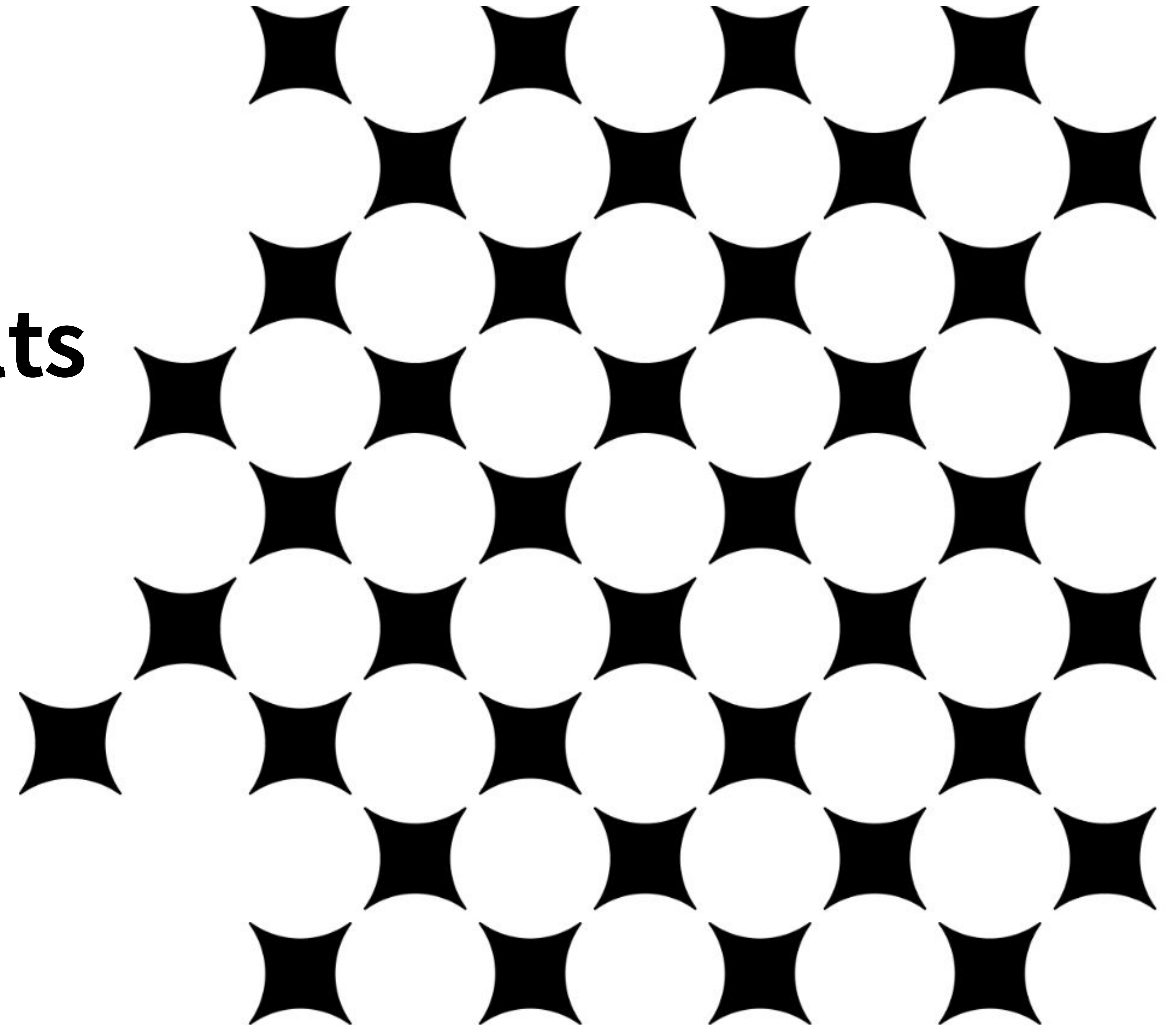
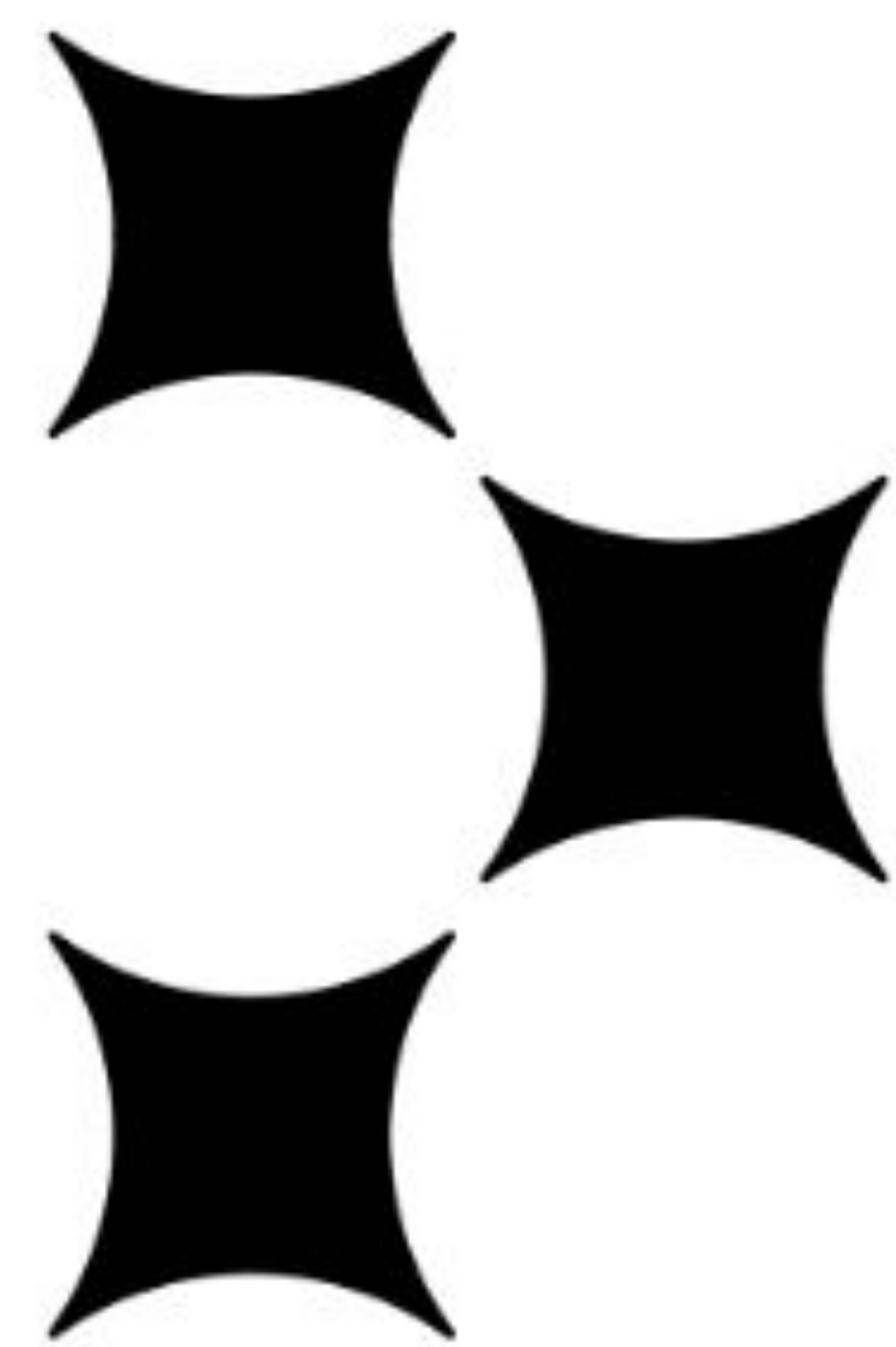




*Note: This is a translation of part of the original Japanese version and is provided for reference purposes only.  
In the event of any discrepancy between the Japanese original and this English translation, the Japanese original shall prevail.*

# FY09/2025 Full-year Consolidated Financial Results

HENNGE K.K. (4475: TSE Growth)  
November 7, 2025





# Table of Contents

- 1. FY09/2025 Full-year Consolidated Financial Results**
- 2. FY09/2026 Full-year Forecast**
- 3. Growth Strategy**
- 4. Appendix**
  - Corporate Overview**
  - Total Addressable Market**
  - Others**

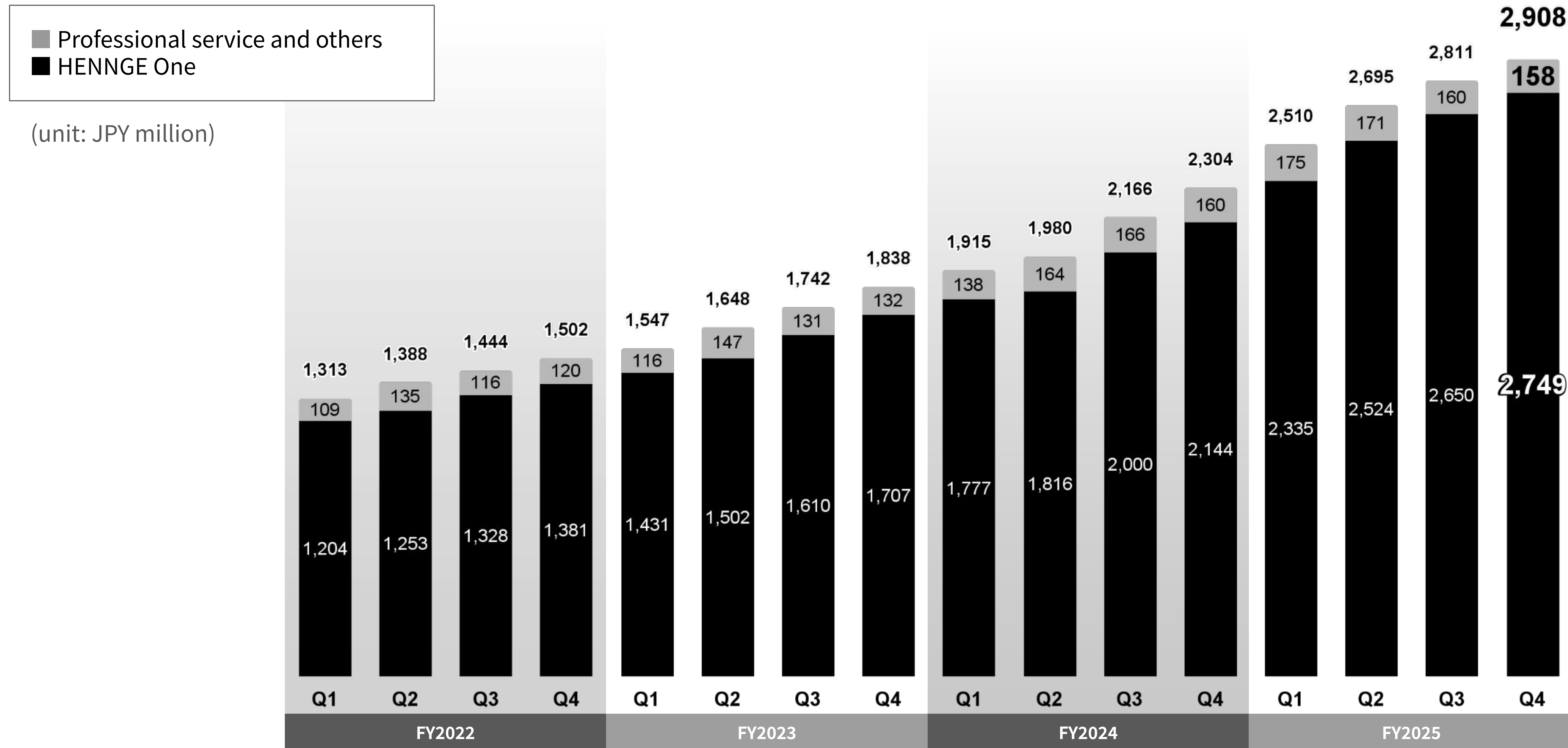
# **FY09/2025 Full-year Consolidated Financial Results (Financial Results)**

# Consolidated Financial Results Highlights

	FY2024	FY2025	YoY	YoY (%)	FY2025 Forecast (Revised on 2025/05)	Progress (%)
(unit: JPY million)						
<b>Net sales</b>	8,365	<b>10,924</b>	+2,559	+30.6%	10,881	100.4%
(HENNGE One)	7,737	<b>10,259</b>	+2,522	+32.6%	10,222	100.4%
(Professional service and others)	628	<b>665</b>	+37	+5.9%	659	100.9%
Total cost of sales	1,329	<b>1,478</b>	+149	+11.2%		
<b>Gross profit</b>	7,035	<b>9,445</b>	+2,410	+34.3%		
(Gross profit margin)	(84.1%)	(86.5%)		(+2.4pts)		
Total selling, general and administrative expenses	6,020	<b>7,652</b>	+1,631	+27.1%		
<b>Operating income</b>	1,015	<b>1,793</b>	+779	+76.7%	1,750 ~ 1,950	
(Operating income margin)	(12.1%)	(16.4%)		(+4.3pts)	(16.1 ~ 17.9%)	
<b>Ordinary income</b>	1,000	<b>1,854</b>	+854	+85.4%	1,750 ~ 1,950	
<b>Profit attributable to owners of parent</b>	827	<b>1,358</b>	+531	+64.2%	1,251 ~ 1,391	
(Net income margin)	(9.9%)	(12.4%)		(+2.5pts)	(11.5 ~ 12.8%)	

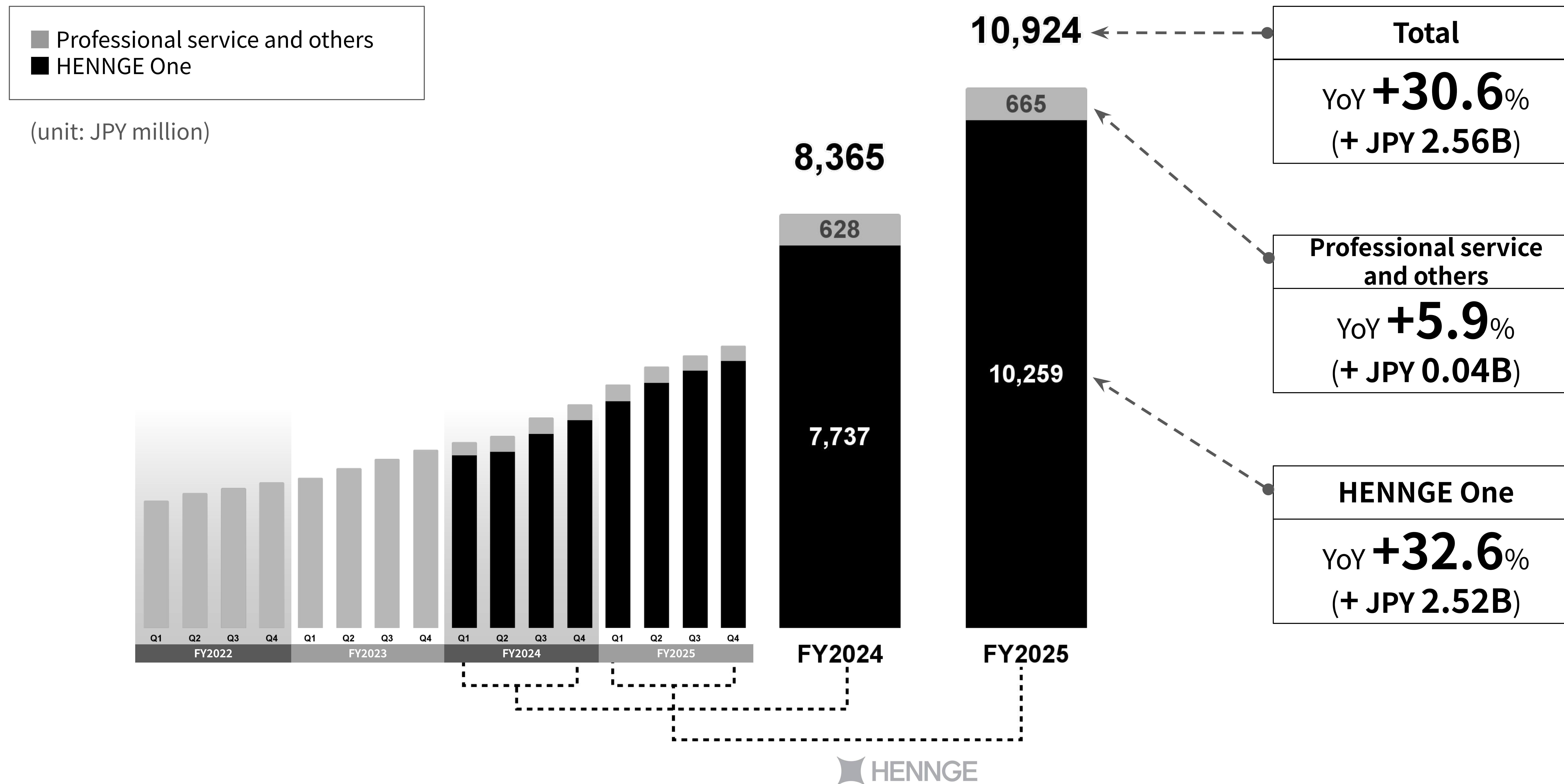


# Net Sales



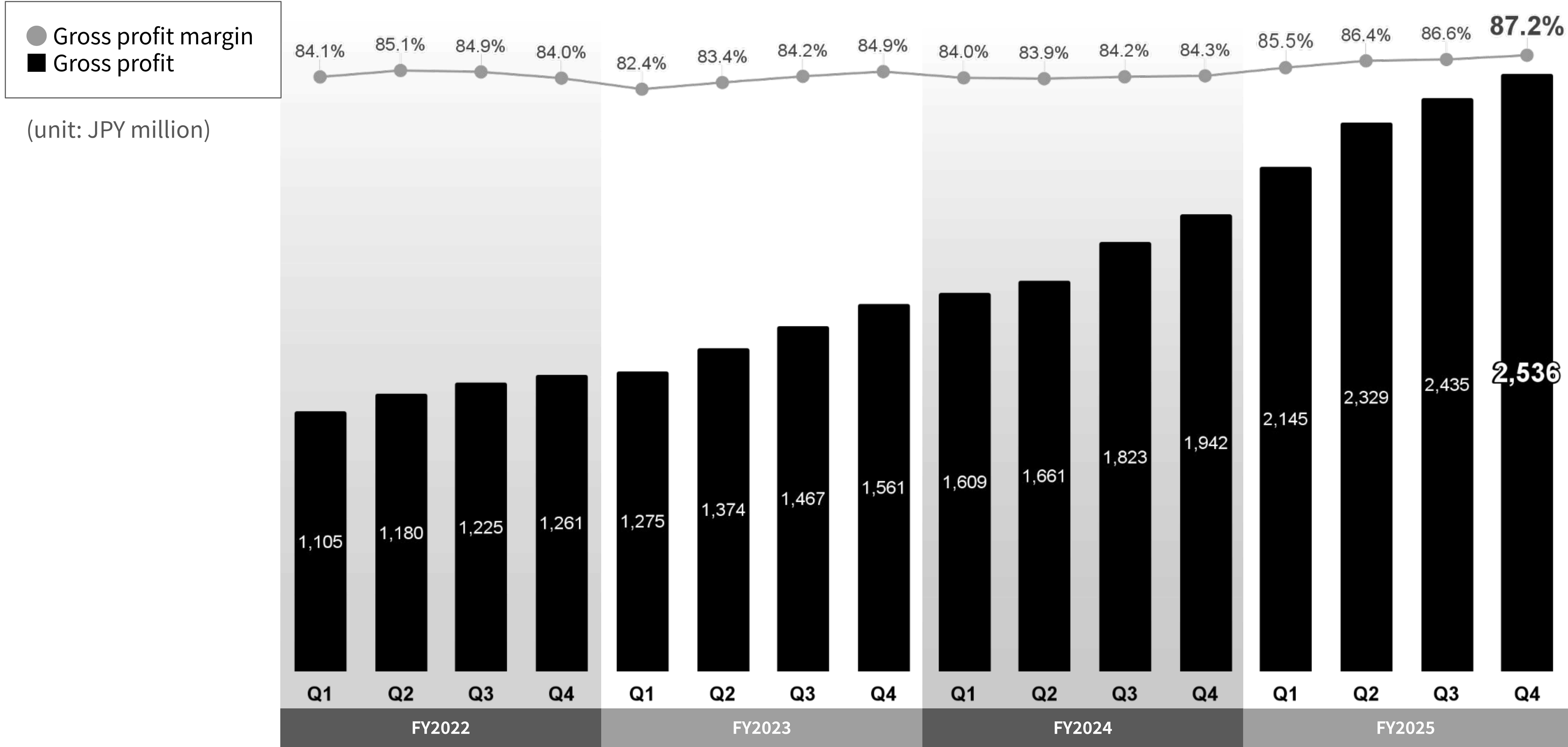
# Net Sales (YoY)

Net sales for HENNGE One business, our growth driver, grew significantly YoY.



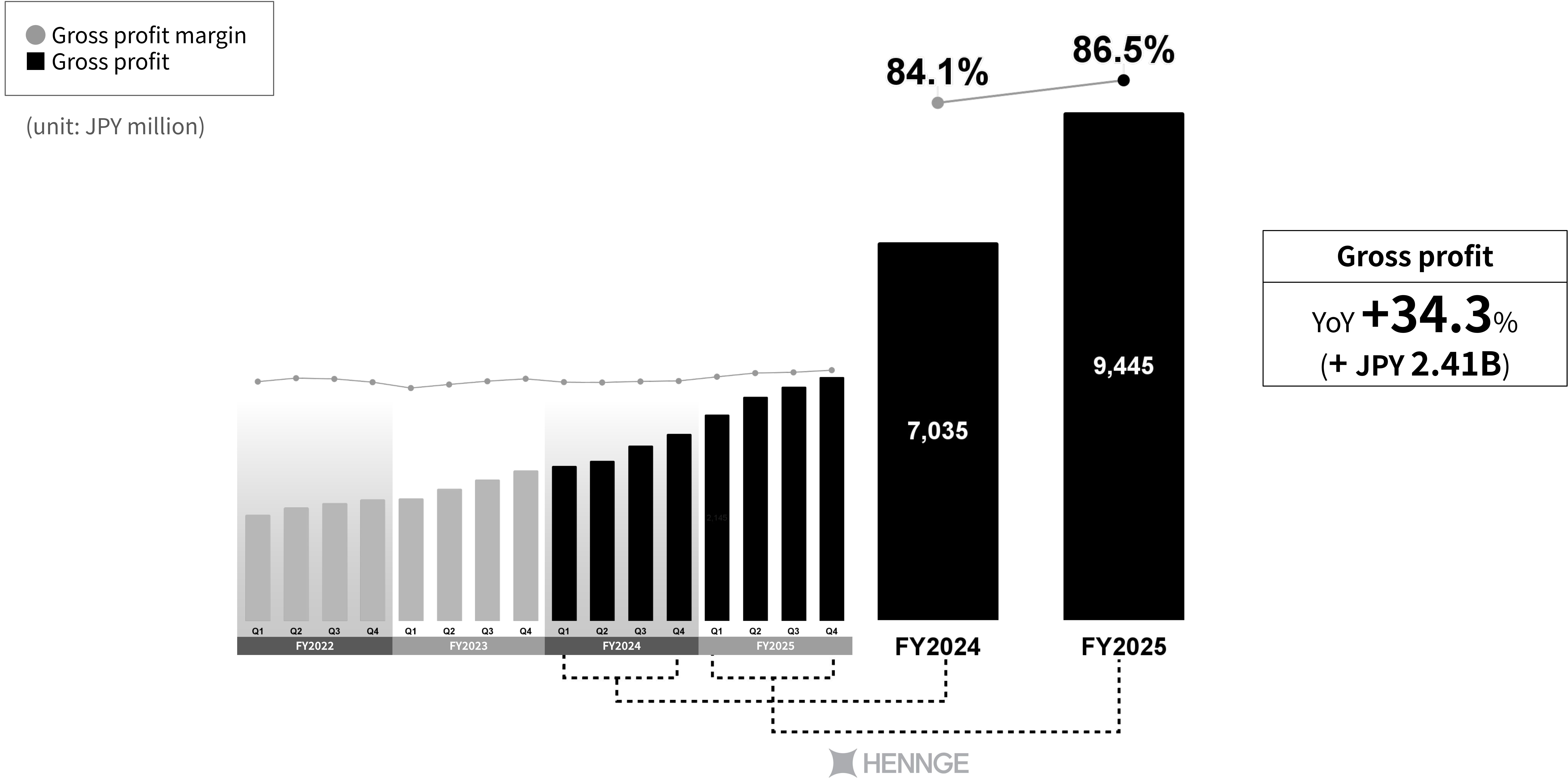


# Gross Profit



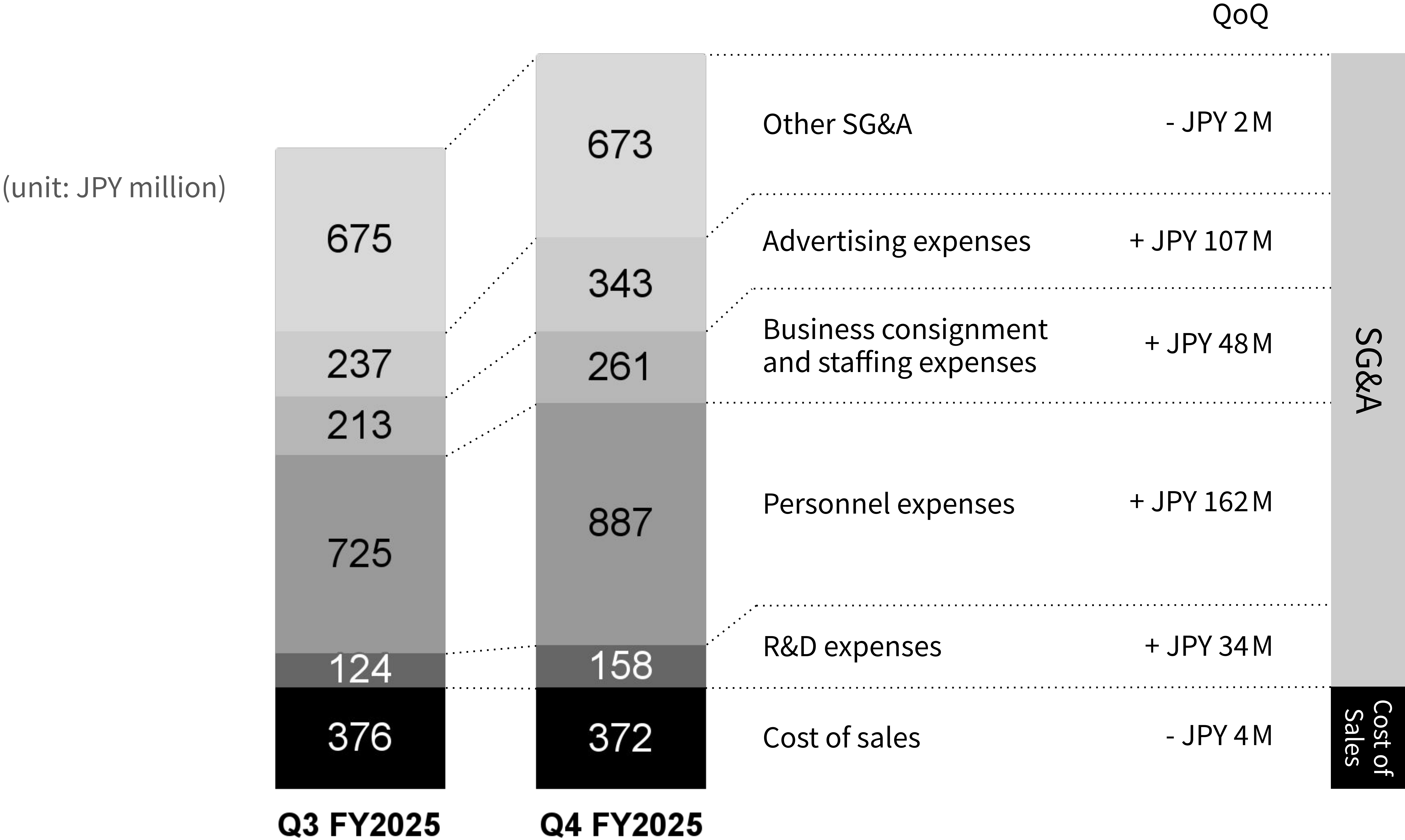
# Gross Profit (YoY)

Increase in margin was achieved mainly from higher ARPU, which kept the margin stably high.





# Operating Expenses (QoQ)



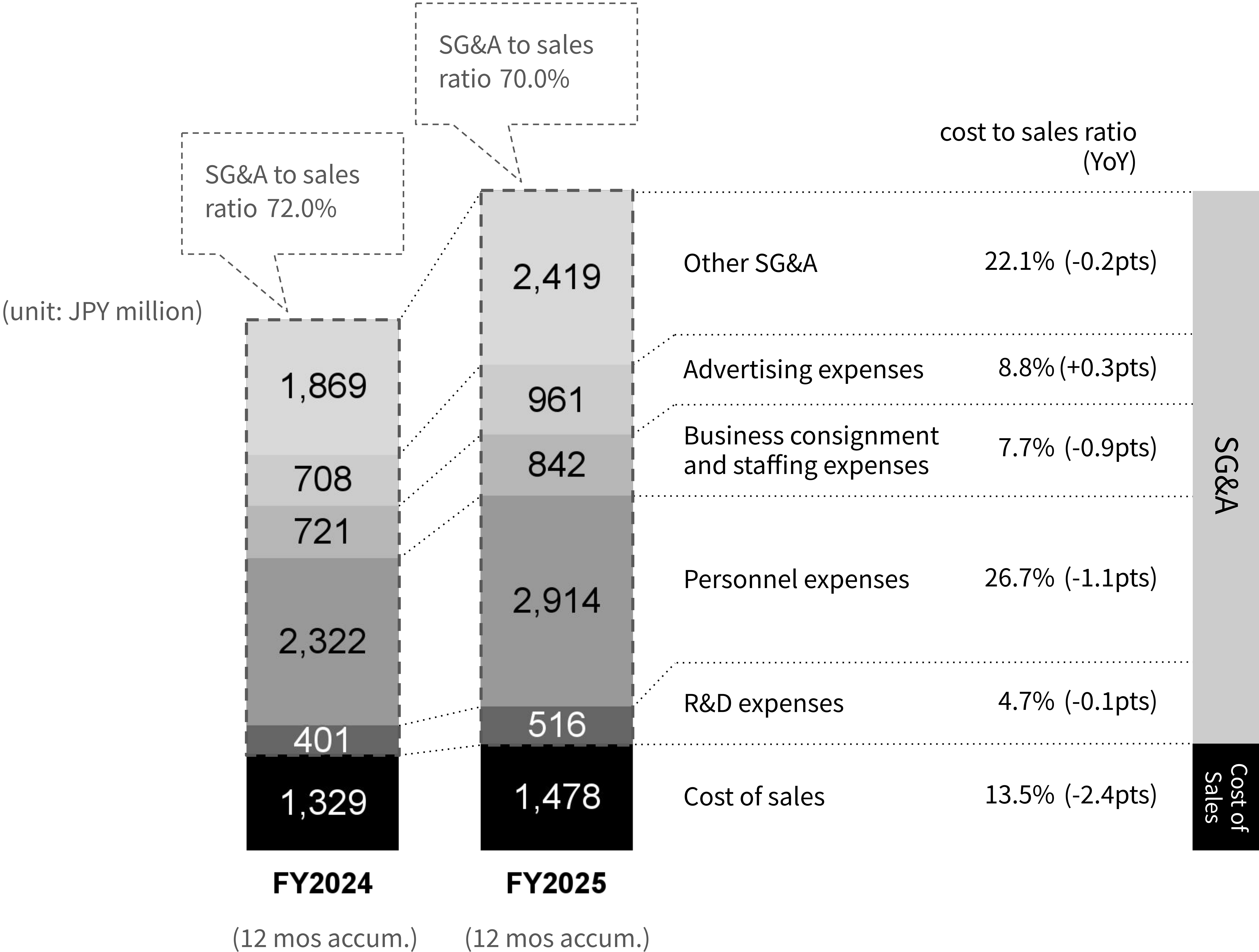
**Advertising expenses** increased mainly due to conducting campaigns aimed at raising awareness and strengthening brand.

**Business consignment and staffing expenses** increased mainly due to the implementation of vulnerability assessments to enhance service security.

**Personnel expenses** increased mainly due to growth in the number of employees and the provision of year-end bonuses.



# Operating Expenses (YoY)



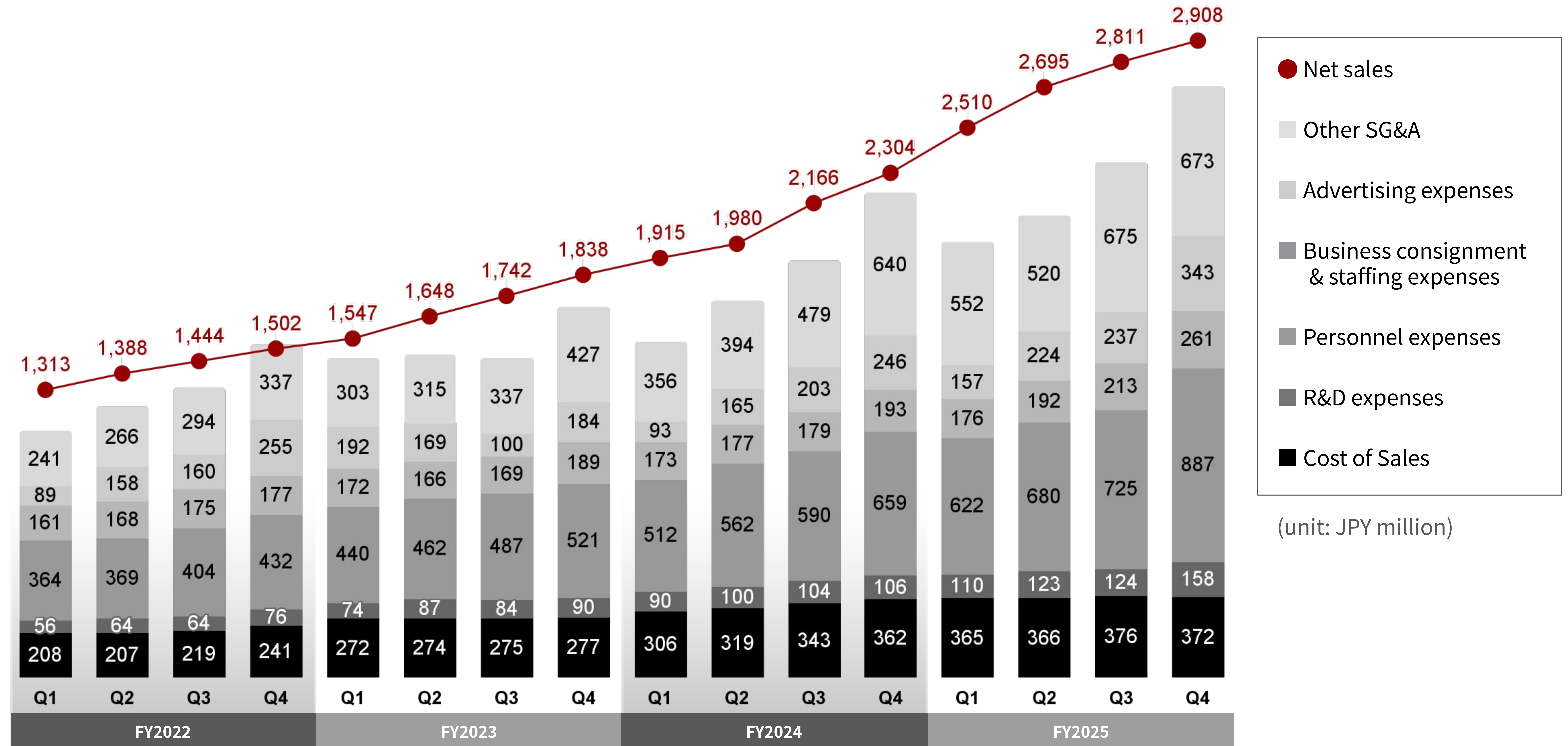
**Other SG&A** increased mainly from recruitment related expenses associated with the acceleration of hiring activities, office expansion, as well as internal system usage fees and traveling expenses as a result of increased number of employees and business activities.

**Advertising expenses** increased due to proceeding various initiatives, including conducting campaigns aimed at raising awareness and strengthening brand, as well as the implementation of nurturing events.

**Personnel expenses** increased mainly due to the growth in the number of employees.



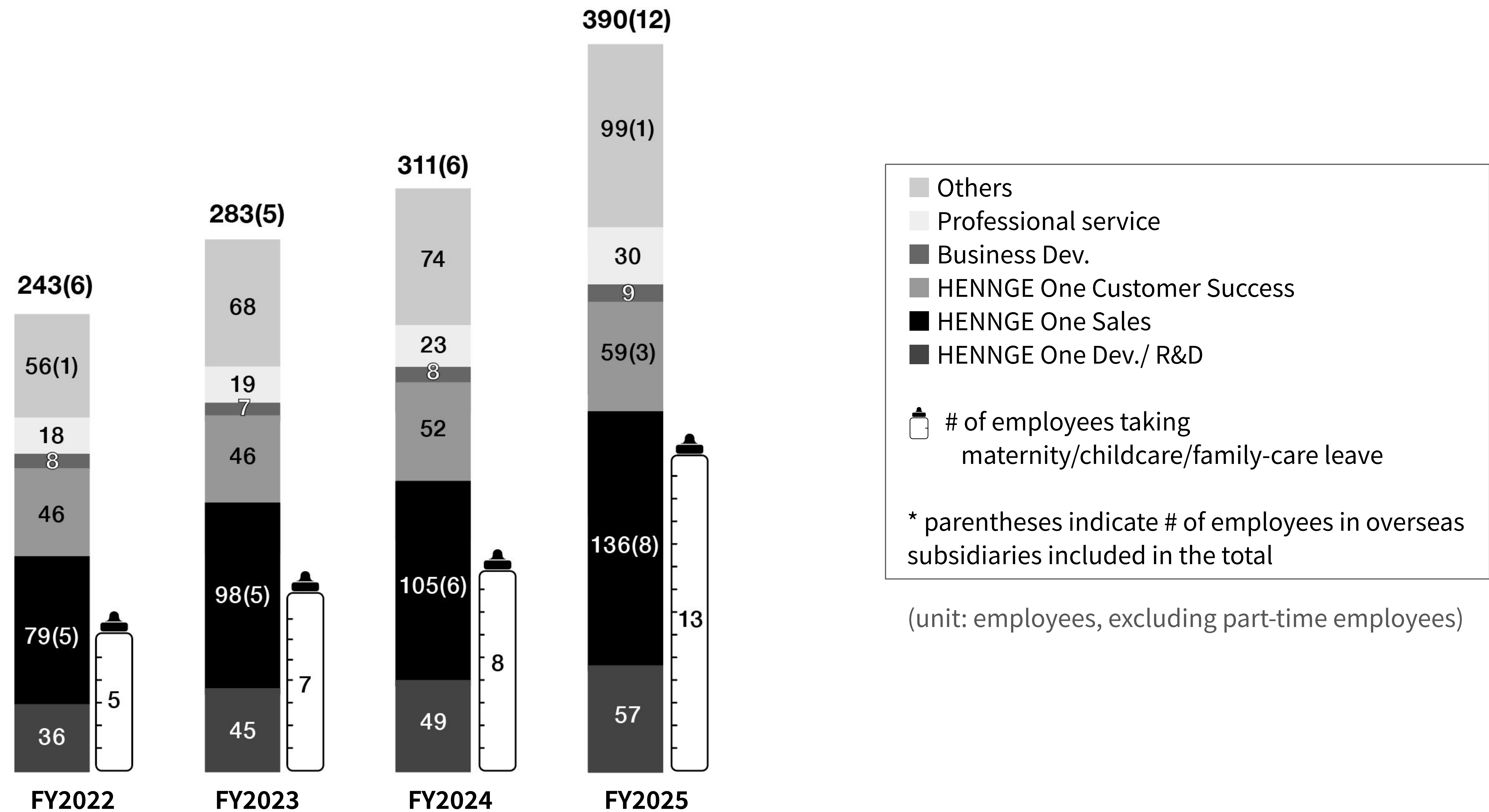
# Net Sales and Operating Expenses





# Number of Employees

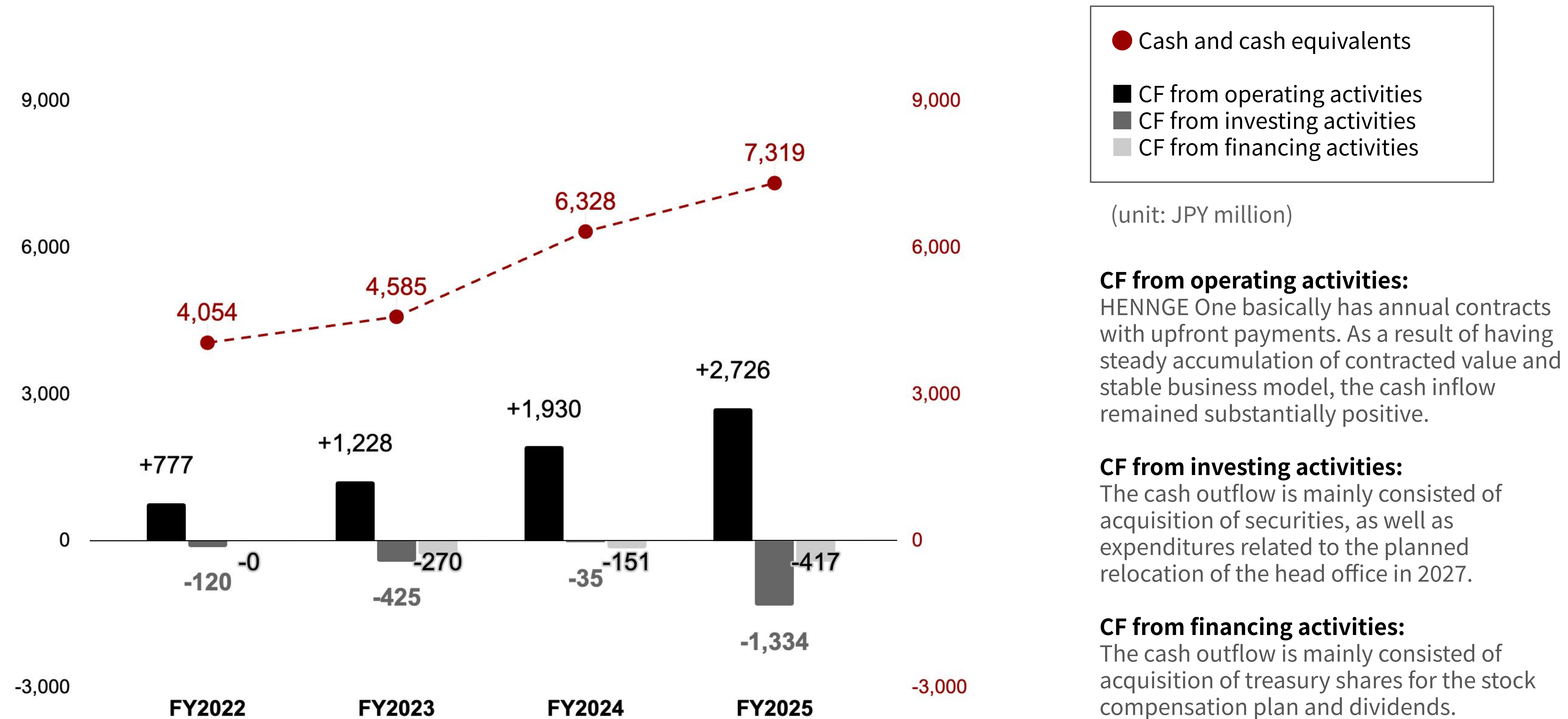
A net increase of 79 employees compared to the end of the previous fiscal year.



(unit: employees, excluding part-time employees)



# Cash Flow



# **FY09/2025 Full-year Consolidated Financial Results (Business Activities)**



# Business Highlights

- **Advertisements and events**

- Hosted “HENNGE One Partner Meeting 2025” in Osaka, Tokyo, and Nagoya (July and September 2025)
- Hosted “Executive Lunch Meeting” in Osaka and Tokyo (September 2025)  
“Executive Lunch” is an invitation-only event targeting IT and DX executives.
- Engaged in numerous events (July to September 2025)

- **Others**

- Invested in Runetale Inc., the provider of the next-generation VPN platform “Runetale” (August 2025)  
“Runetale” is a P2P mesh VPN platform that simultaneously achieves high security, high speed, and simple configuration. It addresses conventional VPN issues, such as security vulnerabilities and slower speeds caused by access congestion.
- Launched a campaign featuring three Ultra Heroes to raise awareness of HENNGE One (August 2025)



# Advertising Activity Highlights

Actively conducted advertising initiatives focused on in-person events.



Engaged in 45+ events



# Branding Advertisement Activities

To raise awareness of HENNGE One, a campaign featuring three Ultra Heroes was launched from August 2025. In addition, as part of HENNGE's branding efforts, OOH advertisements targeting new graduates were conducted.



(Top: JR "Kunitachi" Station, Bottom left: Toei Subway "Shiodome" Station, Bottom right: Nagoya Municipal Subway "Nagoya Daigaku" Station)



# **FY09/2025 Full-year Consolidated Financial Results (KPI Results)**



# HENNGE One KPI Highlights

(Progress in 12 months, compared to the end of FY2024)

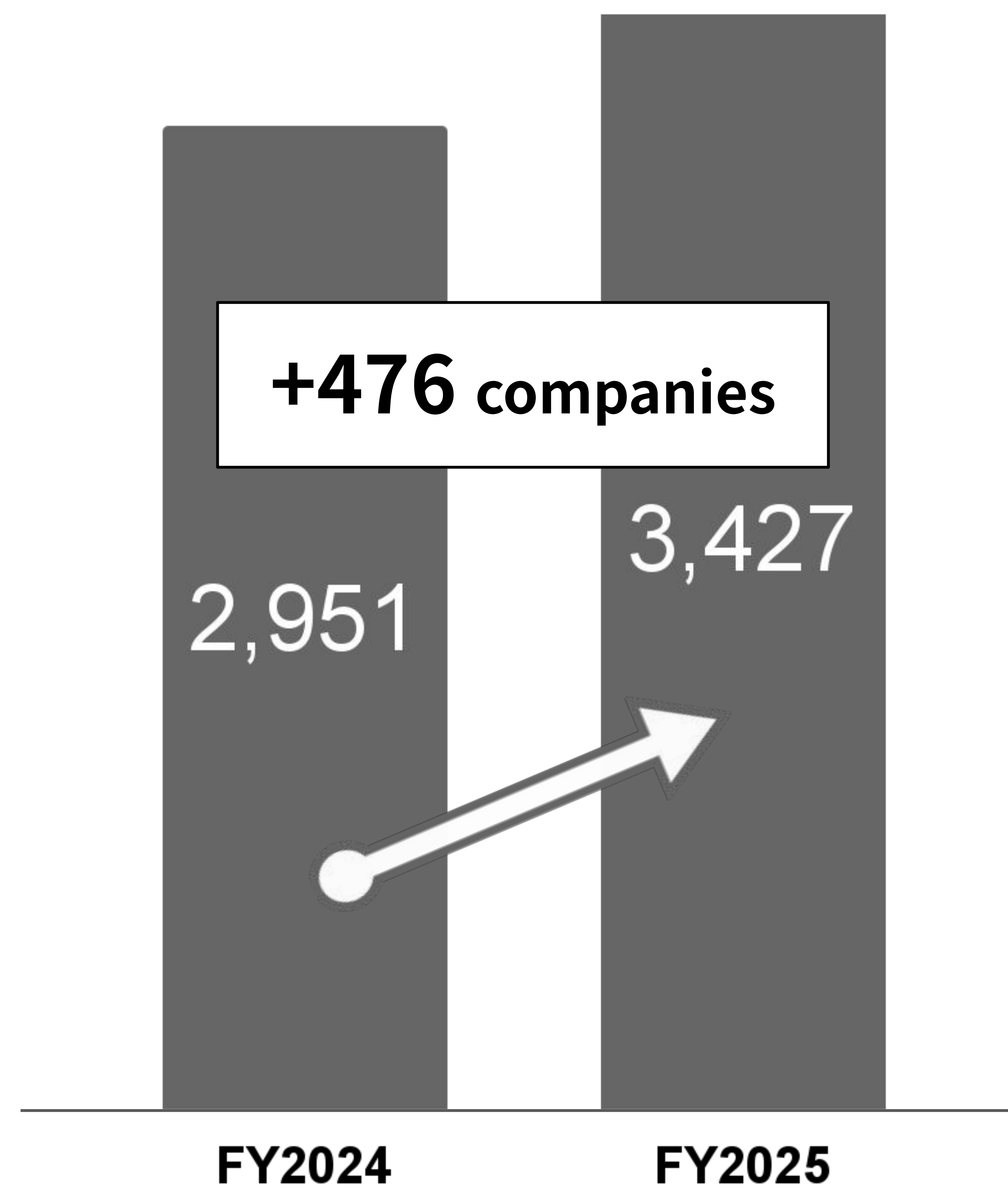
<div># of contracted companies</div> <div>3,427 companies</div> <div>increased by 476 companies</div>	<div># of contracted users</div> <div>2.80M users</div> <div>increased by 305K users</div>	<div>ARR</div> <div>JPY 11.13B</div> <div>increased by JPY 2.38B</div>
<div>ARPU</div> <div>JPY 3,977</div> <div>increased by JPY 468</div>	<div>Average # of users</div> <div>817 users</div> <div>decreased by 28 users</div>	<div>Average monthly churn rate over the past 12 months</div> <div>0.33%</div> <div>improved by 0.21pts</div>

# HENNGE One KPIs (YoY)

# of contracted companies

YoY **+16.1%**

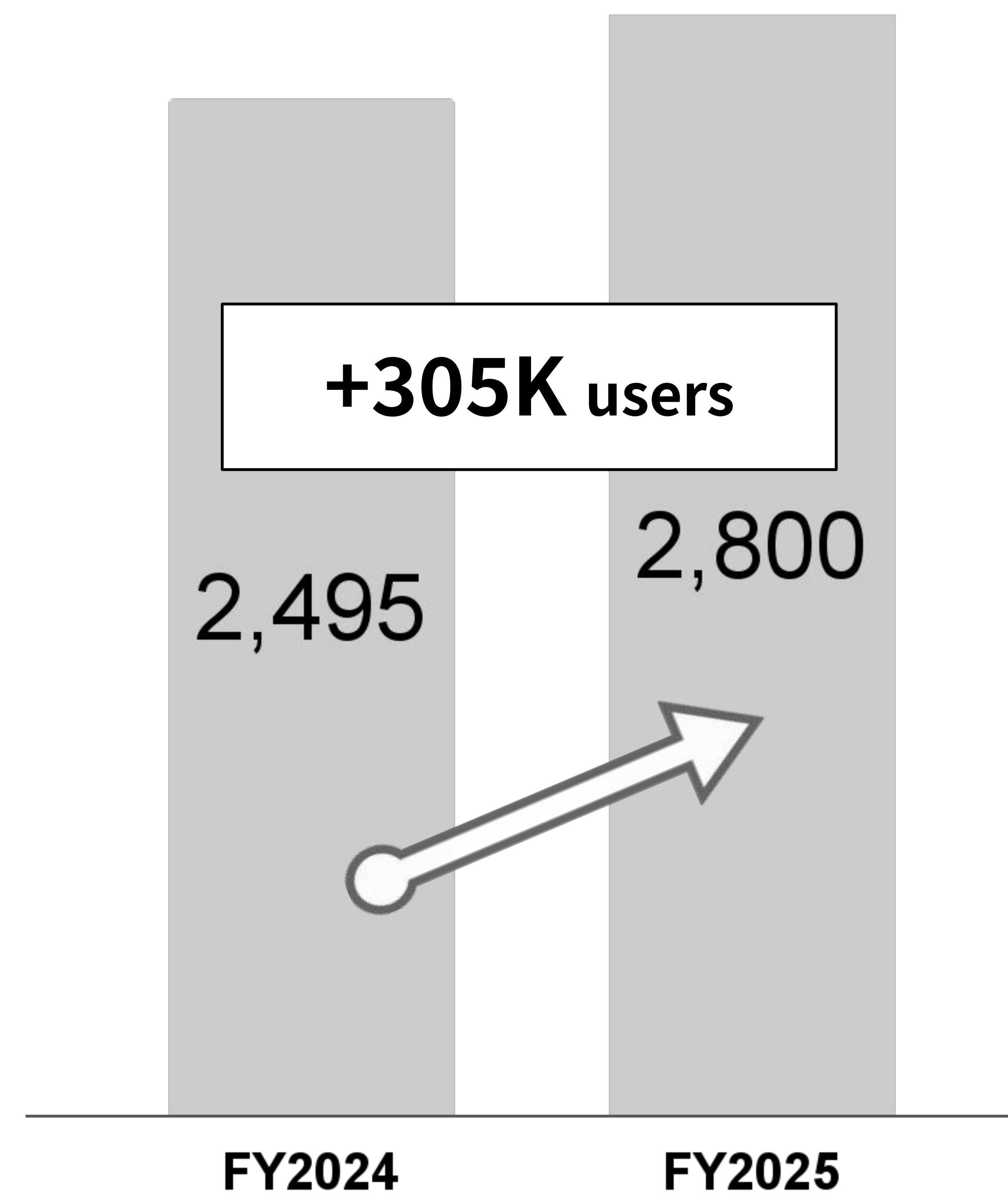
(unit: companies)



# of contracted users

YoY **+12.2%**

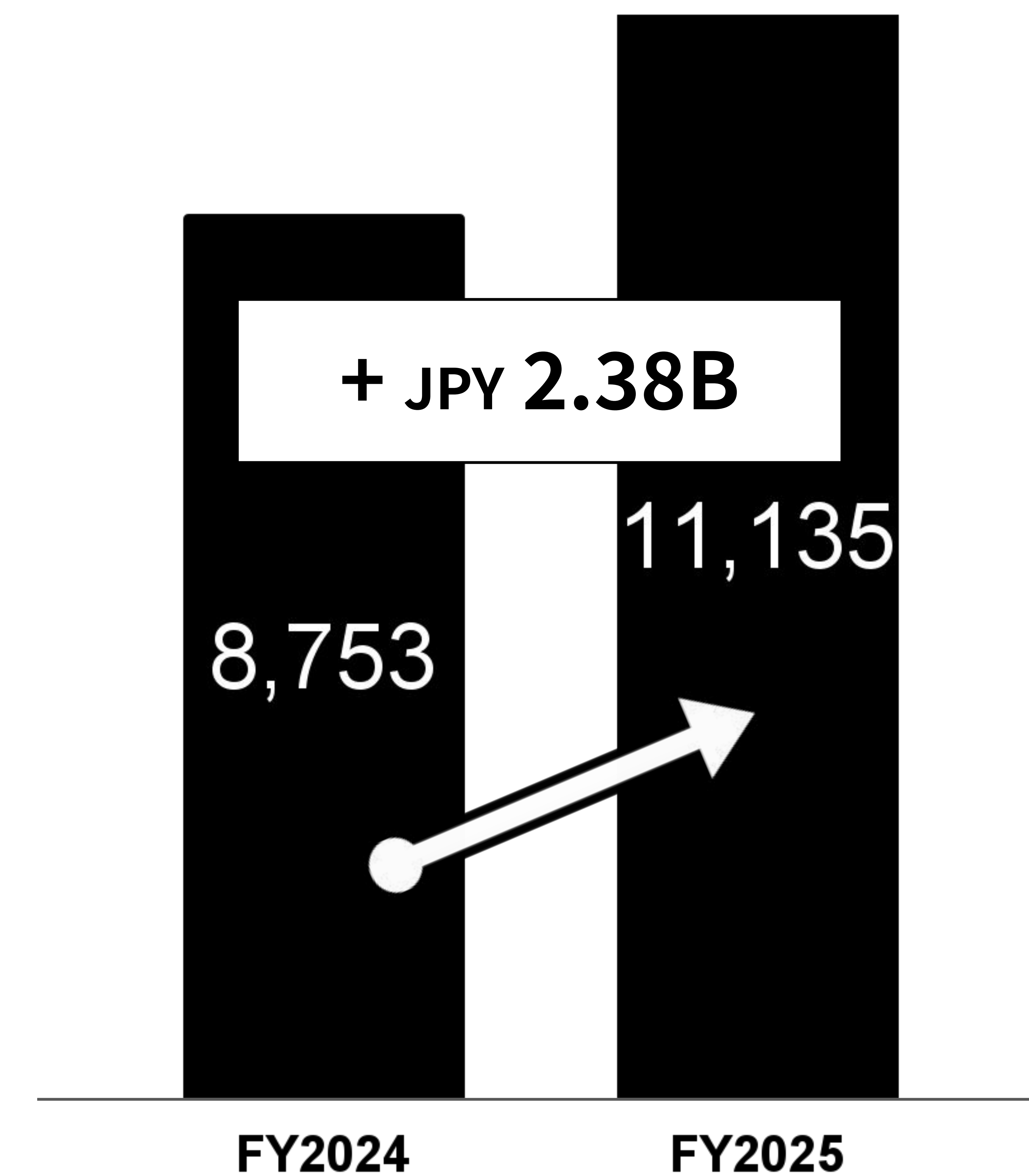
(unit: K users)



ARR

YoY **+27.2%**

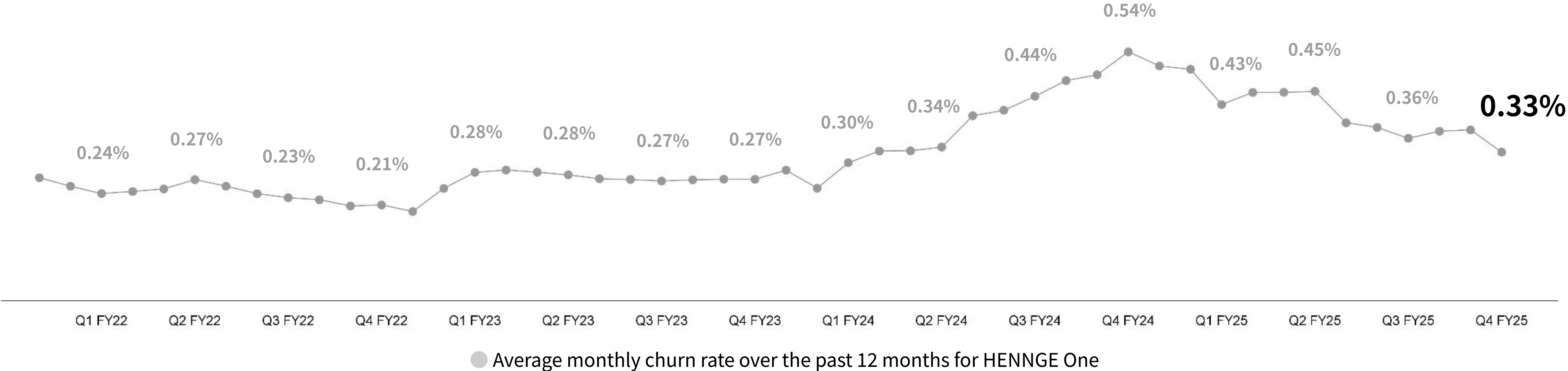
(unit: JPY million)





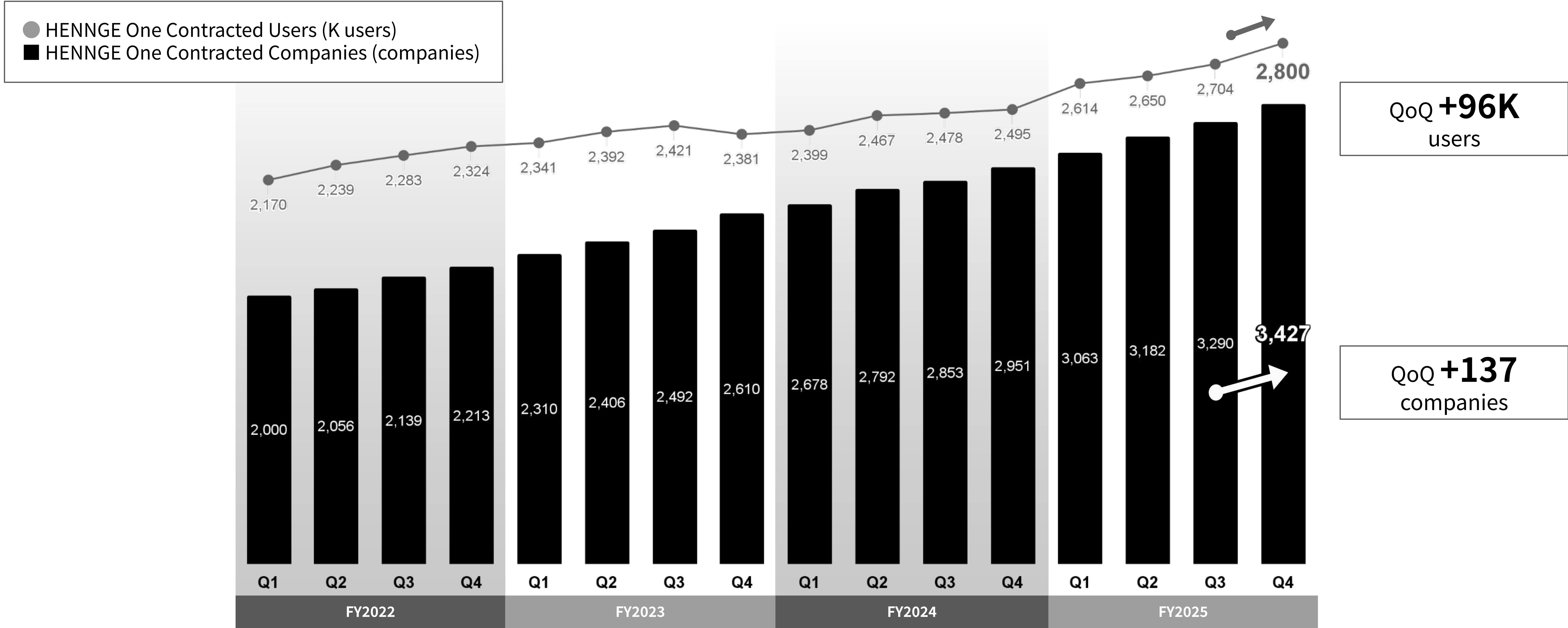
# HENNGE One Gross Revenue Churn Rate

The churn rate remains low, securing a solid base of recurring revenue.



# HENNGE One Contracted Companies & Users

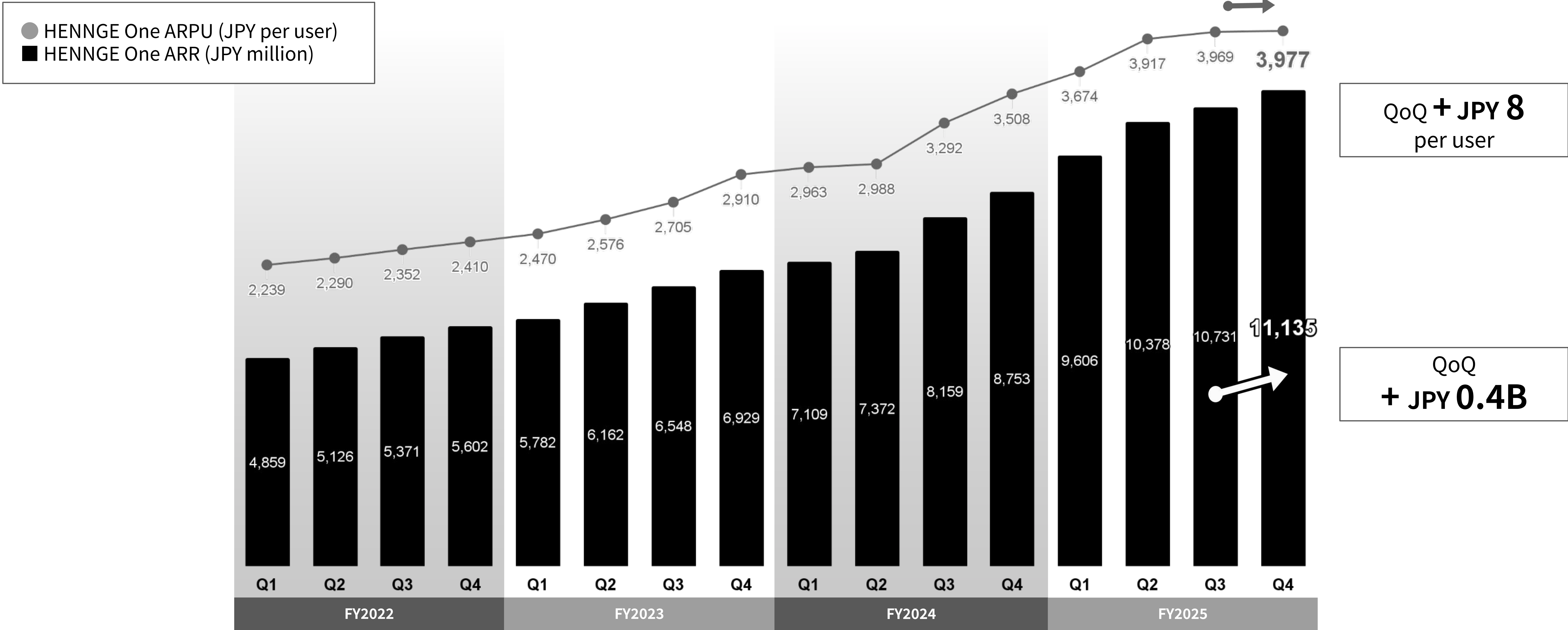
# of contracted companies has increased due to the acquisitions of small to mid sized contracts.





# HENNGE One ARR & ARPU

Despite the adoption of HENNGE One Pro remaining strong across both new and existing customers, a high proportion of new customers, regardless of their size, opted for single-featured plans, resulting in a slight ARPU increase.



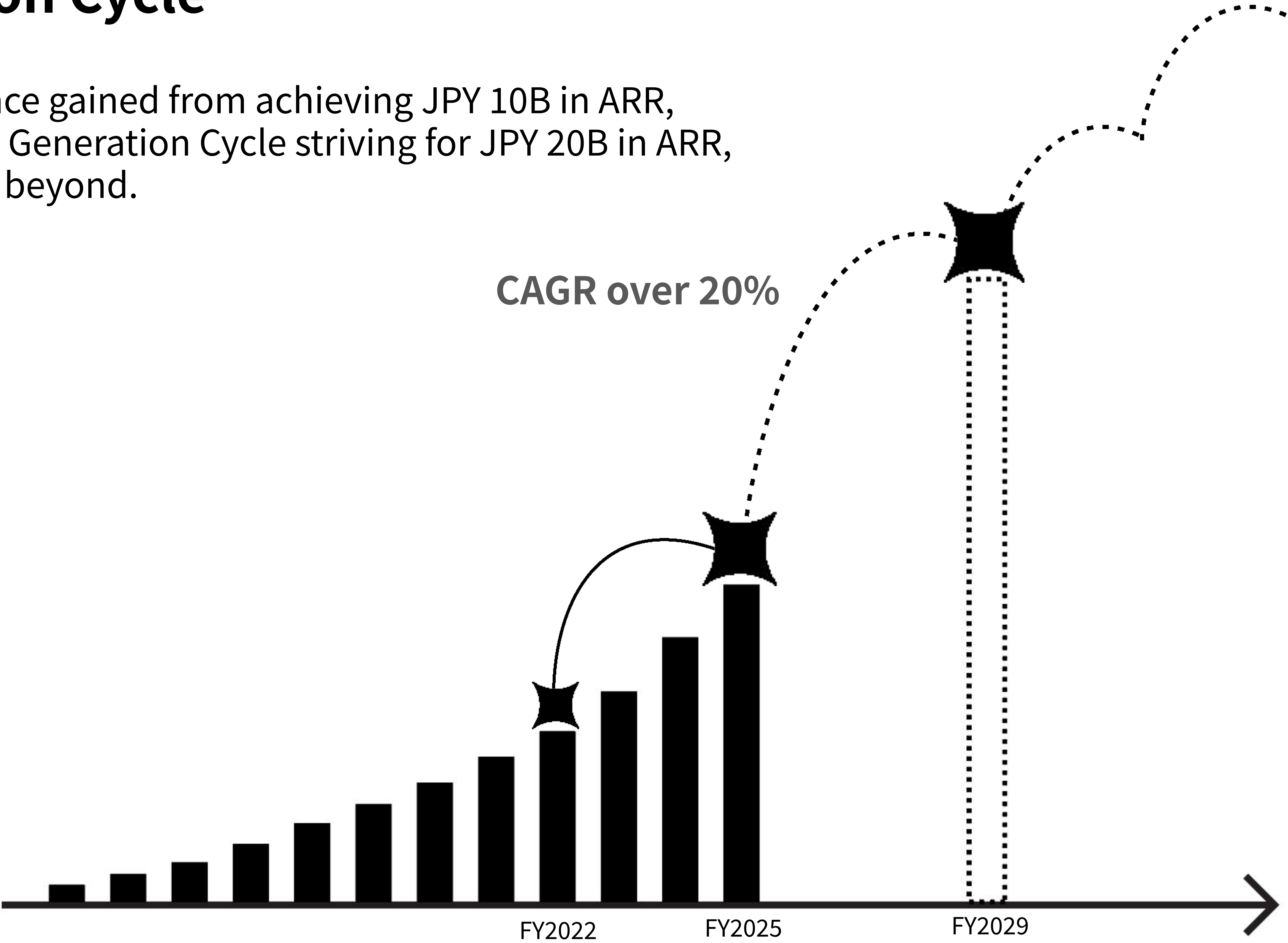


# **FY09/2026 Full-year Forecast**



# Value Generation Cycle

Leveraging the experience gained from achieving JPY 10B in ARR, we will evolve the Value Generation Cycle striving for JPY 20B in ARR, and sustainable growth beyond.

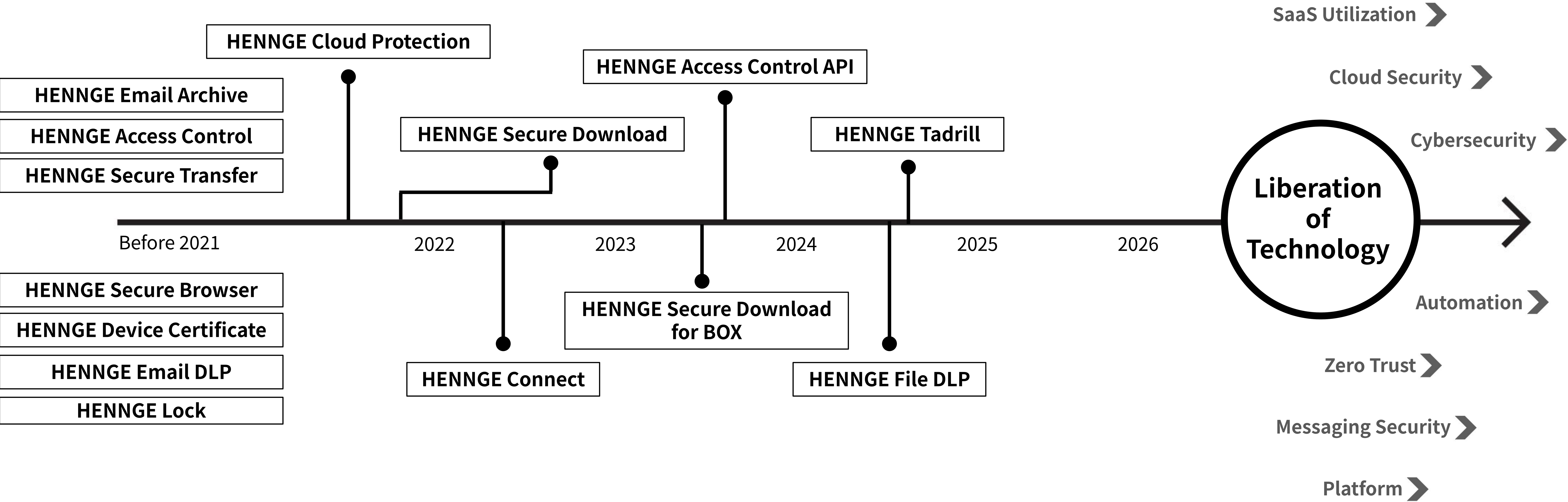


(The bar graph displays data for ARR of HENNGE One)



# HENNGE One, Supporting Customers' Change

Search for the market demands and accelerate the release of new features and services that meet the demands. Continue to support our customers in utilizing SaaS and keep continuing “Liberation of Technology.”





# Our Policy of FY2026

**In pursuit of JPY 20B in ARR,  
strengthen sales structure and accelerate new customer acquisition,  
along with enhancing additional service value**

## **HENNGE One Business**

- Conduct marketing focusing on events to accelerate new customer acquisition and expand a stable customer base.
- To achieve JPY 20B in ARR as a group in FY2029, first focus on efforts to increase the value of HENNGE One.
- Build a foundation for future customer acquisition in high growth regions, both domestically and internationally.

## **Branding Activities**

- Continue taking on activities that contribute to raising awareness and brand of HENNGE.
- Supported by the brand, challenge on further promoting the existing business, cultivate new market and opportunities for M&A to generate additional value.

## **Personnel Plan**

- Aim to increase 45 net headcounts or more to prepare for future business expansion.
- By combining effects from internal reassignments and external hiring, strengthen “selling capabilities” and achieve a lean, robust organizational structure and steady organizational growth.

## **Business Investments**

- Explore business investments including M&A, to boost value of HENNGE One for growth beyond JPY 20B in ARR.



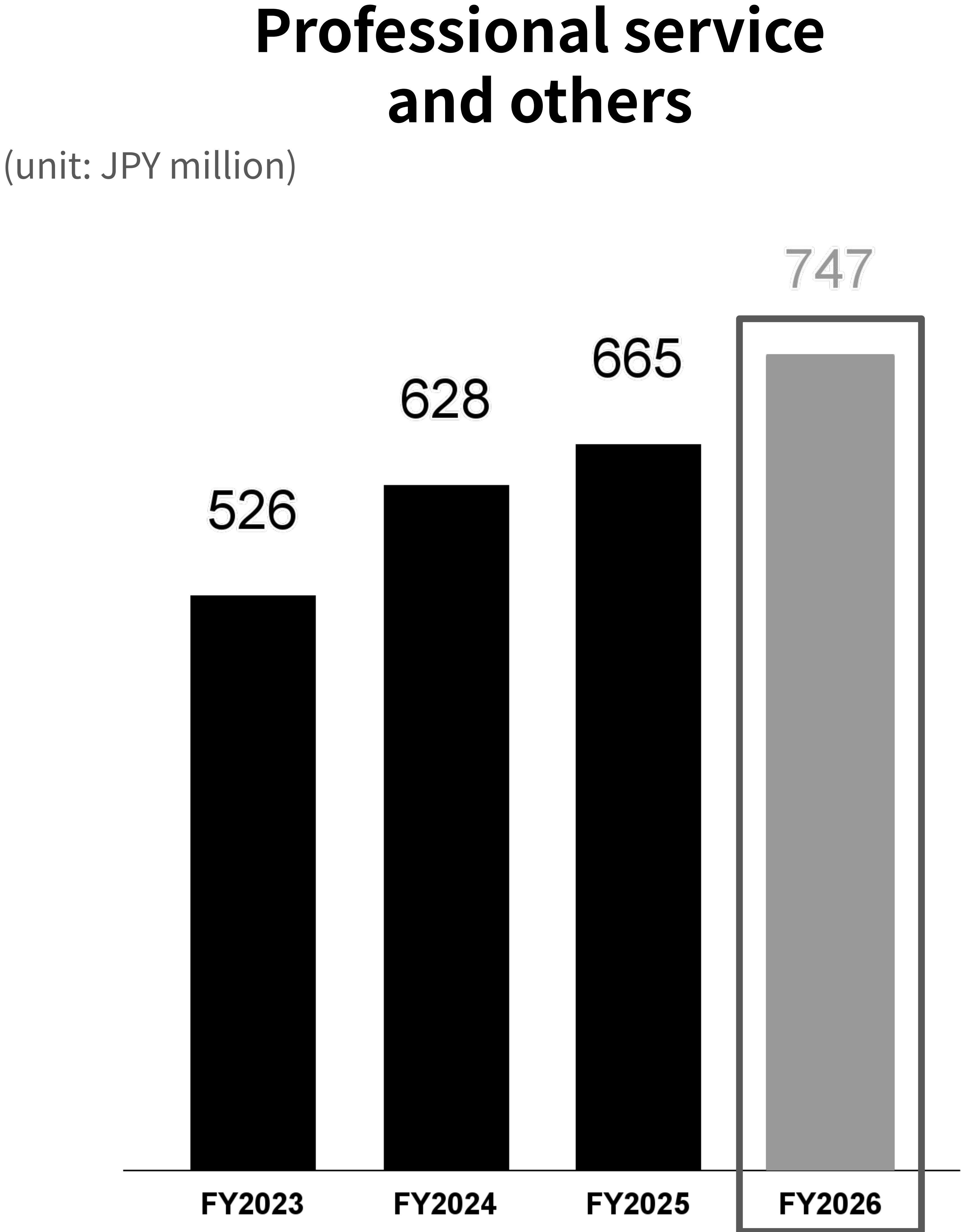
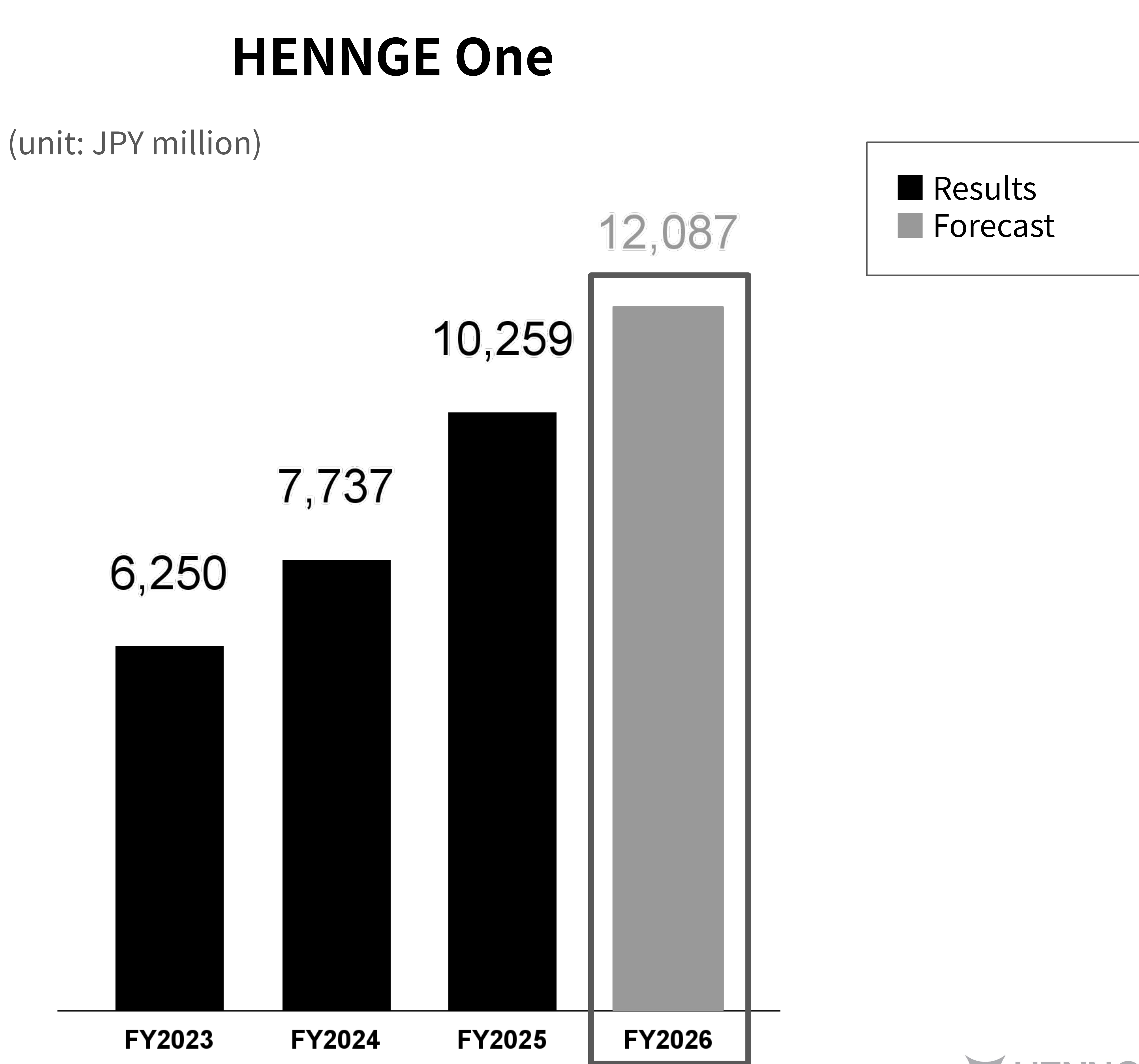
# FY2026 Forecast Highlights

(unit: JPY million)	FY2024 Results	FY2025 Results	FY2026 Forecast	YoY	YoY (%)
Net sales	8,365	10,924	12,834	+1,910	+17.5%
(HENNGE One)	7,737	10,259	12,087	+1,828	+17.8%
(Professional service and others)	628	665	747	+82	+12.3%
Operating expenses	7,350	9,130	10,777	+1,647	+18.0%
(Advertising expenses)	708	961	1,154	+193	+20.1%
(Operating expenses excl. advertising expenses)	6,642	8,169	9,623	+1,454	+17.8%
Operating income	1,015	1,793	2,057	+263	+14.7%
(Operating income margin)	(12.1%)	(16.4%)	(16.0%)		(-0.4pts)
Ordinary income	1,000	1,854	2,073	+220	+11.9%
Profit attributable to owners of parent	827	1,358	1,595	+236	+17.4%
(Net income margin)	(9.9%)	(12.4%)	(12.4%)		(-0pts)



# FY2026 Forecast - Net Sales by Business

Net Sales of HENNGE One business are expected to grow by 17.8% YoY to JPY 12.09B.



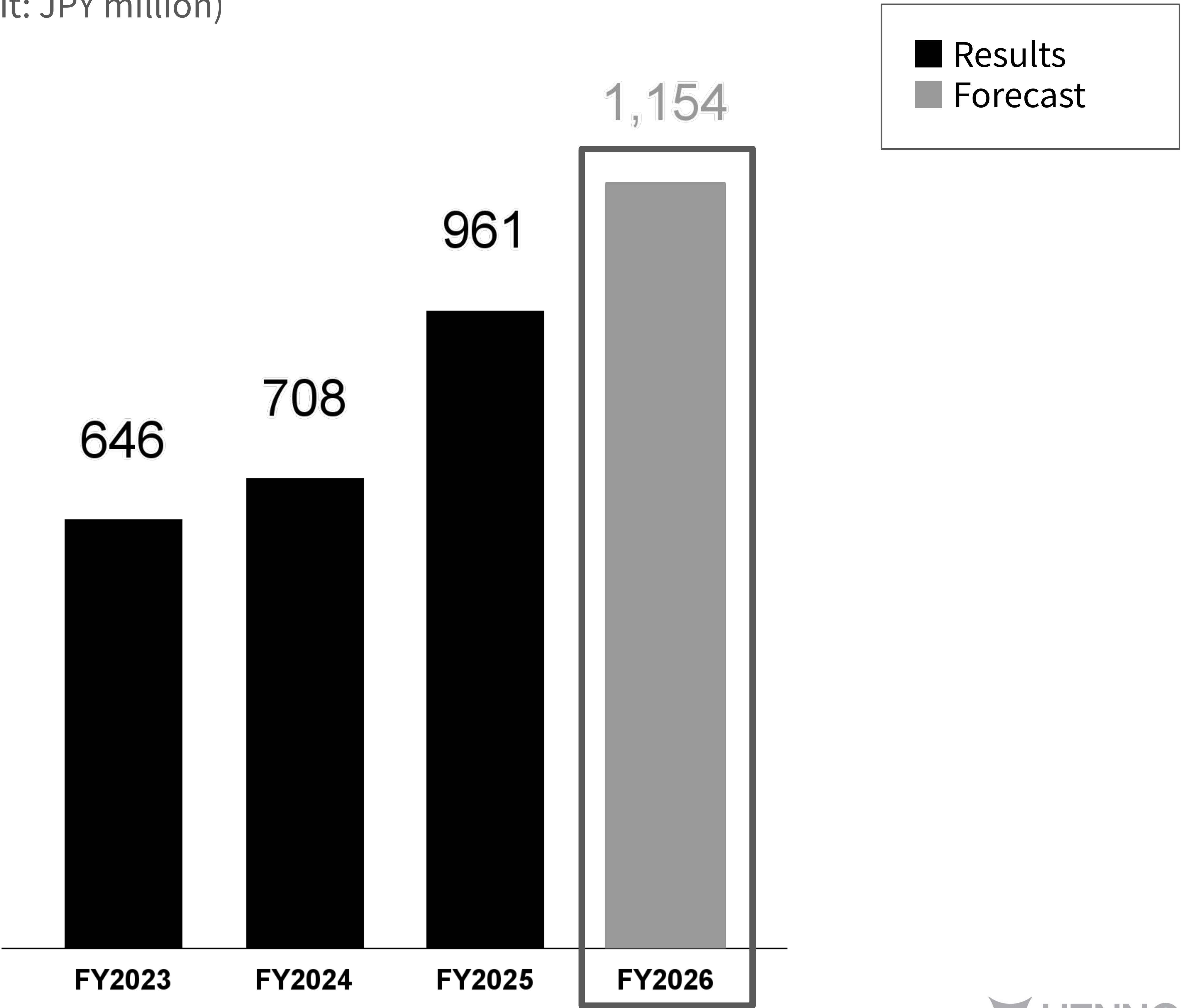


# FY2026 Forecast - Operating Expenses

Advertising expenses are expected to increase by 20.1% YoY to JPY 1.15B.  
Operating expenses, excluding advertising expenses, are expected to increase by 17.8% YoY to JPY 9.62B.

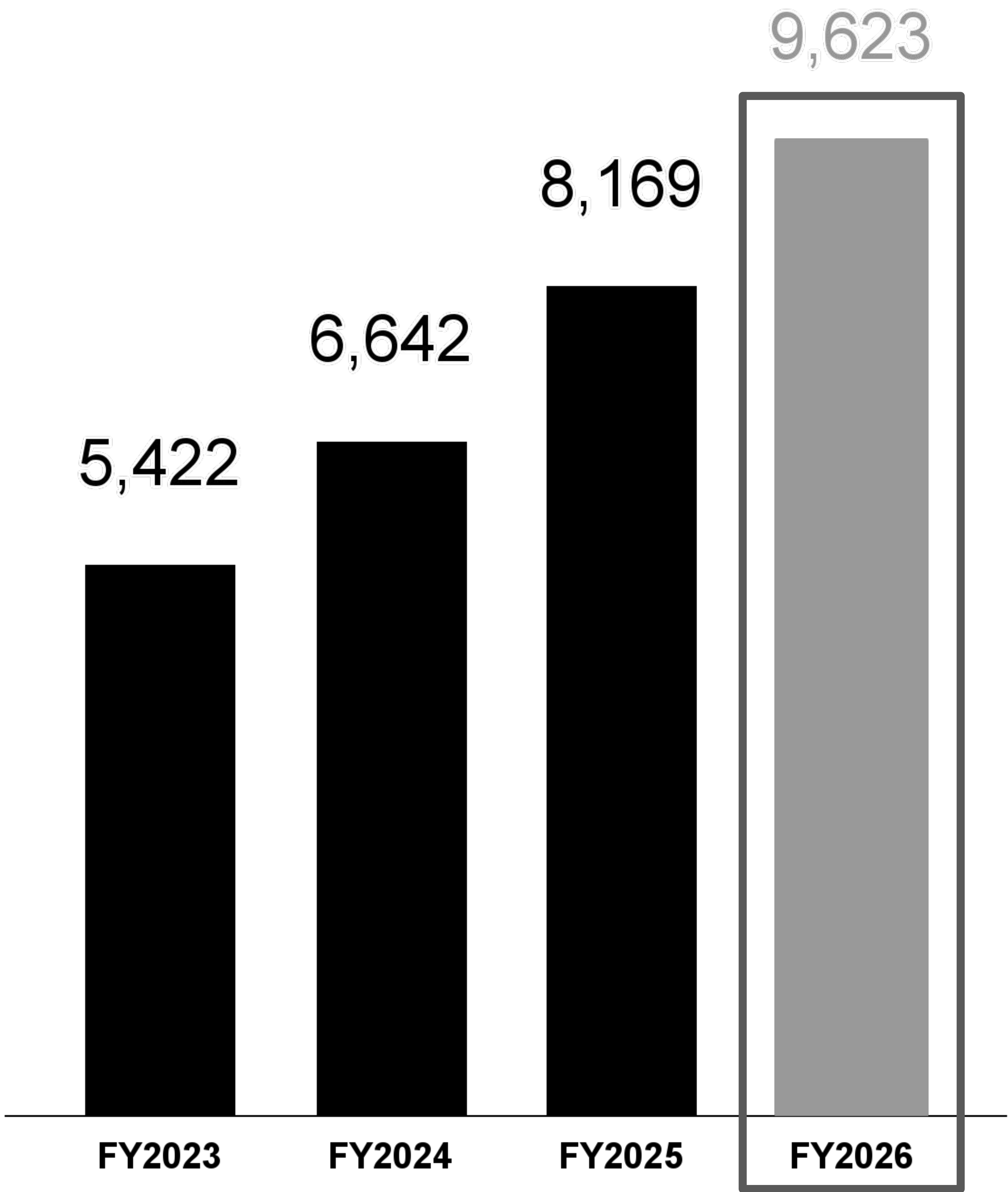
## Advertising expenses

(unit: JPY million)



## Operating expenses excl. advertising expenses

(unit: JPY million)





# Growth Strategy



## Corporate Philosophy

We want to deliver the power of technology to as many people as we can.

# Liberation of Technology

テクノロジーの解放



# Maximize LTV

Our growth strategy is to maximize LTV.

Currently, “Y” and “r” are already in high numbers, therefore our focus is to maximize ARR.

$$\text{LTV} = \text{ARR} \times Y \times r$$

Y = [Average contract duration in years]

r = [Gross profit rate]

$$\text{ARR} = N \times n \times \text{ARPU}$$

N = [# of contracted companies]

n = [Average # of contracted users per contracted company]

ARPU = [Average Revenue Per User]



# HENNGE One - Growth Strategy KPIs

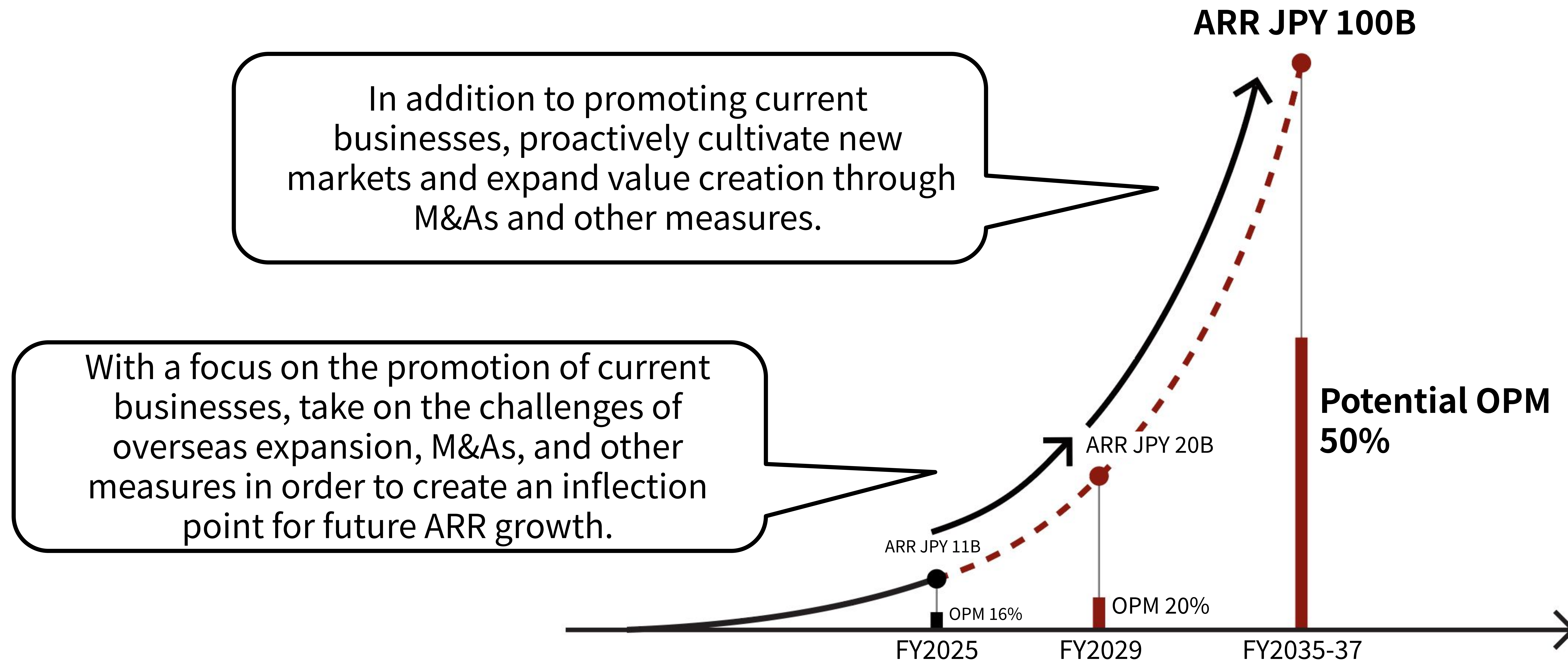
In the recent years, number of small to mid sized contracts were acquired by strengthening relationships with resellers. As a result of providing demanded new services and features, ARPU has improved and led to a notable ARR growth.

	ARR			N			n			ARPU		
	ARR	YoY (%)	YoY	# of contracted companies	YoY (%)	YoY	Average # of contracted users per contracted companies	YoY (%)	YoY	Average Revenue Per User	YoY (%)	YoY
	(JPY million)			(companies)			(users)			(JPY)		
FY2017	1,898		=	928		×	1,107		×	1,848		
		+47.4%	+611		+44.5%	+286		+8.7%	+89		-6.2%	-122
FY2018	2,552		=	1,176		×	1,166		×	1,861		+13
		+34.4%	+653		+26.7%	+248		+5.3%	+59		+0.7%	
FY2019	3,240		=	1,428		×	1,171		×	1,938		+77
		+27.0%	+688		+21.4%	+252		+0.4%	+5		+4.2%	
FY2020	3,909		=	1,667		×	1,169		×	2,007		+68
		+20.7%	+670		+16.7%	+239		-0.2%	-2		+3.5%	
FY2021	4,740		=	1,952		×	1,095		×	2,217		+210
		+21.2%	+830		+17.1%	+285		-6.3%	-73		+10.5%	
FY2022	5,602		=	2,213		×	1,050		×	2,410		+193
		+18.2%	+862		+13.4%	+261		-4.1%	-45		+8.7%	
FY2023	6,929		=	2,610		×	912		×	2,910		+501
		+23.7%	+1,328		+17.9%	+397		-13.2%	-138		+20.8%	
FY2024	8,753		=	2,951		×	845		×	3,508		+598
		+26.3%	+1,824		+13.1%	+341		-7.3%	-67		+20.5%	
FY2025	11,135		=	3,427		×	817		×	3,977		+468
		+27.2%	+2,382		+16.1%	+476		-3.4%	-28		+13.4%	



# Mid-term Target and Ambition Beyond

While targeting JPY 20B in ARR for FY2029, we will solidify our foundation for further growth beyond, which enables us to exceed JPY 100B in ARR and achieve potential operating profit margin (OPM) of 50% within FY2035 to FY2037.





# Path to Becoming World Class IT Company

We will aggressively focus on promoting the existing business, cultivating new markets, and expanding our value through M&As and other measures. To accelerate these efforts, strengthening HENNGE brand is one of the key areas.





# Preparation for TSE Prime Market Application

**Board resolves to prepare application for TSE Prime Market,  
aiming for mid to long term growth and further enhancement of corporate value**

## Objectives of Changing Market Segment

### **Strengthening Our Brand**

To attract talented people and enhance relationships with customers and partner companies.

### **Enhancing Our Presence in the Capital Markets**

To aim for mid to long term improvement in shareholder value by increasing market recognition and expanding access to a broader range of investors.

### **Further Sophistication of Our Governance Structure**

To strengthen the management foundation that supports sustainable corporate growth by further enhancing our governance systems.

#### Notes:

The application date for the change is yet to be determined, and these preparations may be discontinued as they involve uncertain factors. Furthermore, approval of our application by Tokyo Stock Exchange, Inc. is not guaranteed; it may not be approved if, for any reason, the requirements for the market segment change are not met. We will make prompt disclosure of any matters concerning this issue that arise and require public announcement.





**HENNGE**



# Appendix (Corporate Overview)



# Corporate Profile

**Company name :** HENNGE K.K.

## **Directors :**

**Kazuhiro Ogura**

Representative Director, President and CEO/CTO

**Kazuaki Miyamoto**

Representative Director, Executive Senior Vice President

**Yoshiki Nagatome**

Director, Executive Senior Vice President

**Haruo Amano**

Director, Executive Senior Vice President

**Mio Takaoka**

Outside Director

**Michiko Kato**

Outside Director

**Fumiaki Goto**

Director (Full-time Audit & Supervisory Committee Member)

**Akenobu Hayakawa**

Outside Director (Audit & Supervisory Committee Member)

**Kunihiro Onai**

Outside Director (Audit & Supervisory Committee Member)

**Founded on :** November 5, 1996



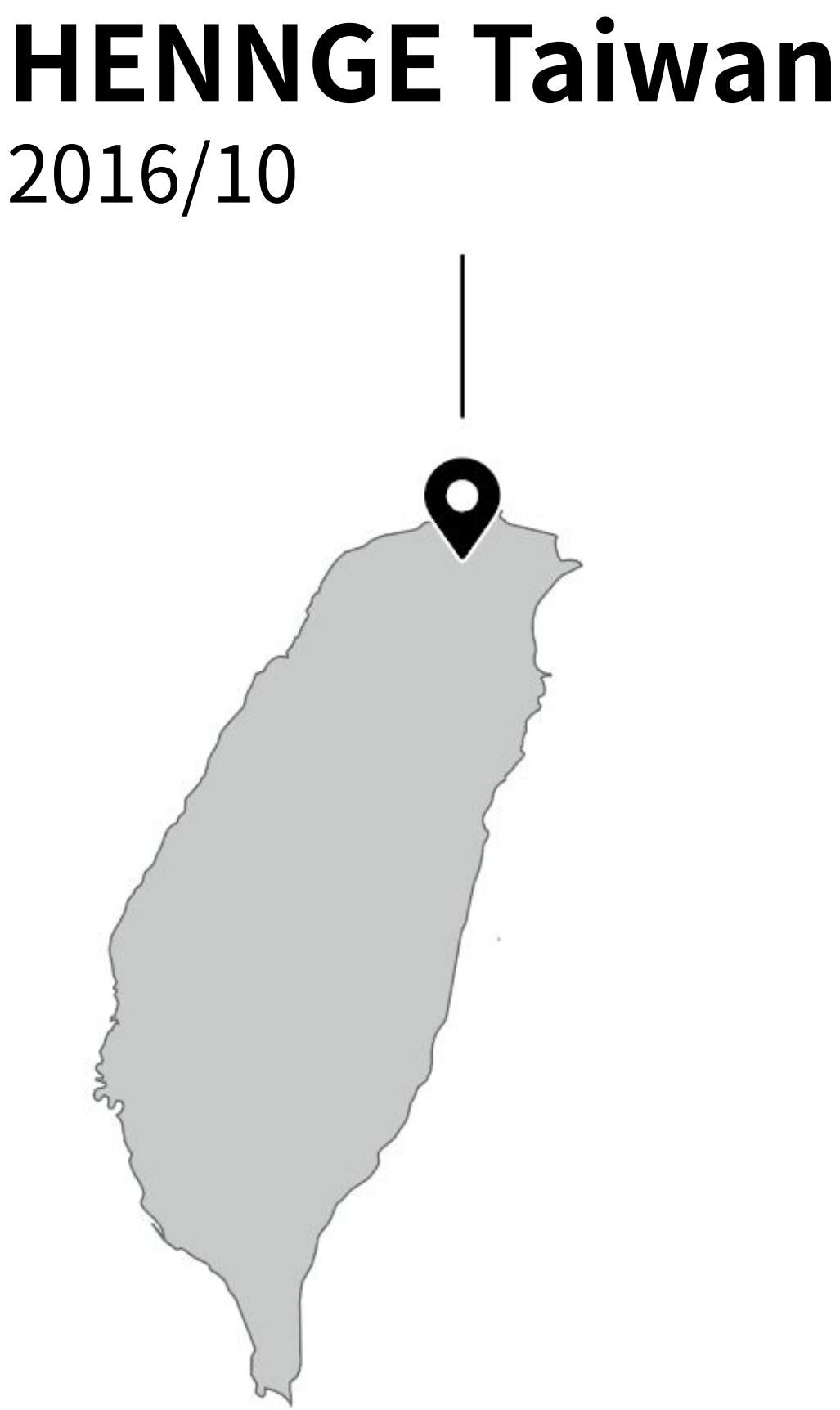


# Locations

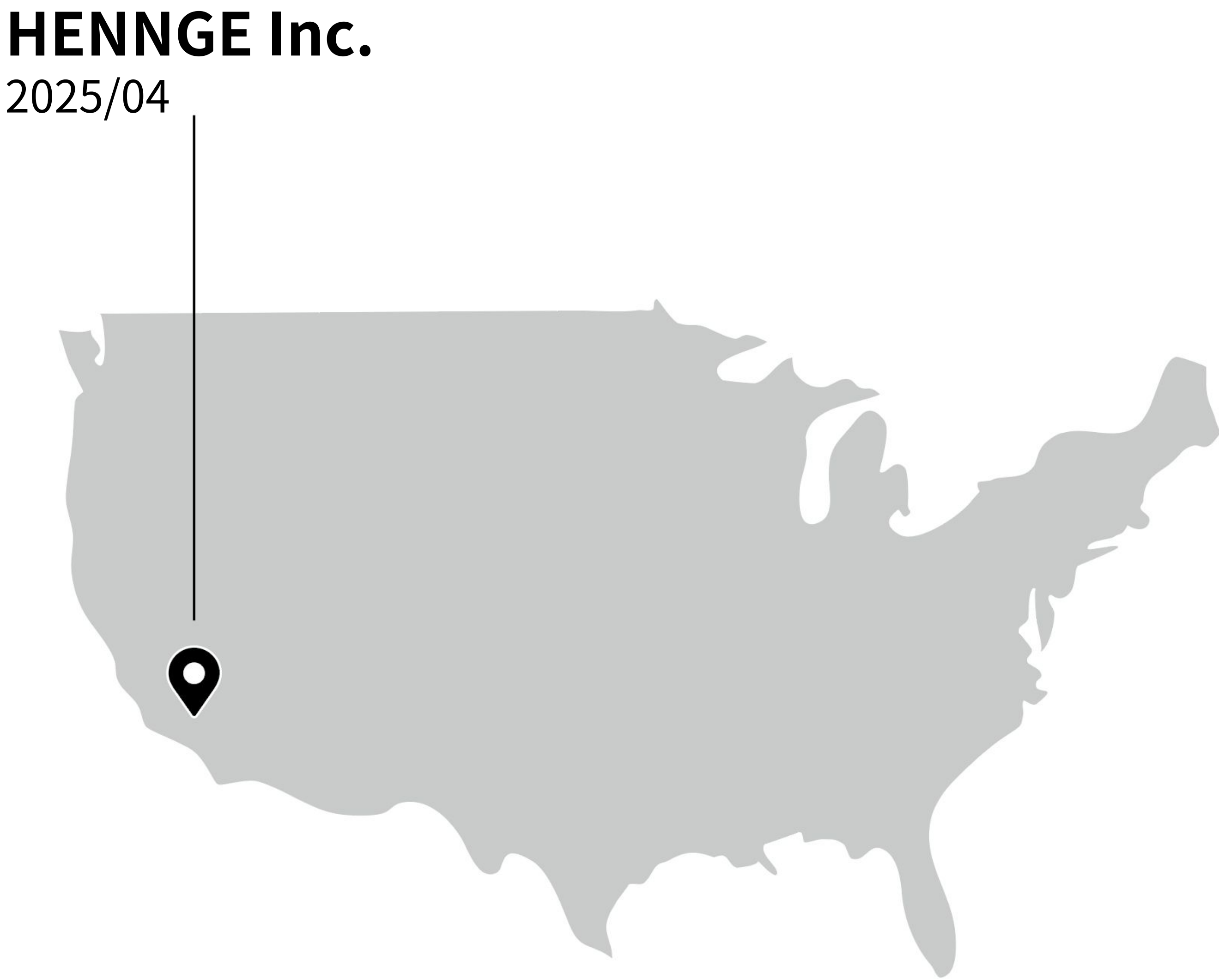
## Japan



## Taiwan

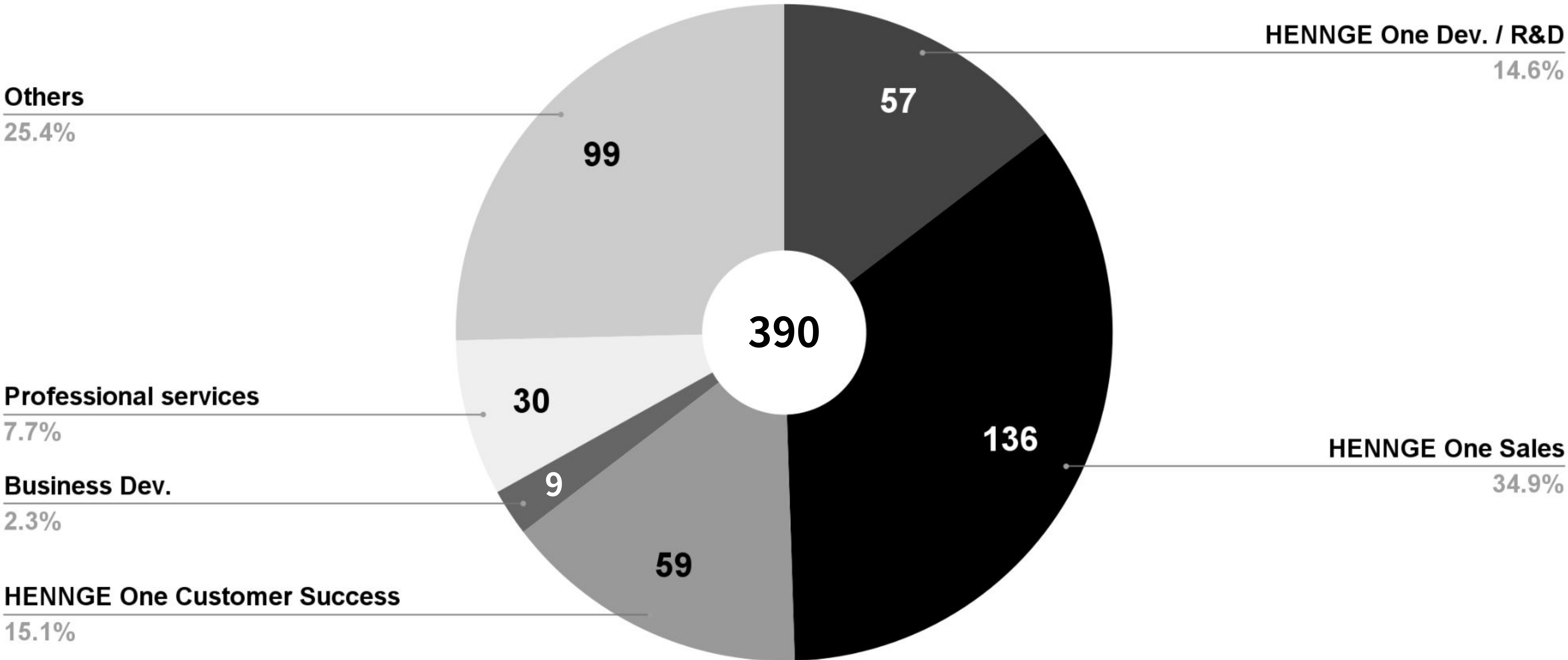


## USA





# Employee Breakdown by Function



(unit: employees, excluding part-time employees, as of 2025-09-30)



## Corporate Philosophy

We want to deliver the power of technology to as many people as we can.

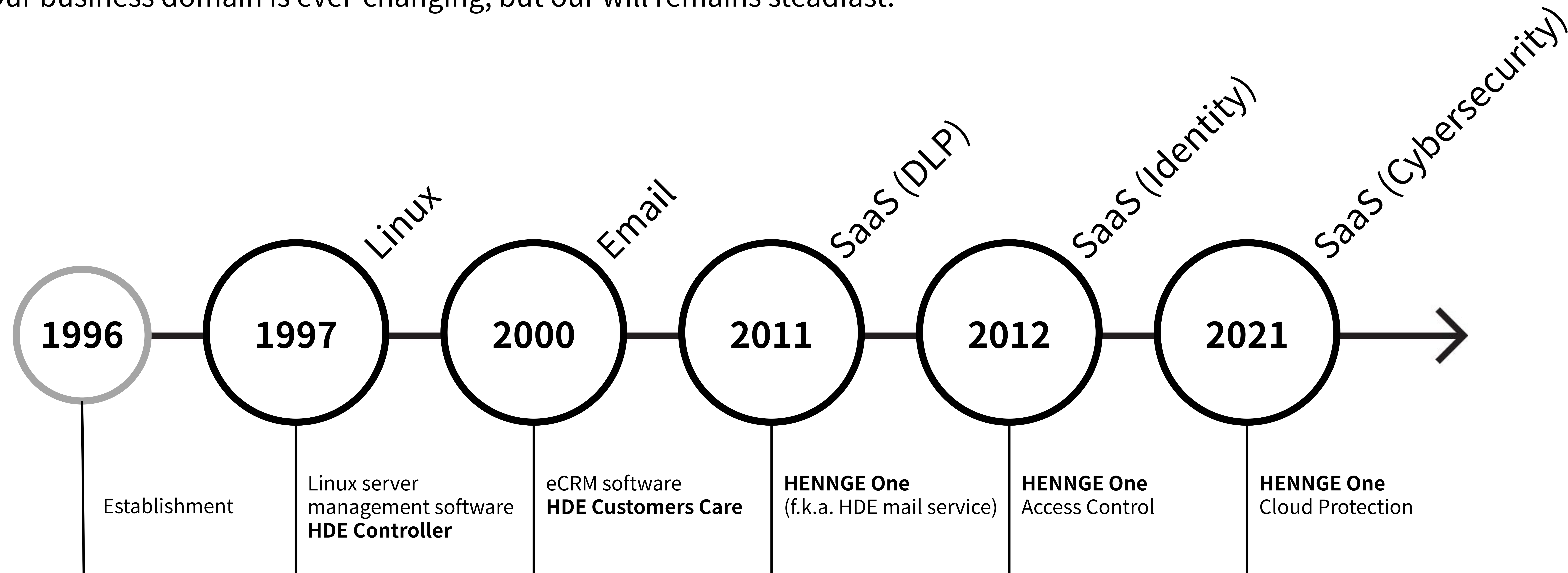
# Liberation of Technology

テクノロジーの解放



# History

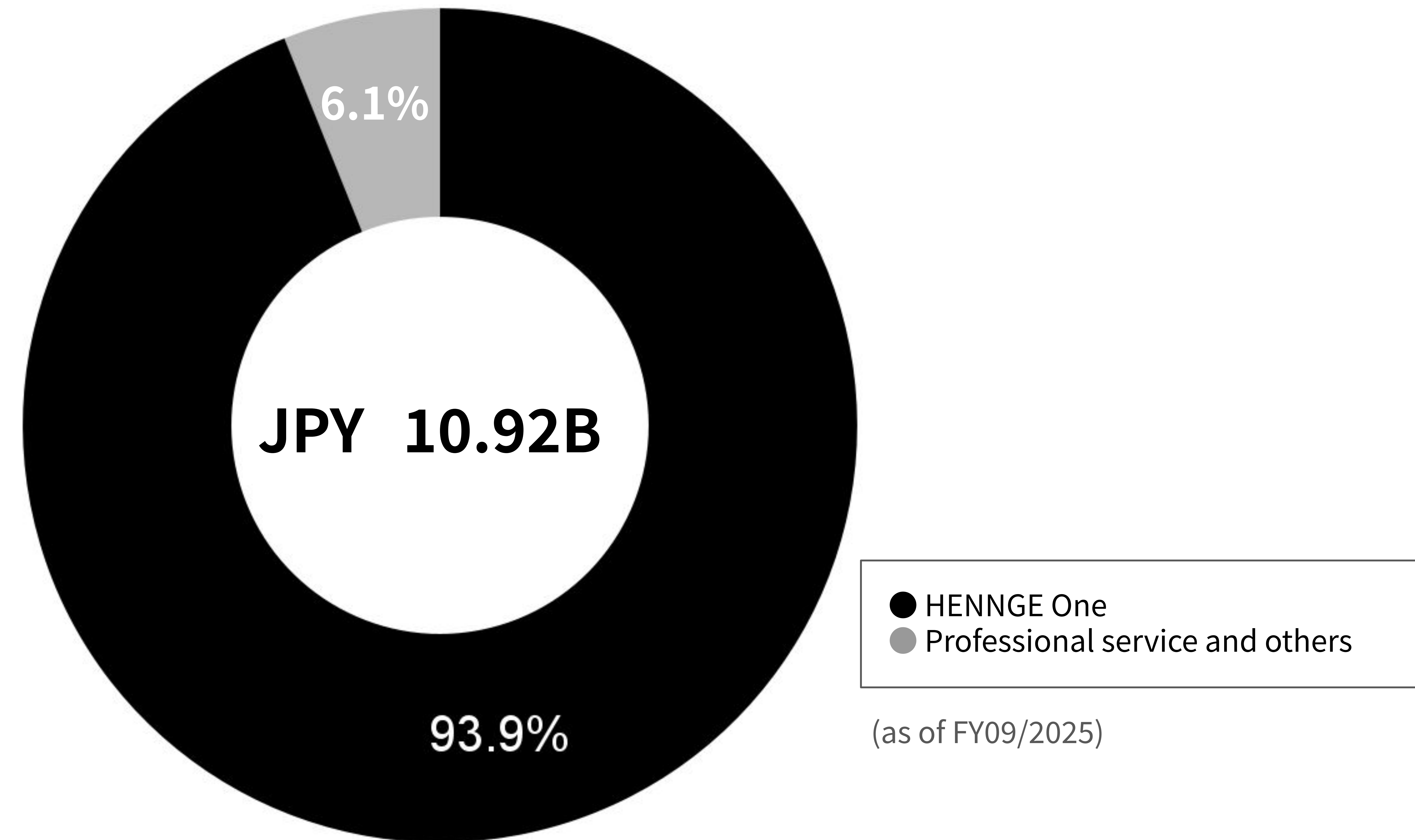
Our business domain is ever-changing, but our will remains steadfast.





# Net Sales by Business

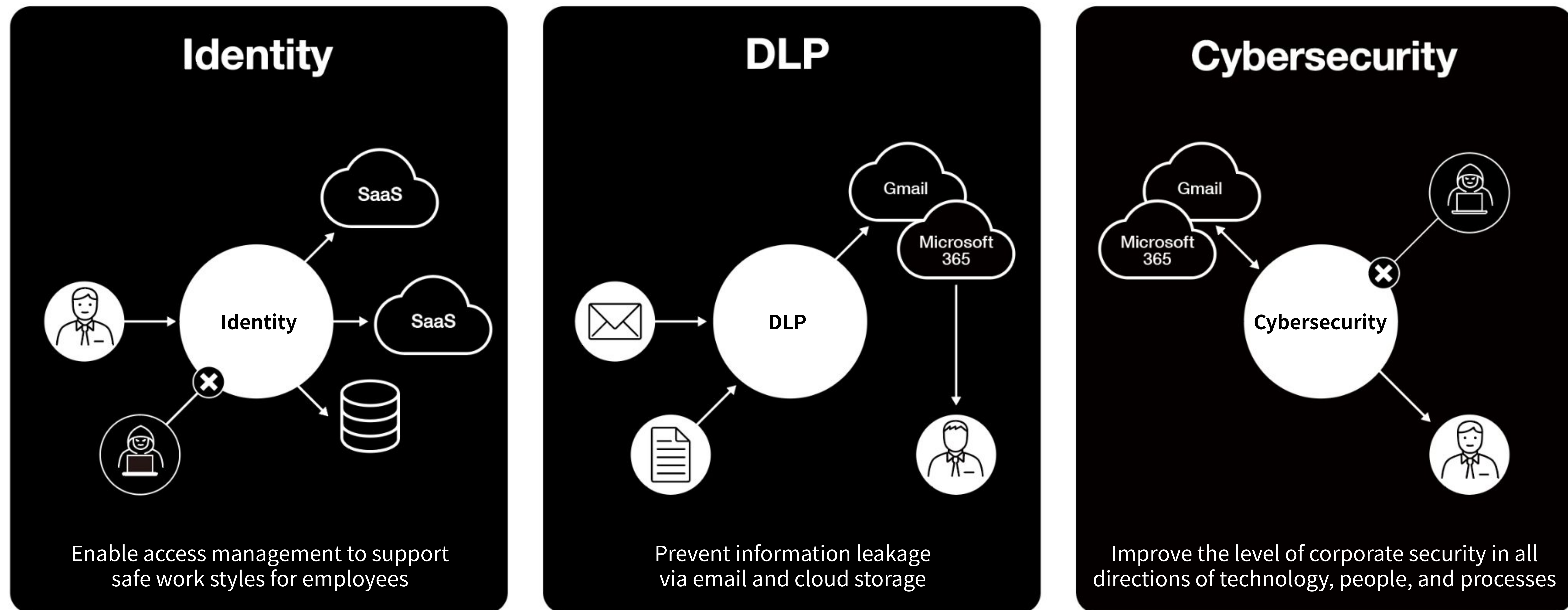
93.9% of net sales come from HENNGE One business.





# HENNGE One

Provide services in one-stop that remove obstacles for companies trying to improve productivity by adopting cloud. Enhance security and usability of cloud to all the employees by having company-wide implementation.



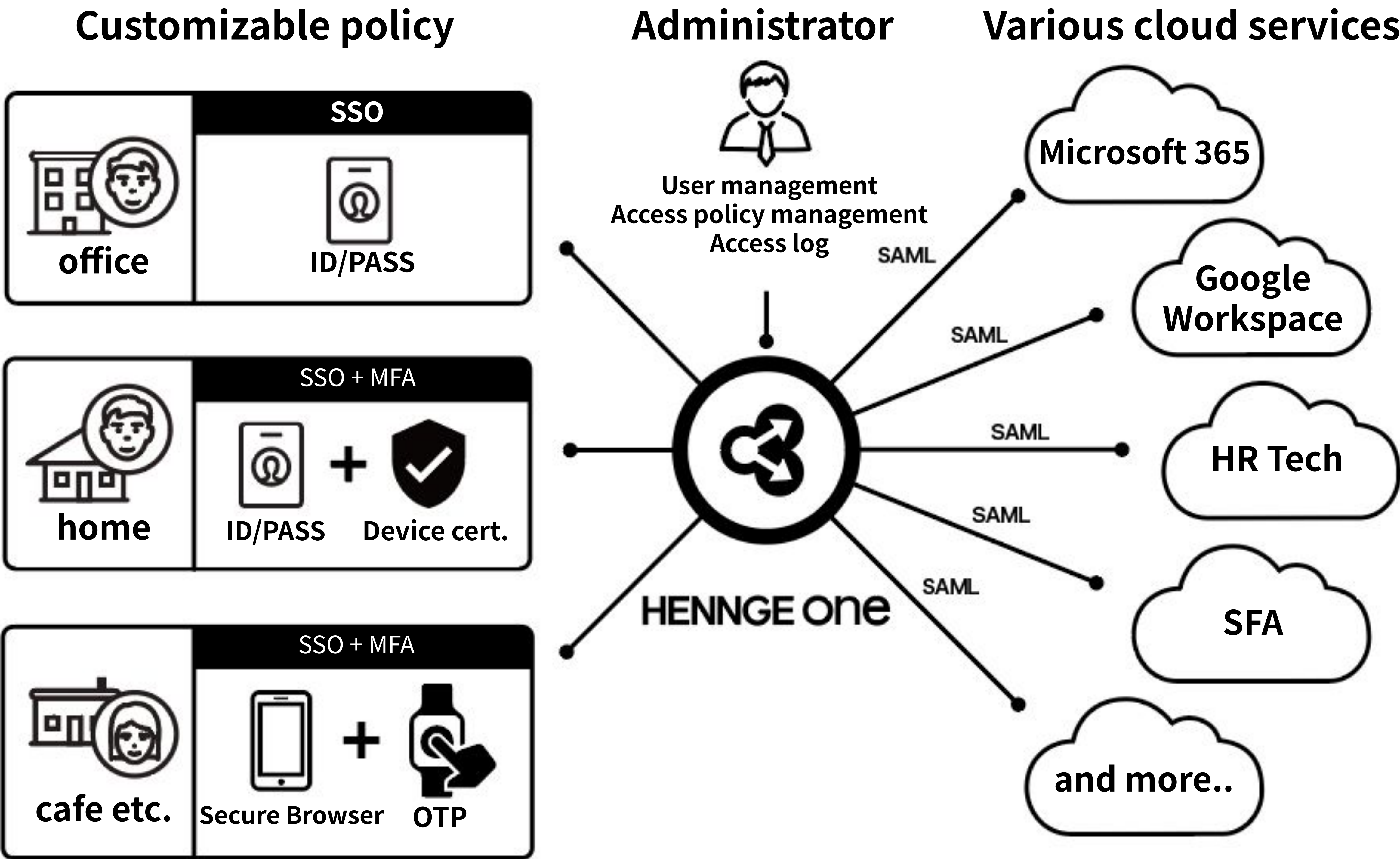
HENNGE One's service availability rate: **Over 99.9%**



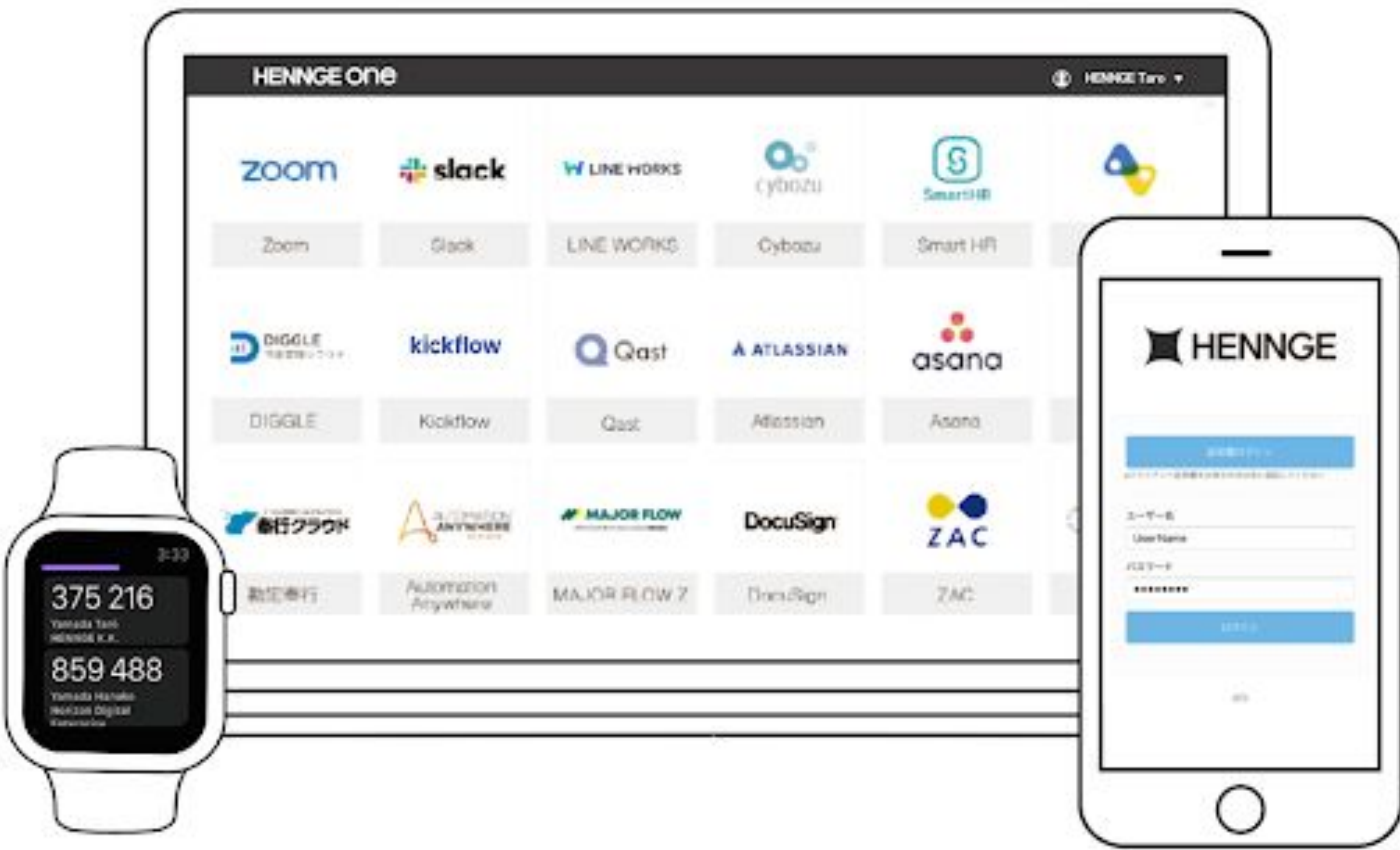
# HENNGE One - Identity

Provide cross-sectional secure access and SSO for various cloud services used by companies.

## Access Control



## ID Federation

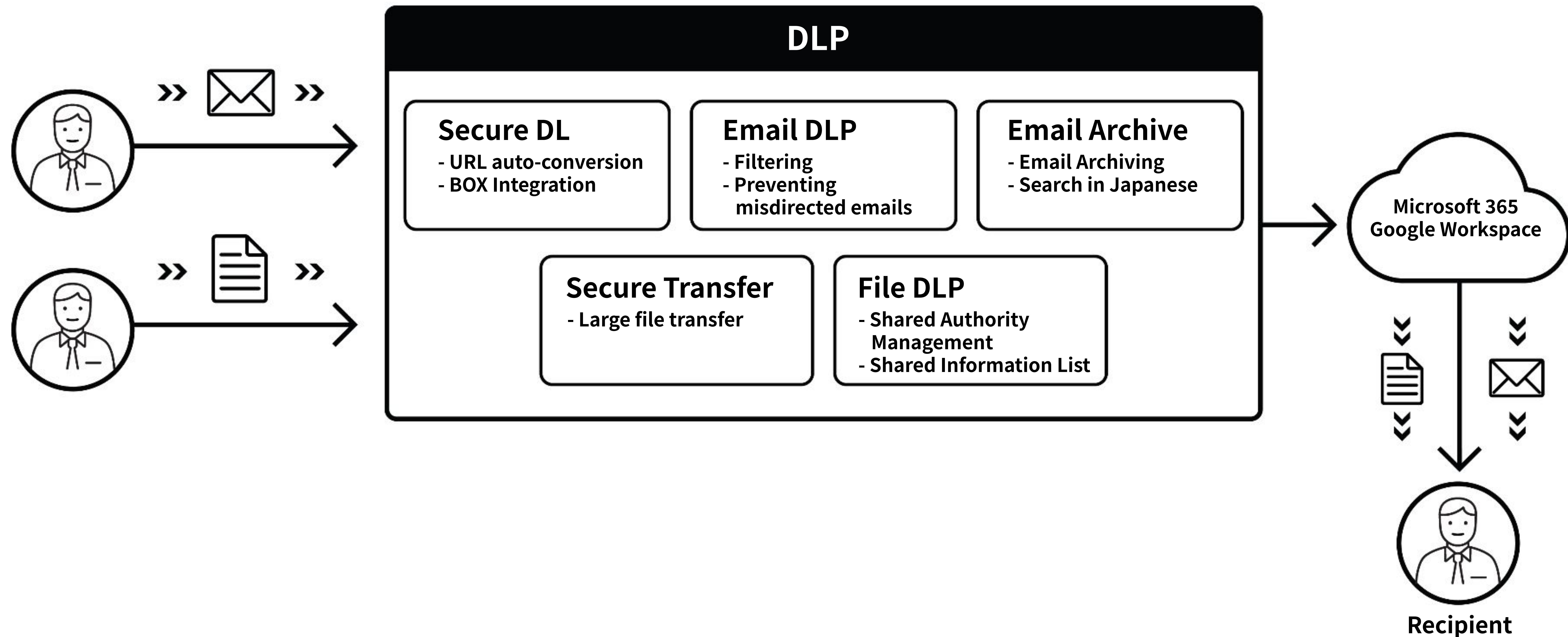


SSO Integration: Currently integrates with **429** cloud services



# HENNGE One - DLP

Prevent leaks of important data, such as confidential corporate information, from misdirected email and wrong file sharing misconfiguration.

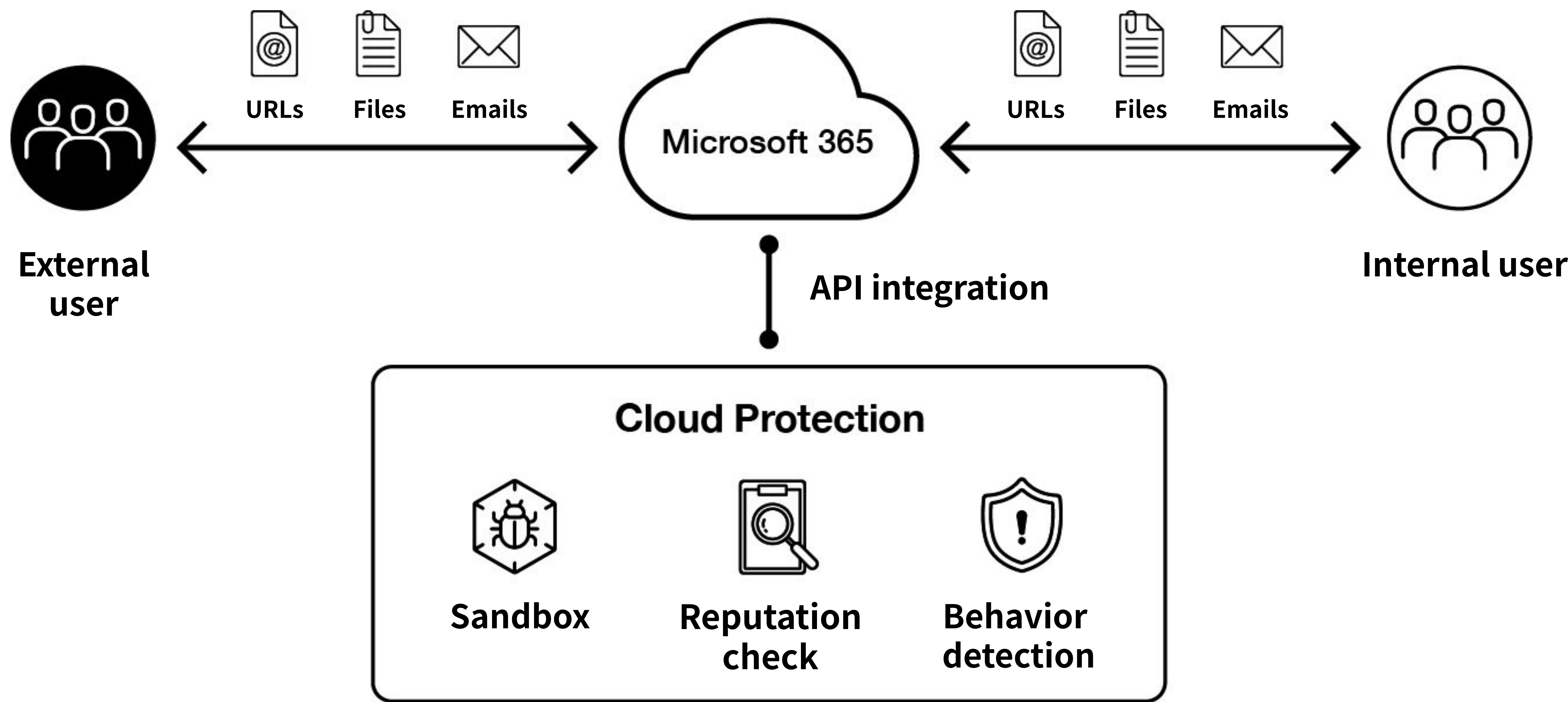




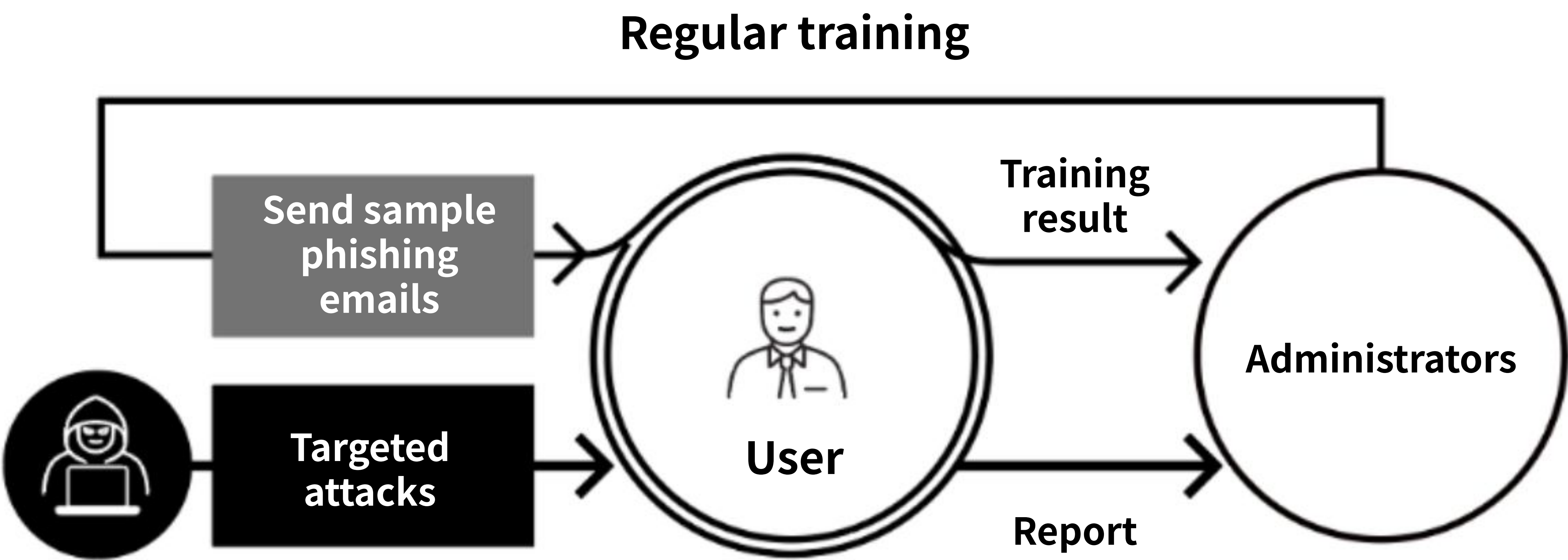
# HENNGE One - Cybersecurity

Improve the level of security from technology, people, and processes, by addressing measures such as for ransomware and targeted email attacks.

## HENNGE Cloud Protection



## HENNGE Tadrill





# HENNGE One - Solid Customer Base

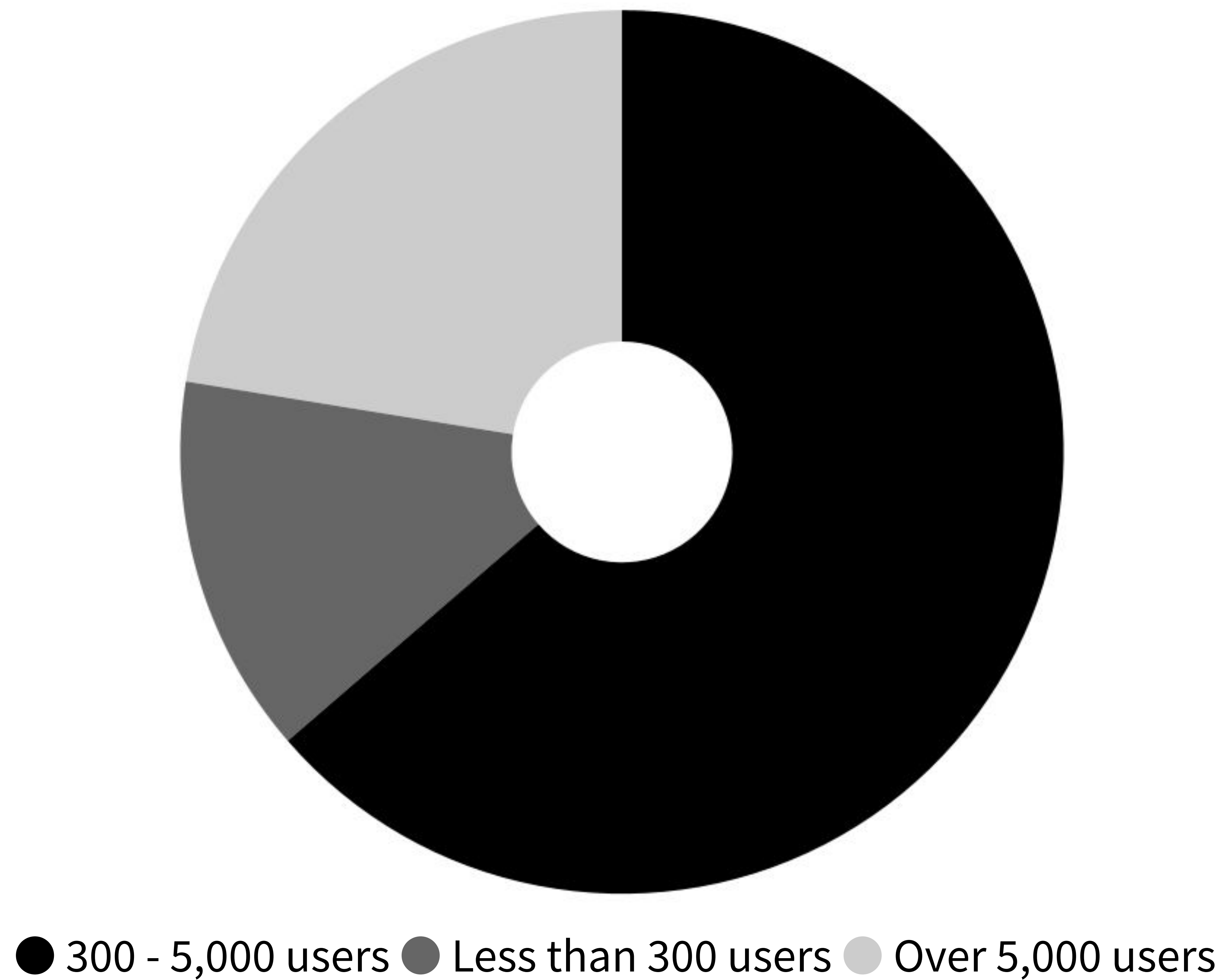
HENNGE One is used by 3,427 companies in various industries, and has approximately 2.80 million users.  
Average number of contracted users per contracted company is approximately 817. (as of 2025-09-30)



and more

Approx. **19.5%** of listed companies on TSE are using HENNGE One.

Breakdown by Contracted Users Size  
(ARR Base, FY2025)



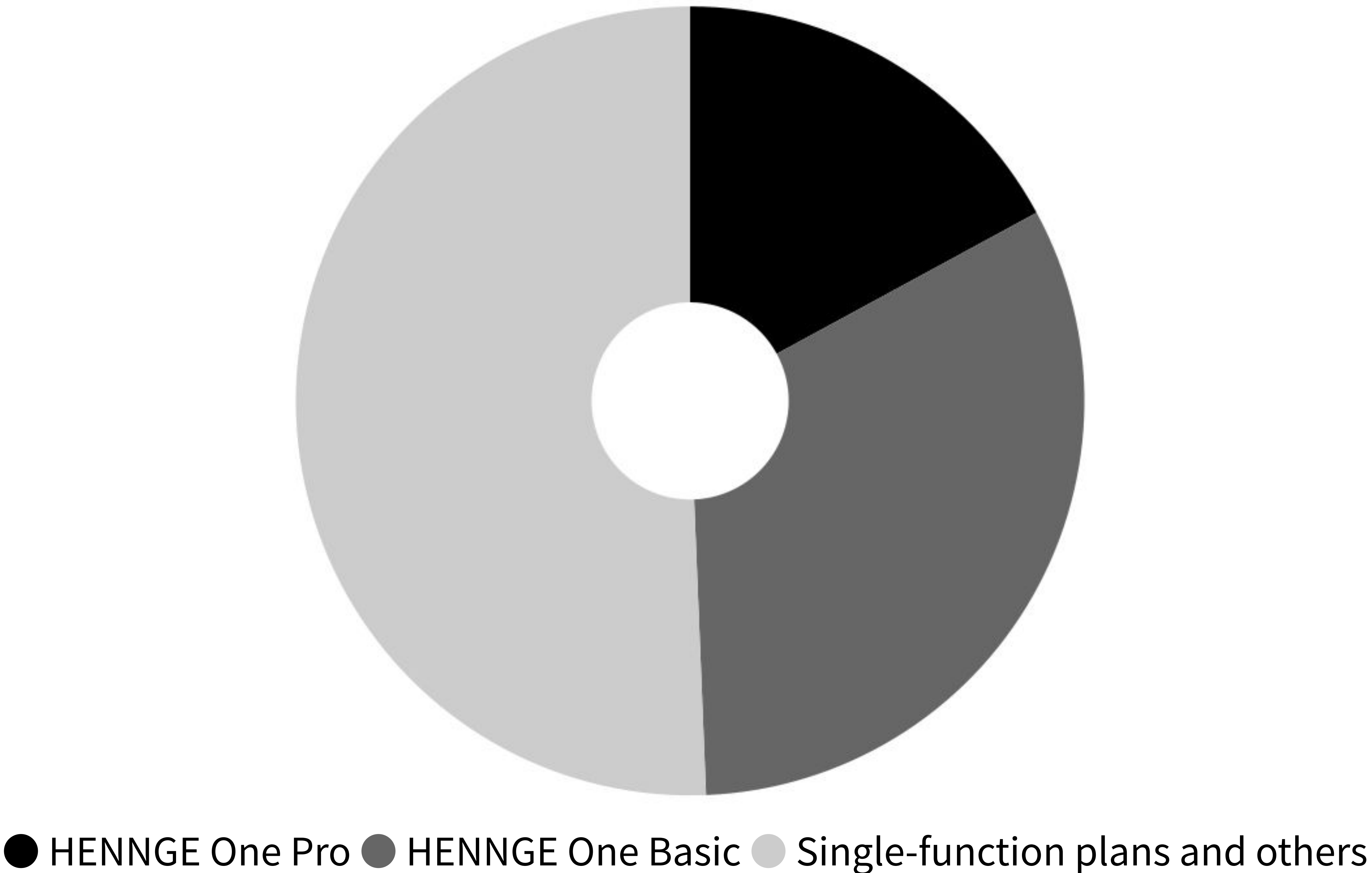


# HENNGE One - License Lineups

Set plan	Description	Price (excl. tax)
HENNGE One Basic	A set plan that offers the best value when implementing all the features of HENNGE One at once (with limited use of Certificates, Cloud Protection, and Tadrill)	@JPY 800/mo
HENNGE One Pro		@JPY 1,000/mo

Single-function plan	Description	Price (excl. tax)
HENNGE One IdP	SSO/IP address control/OTP/AD Connect etc/Device certificates/Support Plus etc.	@JPY 300/mo
HENNGE One IdP Pro	IdP/Secure browser/Additional device certificates/Secure remote access etc.	@JPY 500/mo
HENNGE One DLP	Delayed sending/Filtering etc.	@JPY 350/mo
HENNGE One File DLP	File sharing management on cloud storage etc.	@JPY 350/mo
HENNGE One ARC	Archive etc.	@JPY 350/mo
HENNGE One Cloud Protection	Behavior detection/Sandbox etc.	@JPY 200/mo
HENNGE One Tadrill	Phishing simulation and the Phish Alert Button for targeted attack emails, etc.	@JPY 300/mo

Breakdown by Plan  
(ARR Base, FY2025)



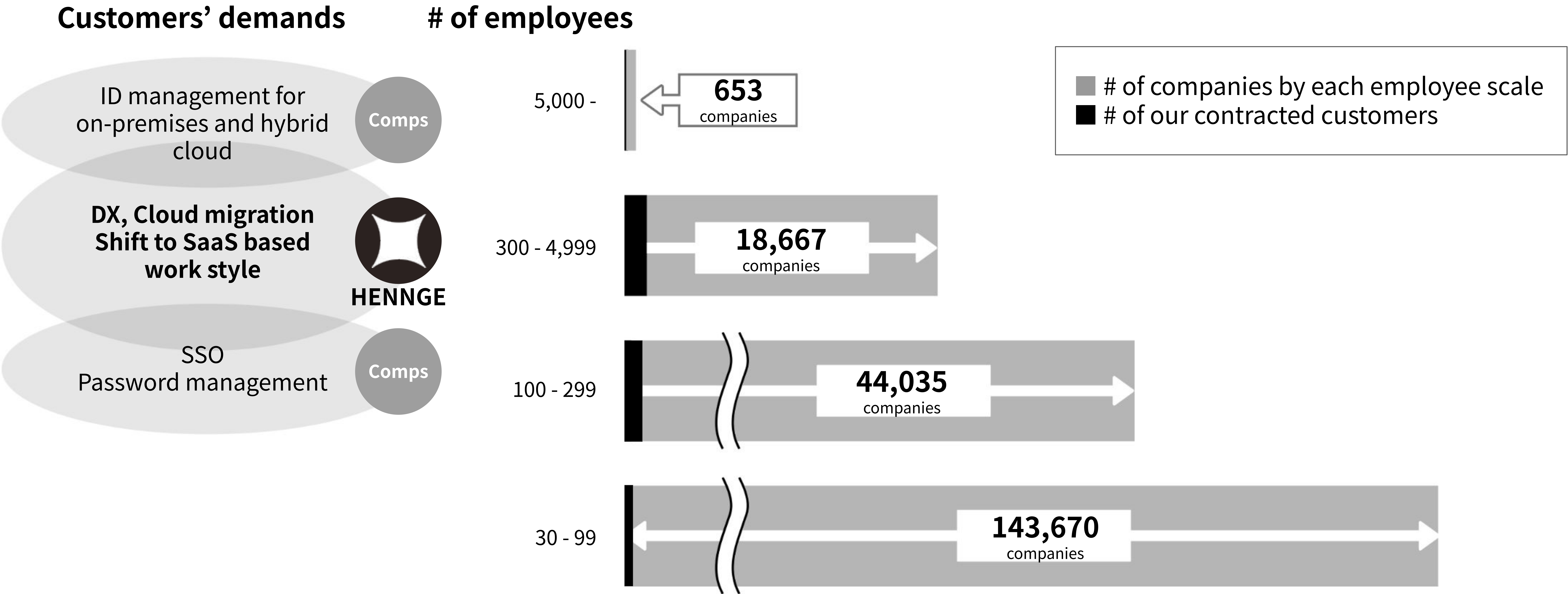


# **Appendix (Total Addressable Market)**



# Number of Companies by Employee Size in Japan

Enormous potential within the market exists as cloud adoption will accelerate going forward.

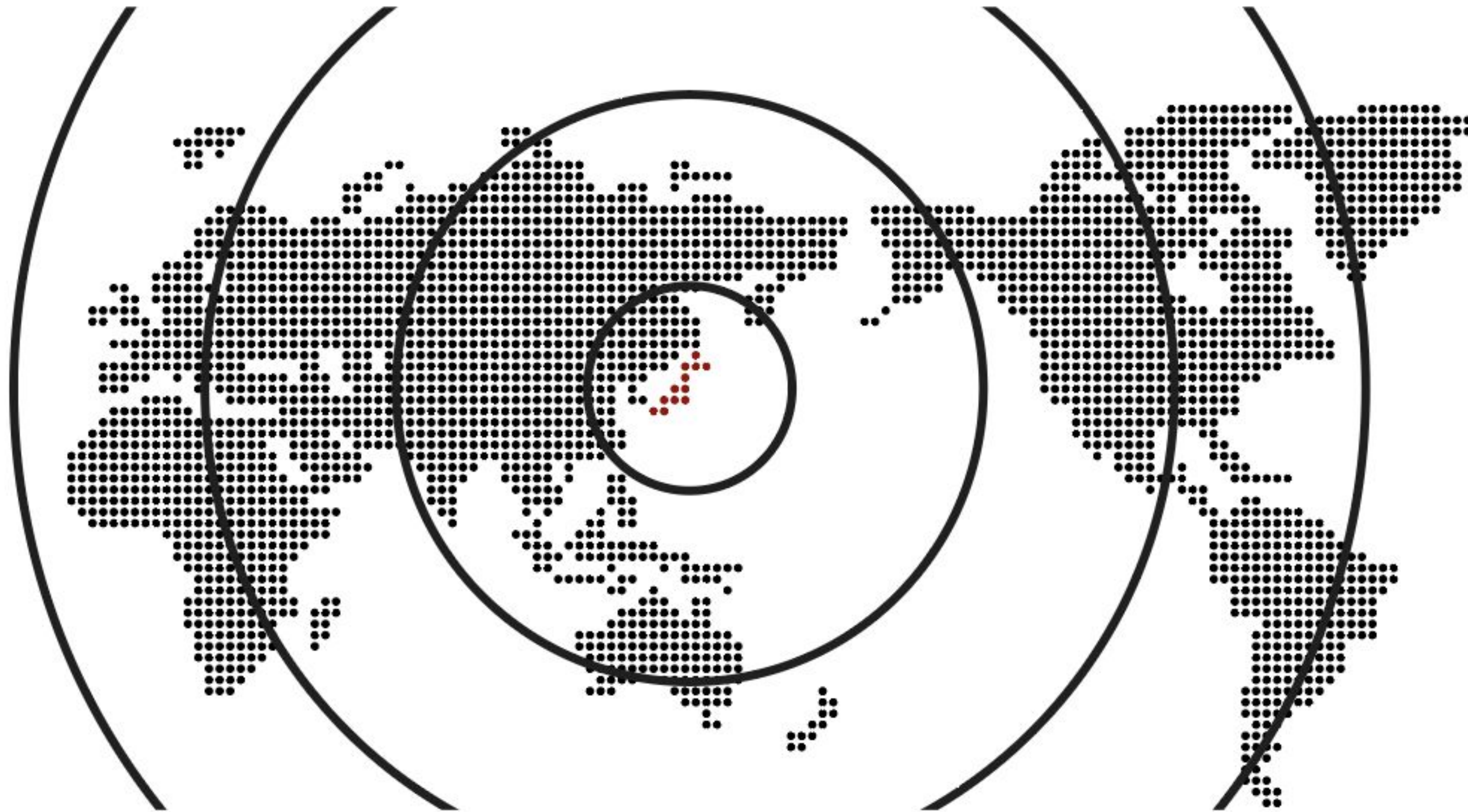


Calculated by HENNGE Group based on the total number of companies with 30 or more employees in Japan as the number of our potential customers if cloud computing become more widespread in Japan in the future.  
(References: 'Economic Census -Activity Survey Results' by Ministry of Economy, Trade and Industry of Japan in 2021)



# Strengthening Expansion into Overseas Markets

Our main service is a cloud service, which has the potential for cross-border expansion.  
While continuing to target the Asian market, we will also challenge the business expansion in other regions.



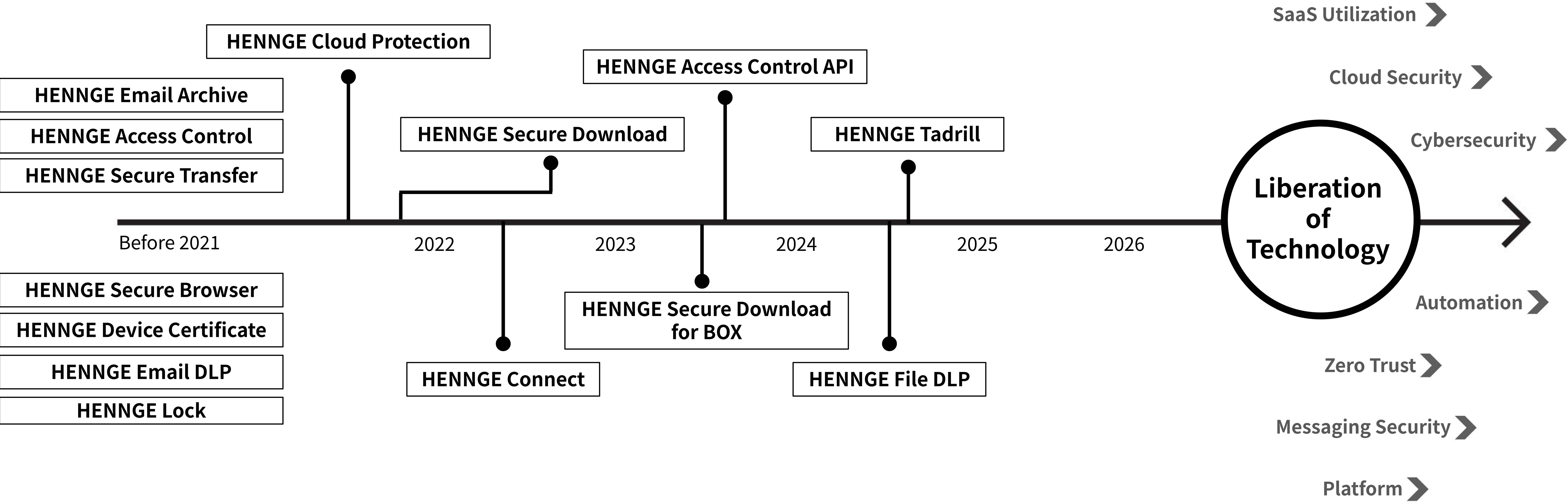


# Appendix (Others)



# New Business Developments

Search for the market demands and accelerate the release of new features and services that meet the demands. Continue to support our customers in utilizing SaaS and keep continuing “Liberation of Technology.”





# HENNGE One - Service Overview

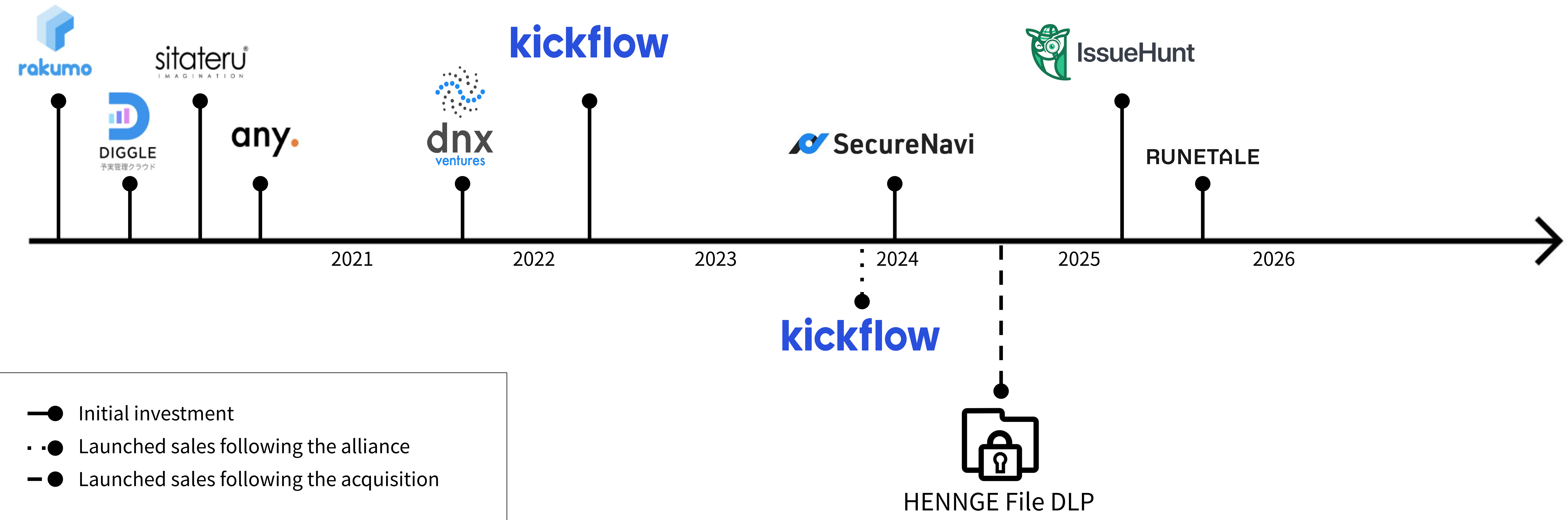
Service	Overview
HENNGE Access Control	Access control/SSO, etc.
HENNGE Device Certificate	Device certificate
HENNGE Secure Browser	Secure browser
HENNGE Lock	App for one-time password
HENNGE Connect	Secure gate to On-Premise system
HENNGE Access Control API	API for ID management

Service	Overview
HENNGE Email Archive	Email audit/Archive
HENNGE Secure Transfer	Large file transmission and reception
HENNGE Email DLP	Countermeasures against misdirected emails (filter, select sending method)
HENNGE Secure Download	Uploading email attachments to cloud storage with auto URL notification
HENNGE Secure Download for Box	Uploading email attachments to Box with auto URL notification
HENNGE File DLP	Countermeasure against information leakage from file sharing
HENNGE Cloud Protection	Countermeasure against targeted attacks (protection for email and data)
HENNGE Tadrill	Targeted attack email training, establishing a reporting workflow



# Business Investments

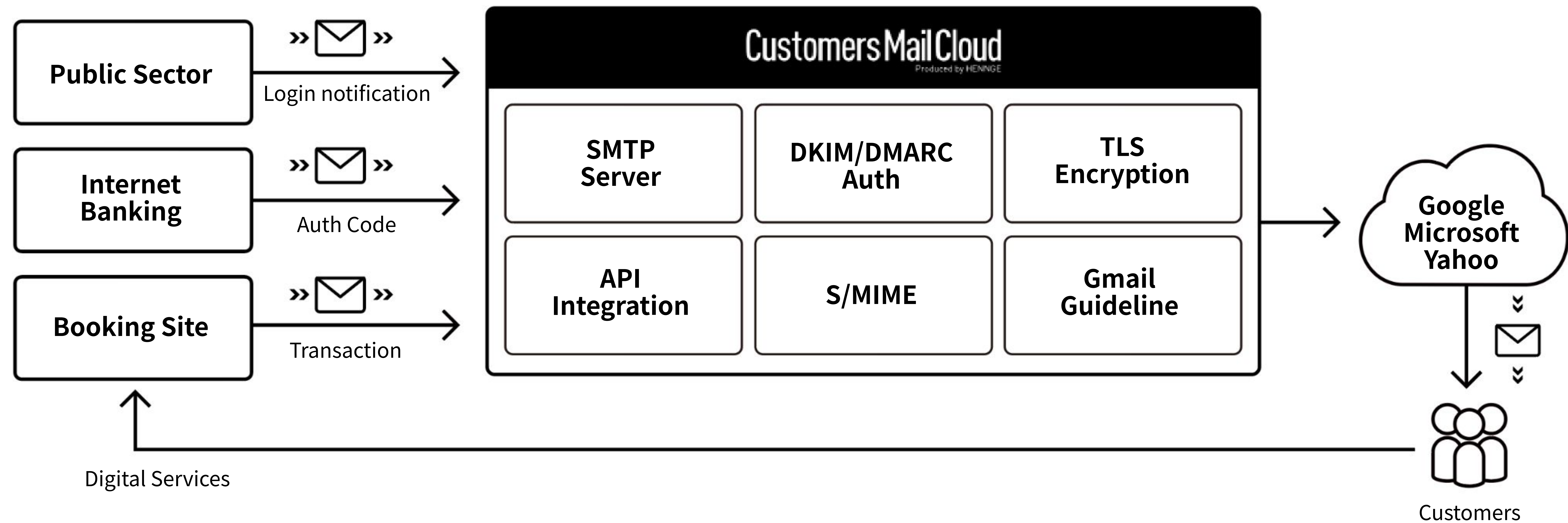
Mainly invested in B2B startups that own proprietary elements and technologies, which have synergy with our business. We will increase the value provided to our customers through business alliances, M&As, and other measures.





# Customers Mail Cloud

Offers email delivery platform that facilitates secure and seamless connection between businesses' digital services and customers.





# Value

Continuously eat unripe fruits and remain as early adopters in order to make “Liberation of Technology” happen. Through a number of trial and error, we will identify new technology that is useful for our customers, and widely deliver the technology.

**Eat unripe fruits,  
and make mistakes early**

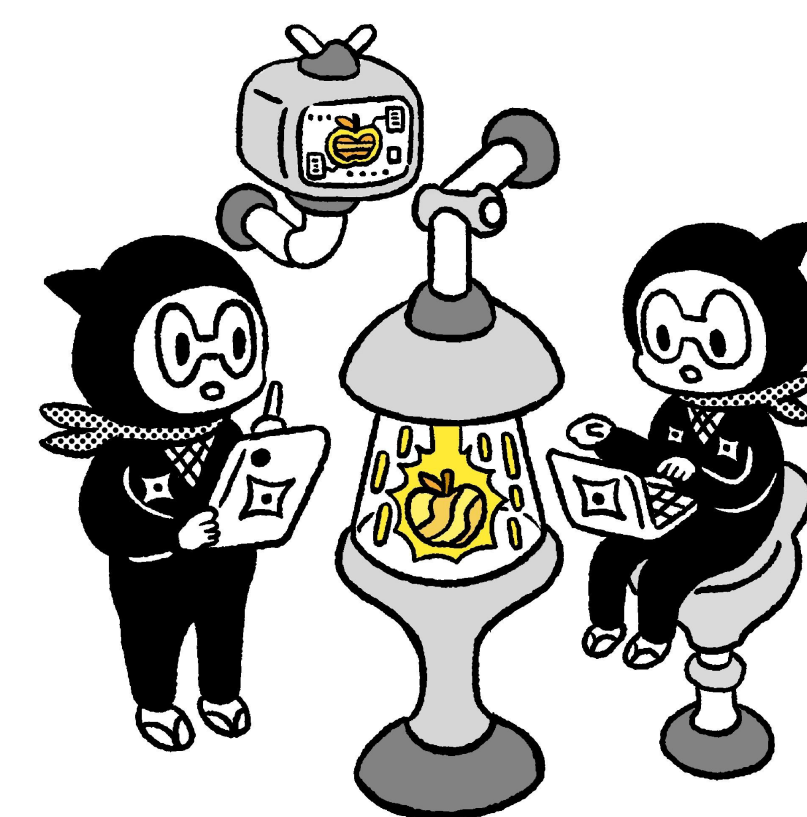


# HENNGE WAY

HENNGE WAY is our code of conduct in order to keep changing with challenges and failures.

## 01 Love technology

Love and use technology.



## 02 Eat unripe fruits

Take on challenges and learn from mistakes early.



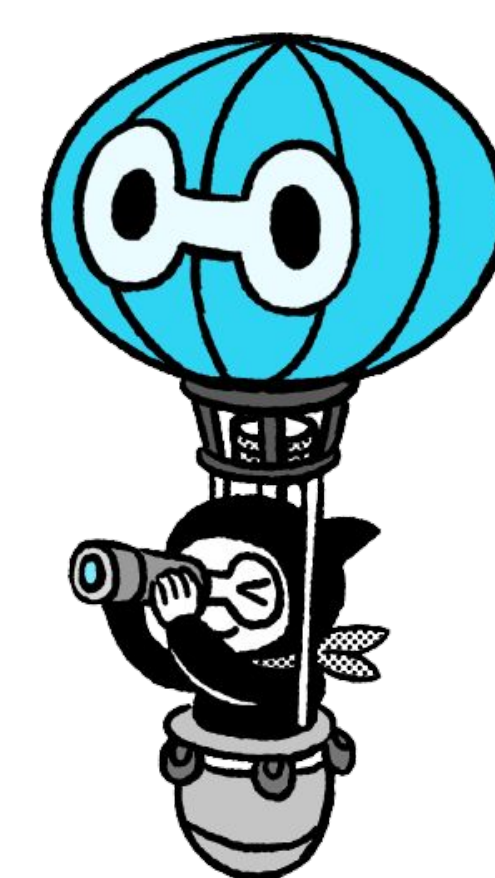
## 03 Be a learnaholic

Be endlessly curious.  
Get addicted to learning.



## 04 Lead yourself with passion

Take the initiative with passion.



## 05 Help passionate HENNGE people

Support people who are passionate about igniting changes.



## 06 Respect differences

Differences are natural.  
Stay diverse.



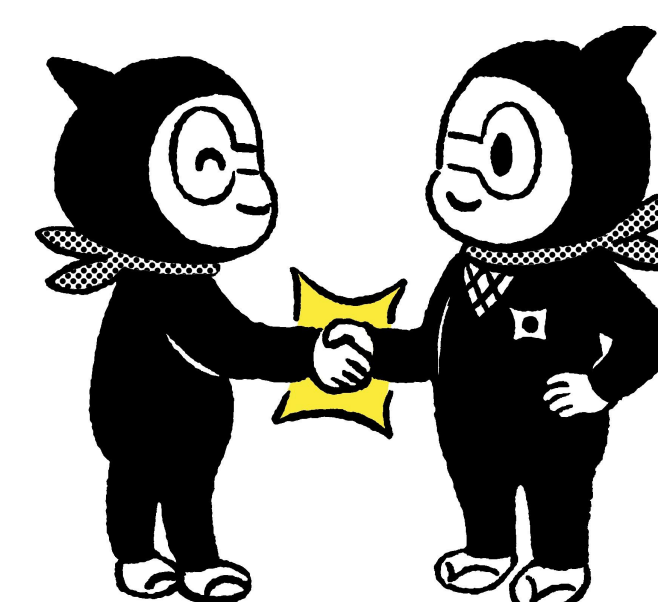
## 07 Keep it open

Share information and opinions openly.



## 08 Track and trust

Act with speed, wisely taking acceptable risks.



## 09 Win together

You can't win alone.  
The mountains is high.  
So, what do we do?

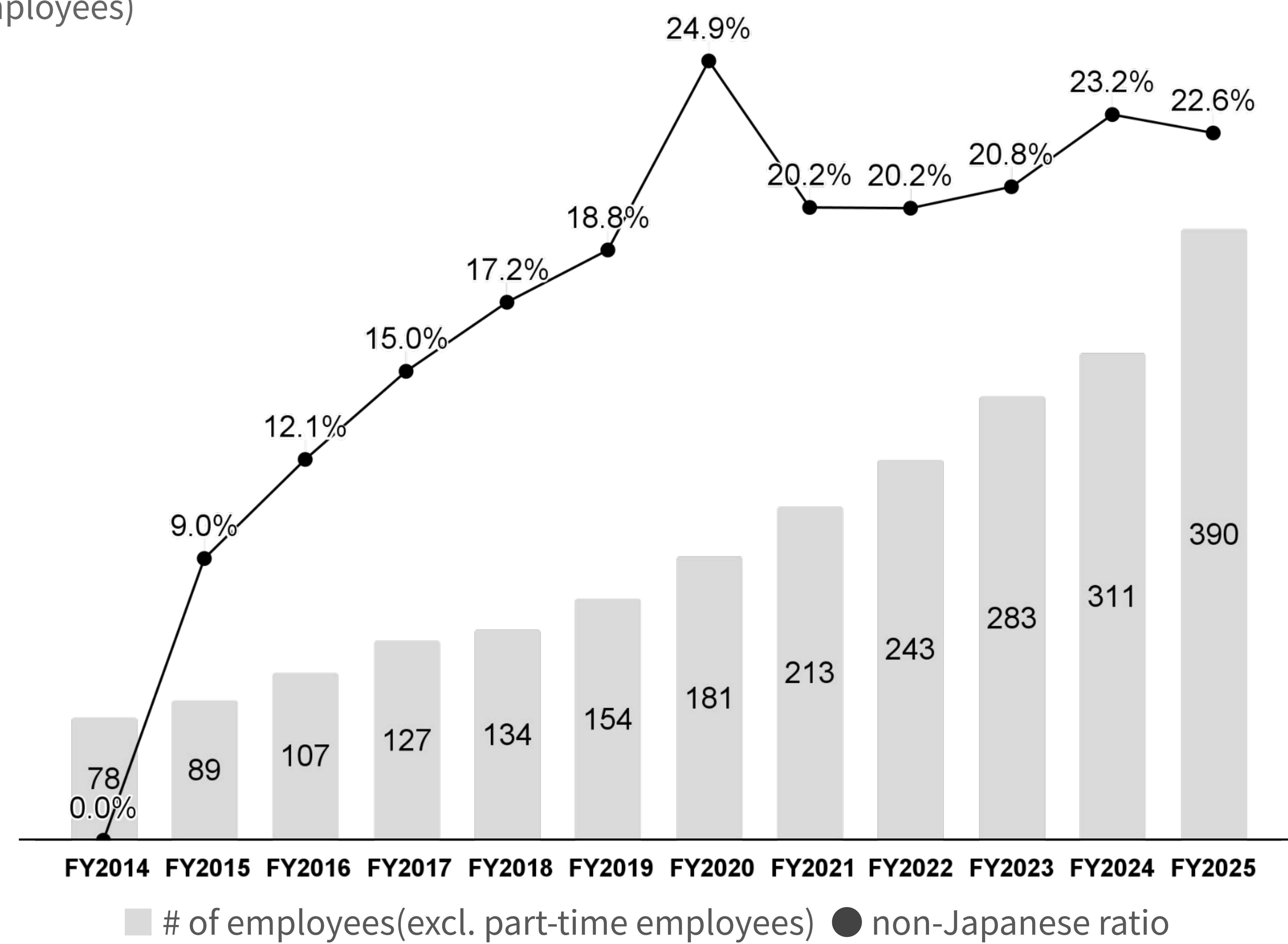




# Diversity and Inclusion

Focusing our efforts on the Global Internship Program (GIP) not only to provide career development opportunities for the most talented candidates from all over the world, but also to be the precedent organization of diversity and inclusion that utilize the power of digital transformation to overcome issues.

(unit: employees)



**Total number of applicants including interns (except for Japan) :**

approx. **200** countries and regions

approx. **90K** engineers

**Employees (excluding part-time employees) :**

approx. **30** countries and regions  
(as of 2025-09-30)

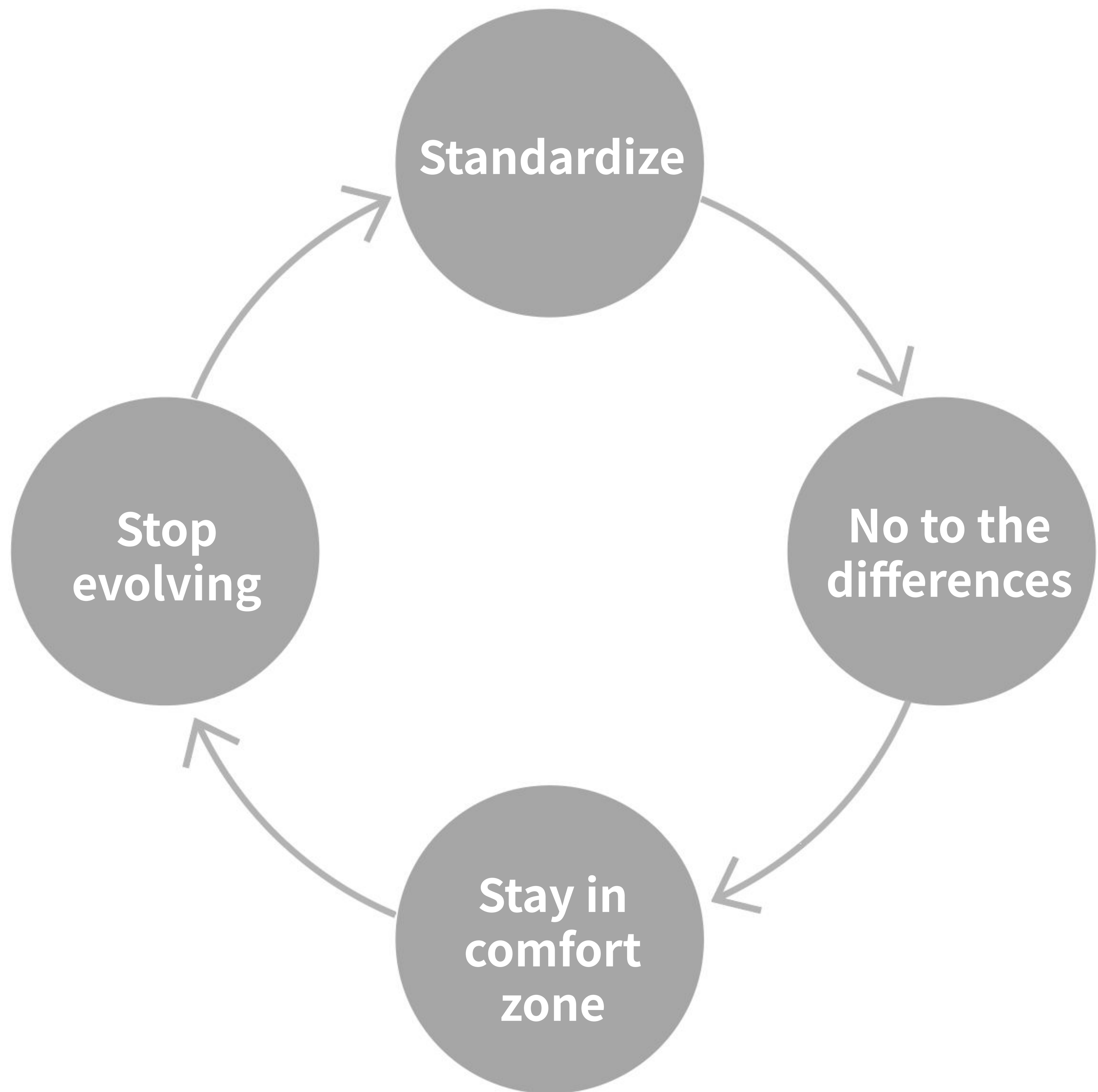


# Diversity in Organization

Diversity is the key driver to keep challenging and changing. We recognize the differences and respect the differences, which then we can create a basis for an ever-changing organization that value challenges.

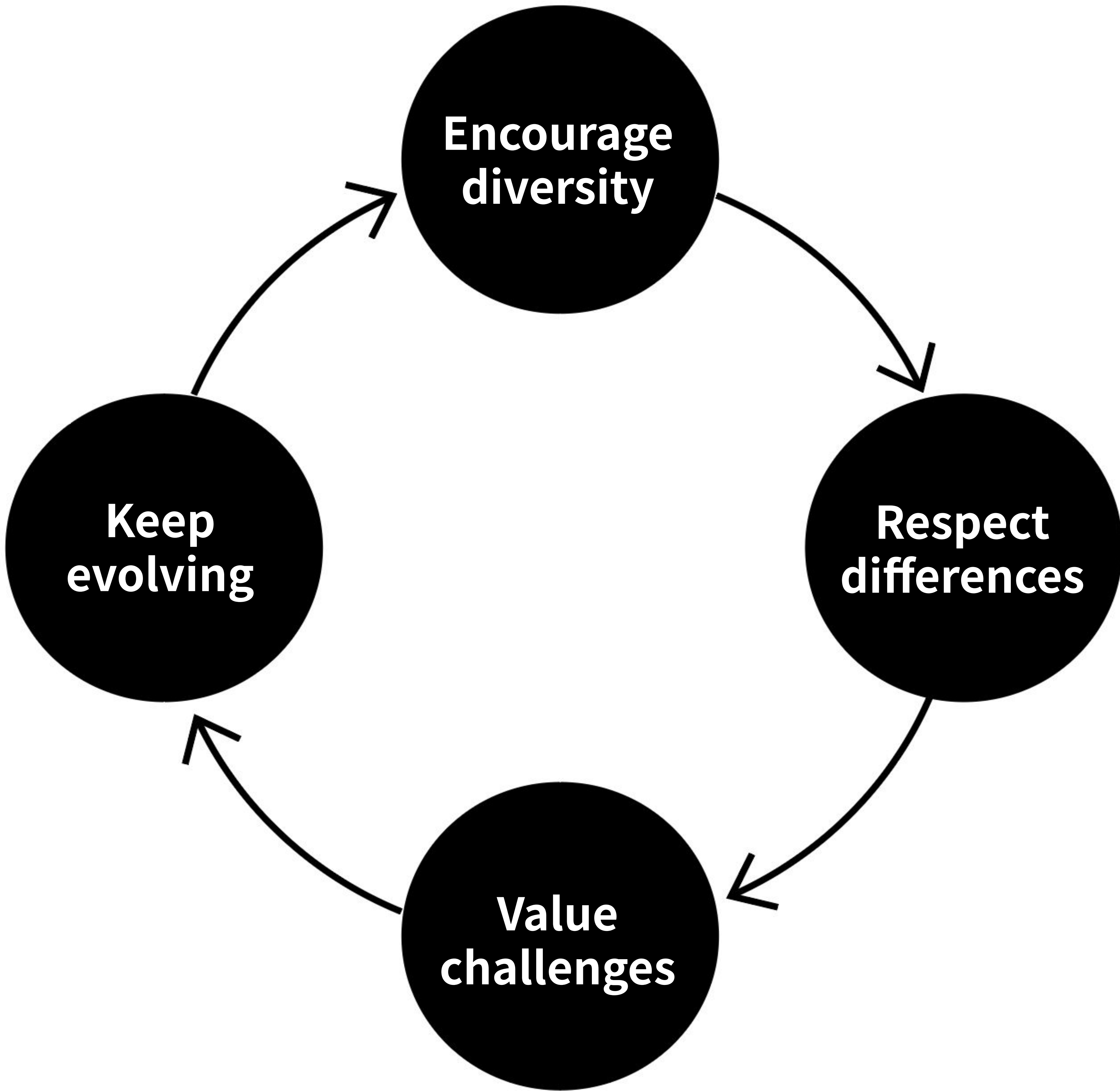
## Old HENNGE

Controlling organization that fears diversity



## HENNGE

Trustworthy organization that embraces diversity





# Glossary

**ARR (Annual Recurring Revenue)**

refers to revenue, normalized on an annual basis, that a company expects to receive from its customers for providing them with products or services of subscription-based model.

**ARPU (Average Revenue Per User)**

refers to the average annual contract amount per contracted user.

**CAGR (Compound Annual Growth Rate)**

refers to a geometric progression ratio which provides a constant rate of return over a period of time.

**DLP (Data Loss Prevention / Data Leak Protection)**

prevents confidential information loss/data leakage when sending emails and sharing via cloud storage.

**LTV (Life Time Value)**

is the total worth to a business of a customer over the whole period of their relationships.

**SSO (Single Sign On)**

is a method that enables users to log into multiple systems with just one user authentication.

**Gross Revenue Churn Rate**

is calculated based on the decrease in contract value due to service cancellations, etc.



# Disclaimer

This document has been prepared by HENNGE K.K. (the “Company”) solely for information purpose. This document does not constitute or form part of and should not be construed as, an offer to sell or issue or the solicitation of an offer to buy or acquire securities of the Company in Japan, the United States or any other jurisdictions. It is prohibited to offer or distribute securities issued by the Company without due registration, or exemption of registration, required under applicable laws in Japan, the United States, or any other jurisdictions. The information contained herein is based on current economic, regulatory, market trends and other conditions. The Company makes no representation or guarantee with respect to the credibility, accuracy or completeness of the information herein. The information contained herein may change without prior notice. You may not publish or use this document and the contents thereof for any other purpose without a prior written consent of the Company. Furthermore, the information on future business results is forward-looking statements. Forward-looking statements include but not limited to expressions such as “believe”, “expect”, “plan”, “strategic”, “expect”, “anticipate”, “predict” and “possibility”, as well as other similar expressions to explain future business activities, achievements, events and future conditions. Forward-looking statements are predictions about the future that reflect management’s judgment based on currently available information. As such, these forward-looking statements are subject to various risks and uncertainties that could cause actual results to differ materially from those expressed in or suggested by the forward-looking statements. Therefore, you may not rely entirely on forward-looking statements. The Company does not assume any obligation to change or correct any forward-looking statements in light of new information, future events or other findings.

This document and its contents are confidential and are being provided to you solely for your information and may not be retransmitted. This presentation is being furnished to you solely for your information and may not be reproduced or redistributed to any other person. In giving this presentation, the Company does not undertake any obligation to provide the recipient with access to any additional information or to update this presentation or any additional information or to correct any inaccuracies in any such information which may become apparent. Information on companies other than the Company and information provided from third parties are based on public information or sources. The Company has not independently verified the accuracy and appropriateness of such data and indicators used herein, nor assume any responsibility for the accuracy and appropriateness of such data and indicators presented in this document.





**HENNGE**