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

October 15, 2026

Company name:	baudroie, inc
Stock exchange listings:	Tokyo Stock Exchange
Stock code:	4413
URL:	https://www.baudroie.jp/
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Scheduled date for submission of interim report:	October 15, 2026
Supplementary materials for financial summaries:	None
Financial results briefing:	None

(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, 2027 (from March 01, 2026 to August 31, 2026)

(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, 2026	11,181	45.2	1,639	16.5	1,621	16.0	1,147	13.1	1,159	14.3	1,147	7.7
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

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended August 31, 2026	37.18	37.04
August 31, 2025	32.74	32.54

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

(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	%
August 31, 2026	15,940	8,628	8,630	54.1
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
Fiscal year ended February 28, 2026	Yen -	Yen 0.00	Yen -	Yen 7.58	Yen 7.58
Fiscal year ending February 28, 2027	-	0.00			
Fiscal year ending February 28, 2027 (Forecast)			-	0.00	0.00

(Note) Whether there has been a revision to the most recently announced Dividends forecast: None

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
Full-year	Million yen 23,500	% 34.9	Million yen 4,409	% 30.0	Million yen 3,134	% 27.5	Yen 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 August 31, 2026	32,169,108 shares
As of February 28, 2026	32,148,708 shares

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

As of August 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)

Six months ended August 31, 2026	31,198,605 shares
Six months ended August 31, 2025	30,993,382 shares

(Note) As of June 1, 2025, the Company conducted a stock split at a ratio of 2 shares for each share of Common stock. Assuming that the stock split had been conducted at the beginning of the previous consolidated fiscal year, the “Average number of shares” has been calculated.

* The financial results for the second quarter (interim period) are not subject to review by a certified public accountant or audit corporation.

* Explanation regarding the appropriate use of earnings forecasts, other items

Forward-looking statements concerning the outlook for operating results and other matters contained in this document are based on information currently available to the Company and certain assumptions that the Company deems reasonable, and actual operating results and other matters may differ significantly due to various factors. For the conditions underlying the earnings forecast and notes on the use of the earnings forecast, please refer to “1. Overview of Operating Results, etc. (3) Explanations on Consolidated Earnings Forecast and Other Forecast Information” on page 3 of the attached materials.

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1. Overview of Operating results, etc.

(1) Overview of Operating results for the Current interim period

During the Current interim consolidated accounting period (March 1, 2026~August 31, 2026), Japan's economy continued to follow a gradual recovery trend, backed by improvements in the employment and income environment and the effects of various policies. Meanwhile, the economic outlook remains subject to continued attention due to geopolitical risks, including the situation in the Middle East, price trends, and fluctuations in financial Equity markets.

Under these circumstances, IT and DX investments aimed at improving operational efficiency and strengthening competitiveness at companies have continued. In addition, business opportunities surrounding IT infrastructure have expanded, driven by the expanding use of AI, the widespread adoption of cloud services, and the advancement of cybersecurity measures.

To address these growth areas, our Group has been strengthening its capabilities in advanced technology fields such as cloud, load balancing, security, wireless, and network virtualization.

Furthermore, as “a professional group specializing in IT infrastructure,” we have promoted our business based on the following key initiatives.

Deepening relationships with enterprise customers and developing new accounts: While strengthening our ability to win projects, we achieved stable Revenue by strengthening relationships with existing major customers.

Selective order acceptance and enhancement of development-oriented matching in advanced technology fields: We provided in-house training to achieve the early development of young talent and designed assignments according to technical progression, thereby maintaining the provision of high-quality services.

As a result, the performance for the Current interim consolidated accounting period under IFRS accounting standards was as follows: Revenue was 11,181,436 thousand yen (up 45.2% YoY), Operating profit was 1,639,518 thousand yen (up 16.5% YoY), Profit before tax was 1,621,166 thousand yen (up 16.0% YoY), Profit was 1,147,615 thousand yen (up 13.1% YoY), and Profit attributable to Owners of parent was 1,159,930 thousand yen (up 14.3% YoY).

(2) Overview of Financial positions for the Current interim period

(i) Assets, Liabilities and equity Status

(Assets)

As of the end of the Current interim consolidated accounting period, Assets increased by 1,915,412 thousand yen compared with the end of the Previous consolidated fiscal year, to 15,940,341 thousand yen. The main factors were increases of 1,692,205 thousand yen in Cash and cash equivalents and 184,206 thousand yen in Other current assets, among others.

(Liabilities)

As of the end of the Current interim consolidated accounting period, Liabilities increased by 1,005,648 thousand yen compared with the end of the Previous consolidated fiscal year, to 7,311,779 thousand yen. The main factors were increases of 685,148 thousand yen in Bonds and borrowings (non-current) and 290,896 thousand yen in Trade and other payables, among others.

(Equity)

At the end of the Current interim consolidated accounting period, Equity increased by 909,763 thousand yen compared with the end of the Previous consolidated fiscal year, to 8,628,561 thousand yen. The main factors were an increase of 1,159,930 thousand yen in Retained earnings due to the recording of Profit attributable to Owners of parent, while Retained earnings decreased due to the payment of 236,460 thousand yen in Dividends at the end of the period, among other factors.

(ii) Cash flows

(Cash flows from operating activities)

Cash acquired as a result of operating activities amounted to 1,257,286 thousand yen (Previous corresponding period: 1,070,260 thousand yen in income). This was mainly due to the recording of Profit of 1,621,166 thousand yen and Depreciation and amortization of 164,889 thousand yen, while there were Income taxes paid of 586,016 thousand yen, among other factors.

(Cash flows from investing activities)

The funds used as a result of investing activities amounted to 19,297 thousand yen (expenditures of 728,409 thousand yen in the previous same period). This was mainly due to Payments into time deposits 10,028 thousand yen, Payments of leasehold and guarantee deposits 4,808 thousand yen.

(Cash flows from financing activities)

Funds acquired as a result of financing activities amounted to 454,216 thousand yen (income of 96,142 thousand yen in the same period of the previous year). This was mainly due to Proceeds from long-term borrowings of 1,300,000 thousand yen, while Repayments of long-term borrowings 386,187 thousand yen, Repayments of lease liabilities 198,663 thousand yen, Cash dividends paid 236,460 thousand yen, and other items were recorded.

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

There are no changes 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.Summary Interim Consolidated Financial Statements and Main Notes

(1) Condensed interim Consolidated Statement of Financial Position

(Unit: Thousands of yen)

	As of February 28, 2026	As of August 31, 2026
Assets		
Current assets		
Cash and cash equivalents	4,371,492	6,063,698
Trade and other receivables	2,603,677	2,752,884
Other financial assets	76,224	84,962
Other current assets	314,087	498,294
Total current assets	7,365,482	9,399,839
Non-current assets		
Property, plant and equipment	290,006	278,358
Right-of-use assets	536,088	499,464
Goodwill	4,935,938	4,935,938
Intangible assets	101,948	97,642
Other financial assets	419,245	422,608
Deferred tax assets	266,745	263,423
Other non-current assets	109,474	43,066
Total non-current assets	6,659,447	6,540,502
Total assets	14,024,929	15,940,341

(Unit: Thousands of yen)

	As of February 28, 2026	As of August 31, 2026
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	117,816	408,713
Bonds and borrowings	609,757	816,792
Lease liabilities	325,711	359,303
Income taxes payable	638,696	520,209
Other current liabilities	2,709,040	2,690,799
Total current liabilities	4,401,021	4,795,817
Non-current liabilities		
Bonds and borrowings	1,285,372	1,970,520
Lease liabilities	297,239	238,223
Other financial liabilities	180,000	180,000
Provisions	125,953	126,249
Deferred tax liabilities	16,543	968
Total non-current liabilities	1,905,109	2,515,962
Total liabilities	6,306,130	7,311,779
Equity		
Share capital	605,300	609,880
Capital surplus	1,224,526	1,211,532
Retained earnings	7,993,039	8,916,510
Treasury shares	(2,303,668)	(2,303,668)
Other components of equity	199,601	196,622
Total equity attributable to owners of parent	7,718,798	8,630,877
Noncontrolling interests	-	(2,315)
Total Equity	7,718,798	8,628,561
Total liabilities and equity	14,024,929	15,940,341

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

Condensed Interim Consolidated Statement of Profit or Loss

(Unit: Thousands of yen)

	For the six months ended August 31, 2025	For the six months ended August 31, 2026
Revenue	7,698,792	11,181,436
Cost of sales	5,055,168	7,574,022
Gross profit	2,643,623	3,607,414
Selling, general and administrative expenses	1,218,247	1,810,802
Other income	6,954	41,844
Other costs	25,380	198,937
Operating profit	1,406,949	1,639,518
Finance income	3,725	9,529
Finance costs	12,942	27,881
Profit before income taxes	1,397,733	1,621,166
Income tax expense	382,931	473,551
Profit	1,014,802	1,147,615
Attribution of Profit		
Owners of parent	1,014,802	1,159,930
Noncontrolling interests	-	(12,315)
Profit	1,014,802	1,147,615
Profit per share		
Basic earnings per share (Yen)	32.74	37.18
Diluted earnings per share (Yen)	32.54	37.04

Condensed Interim Consolidated Statement of Comprehensive Income

(Unit: Thousands of yen)

	For the six months ended August 31, 2025	For the six months ended August 31, 2026
Profit	1,014,802	1,147,615
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	1,065,615	1,147,615
Interim comprehensive income attributable to		
Owners of parent	1,065,615	1,159,930
Noncontrolling interests	-	(12,315)
Comprehensive income	1,065,615	1,147,615

(3) Summary interim Consolidated Statement of Changes in Equity

For the six months ended August 31, 2025

(Unit: Thousands of yen)

	Equity attributable to owners of parent									
						Other components of equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Share acquisition rights	Changes in fair value of financial assets measured at fair value through other comprehensive income (loss), net	Total	Total	Noncontrolling interests	Total Equity
Balances at beginning of period	603,697	989,198	5,535,238	(2,690,575)	19,149	115,134	134,283	4,571,842	-	4,571,842
Profit	-	-	1,014,802	-	-	-	-	1,014,802	-	1,014,802
Other comprehensive income	-	-	-	-	-	50,813	50,813	50,813	-	50,813
Comprehensive income	-	-	1,014,802	-	-	50,813	50,813	1,065,615	-	1,065,615
Cash dividends	-	-	-	-	-	-	-	-	-	-
Exercise of share acquisition rights	485	485	-	-	-	-	-	971	-	971
Acquisition of treasury shares	-	-	-	(259,168)	-	-	-	(259,168)	-	(259,168)
disposal of treasury shares	-	233,724	-	646,185	-	-	-	879,910	-	879,910
Share-based payment transactions	-	-	-	-	3,817	-	3,817	3,817	-	3,817
Issuance of share acquisition rights	-	-	-	-	7,480	-	7,480	7,480	-	7,480
Cancellation of treasury share acquisition rights	-	-	-	-	-	-	-	-	-	-
Forfeiture of share acquisition rights	-	-	-	-	(358)	-	(358)	(358)	-	(358)
Increase in Noncontrolling interests due to an increase in consolidated subsidiaries	-	-	-	-	-	-	-	-	-	-
Total transactions with owners	485	234,210	-	387,017	10,938	-	10,938	632,653	-	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	-	6,270,110

For the six months ended August 31, 2026

(Unit: Thousands of yen)

	Equity attributable to owners of parent									
						Other components of equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Share acquisition rights	Changes in fair value of financial assets measured at fair value through other comprehensive income (loss) Net changes in fair value	Total	Total	Noncontrolling interests	Total Equity
Balances at beginning of period	605,300	1,224,526	7,993,039	(2,303,668)	33,653	165,947	199,601	7,718,798	-	7,718,798
Profit	-	-	1,159,930	-	-	-	-	1,159,930	(12,315)	1,147,615
Other comprehensive income	-	-	-	-	-	-	-	-	-	-
Comprehensive income	-	-	1,159,930	-	-	-	-	1,159,930	(12,315)	1,147,615
Cash dividends	-	-	(236,460)	-	-	-	-	(236,460)	-	(236,460)
Exercise of share acquisition rights	4,580	4,580	-	-	-	-	-	9,160	-	9,160
Acquisition of treasury shares	-	-	-	-	-	-	-	-	-	-
disposal of treasury shares	-	-	-	-	-	-	-	-	-	-
Share-based payment transactions	-	-	-	-	1,908	-	1,908	1,908	-	1,908
Issuance of share acquisition rights	-	-	-	-	2,518	-	2,518	2,518	-	2,518
Cancellation of treasury share acquisition rights	-	(17,574)	-	-	(6,947)	-	(6,947)	(24,522)	-	(24,522)
Forfeiture of share acquisition rights	-	-	-	-	(457)	-	(457)	(457)	-	(457)
Increase in Noncontrolling interests due to an increase in consolidated subsidiaries	-	-	-	-	-	-	-	-	9,999	9,999
Total transactions with owners	4,580	(12,993)	(236,460)	-	(2,978)	-	(2,978)	(247,852)	9,999	(237,852)
Interim Balances at end of period	609,880	1,211,532	8,916,510	(2,303,668)	30,675	165,947	196,622	8,630,877	(2,315)	8,628,561

(4) Summary Interim Consolidated Statement of Cash Flows

(Unit: Thousands of yen)

	Previous interim consolidated accounting period (For the six months ended August 31, 2025)	For the six months ended August 31, 2026
Cash flows from operating activities		
Before-tax Profit	1,397,733	1,621,166
Depreciation and amortization	132,028	164,889
Share-based payment expenses	3,817	1,908
Increase (decrease) in liability for employee benefits	178,869	164,786
Finance income and finance costs	8,878	18,189
Decrease (increase) in trade and other receivables	(175,385)	(153,586)
Increase (decrease) in trade and other payables	(49,152)	291,108
Increase (decrease) in other	(804)	(246,222)
Subtotal	1,495,985	1,862,240
Interest received	3,235	8,781
Interest paid	(12,604)	(27,719)
Income taxes paid	(416,355)	(586,016)
Cash flows from operating activities	1,070,260	1,257,286
Cash flows from investing activities		
Purchase of property, plant and equipment	(666)	(6,737)
Proceeds from withdrawal of time deposits	20,001	12,417
Payments into time deposits	(20,609)	(10,028)
Proceeds from the sale of investment securities	3,157	-
Payments of leasehold and guarantee deposits	(32,485)	(4,808)
Proceeds from refund of leasehold and guarantee deposits	405	2,447
Payments for acquisition of subsidiaries	(709,568)	-
Other	11,355	(12,588)
Cash flows from investing activities	(728,409)	(19,297)
Cash flows from financing activities		
Repayments of short-term borrowings	(5,010)	(1,630)
Proceeds from long-term borrowings	800,000	1,300,000
Repayments of long-term borrowings	(250,203)	(386,187)
Redemption of bonds	(34,000)	(20,000)
Proceeds from issuance of share acquisition rights	7,480	2,518
Proceeds from exercise of stock options	971	9,160
Capital contribution from non-controlling interests	-	9,999
Repayments of lease liabilities	(163,928)	(198,663)
Payments for own Purchase of share acquisition rights	-	(24,522)
Repayments of acquisition of treasury shares	(259,168)	-
Cash dividends paid	-	(236,460)
Cash flows from financing activities	96,142	454,216
Net increase (decrease) in cash and cash equivalents	437,993	1,692,205
Cash and cash equivalents at the beginning of the period	3,486,412	4,371,492
Cash and cash equivalents interim Balances at end of period	3,924,406	6,063,698

(5) Notes to the Summary Interim Consolidated Financial Statements

((Notes on Going Concern Assumption))

No applicable items.

(Segment information)

Our Group has a single reporting segment consisting solely of the IT infrastructure business, and since it is not material, disclosure of segment information has been omitted.

(Profit per share)

(1) Basic earnings per share

Basic earnings per share and the basis for its calculation are as follows.

(Unit: Thousands of yen)

	Previous interim consolidated accounting period (For the six months ended August 31, 2025)	For the six months ended August 31, 2026
Profit attributable to owners of the parent's common shareholders		
Profit attributable to Owners of parent	1,014,802	1,159,930
Amounts not attributable to common shareholders of the parent company	-	-
Profit used to calculate basic earnings per share	1,014,802	1,159,930
Average number of shares of issued Common stock	30,993,382 shares	31,198,605 shares
Basic earnings per share	32.74 Yen	37.18 Yen

(2) Diluted earnings per share

Diluted earnings per share and the basis for its calculation are as follows.

(Unit: Thousands of yen)

	For the six months ended August 31, 2025	For the six months ended August 31, 2026
Diluted Profit attributable to ordinary shareholders		
Profit used to calculate basic earnings per share	1,014,802	1,159,930
Profit adjustment amount	-	-
Profit used in the calculation of Diluted earnings per share	1,014,802	1,159,930
Average number of shares of issued Common stock	30,993,382 shares	31,198,605 shares
Effects of dilutive potential Common stock: Share acquisition rights	192,982 shares	119,190 shares
Adjusted for dilution effects	31,186,364 shares	31,317,795 shares
Diluted earnings per share	32.54 Yen	37.04 Yen

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

(Significant subsequent events)

(Completion of Tender Offer and Changes in Parent Company and Major Shareholders)

BCPE Neon Cayman, L.P. (hereinafter referred to as the "Tender Offeror") conducted a tender offer for our Common stock and Share acquisition rights (hereinafter referred to as the "Tender Offer") from August 19, 2026 to October 5, 2026 as part of a management

buyout (MBO), and the tender offer ended on October 5, 2026. On October 6, 2026, we received a report from the Offeror that, as applications had been made for 10,365,448 shares of our common stock and the total number was equal to or greater than the minimum number of shares to be purchased (3,135,200 shares), the tender offer had been successfully completed and all tendered shares would be acquired.

On October 13, 2026, in conjunction with the settlement of this public tender offer, the Tender Offeror executed a parallel acquisition (hereinafter referred to as the “Parallel Acquisition”) to acquire shares of the Company from Shigehiro Tominaga, Kazuya Fujii and Yoshiaki Hodoshima, who are the Company’s founding shareholders, without conducting a public tender offer. As a result of the settlement of this public tender offer and the execution of the Parallel Acquisition, the ratio of the number of voting rights held by the Tender Offeror to the total number of voting rights of all shareholders of the Company exceeded 50%, and as of the same date, the Tender Offeror became the Company’s parent company and major shareholder, being the largest shareholder. In addition, BCPE Neon GP, LLC, the parent company of the Tender Offeror, also became the Company’s parent company through its indirect ownership of the Company’s shares.

On the other hand, as a result of the execution of this parallel purchase, as of the same date, Shigehiro Tominaga ceased to qualify as a major shareholder and the largest shareholder among the major shareholders of the Company, and Kazuya Fujii ceased to qualify as a major shareholder of the Company. In addition, the impact of this matter on the summarized interim consolidated financial statements of the Company’s group is immaterial.