As of May 31, 2025
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	68,113	53,763
Bonds and borrowings	441,742	498,960
Lease liabilities	273,302	239,347
Income taxes payable	464,261	181,746
Other current liabilities	1,578,351	1,692,801
Total current liabilities	<u>2,825,770</u>	<u>2,666,619</u>
Non-current liabilities		
Bonds and borrowings	885,744	1,110,230
Lease liabilities	191,462	166,427
Provisions	103,242	103,402
Deferred tax liabilities	24,783	24,892
Total non-current liabilities	<u>1,205,233</u>	<u>1,404,951</u>
Total liabilities	<u>4,031,003</u>	<u>4,071,570</u>
Equity		
Share capital	603,697	603,834
Capital surplus	989,198	989,336
Retained earnings	5,535,238	5,976,440
Treasury shares	(2,690,575)	(2,949,743)
Other components of equity	134,283	186,813
Total equity attributable to owners of parent	<u>4,571,842</u>	<u>4,806,681</u>
Total Equity	<u>4,571,842</u>	<u>4,806,681</u>
Total liabilities and equity	<u>8,602,846</u>	<u>8,878,252</u>

(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  
For the three months ended

(Unit: Thousands of yen)

	For the three months ended May 31, 2024	For the three months ended May 31, 2025
Revenue	2,339,073	3,361,914
Cost of sales	1,467,422	2,168,759
Gross profit	871,651	1,193,155
Selling, general and administrative expenses	422,633	561,599
Other income	45	569
Other costs	-	25,000
Operating profit	449,063	607,124
Finance income	14,769	565
Finance costs	2,785	5,339
Profit before tax	461,047	602,351
Income tax expense	128,186	164,924
Profit for the period	332,860	437,427
Attributable to profit for the period		
Owners of parent	332,860	437,427
Profit for the period	332,860	437,427
Earnings per share		
Basic earnings per share (Yen)	21.14	28.34
Diluted earnings per share (Yen)	20.97	28.10



Condensed Quarterly Consolidated Statements of Comprehensive Income  
For the three months ended

(Unit: Thousands of yen)

	For the three months ended May 31, 2024	For the three months ended May 31, 2025
Profit for the period	332,860	437,427
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	443,265	488,240
Comprehensive income attributable to		
Owners of parent	443,265	488,240
Comprehensive income	443,265	488,240

## (5) Notes to Condensed Quarterly Consolidated Financial Statements

(Notes on Going Concern Assumption)

There are no applicable items.

(Segment Information, etc.)

The information is omitted as the Group has a single operating segment engaged only in the IT infrastructure business and the information lacks materiality.

(Notes in case of significant changes in the amount of shareholders' equity)

Based on the resolution of the Board of Directors held on November 25, 2024, the Company acquired 49,800 shares of treasury shares during the first quarter of the consolidated cumulative period. As a result, treasury shares increased by 259,168 thousand yen, and as of the end of the first quarter of the consolidated accounting period, treasury shares amounted to 2,949,743 thousand yen.

(Notes on quarterly consolidated cash flows)

Condensed Quarterly Consolidated Statements of Cash Flows for the three months ended May 31, 2025, have not been prepared. Depreciation (including intangible assets) and amortization for the three months ended May 31, 2025, are as follows.

(Unit: Thousands of yen)

	For the three months ended May 31, 2024	For the three months ended May 31, 2025
Depreciation and amortization	44,591	63,688

(Significant Subsequent Events)

(Stock split and partial amendment of the Articles of Incorporation accompanying the stock split)

Based on the resolution of the Board of Directors held on April 25, 2025, the Company conducted a stock split and amended its Articles of Incorporation in connection with the stock split, effective June 1, 2025.

### 1. Stock Split

#### (1) Purpose of the stock split

The purpose is to increase the liquidity of our stock and expand our investor base by lowering the amount per investment unit price.

#### (2) Overview of Stock Split

##### 1. Method of the split

As of the record date of Saturday, May 31, 2025 (which was a holiday for the shareholder registry administrator, so the effective date was Friday, May 30, 2025), the common shares held by shareholders listed in the final shareholder register on that date were split at a ratio of two shares for every one share.

##### 2. Number of shares increased by the stock split

Total number of shares issued before stock split	16,039,554 shares
Number of shares increased by this stock split	16,039,554 shares
Total number of shares issued after stock split	32,079,108 shares
Total number of authorized shares after stock split	57,600,000 shares

(3) Schedule

Record Date Announcement Date	May 16, 2025 (Friday)
Record date	May 31, 2025 (Saturday)
Effective date	June 1, 2025 (Sunday)

(4) Adjustment of exercise price of share acquisition rights

The exercise price per share of the stock acquisition rights issued by the Company was adjusted as follows on and after June 1, 2025, in connection with the stock split.

Share acquisition rights (Date of resolution for issuance)	Exercise price before adjustment	Adjusted exercise price
2nd Share Acquisition Rights (February 24, 2020)	53 yen	27 yen
3rd Share Acquisition Rights (February 27, 2021)	345 yen	173 yen
4th Share Acquisition Rights (December 13, 2022)	1, 698 yen	849 yen
5th Share Acquisition Rights (March 27, 2024)	3, 870 yen	1, 935 yen

2. Partial amendment of articles of incorporation

(1) Purpose of the amendment

In conjunction with this stock split, pursuant to Article 184, Paragraph 2 of the Companies Act, a partial amendment to the Company's Articles of Incorporation took effect on June 1, 2025 (Sunday).

(2) Details of the amendment

(The underlined sections indicate changes)

Before change	After change
Article 6 (The total number of shares authorized to be issued) The total number of shares authorized to be issued by the Company shall be <u>28,800,000</u> shares.	Article 6 (The total number of shares authorized to be issued) The total number of shares authorized to be issued by the Company shall be <u>57,600,000</u> shares.

(3) Schedule of changes

Date of Board of Directors' resolution	April 25, 2025(Friday)
Effective Date	June 1, 2025. (Sunday)

3. Impact on Per-Share Data

Assuming that the stock split had been conducted at the beginning of the previous consolidated fiscal year, the per share data for each item would be as follows.

	For the three months ended May 31, 2024,	For the three months ended May 31, 2025,
Basic earnings per share	10.57 yen	14.17 yen
Diluted profit per share	10.49 yen	14.05 yen

(Acquisition of shares and full ownership through a simplified share exchange)

At the Board of Directors meeting held on May 15, 2025, our company resolved to acquire a portion of the issued shares of SPIN TECHNOLOGY Inc. (“SPIN TECHNOLOGY”), GOKU TECHNOLOGIES Inc. (“GOKU TECHNOLOGIES”), and ONE-TECH Inc. (“ONE-TECH”; collectively with SPIN TECHNOLOGY and GOKU TECHNOLOGIES, the “Target Group”; hereinafter, the “Share Acquisition”).

Following the acquisition, we further resolved to implement a simplified share exchange, with our company serving as the wholly owning parent company and the Target Group as wholly owned subsidiaries (hereinafter, the “Share Exchange”).

As of June 6, 2025, we have completed the acquisition of all ownership interests in the Target Group Companies.

1. Overview of the Share Acquisition and Share Exchange

(1) Name of the acquired company and details of its business

Name of the companies involved in the business combination	Description of Business
SPIN TECHNOLOGY Inc.	System solutions, IT operation support services, etc.
GOKU TECHNOLOGIES INC.	IT solutions, IT support services, etc.
ONE-TECH Inc.	IT support services, etc.

(2) Purpose of the Share Acquisition and Share Exchange

The Company and its subsidiaries (collectively, the “Baudroie Group”) are engaged in business specializing in IT infrastructure in response to the diversification of social needs and advancements in technologies. Particularly, the Baudroie Group focuses on advanced technologies in the IT infrastructure domain such as network virtualization (SDN), cloud computing, cybersecurity, wireless connectivity, and load balancing solutions.

The Target Group is primarily engaged in providing comprehensive IT support services, mainly staffed by younger personnel. By joining our corporate group and sharing in our knowledge, we believe the Target Group will contribute to the future growth of our group’s performance.

(3) Date of business combination

Share acquisition date: June 3, 2025

Share exchange date: June 6, 2025

(4) Legal form of business combination

Acquisition of shares Acquisition of shares for cash consideration

Simplified share exchange in which the Company becomes the wholly owning parent company through share exchange, and the target group becomes the wholly owned subsidiary through share exchange

(5) Name of the combined company

There are no changes.

(6) Percentage of voting rights acquired

(SPIN TECHNOLOGY)

Voting rights ratio held immediately before the business combination	-%
Equity ownership ratio acquired through cash consideration	42.5%
Voting rights ratio acquired through share exchange	57.5%
Voting rights ratio after acquisition	100.0%

(GOKU TECHNOLOGIES)

Voting rights ratio held immediately before the business combination	-%
Equity ownership ratio acquired through cash consideration	42.5%
Voting rights ratio acquired through share exchange	57.5%
Voting rights ratio after acquisition	100.0%

(ONE-TECH)

Voting rights ratio held immediately before the business combination	-%
Equity ownership ratio acquired through cash consideration	72.5%
Voting rights ratio acquired through share exchange	27.5%
Voting rights ratio after acquisition	100.0%

(7) Percentage of voting rights acquired

This is due to the fact that the Company acquired 100% of the voting rights of the target group through share acquisition and share exchange.

2. Details of the allotment related to this share exchange

(SPIN TECHNOLOGY)

	wholly owning parent company	Wholly owned subsidiary
share exchange ratio	1	50
Number of shares issued through this share exchange	Shares of common stock: 115,000 shares	

(Note) 1 The Company has allotted and delivered 50 shares of the Company's common stock for each share of SPIN TECHNOLOGY common stock (excluding the SPIN TECHNOLOGY common stock held by the Company as of the effective date of the share exchange). The above share exchange ratio is determined based on the number of shares after the stock split that became effective on June 1, 2025.

(Note) 2 In connection with this share exchange, the Company allotted and delivered 115,000 shares of its common stock. All shares delivered by the Company were sourced from its treasury shares.

(GOKU TECHNOLOGIES)

	wholly owning parent company	Wholly owned subsidiary
share exchange ratio	1	101
Number of shares issued through this share exchange	Shares of common stock: 116,150 shares	

(Note) 1 The Company has allotted and delivered 101 shares of the Company's common stock for each share of GOKU TECHNOLOGIES common stock (excluding the shares of GOKU TECHNOLOGIES' common stock held by the Company as of the effective date of the share exchange). The above share exchange ratio is determined based on the number of shares after the stock split that became effective on June 1, 2025.

(Note) 2 In connection with this share exchange, the Company allotted and delivered 116,150 shares of its common stock. All shares delivered by the Company were sourced from its treasury shares.

(ONE-TECH)

	wholly owning parent company	Wholly owned subsidiary
share exchange ratio	1	33
Number of shares issued through this share exchange	Share of common stock: 36,300 shares	

- (Note) 1 The Company has allotted and delivered 33 shares of the Company's common stock for each share of ONE-TECH common stock (excluding the ONE-TECH common stock held by the Company as of the effective date of the share exchange). The above share exchange ratio is based on the number of shares after the stock split that became effective on June 1, 2025.
- (Note) 2 In connection with this share exchange, the Company allotted and delivered 36,300 shares of its common stock. All shares delivered by the Company were sourced from its treasury shares.

3. Details and amounts of major acquisition-related expenses

(SPIN TECHNOLOGY)

Due diligence expense, etc. 1,400 thousand yen

(GOKU TECHNOLOGIES)

Due diligence expense, etc. 1,400 thousand yen

(ONE-TECH)

Due diligence expense, etc. 1,400 thousand yen

4. Fair value of consideration paid, acquired assets, and assumed liabilities as of the acquisition date

(1) Consideration paid

(SPIN TECHNOLOGY)

Fair value of consideration paid (cash) 263,500 thousand yen

Fair value of consideration paid (share exchange) 378,350 thousand yen

(GOKU TECHNOLOGIES)

Fair value of consideration paid (cash) 263,500 thousand yen

Fair value of consideration paid (share exchange) 382,133 thousand yen

(ONE-TECH)

Fair value of consideration paid (cash) 290,000 thousand yen

Fair value of consideration paid (share exchange) 119,427 thousand yen

(2) Amount of goodwill recognized and reason for its recognition

It has not been determined at this time.