Financial Results Briefing Materials

for the Second Quarter of the Fiscal Year Ending December 31, 2026

August 12, 2026

KINJIRO CO., LTD.

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

1. Consolidated Financial Results
   for the Second Quarter of the Fiscal Year Ending December 31, 2026 (FY2026)
2. Progress on Our Mid-Term Management Plan
3. Growth Strategy
4. Topics

Highlights (Summary)

Executive summary of FY2026 2Q financial results

Sales grew steadily with the expansion of cloud HRM

Net sales	Number of licenses	Number of corporate clients	Recurring revenue
2,791 million yen	**895,000** licenses	**2,734** companies	**76.1** %
2Q results	YoY change: +176,000 licenses	YoY change: +242 companies	
↑ YoY +7%	↑ YoY +25%	↑ YoY +10%	↑ YoY +7.3%

Key points (factors) for FY2026 2Q

Cloud growth drove the increase in net sales

Cloud license sales continued to grow strongly, up 27% YoY.
Although on-premises sales decreased due to the shift to the cloud and fell short of the 2Q forecast, net sales increased by 7% YoY.

Profit remained on track while growth investment continued

Operating profit decreased slightly YoY and fell short of the 2Q forecast primarily due to increases in cloud infrastructure enhancement costs, amortization of software following new feature releases, and personnel expenses to secure talent. However, progress toward the full-year plan remained steady.

Future outlook and investment policy

Continue expanding the cloud customer base

Continue driving cloud migration of existing on-premises customers and acquiring new customers to further expand the corporate client base and license volumes.
Aim to enhance the stability of our revenue base by increasing the recurring revenue ratio.

Continue investing in medium- to long-term growth

Continue investing in strengthening the cloud infrastructure, developing new features, and expanding the functionality of HRM services.
Ensure progress toward the full-year profit target while making planned investments.

Summary of Consolidated Financial Results for the Second Quarter of FY2026

Consolidated statement of income

・Expansion of cloud license volumes, a major KPI, progressed as planned. As a result, cloud license sales increased strongly by 27% YoY while non-recurring sales of on-premises software products were down by 24% as more customers migrated to cloud. Although total net sales increased by 7% YoY, they fell short of the 2Q forecast.

・Profit decreased YoY primarily due to upfront investments including investment in the cloud infrastructure to accommodate the growing cloud license volumes and increased amortization of software following new feature releases, but it remained largely in line with the 2Q forecast.

(Unit: Million yen)

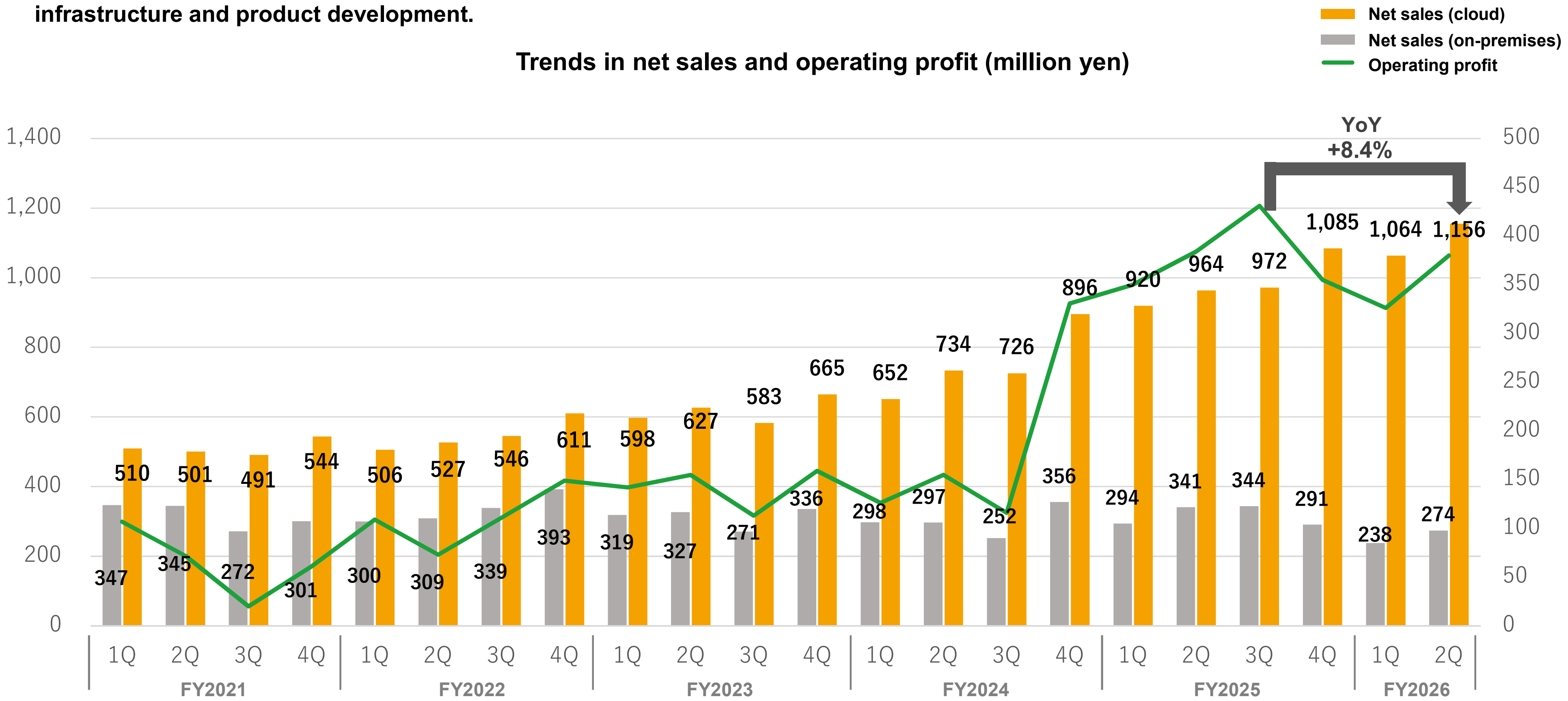
	FY2025 2Q Results	FY2026 2Q Results	YoY change (%)	FY2026 2Q Forecast	Progress rate (%)
Net sales	2,598	2,791	+7%	2,900	96%
Operating profit	735	706	-4%	741	95%
Ordinary profit	730	701	-4%	742	94%
Profit	480	454	-5%	482	94%

Trends in FY2026 Net Sales and Operating Profit

As the shift to Cloud Business progressed, sales and operating profit continued to grow steadily.

- The Cloud Business sales increased YoY as the shift from an on-premises to a cloud business model progressed.
- Operating profit grew steadily as the business model shift progressed, despite continued investment in the cloud infrastructure and product development.

Trends in net sales and operating profit (million yen)



YoY Changes in Net Sales by Business Segment

■ **Cloud Business grew by 18% YoY, accelerating the business model shift.**

・**Growth in cloud license sales drove the overall increase in sales, offsetting the decrease in on-premises sales and resulting in revenue growth.**

(Unit: Million yen)

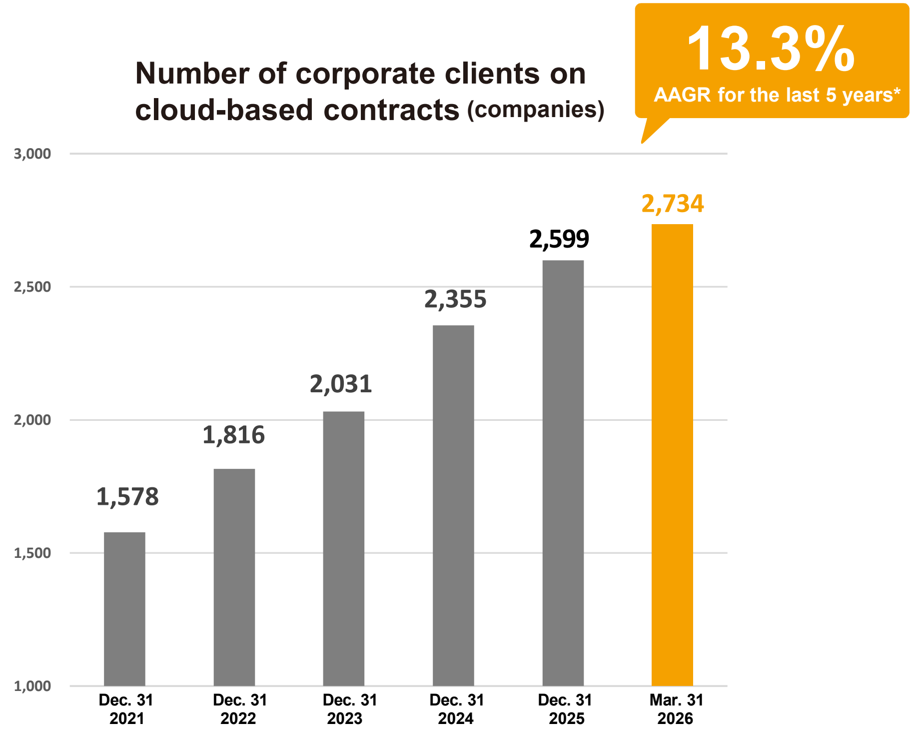
Business segment			Sales segment	FY2025 2Q results	FY2026 2Q results	YoY change (%)
Net sales	HRM Business	Cloud Business	Cloud License	1,455	1,843	+27%
			Cloud Consultation Support (introduction support)	308	286	-7%
			Others (mainly employment information devices)	121	91	-25%
			Subtotal	1,885	2,221	+18%
		On-Premises Business	Operation and Maintenance Support	273	231	-15%
			Software Products	252	192	-24%
			Software Consultation Support (introduction support)	63	50	-20%
			Employment Information Device	47	38	-18%
			Subtotal	636	512	-19%
		Total		2,521	2,734	+8%
		*Recurring Revenue		1,735	2,079	+20%
	Real Estate Rental Business			76	57	-26%
	Total			2,598	2,791	+7%

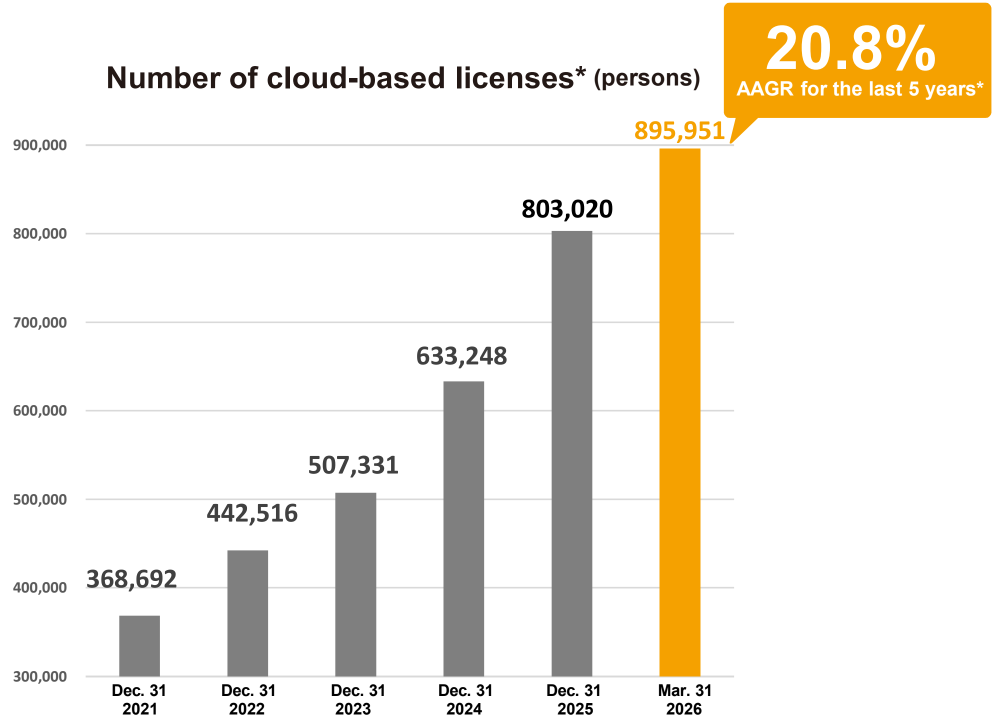
* Includes revenue from cloud licensing, Operation and Maintenance Support, and other services.

Number of Corporate Clients on Contract and Number of Licenses

Both the number of corporate clients and the number of licenses increased, showing steady expansion of the cloud customer base.

・Both the number of cloud-based licenses and the number of corporate clients increased; growth in the number of licenses remains strong, maintaining a 20.8% average annual growth rate (AAGR) over the last 5 years.





*The number of licenses for each employee at a corporate client is counted as one, even where the employee uses multiple services (Recruitment, HR, Salary, Health & Productivity Management).

ARPU trend

ARPU	September 2024	December 2024	March 2025	June 2025	September 2025	December 2025	March 2026	June 2026
Enterprise	379 yen	389 yen	395 yen	398 yen	398 yen	400 yen	397 yen	391 yen

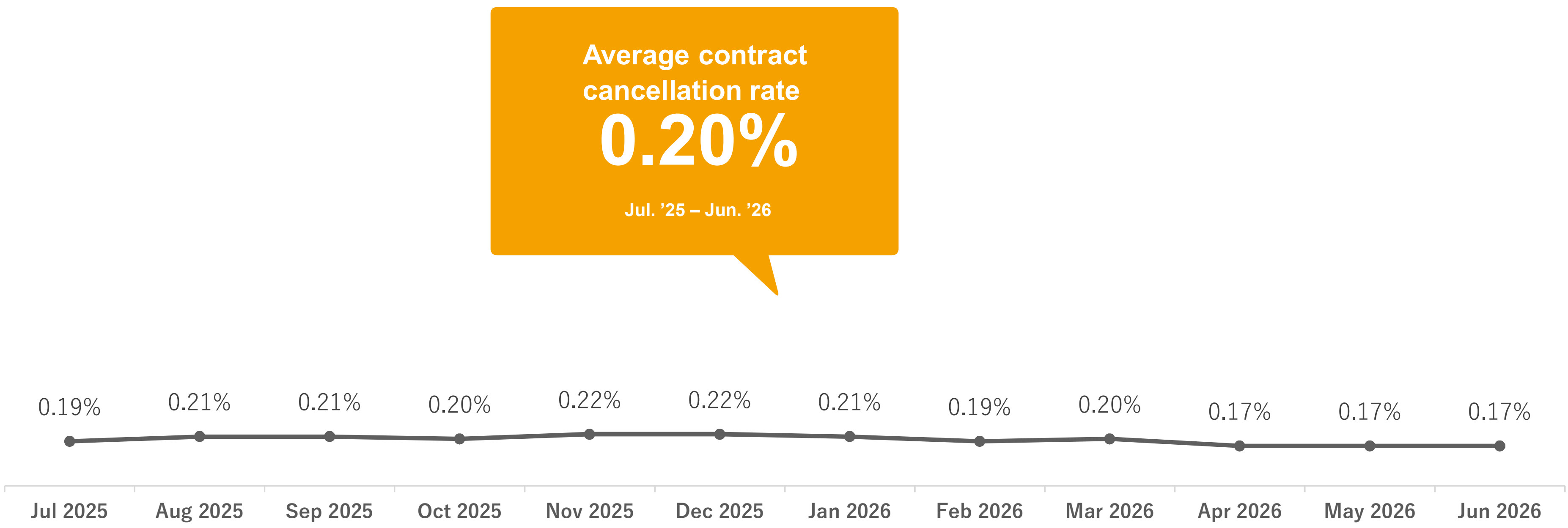
* AAGR for the last 5 years is calculated for the period from July 2021 to June 2026.

Cloud-Based Contract Cancellation Rate

The cloud-based contract cancellation rate remains low, reflecting strong customer retention.

- The monthly average cancellation rate for the last 12 months remained low at 0.20%, reflecting the stable recurring revenue base.

Cloud-based contract cancellation rate* (%)

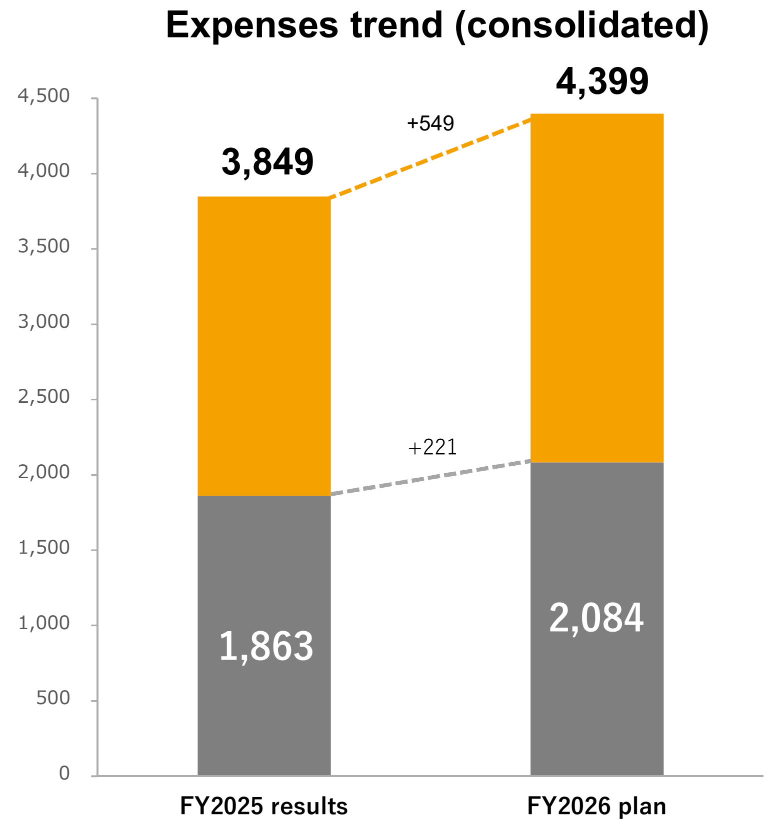


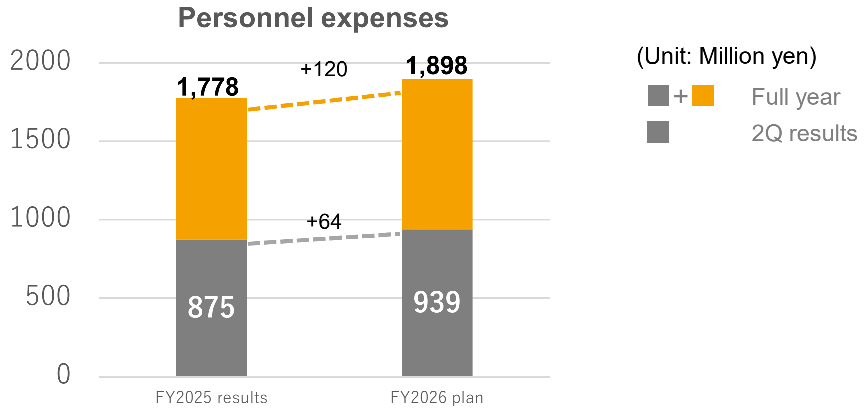
*The monthly average cancellation rate is calculated by dividing revenue from customers who cancelled their contracts in the current month by revenue from total customers in the previous month.

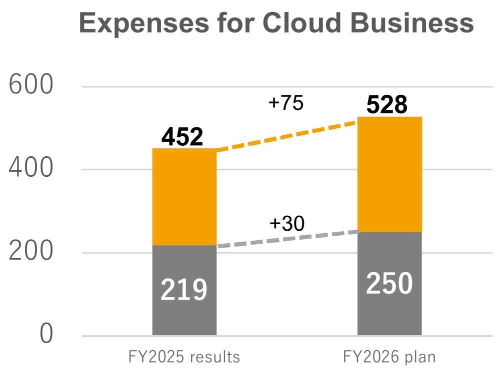
Cost Structure

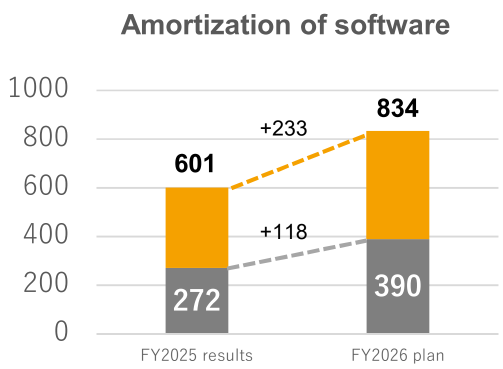
Cost structure for the second quarter of the fiscal year ending December 31, 2026

・The YoY cost rose by 221 million yen due to an increase in amortization of software following new feature releases and an increase in personnel expenses to secure talent.
Both are essential upfront investments for future growth, expected to contribute to growth in the next fiscal year and beyond.









Progress on Our Mid-Term Management Plan

Operating results grew significantly higher than initially projected in the three-year plan

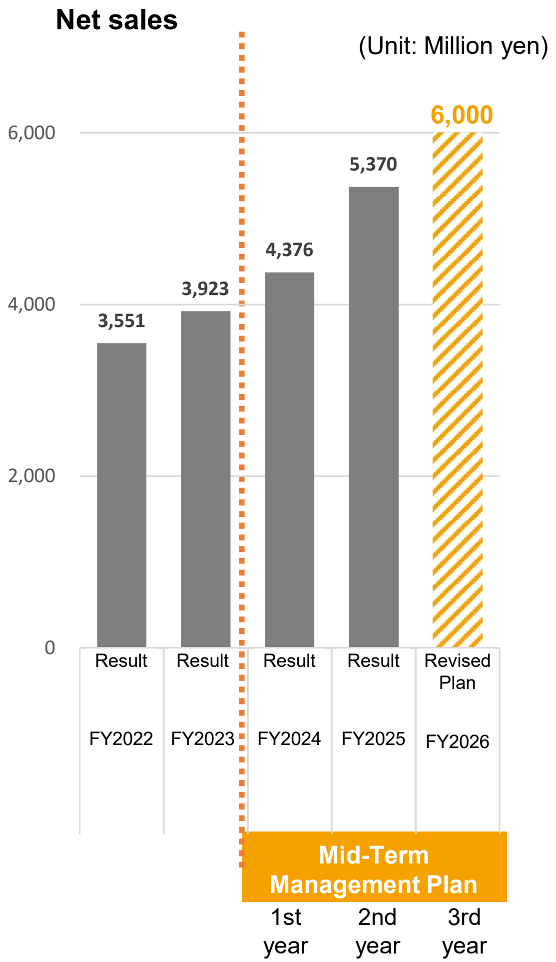
- We plan to increase upfront investments with a primary focus on product development to accelerate the growth of the Cloud Business.
- Investments and expenses for cloud facility are projected to rise in stages from FY2025 onward in conjunction with efforts to achieve target of 1 million cloud licenses in FY2027 or later.

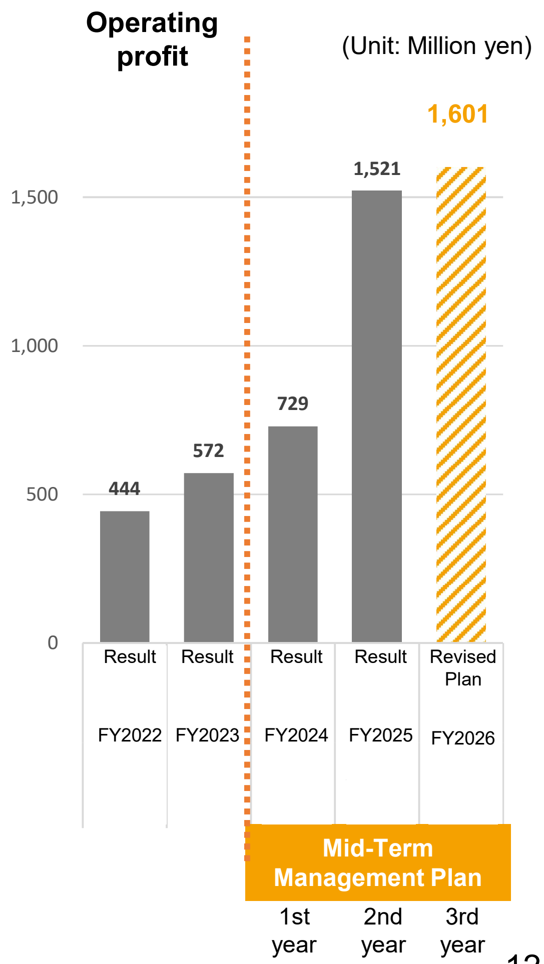
[Progress on three-year plan] (Unit: Million yen)

	FY2024 Results	FY2025 Results	FY2026 Revised Plan
Net sales	4,376	5,370	6,000
Operating profit	729	1,521	1,601
Operating profit margin	16.7%	28.3%	26.7%

[Reference: Initial projections in three-year plan] (Unit: Million yen)

	FY2024	FY2025	FY2026
Net sales	4,300	4,950	5,700
Operating profit	573	953	1,215
Operating profit margin	13.3%	19.3%	21.3%





Mid-Term Management Plan

Business strategy

・Increase recurring revenue with the Cloud Business as a growth driver.

	Strategy to grow business laid out in the Mid-Term Management Plan	Key measures taken through FY2026 2Q
1	Accelerate the product feature development aimed at HRM all-in-one solutions*	✓ Added employee onboarding and performance evaluation features to "Universal Kinjiro Talent Management," integrating HR operations from onboarding and talent information management through performance evaluation ✓ Significantly revamped "Kinjiro Portal" to consolidate access to attendance, talent, salary, and health information, along with task management, on a single screen
2	Shift on-premises users of Kinjiro Enterprise, which is our previous product, to cloud-based services through Universal Kinjiro	✓ Accelerated the migration of existing on-premises customers to Universal Kinjiro
3	Pricing strategy	✓ Strengthened the product platform with the aim of ARPU improvement by enhancing features such as talent management, salary management, and health management
4	Enhance services for employees (BtoE) and roll out services for consumers (BtoC)	✓ Promoted health & productivity management within the company using Universal Kinjiro, planning initiatives based on HRM data and evaluating their effectiveness ✓ Leveraged the operational know-how and employee usage insights gained through our own implementation to strengthen the product platform and enhance our value proposition for corporate clients

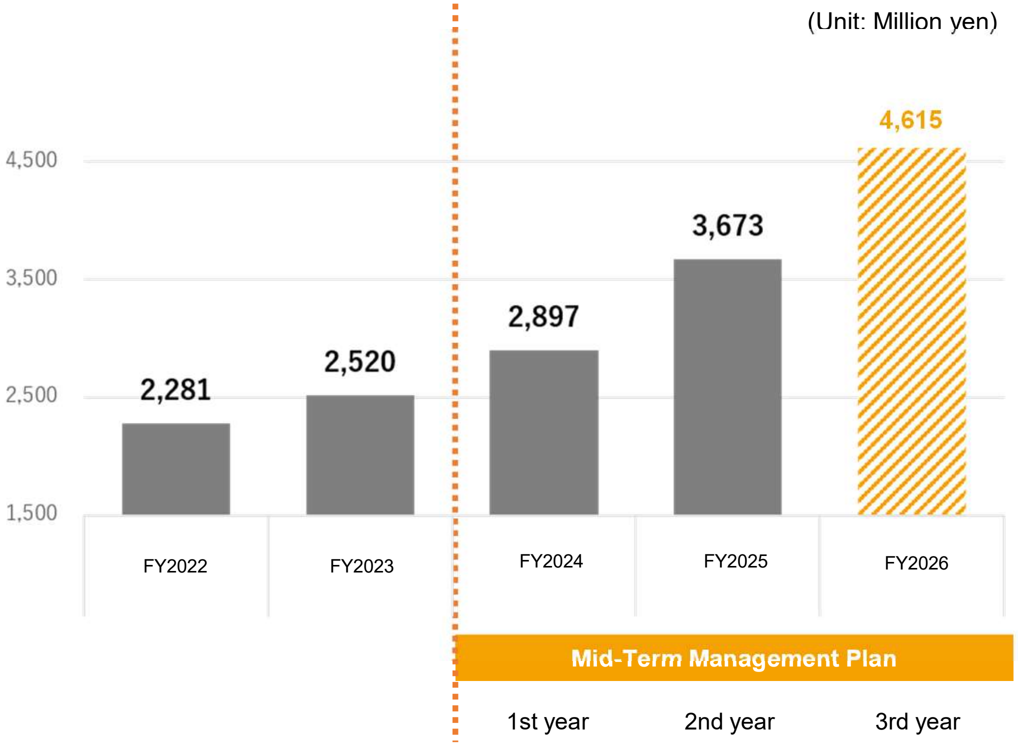
*Our HRM solutions provide employment, attendance, HR, salary, and human capital data to facilitate health & productivity management.

Key Management Metric Trends (5 Years)

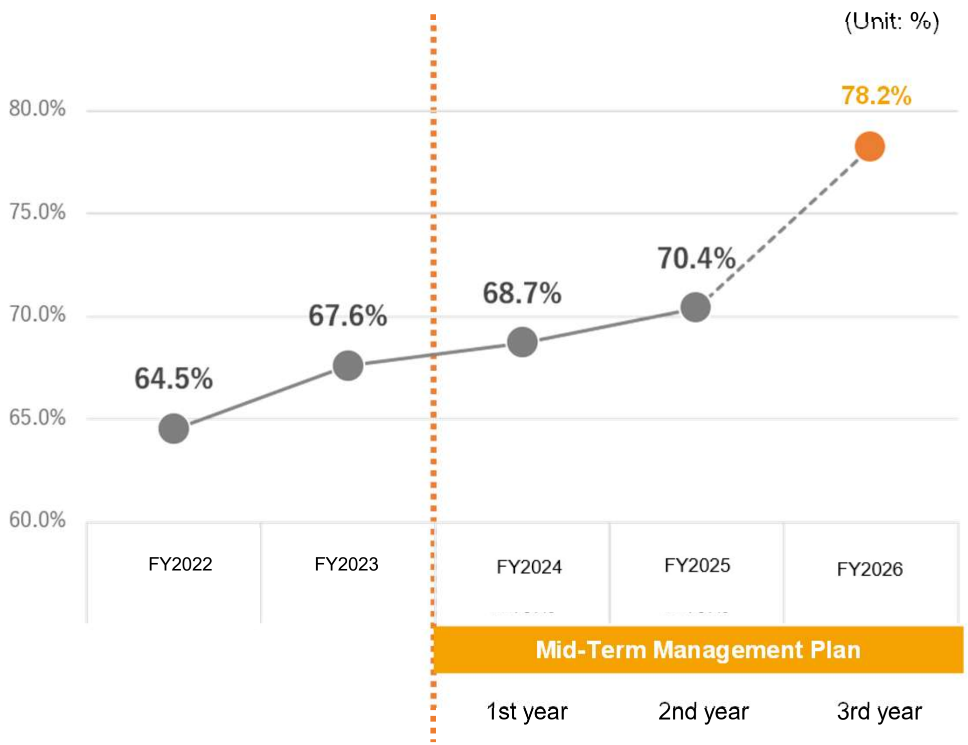
Recurring revenue continued to grow, improving revenue stability

・Driven by an increase in cloud license sales, recurring revenue is projected to reach 4,615 million yen, bringing its ratio to 78.2% and accelerating the shift to a revenue structure of recurring charge system.

■ Trend in recurring revenue



■ Trend in the recurring revenue ratio

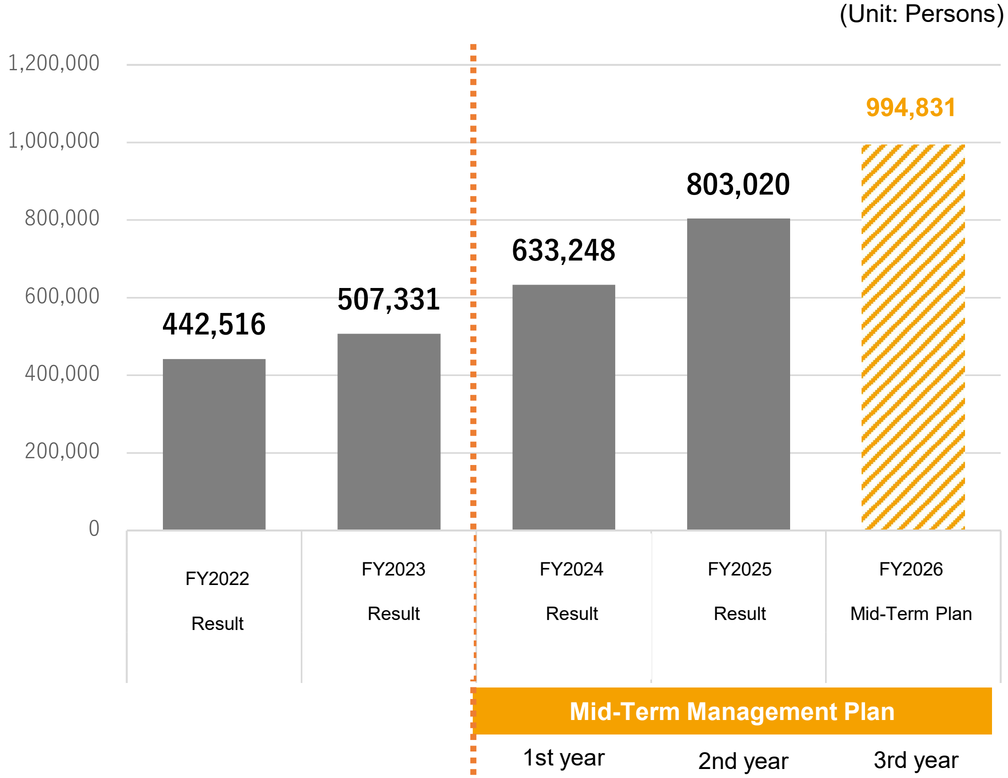


Key Management Metric Trends (5 Years)

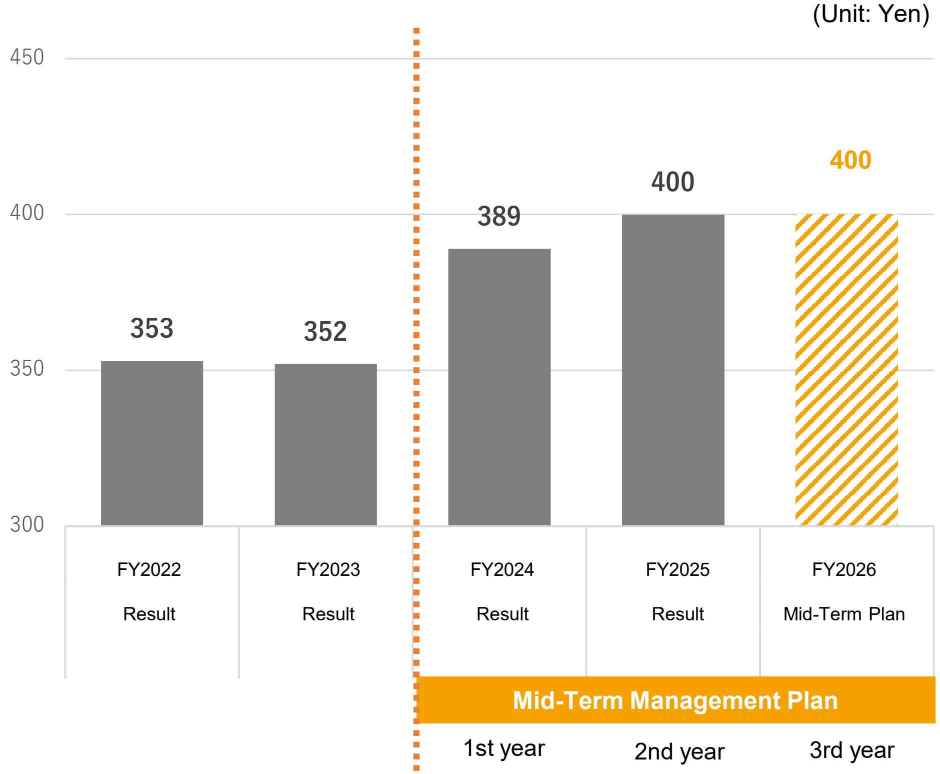
Growth in the number of cloud licenses remained strong, and the product platform was strengthened to improve ARPU

- **The number of cloud-based licenses grew steadily toward achieving the goal of the Mid-Term Management Plan, and the platform was further strengthened with the aim of ARPU improvement by enhancing features such as talent, salary, and health management.**

■ Number of cloud-based licenses



■ Trend in the ARPU



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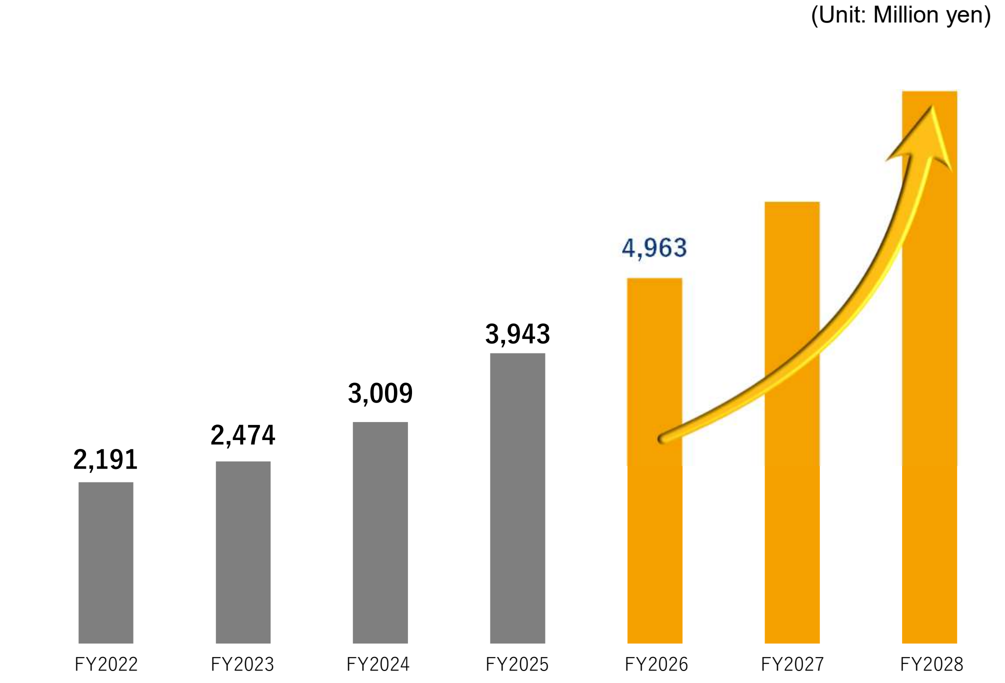
4. Topics

Cloud Business Drives Medium- to Long-Term Growth

Cloud Business will be the primary driver of growth in both the number of licenses and ARPU

- We aim for growth in the Cloud Business sales toward 2028 by increasing the number of licenses through cloud migration of existing on-premises customers and new customer acquisition as well as by improving ARPU through expansion of HRM service functionality.

Cloud Business sales trend



Key point: Growth of cloud business sales will drive the medium- to long- term growth

Cloud Business sales have continued to grow at a high rate

Cloud Business sales are expected to grow further in future

ARPU improvement will support further growth acceleration

Kinjiro's Growth Strategy

Changing market environment: the HRM market shifts toward the 3rd generation

With the development of human capital disclosures, HRM evolves from a back-office administration tool into a platform to be utilized for business development

1st Generation On-premises ERP
1990s – around 2010

Labor management
To improve back-office efficiency
Mainly for routine administration (procedures/statistics)

2nd Generation Cloud ERP
2010 – around 2025

Cloud-based HR/labor
Centralized information management
Data organization (standardize/centralize)

3rd Generation HRM platform
2026 onwards

Human capital management / Utilization of AI
Use for business decision making / Drive health & productivity management
Assist in visualization / projection / decision making

Conventional market: function-specific solutions

HR management	Attendance management	Salary management
Employee health management	Talent management	Hiring management

Data are separated by function
Difficult to gain a comprehensive understanding necessary for business decisions

Kinjiro: Integrated HRM platform

HR / Health / Attendance / Labor cost data

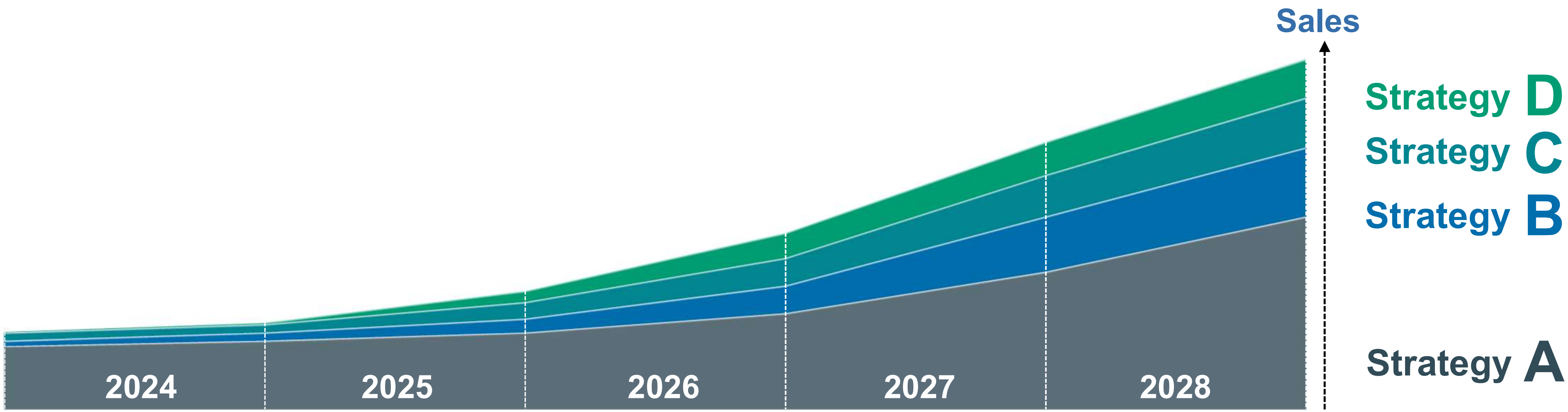
Data integration / Visualization / Utilization platform

Decision support x Human capital value enhancement
Administration tool evolves into a business development platform

Growth Strategy Overview

Overview of the growth strategy toward 2028

Strategy A	Cloud strategy: Central core of sales growth through cloud user expansion
Strategy B	Farm existing customers: Improve ARPU through adoption of HRM by existing customers
Strategy C	Strengthen the cloud infrastructure: boost development efficiency, scalability and competitiveness of offerings
Strategy D	Roll out HRM platform: create new value that supports human capital management



Growth Strategy Overview

Strategy A Strategy B **Business and product concept**

Sustainable growth of companies and employees

Visualize an organization

Accelerate decision making

Increase productivity

Human capital

Talent optimization

Well-being

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JOBEE

HRM fosters the future of people and organization

Workstyle diversity

Health & productivity management

Improve workstyle and work efficiency

Talent management and individual development

Attendance management	Salary management	Talent management	Health & productivity management	Business management
Visualizing an organization and improving productivity	Foundation of fair treatment and human capital	Human capital optimization	Promoting well-being	Faster decision making, sustainable growth

Growth Strategy Overview

Strategy A **Growth measures to accelerate new customer acquisition**

Standardized solution with high functionality

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The #1
HRM solution

KINJIRO aims to be the #1 company in the industry with the best HRM solution

Offer compelling value propositions to customers

Multi-faceted promotion activities

Increase reliability and cooperate with partners

Partners

Enhancement of reliability and cooperative partnerships

Direct sales

Catch customer needs directly and strengthen proposal capabilities

Diverse channels and cross-selling strategies

Growth Strategy Overview

Strategy B Increase ARR through adoption of HRM by existing customers

Through adoption of HRM, expand the areas of use and promote workflow integration to increase ARPU and retention rate, to increase ARR

Key management metric **ARR** Annual Recurring Revenue	=	Customer unit price **ARPU**	X	Contract size **Number of licenses**	X	Maintain/increase **Retention rate** (NRR)

ARPU improvement	Number of licenses	Retention rate (NRR)
400 yen	About **1 million** Licenses	**99.79** %
Enlarge the areas of use within existing customers through enhancing the value offered, to improve ARPU	Promote to our customer base the enlargement of the areas of use and workflow integration through adoption of HRM	Reduce cancellation through adoption in operations and expansion of use to improve retention rate

The figures are the year-end targets for the current fiscal year.

Growth Strategy Overview

Strategy C Strengthen the cloud infrastructure

■ Build the infrastructure to connect all processes integrally from data organization through decision support

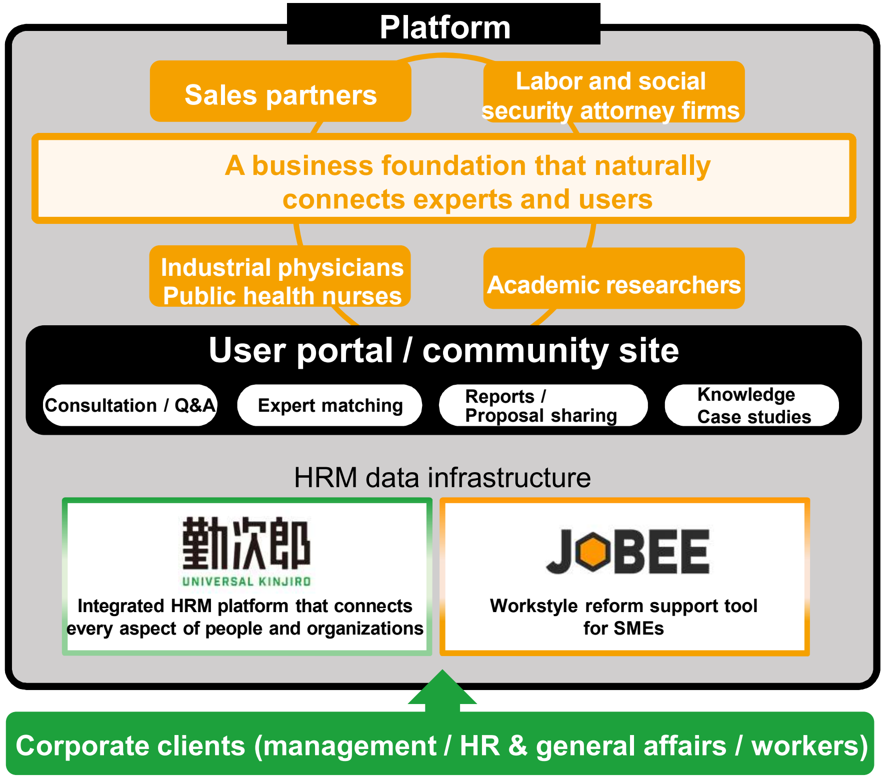
To support the acquisition of new customers, the adoption of HRM by existing customers, and future platform plans, we will accelerate the shift from on-premises to cloud-based solutions and systematically strengthen our infrastructures for data integration, authentication and authorization, and visualization and projection.

① Strengthen infrastructure for shift from on-premises to cloud	② Data integration and authentication-and-authorization infrastructure	③ Visualization, projection and decision making
Kinjiro Private Cloud	Kinjiro AuthLink	Kinjiro EX-workbench (tentative) <Enhancement of API and MCP>

We will enhance cloud infrastructures as a strategic infrastructure investment to connect processes from data organization through visualization, projection to decision support

Growth Strategy Overview

Strategy D HRM Platform Vision



Corporate clients: Comprehensively solve HRM challenges	Co-creation partners: Expand business by utilizing their expertise	Kinjiro: Grow as a hub of HRM services
Comprehensive resolution of HRM challenges	Opportunities to expand business by leveraging their expertise	Sustainable growth as a hub of HRM services

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Kinjiro's Mission and Strength

Offer products and services that solve social challenges faced by modern Japan

Performance delivered by each and every worker will become increasingly important going forward as the labor force is expected to decline significantly.

Solve social challenges faced by Japan by contributing to corporate clients' HRM with "Universal Kinjiro" and "Health x Life."

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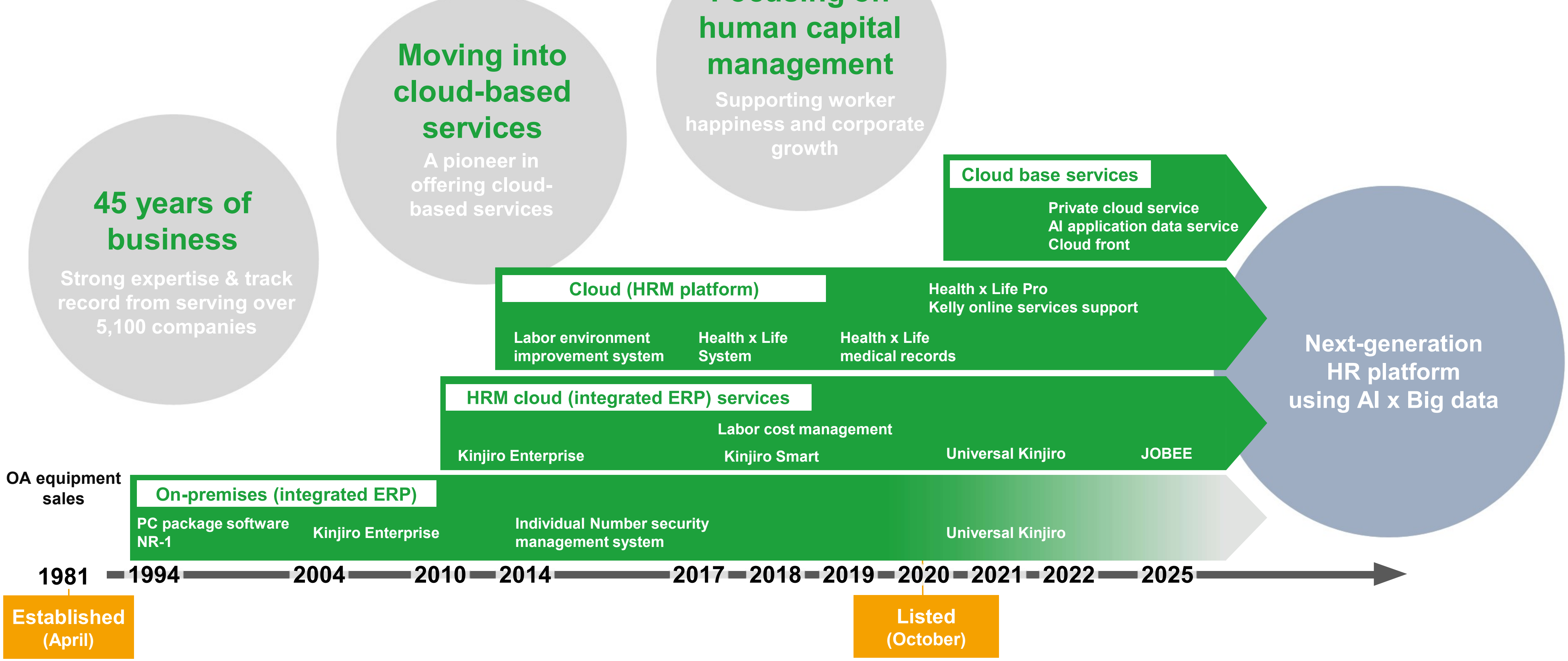
SUSTAINABLE DEVELOPMENT GOALS

Our History

Providing services that accurately anticipate the changing times



Business Scope

Simultaneously manage work and health to achieve work style reform and health & productivity management, and help enhance corporate value by improving labor productivity

The health and happiness of employees builds the company’s future

AI prediction

API integration

Multifactor authentication

Customer portal

Low-code

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CLOUD

Private cloud

Single sign-on

Work style reform

Health & productivity mgt.

Mgt. support

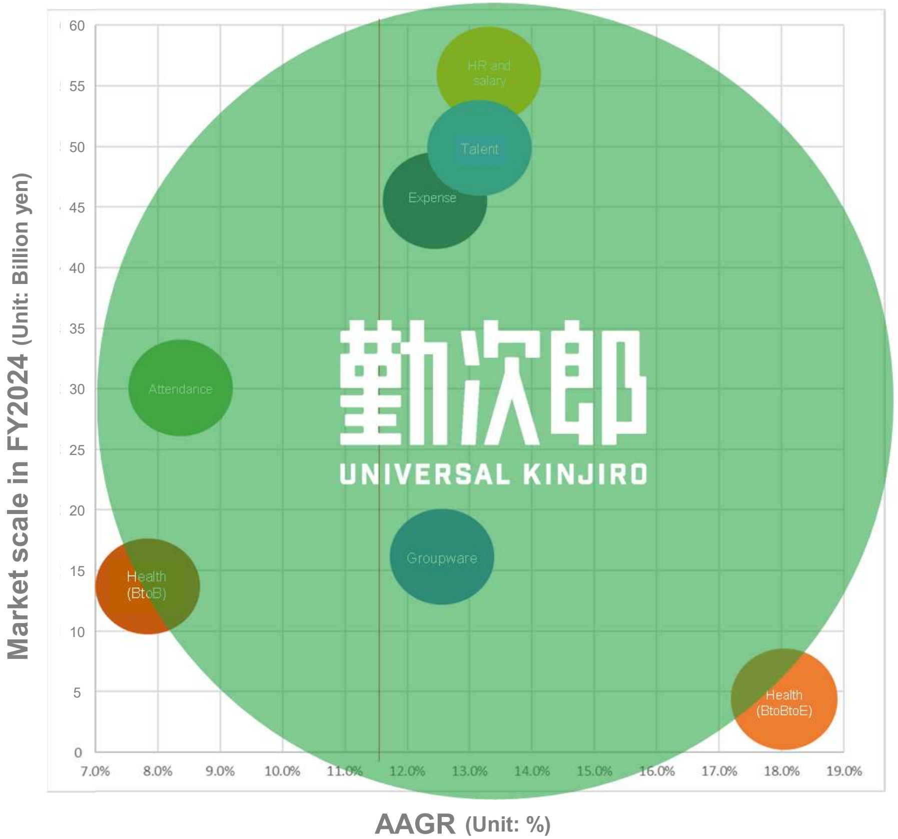
Salary & labor mgt.

HR automation

Human Capital Management

■ **Market scale in FY2024 (billion yen) and AAGR ('29/'24)**

● Attendance mgt. ● HR and salary ● Talent ● Health mgt. (BtoB)
● Health mgt. (BtoBtoE) ● Groupware ● Expense settlement



Aiming to be **No. 1 in HRM services**
within the growing HR services market

		AAGR	Market scale
Attendance management		8.5%	30.3 billion yen
HR and salary management		13.4%	56.3 billion yen
Talent management*1		13.1%	49.8 billion yen
Labor management*2		25.6%	31.0 billion yen
Health management	BtoB*3	7.6%	13.9 billion yen
	BtoBtoE*4	18.1%	2.9 billion yen
Groupware		12.5%	16.4 billion yen
Expense settlement		12.5%	45.6 billion yen

*1 Services that manage and support the full cycle of talent utilization, including recruitment, allocation, training, and evaluation.
*2 Services that streamline corporate labor operations such as salary, working hours, benefits, and social insurance procedures, focusing specifically on labor management.
*3 Services that comprehensively provide features such as health information management and recordkeeping, health examination scheduling and results management, and stress checks.
*4 Services that use wearables or other devices to collect employees' vital data and manage health and safety during working hours.

Reference: Software Business New Market 2025 Edition (by Fuji Chimera Research Institute)
Comprehensive Wearables/Healthcare Business Survey 2024 (by Fuji Chimera Research Institute)

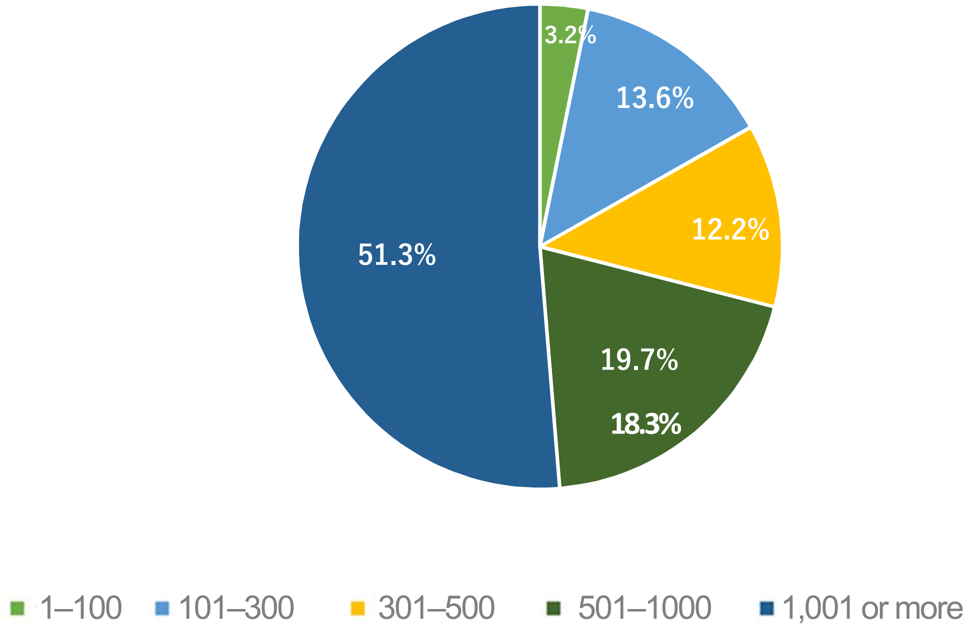
Kinjiro Installations Breakdown by Scale and Industry

A diverse customer base across industries and company sizes, from SMEs to large enterprises

- Our solutions are used across a wide range of industries, including manufacturing, retail, and construction, and meet diverse customer needs, from large-enterprise solutions to cloud HRM for SMEs.

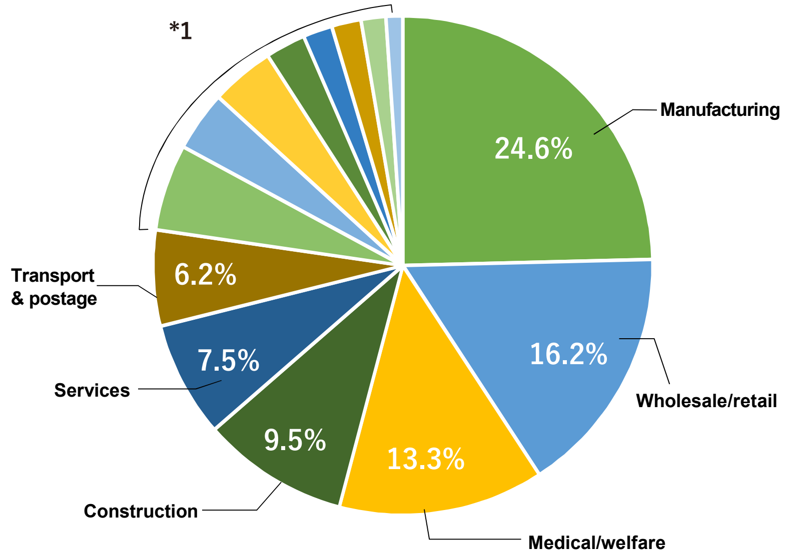
1. Breakdown of implementation by number of licenses

Breakdown of licenses by corporate scale



2. Breakdown of client numbers by industry

*Implementation at a diverse range of different enterprises



*1
Academic & specialist / technical services: 5.6%
Information & communications: 4.1%
Real estate & rental: 3.9%
Accommodation & food: 2.6%
Lifestyle services & entertainment: 1.9%
Finance & insurance: 1.9%
Education & learning support: 1.6%
Others: 1.1%

* Implementation results in cloud business and on-premises business as of June 30, 2026

Improving the Value of HRM Services Through Expansion of Product Functionality

■ Further expanded Universal Kinjiro’s functionality

Added employee onboarding and performance evaluation features to “Universal Kinjiro Talent Management” and revamped “Kinjiro Portal” significantly. The new features integrate HR operations, and the new portal enables users to quickly access the information and tasks relevant to them.

■ Enhanced the talent management feature

Promoted the streamlining of HR operations and centralizing of talent data management by integrating processes from onboarding and talent information management through performance evaluation.

■ Overhauled Kinjiro Portal

Improved role-based usability by consolidating access to attendance, talent, salary, and health information, along with pending tasks, on a single screen.

Earned Three-Star Eruboshi Certification for Promoting Women’s Advancement

■ Promoting the development of a workplace environment where diverse talent can thrive

In June 2026, we met all five evaluation criteria and earned three-star “Eruboshi” (L-Star) certification under the Act on the Promotion of Women's Active Engagement in Professional Life. We continue to create a workplace environment where diverse talent can make the most of their abilities at every stage of life.

基準適合一般事業主認定通知書

令和８年６月２日

勤次郎株式会社

代表取締役執行役員社長　加村　光造　殿

令和８年３月２３日付けの申請について、女性活躍推進法第９条に基づく基準に適合するものであると認定しましたので通知します。

認定段階　3

【貴社において満たしている省令第８条第１項第１号イの項目】

採用	継続就業	労働時間	管理職比率	多様なｷｬﾘｱｺｰｽ
○	○	○	○	○

東京労働局長

■ Met all five evaluation criteria

Recruitment	**Women account for 27.6% of regular employees and employees in core employment management categories**
Continued employment	**Average length of service: 7.4 years for men and 6.9 years for women**
Work style	**Average monthly overtime for regular employees: approximately 18.9 hours**
Percentage of female managers	**Women account for 22.2% of managers**
Diverse career paths	**We hired seven women aged 30 or older as regular employees through mid-career recruitment over the past three fiscal years**

FY2026 Kinjiro Genki Project Activities

■ Further enhanced our health & productivity management initiatives through the "Kinjiro Genki Project" led by young employees
Various events were held

Concept for activities in FY2026
Work and life in order

◆ Morning cleanup project: Outdoor cleanup

・Clean-up events are held regularly in areas around the Nagoya headquarters building.

◆ Health event: "Refresh day for mind and body"

・Public health nurses from the Japan Health Insurance Association conducted seminars on making effective use of health examination results and improving sleep, along with a self-care seminar featuring techniques employees can practice during the workday.

Disclaimer

To the extent that statements in this presentation do not relate to historical or current facts, they constitute forward-looking statements. These statements represent the judgment of our senior management, based on the information currently available, and involve risks and uncertainties. Actual results may differ significantly from the outlook for performance and other matters presented here, due to various factors including economic conditions, the status of competition within the industry, and the success or failure of new services.

The health and happiness of employees builds the company’s future

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