



*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.*

Q1 FY09/2026 Consolidated Financial Results

HENNGE K.K. (4475: TSE Growth)
February 4, 2026

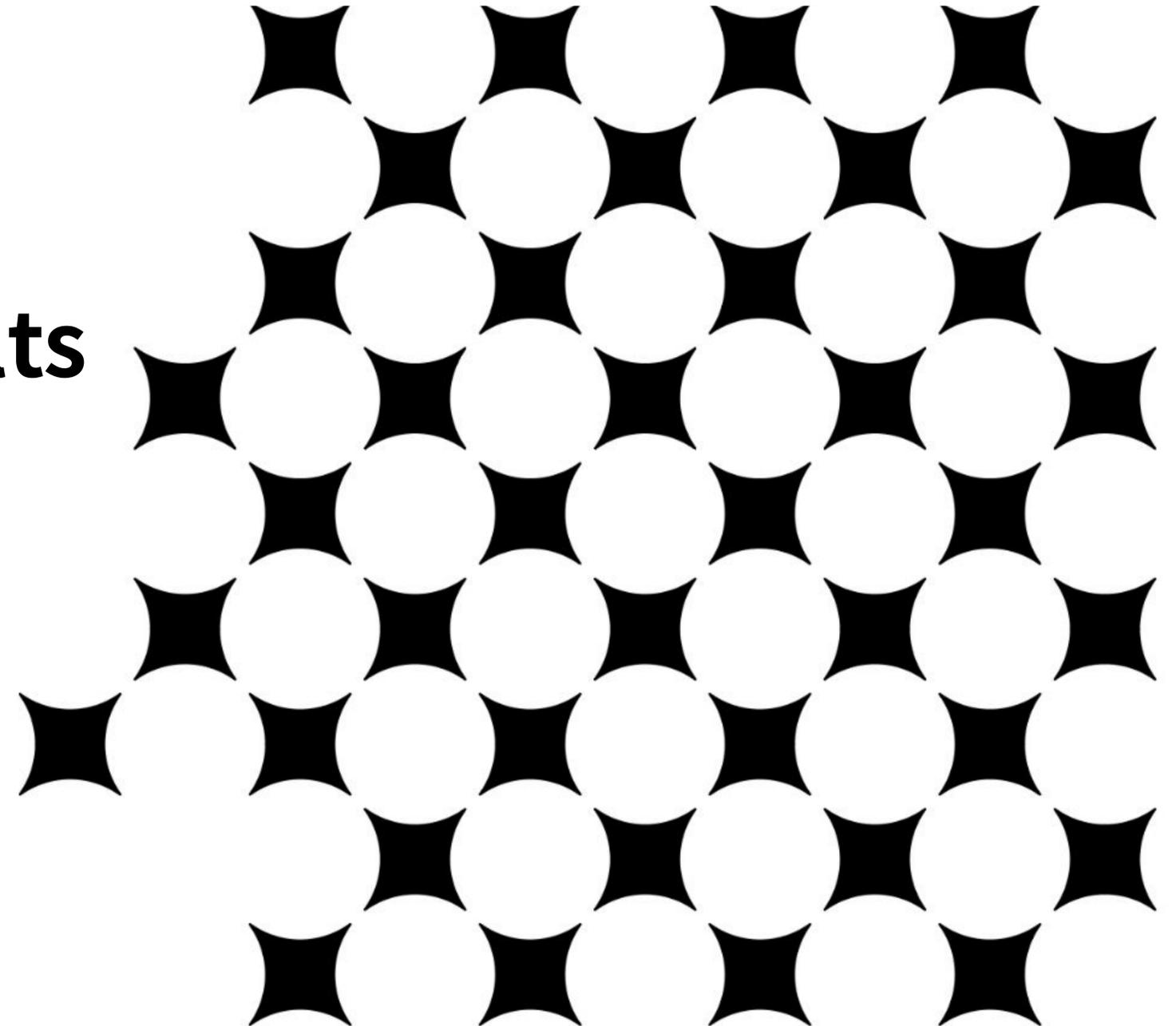
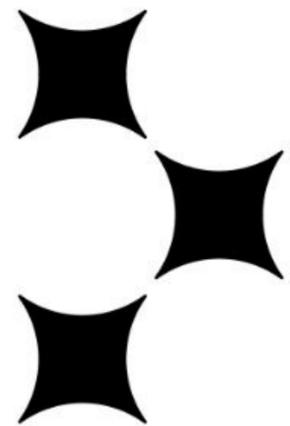


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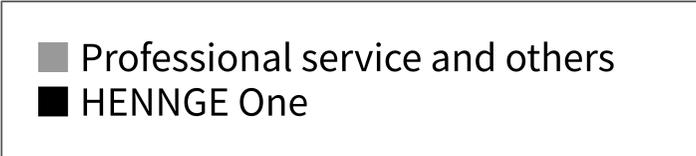
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**Q1 FY2026
Consolidated Financial Results
(Financial Results)**

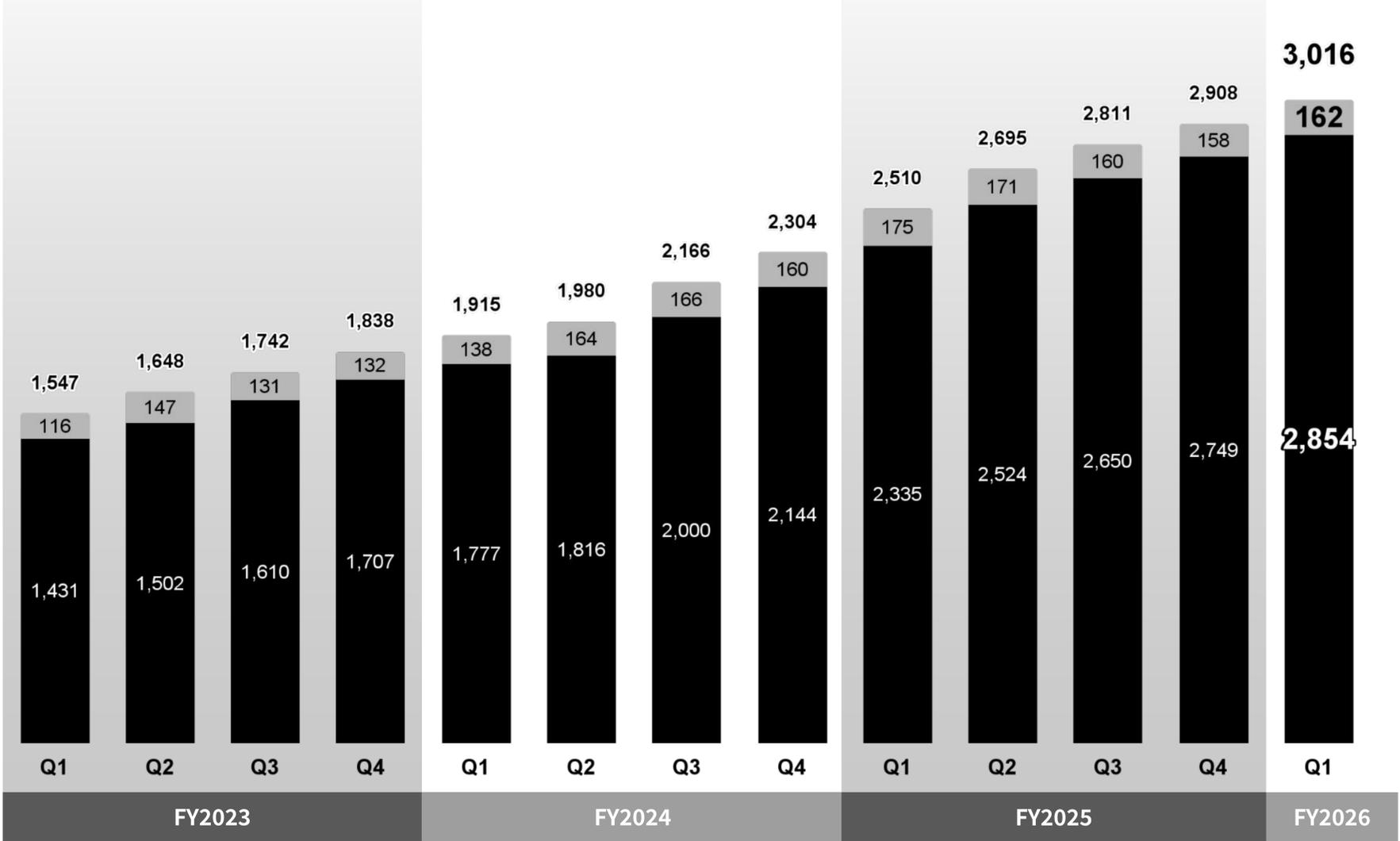
Consolidated Financial Results Highlights

(unit: JPY million)	Q1 FY2025	Q1 FY2026	YoY	YoY (%)	FY2026 Forecast	Progress (%)
Net sales	2,510	3,016	+505	+20.1%	12,834	23.5%
(HENNGE One)	2,335	2,854	+519	+22.2%	12,087	23.6%
(Professional service and others)	175	162	-13	-7.6%	747	21.7%
Total cost of sales	365	403	+38	+10.5%		
Gross profit	2,145	2,612	+467	+21.8%		
(Gross profit margin)	(85.5%)	(86.6%)		(+1.2pts)		
Total selling, general and administrative expenses	1,617	2,083	+466	+28.8%		
Operating income	529	530	+1	+0.2%	2,057	25.7%
(Operating income margin)	(21.1%)	(17.6%)		(-3.5pts)	(16.0%)	
Ordinary income	598	527	-71	-11.9%	2,073	25.4%
Profit attributable to owners of parent	406	366	-40	-9.9%	1,595	23.0%
(Net income margin)	(16.2%)	(12.1%)		(-4pts)	(12.4%)	

Net Sales

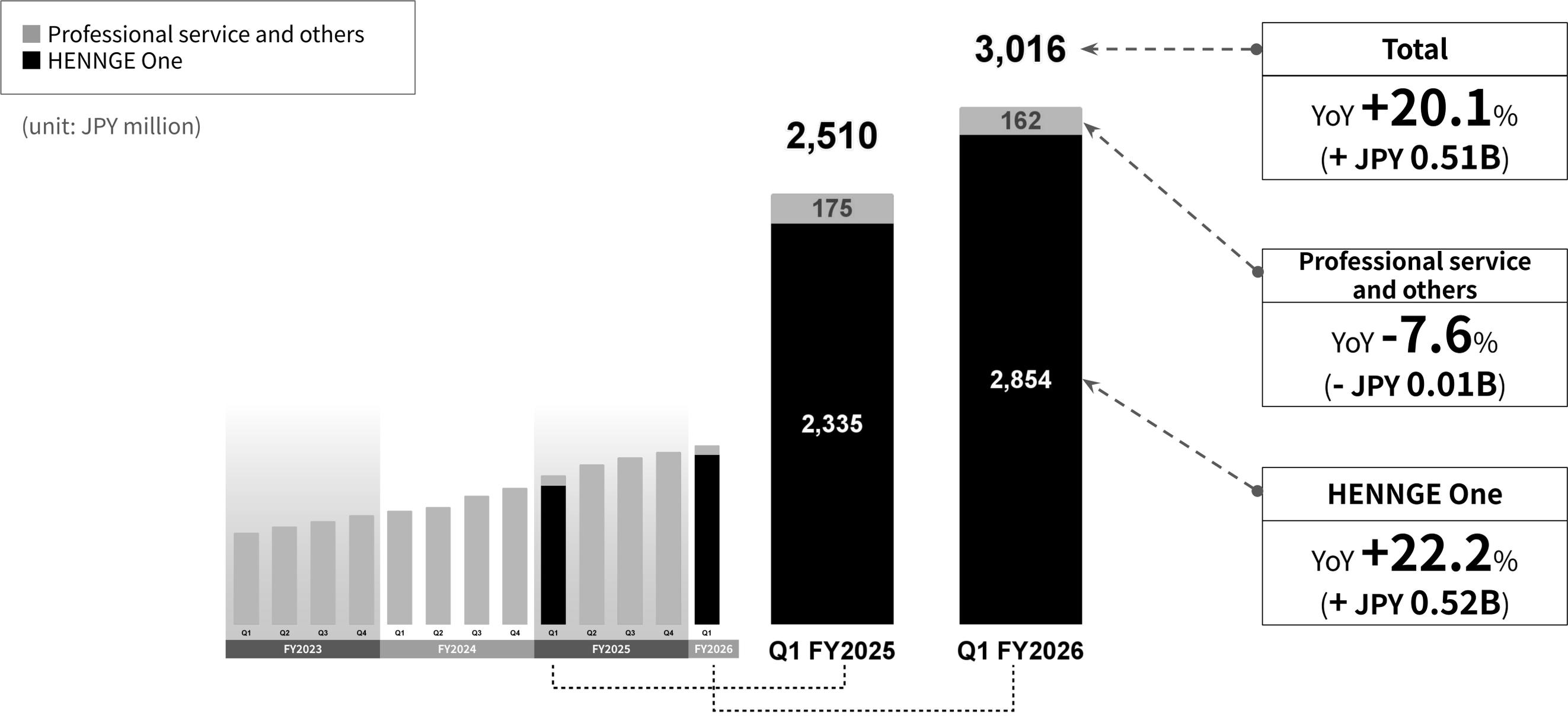


(unit: JPY million)

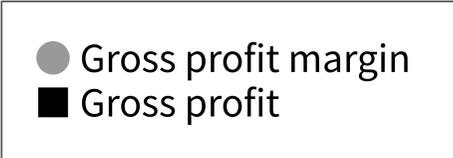


Net Sales (YoY)

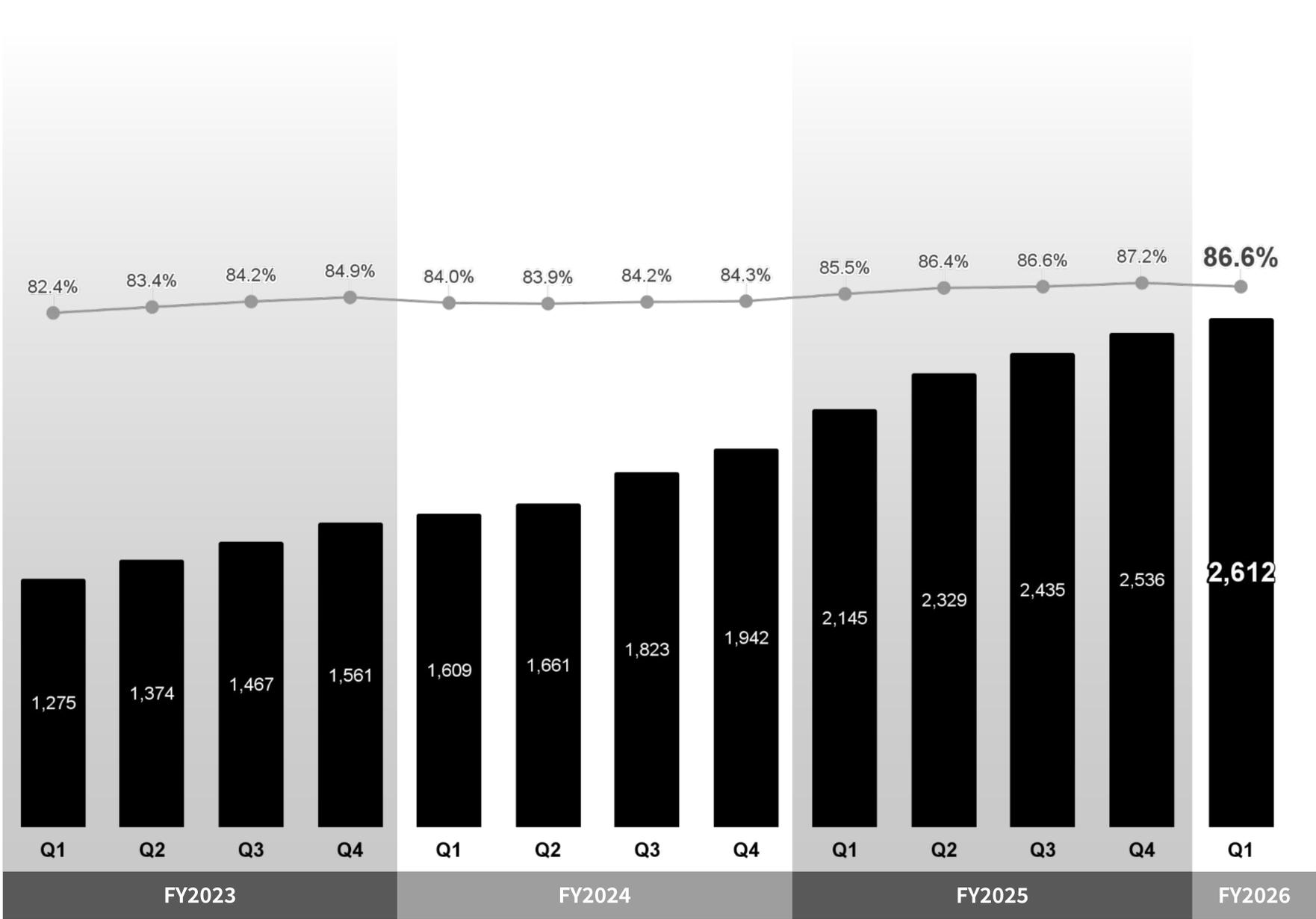
Net sales for HENNGE One business, our growth driver, grew steadily YoY.



Gross Profit

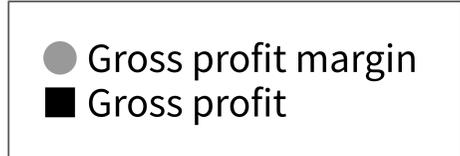


(unit: JPY million)

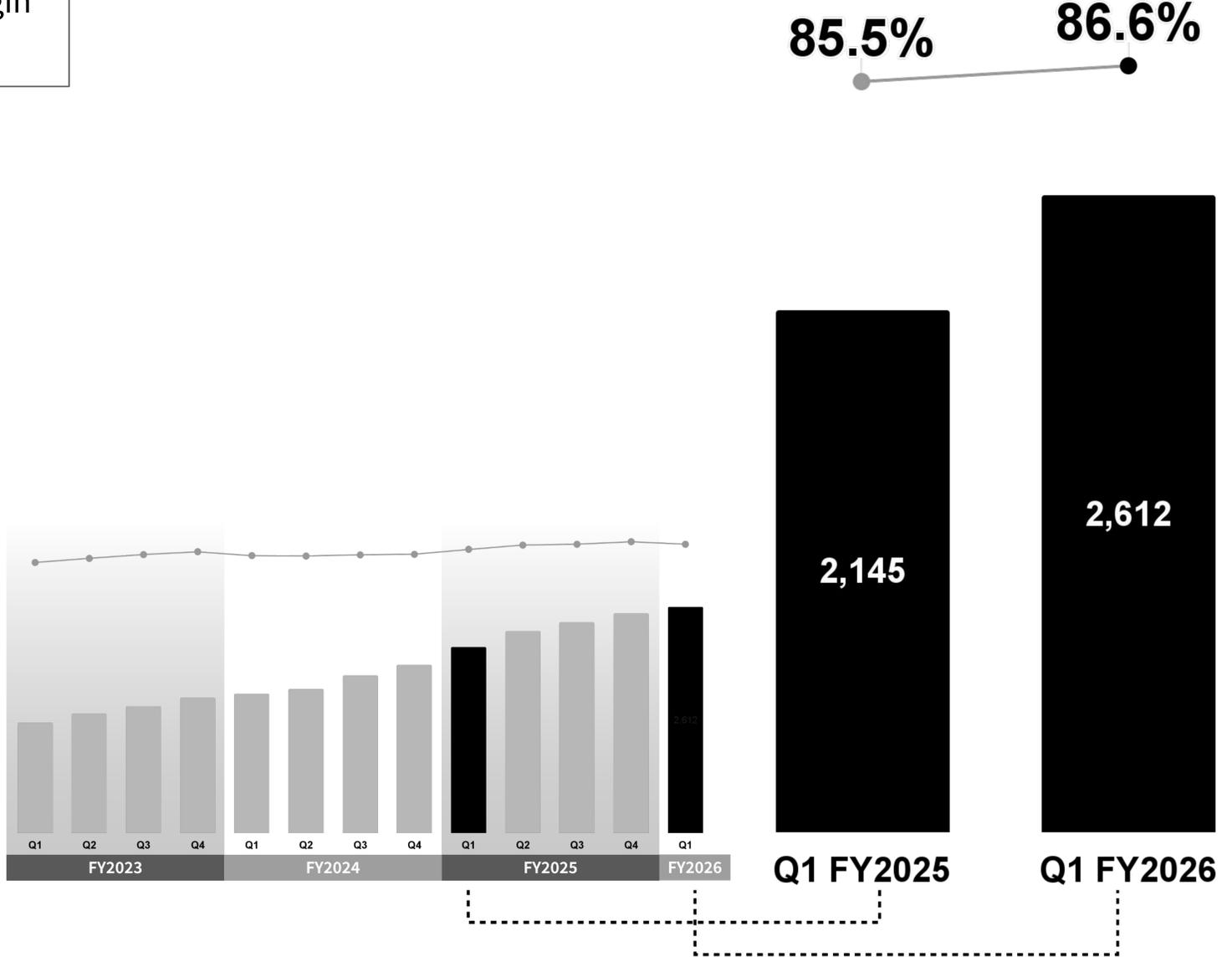


Gross Profit (YoY)

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



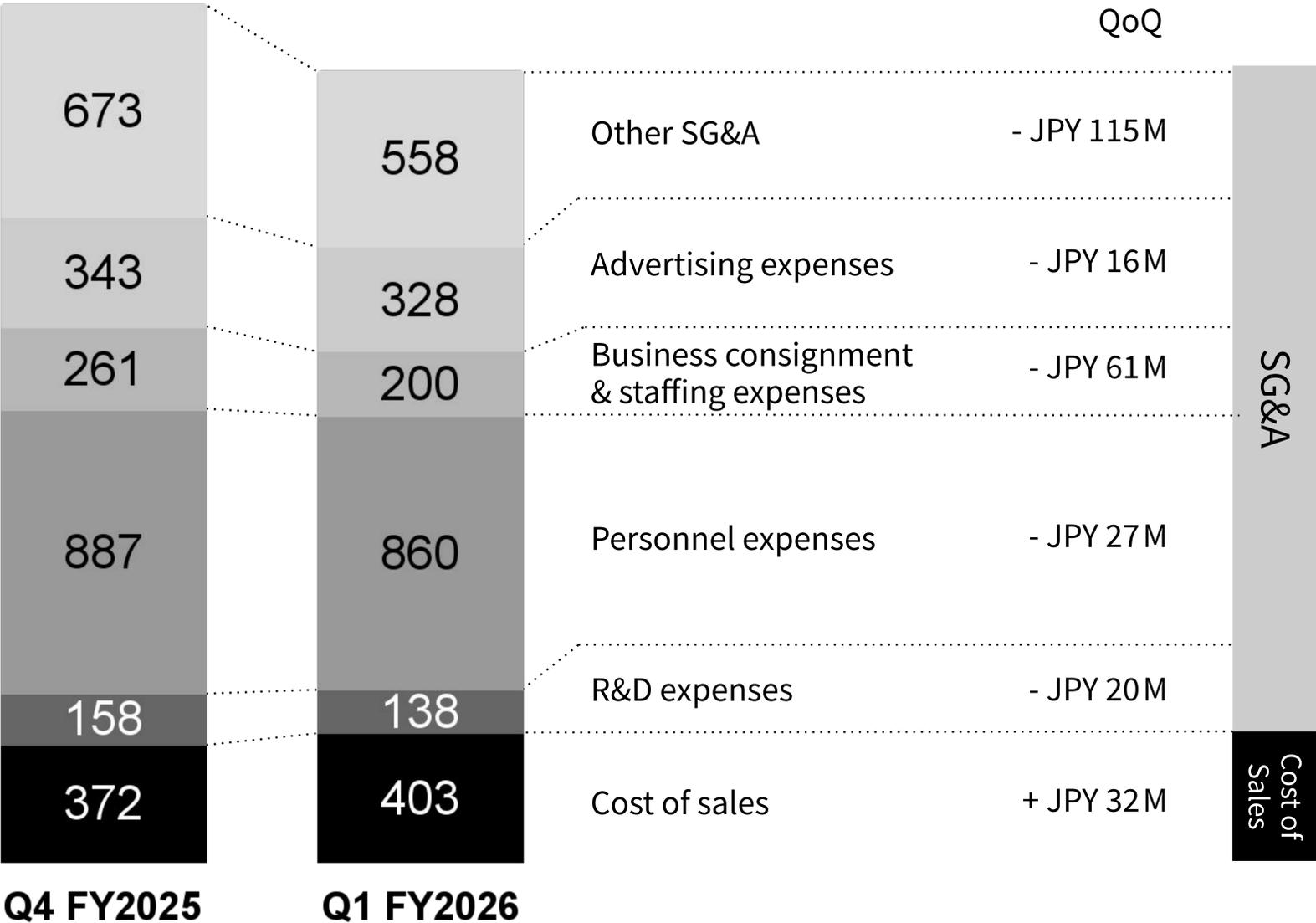
(unit: JPY million)



Gross profit
YoY +21.8% (+ JPY 0.47B)

Operating Expenses (QoQ)

(unit: JPY million)



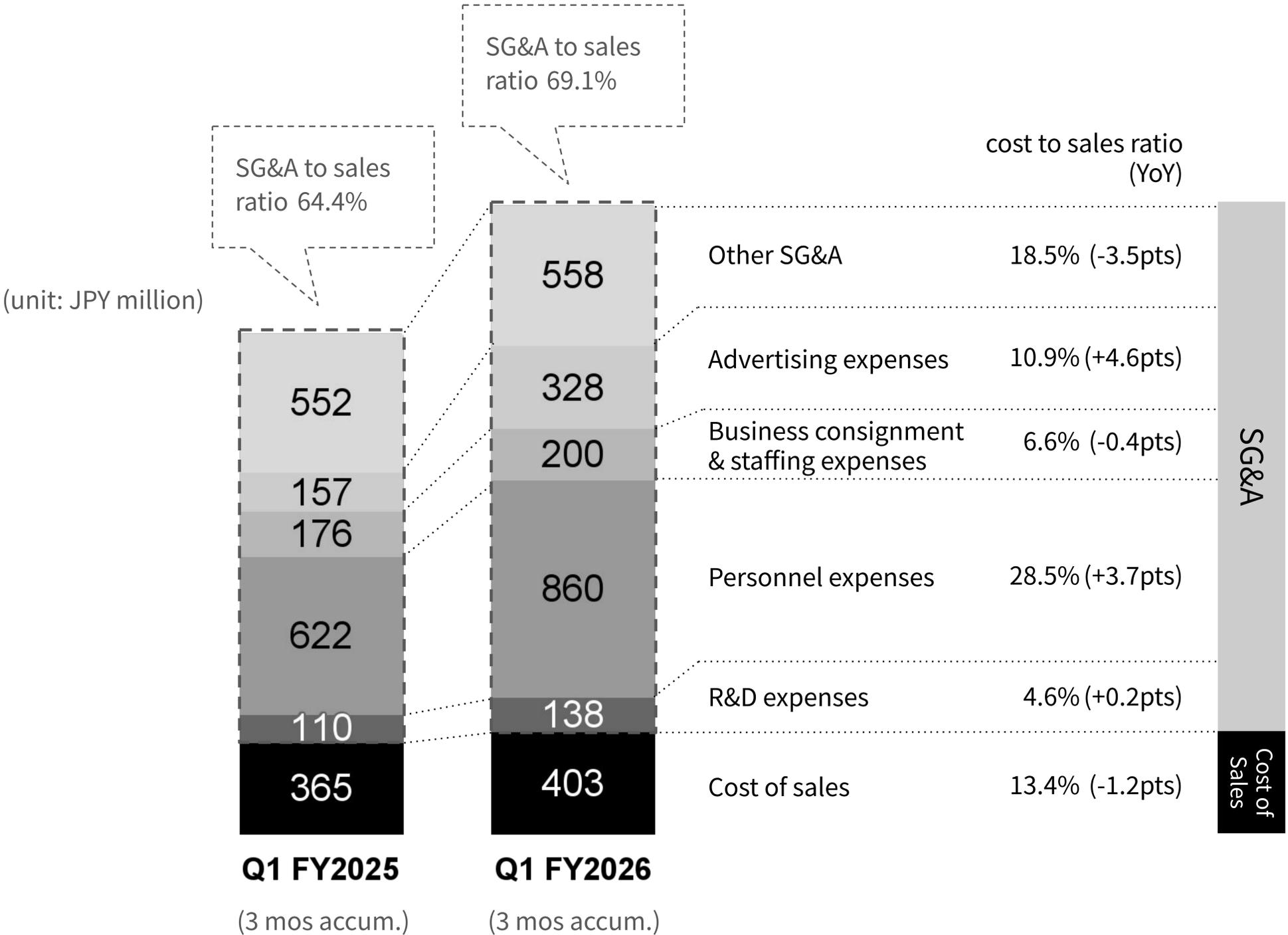
Other SG&A decreased mainly due to lower recruitment related expenses reflecting a decrease in the number of new hires.

Advertising expenses remained within a similar level to the previous quarter from proactive marketing efforts in both domestic and international regions along with continued investments in branding activities.

Business consignment & staffing expenses decreased mainly due to the change in scale of vulnerability assessments conducted to enhance service security.

Personnel expenses decreased mainly due to the non-recurrence of year-end bonuses.

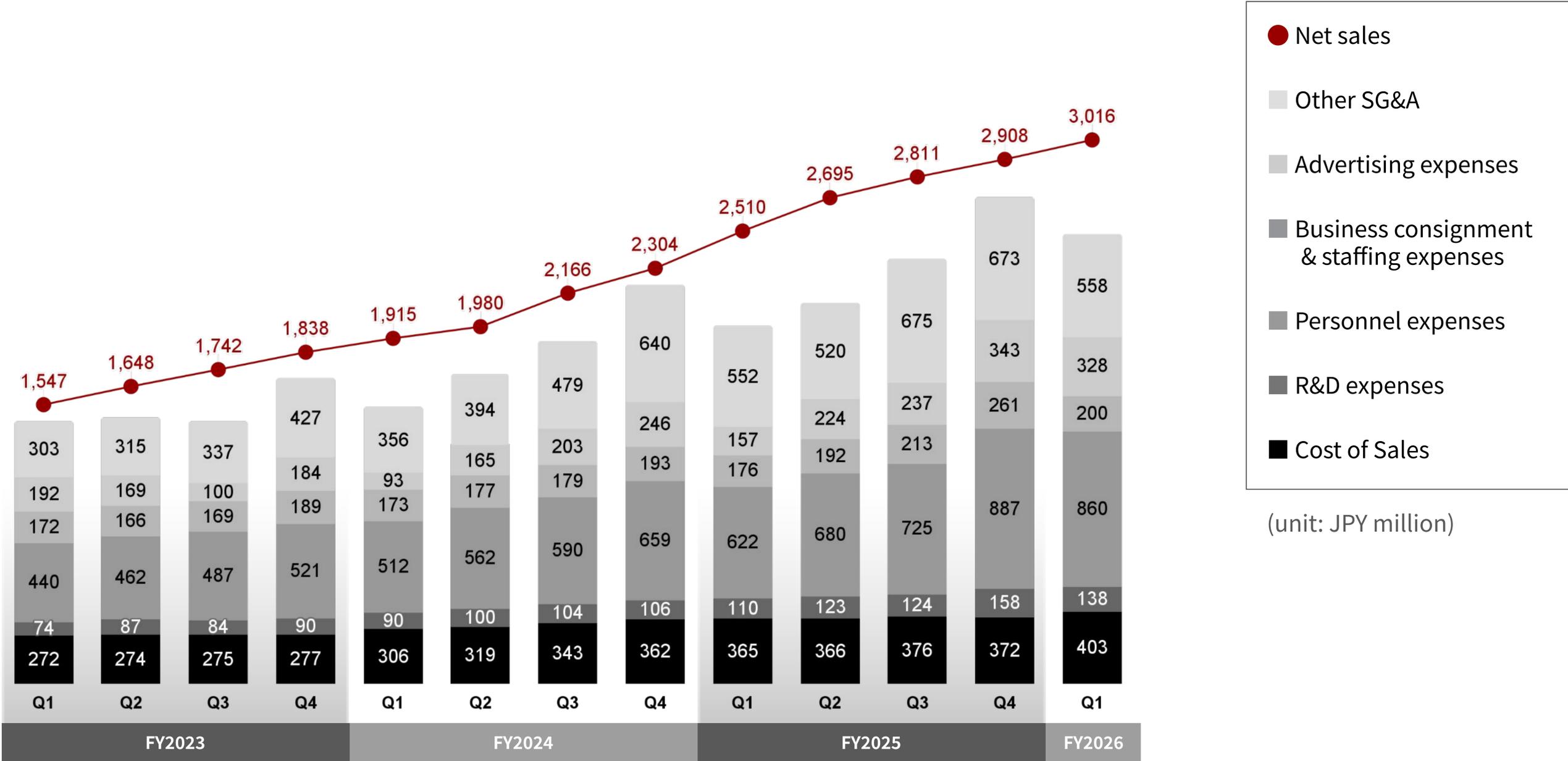
Operating Expenses (YoY)



Advertising expenses increased reflecting proactive marketing efforts in both domestic and international regions, along with continued investments in branding activities to raise awareness of HENNGE One.

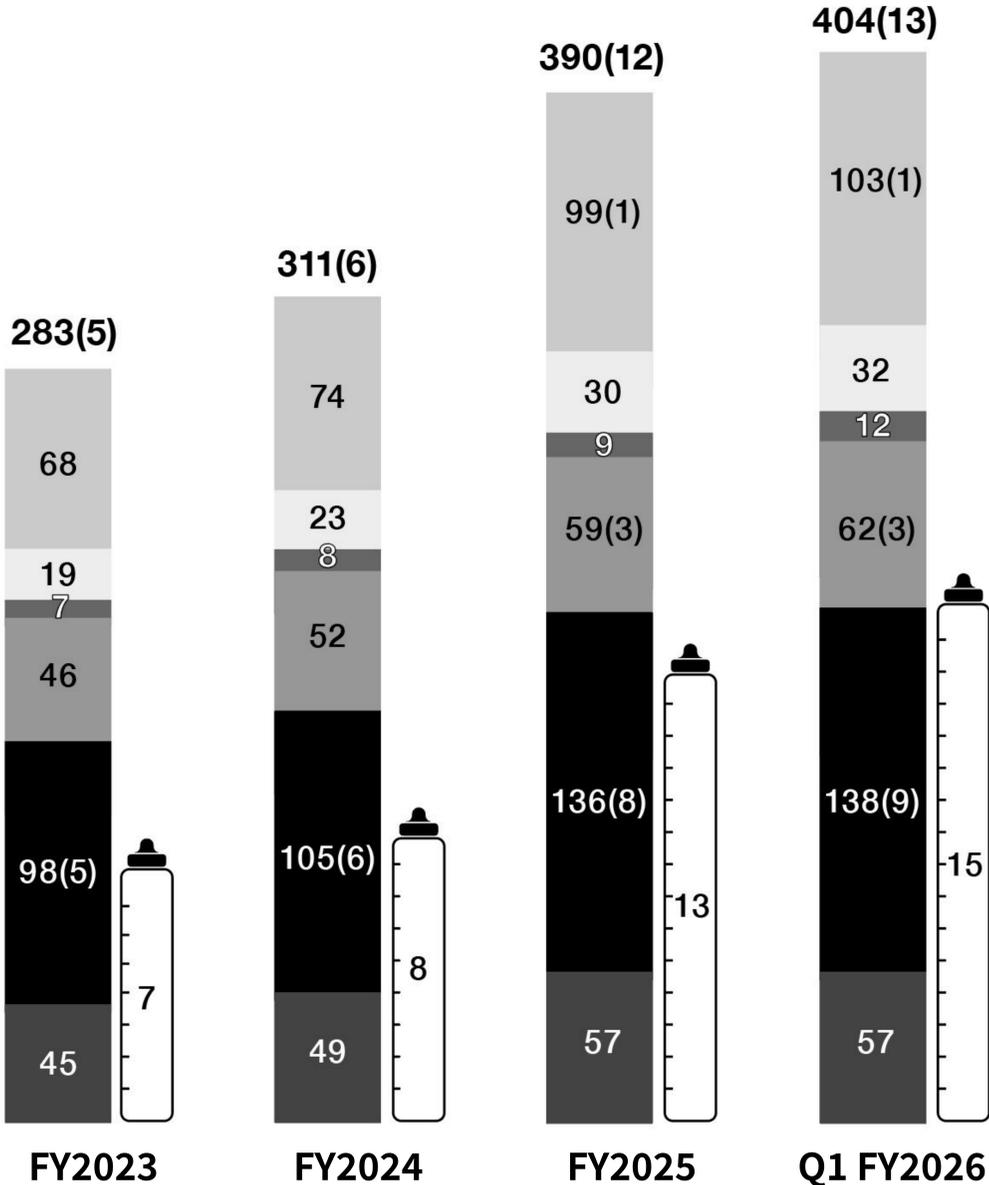
Personnel expenses increased mainly due to the growth in the number of employees.

Net Sales and Operating Expenses



Number of Employees

While net headcount increased by 14 compared to the previous fiscal year, the recruitment of sales personnel remains challenging. We will continue organizational development and active recruitment to strengthen “selling capabilities.”



- Others
- Professional service
- Business Dev.
- HENNGE One Customer Success
- HENNGE One Sales
- HENNGE One Dev./ R&D

of employees taking maternity/childcare/family-care leave

* parentheses indicate # of employees in overseas subsidiaries included in the total

(unit: employees, excluding part-time employees)

Q1 FY2026
Consolidated Financial Results
(Business Activities)

Business Highlights

- **Advertisements and events**

- Exhibited at “Local Government Information Promotion Fair 2025,” an information system exhibition for local governments in Japan (October 2025)
- Exhibited at “Japan IT Week Kansai” (November 2025)
- Hosted “HENNGE One Partner Meeting 2025” in Bangkok and Fukuoka (November and December 2025)
- Engaged in numerous events across various regions (October to December 2025)

- **Others**

- Entered into a strategic business alliance with Passpack, Inc., a US-based provider of B2B password management services (November 2025)
- “Customers Mail Cloud” certified as AWS Qualified Software (November 2025)
- Established new office in Hiroshima due to business expansion (November 2025)

Marketing and Branding Activities

Accelerated marketing through engaging in 65+ events, with a focus on in-person initiatives in various domestic and overseas markets. Continued branding initiatives to raise awareness of HENNGE One building on the previous quarter.



Venue of “Japan IT Week Kansai”



© TSUBURAYA PRODUCTIONS
OOH branding advertisements in Yamanote-line

**Q1 FY2026
Consolidated Financial Results
(KPI Results)**

HENNGE One KPI Highlights

(Progress in 3 months, compared to the end of FY2025)

of contracted companies

3,580 companies
increased by **153** companies

of contracted users

2.906M users
increased by **106K** users

ARR

JPY 11.59B
increased by **JPY 0.45B**

ARPU

JPY 3,987
increased by **JPY 10**

Average # of users

812 users
decreased by **5** users

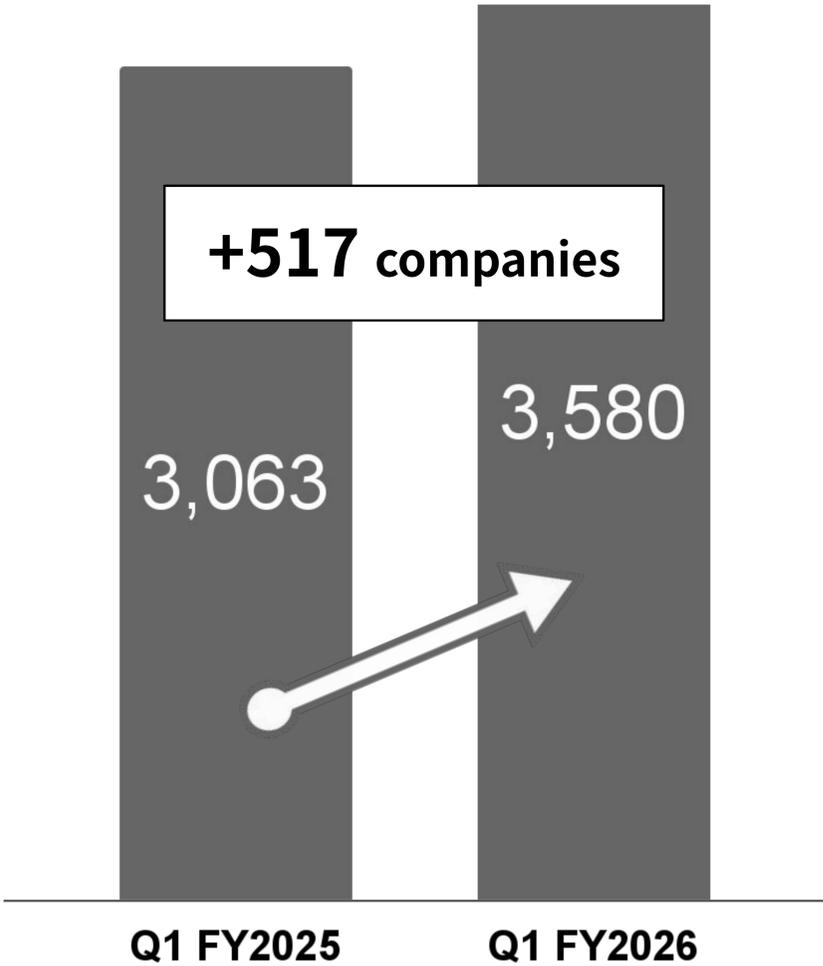
Average monthly churn rate over the past 12 months

0.30%
improved by **0.02pts**

HENNGE One KPIs (YoY)

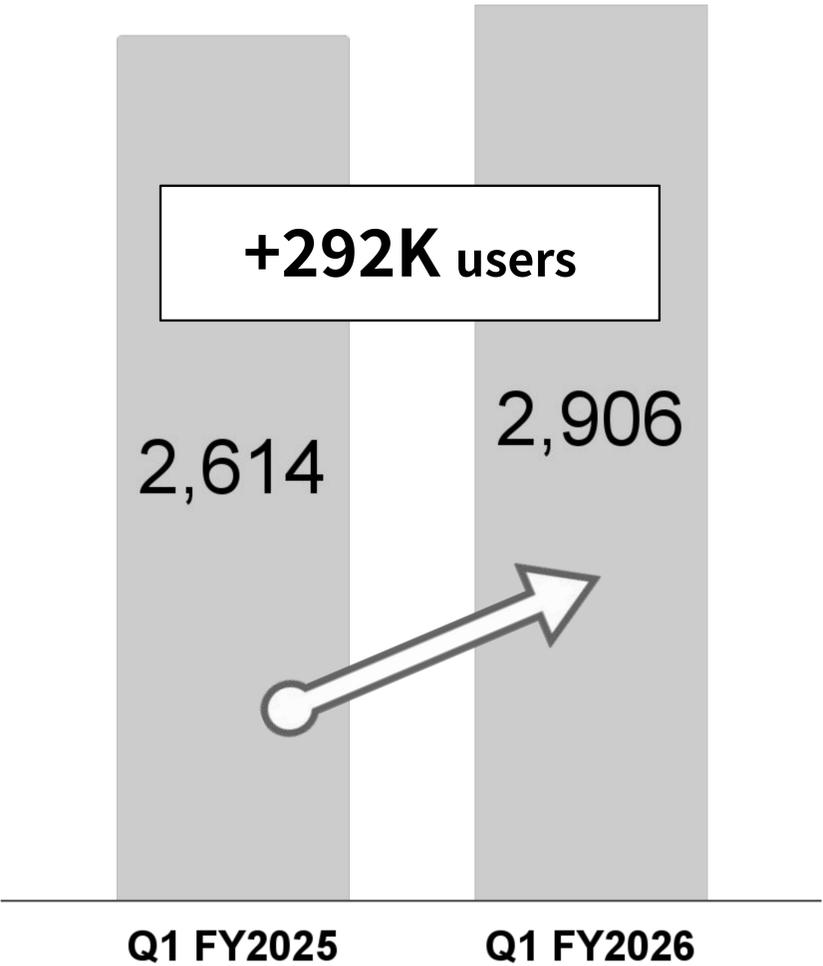
of contracted companies
YoY **+16.9%**

(unit: companies)



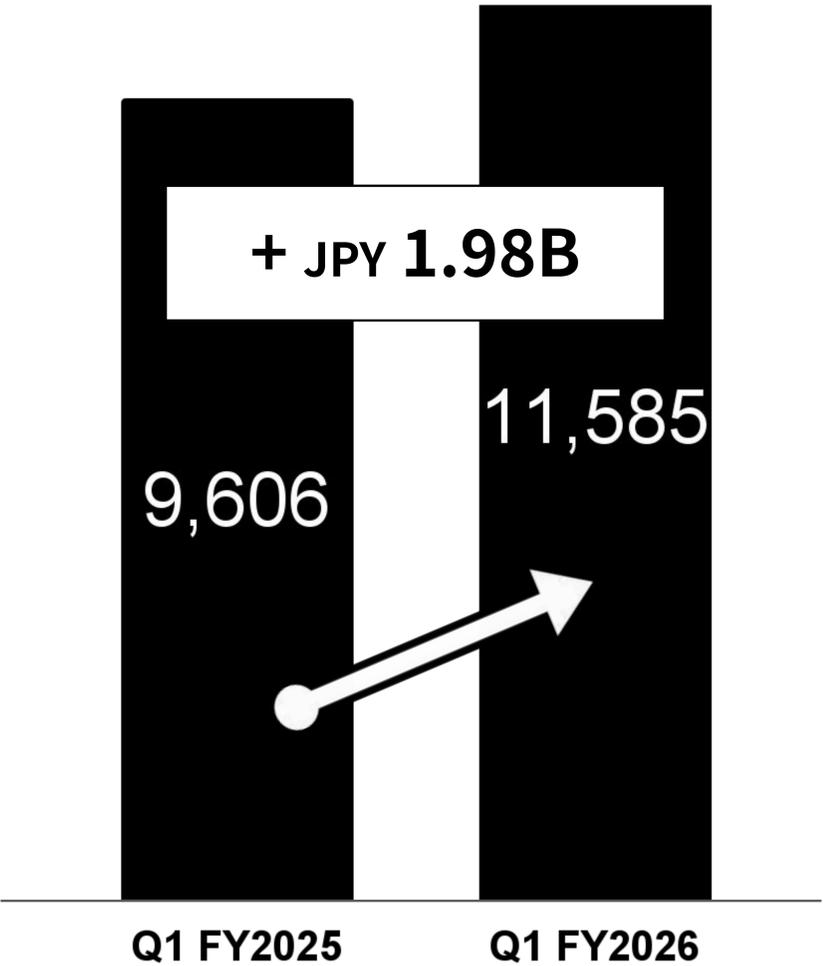
of contracted users
YoY **+11.2%**

(unit: K users)



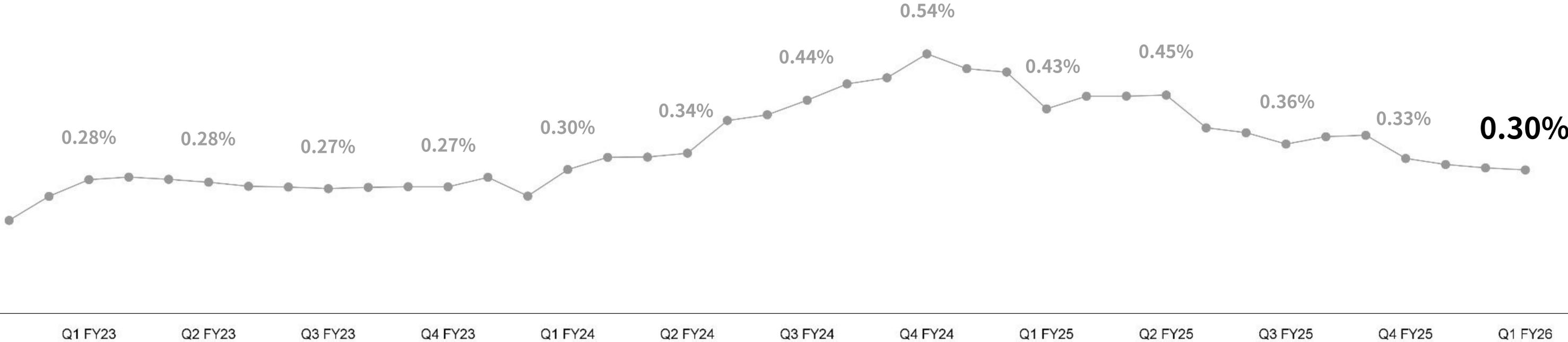
ARR
YoY **+20.6%**

(unit: JPY million)



HENNGE One Gross Revenue Churn Rate

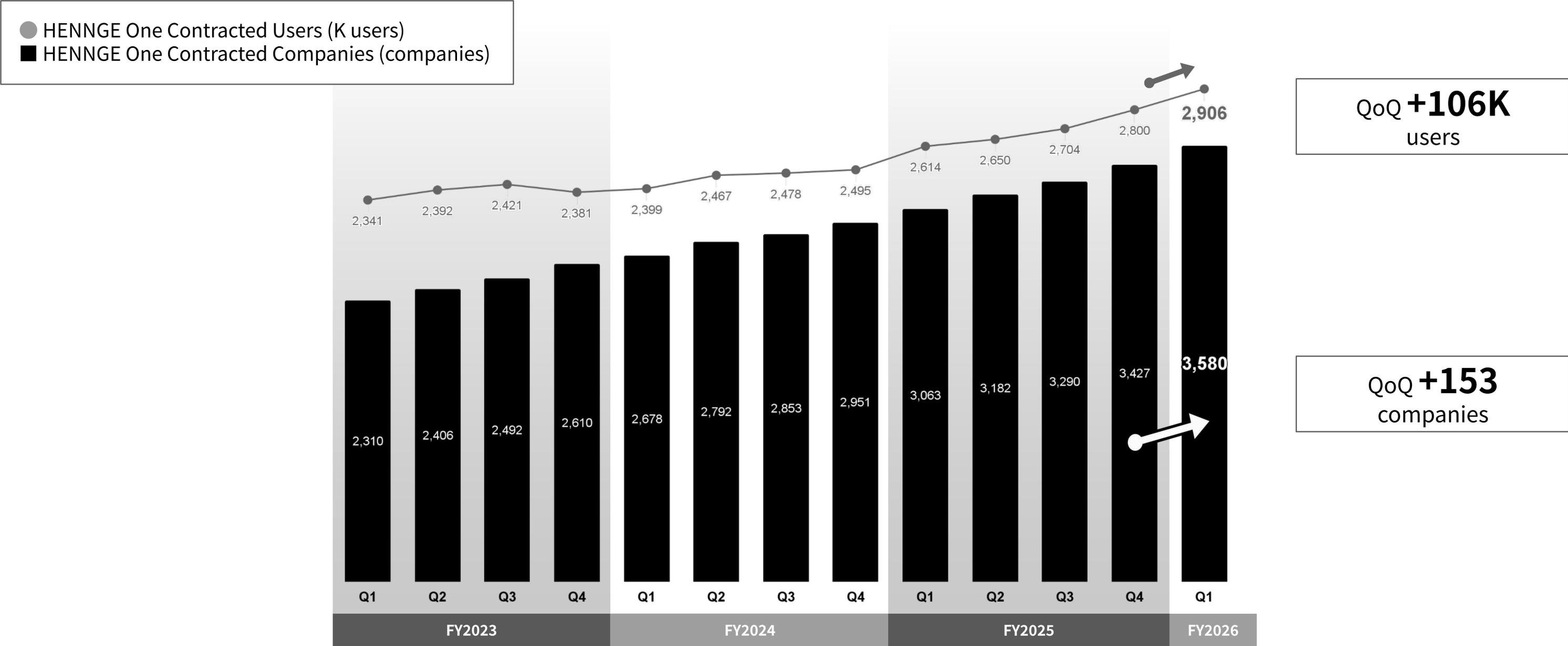
The churn rate remains low, securing a solid base of recurring revenue.



● Average monthly churn rate over the past 12 months for HENNGE One

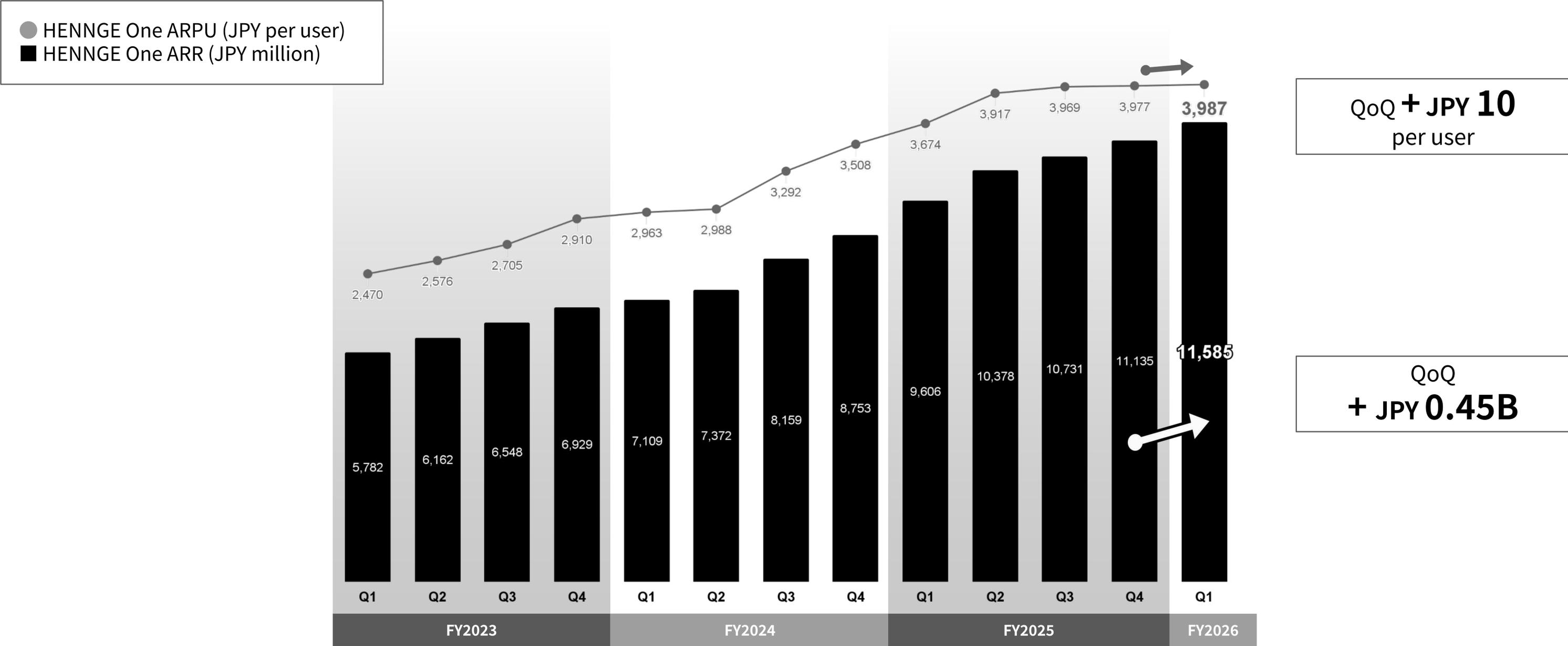
HENNGE One Contracted Companies & Users

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



HENNGE One ARR & ARPU

While the adoption of HENNGE One Pro remained stable across both new and existing customers, several relatively large companies opted for single-featured plans, resulting in a limited increase in ARPU.



FY2026 Full-year Forecast Progress

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

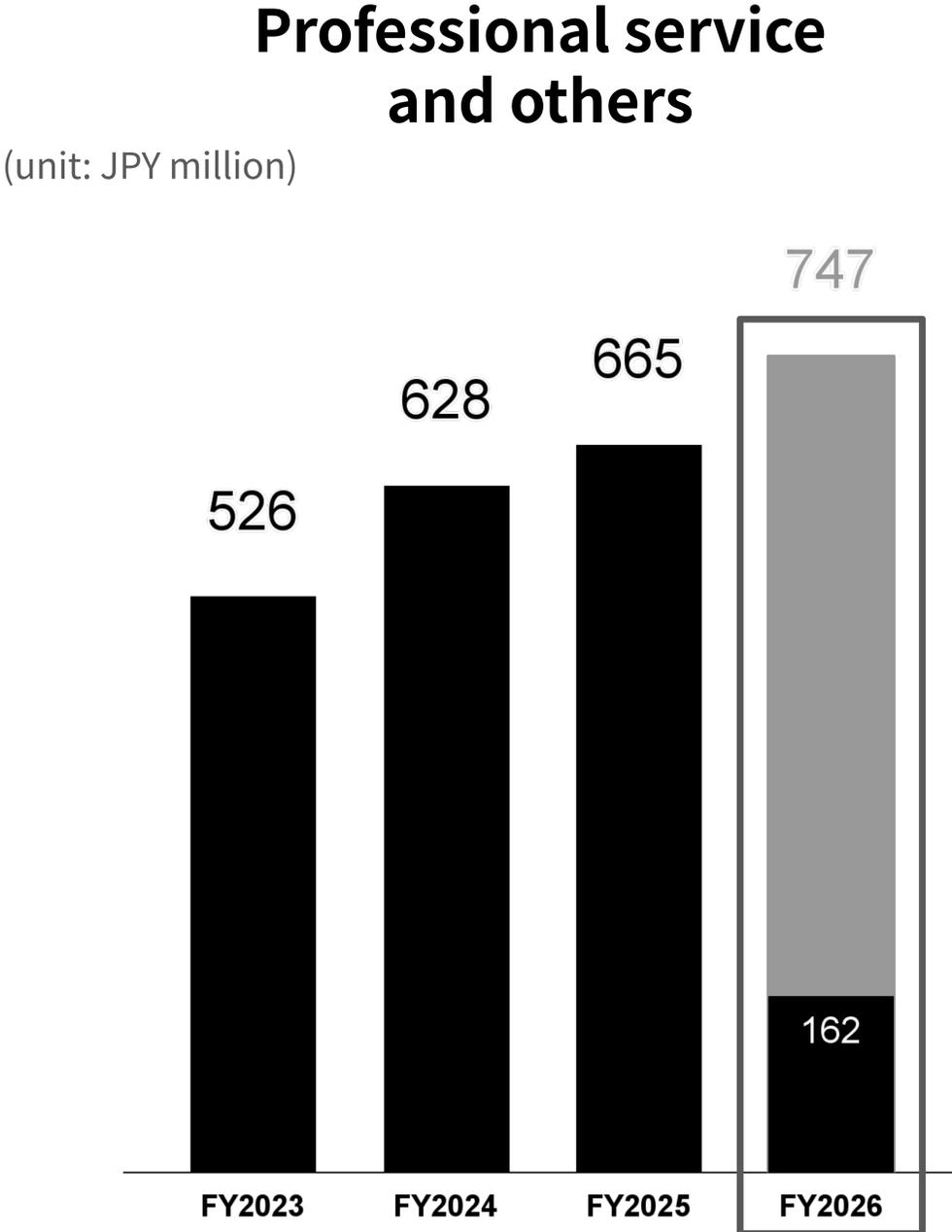
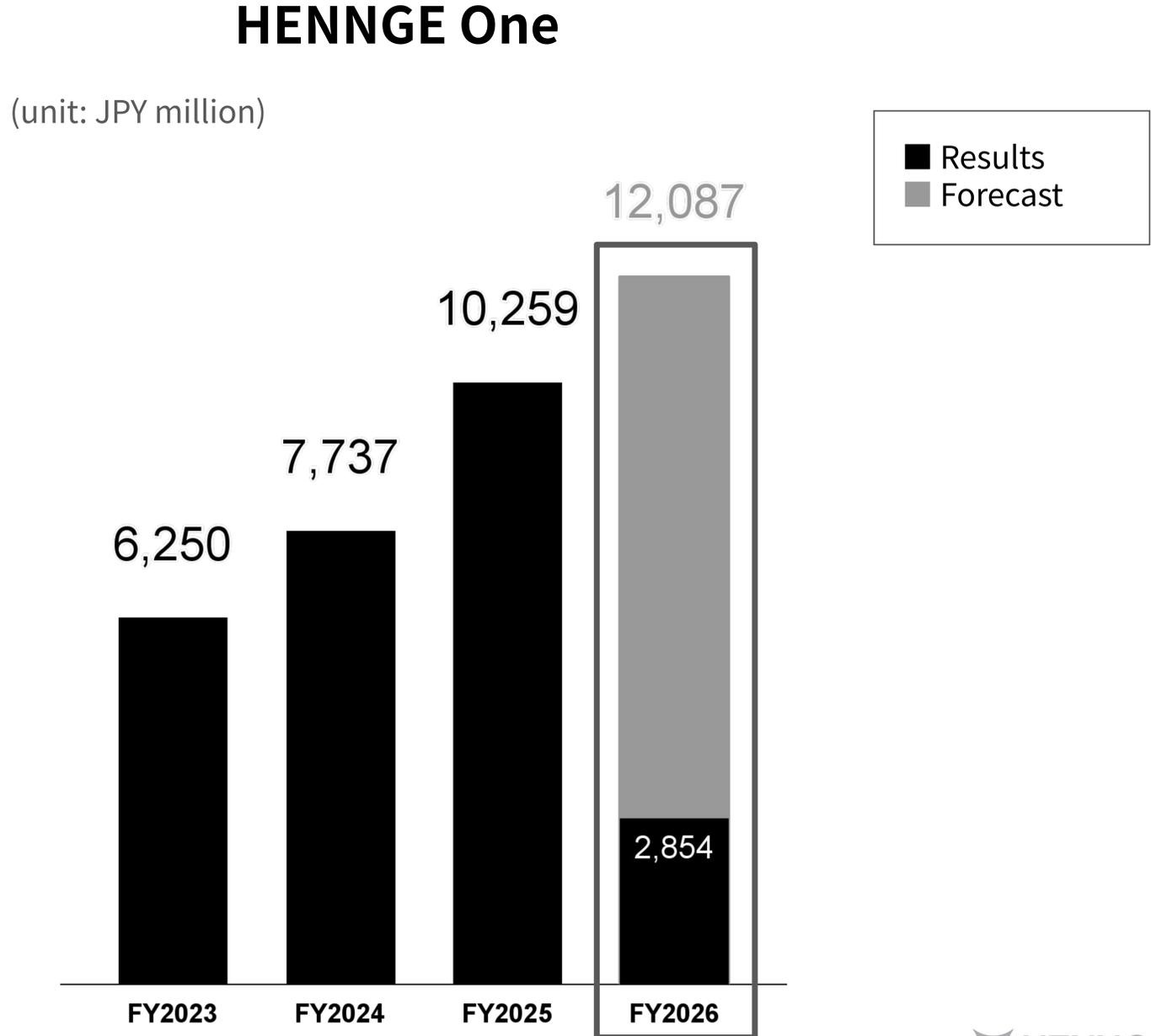
- Explore business investments including M&A, to boost value of HENNGE One for growth beyond JPY 20B in ARR.

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

The progress of HENNGE One's sales is 23.6% against the full-year forecast.

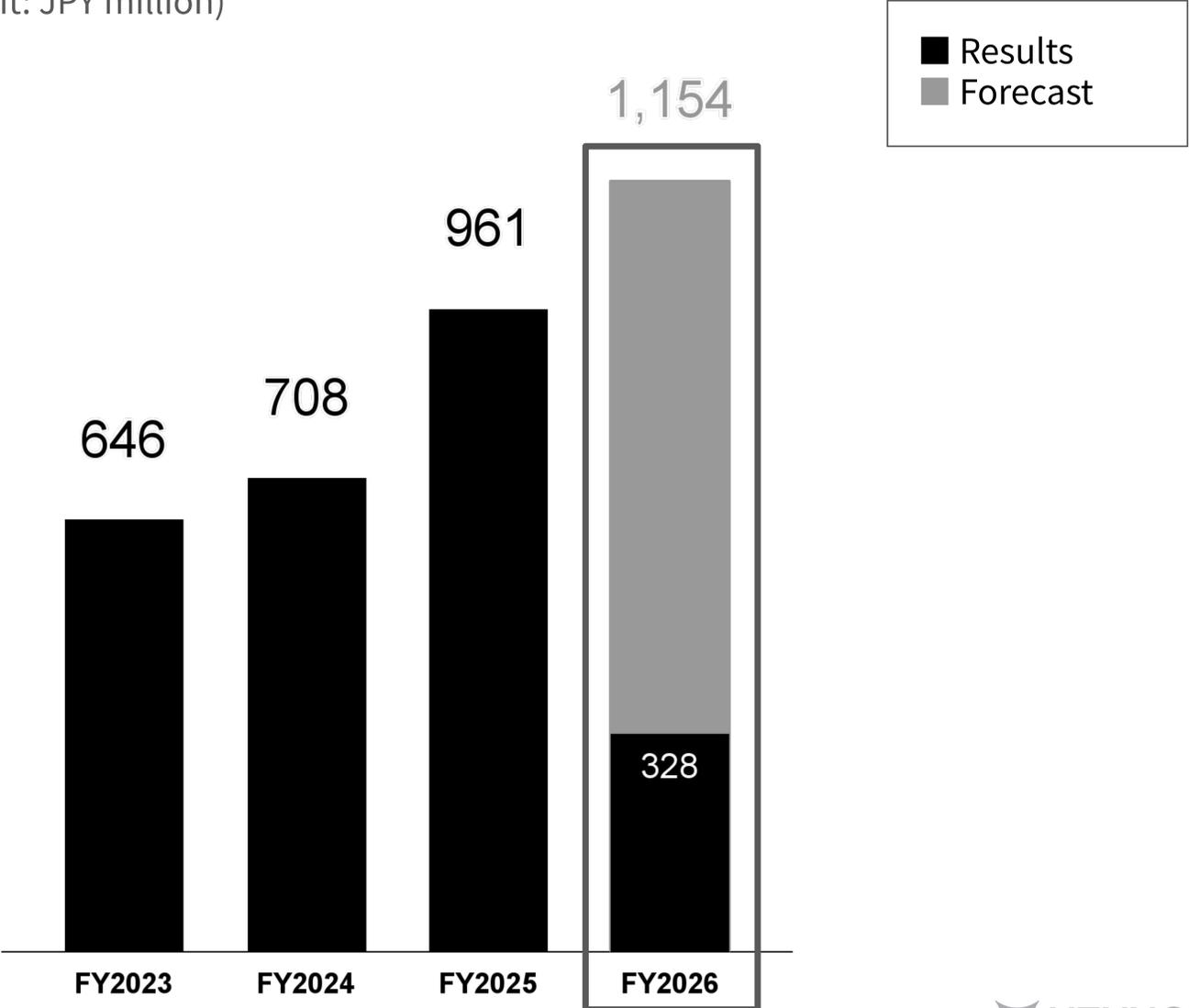


FY2026 Forecast - Operating Expenses

The progress of advertising expenses is 28.4% against the full-year forecast.
The progress of operating expenses excluding advertising expenses is 22.4% against the full-year forecast.

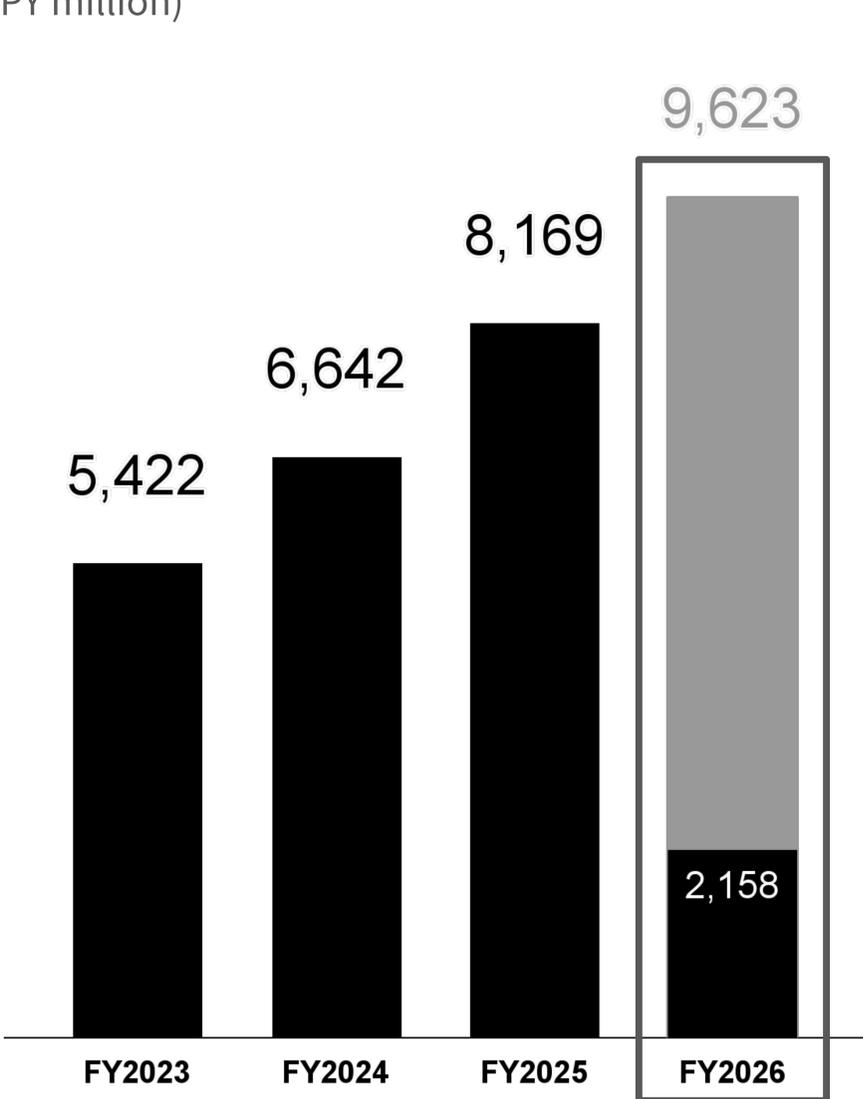
Advertising expenses

(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.

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

Y = [Average contract duration in years]

r = [Gross profit rate]

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

N = [# of contracted companies]

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

ARPU = [Average Revenue Per User]

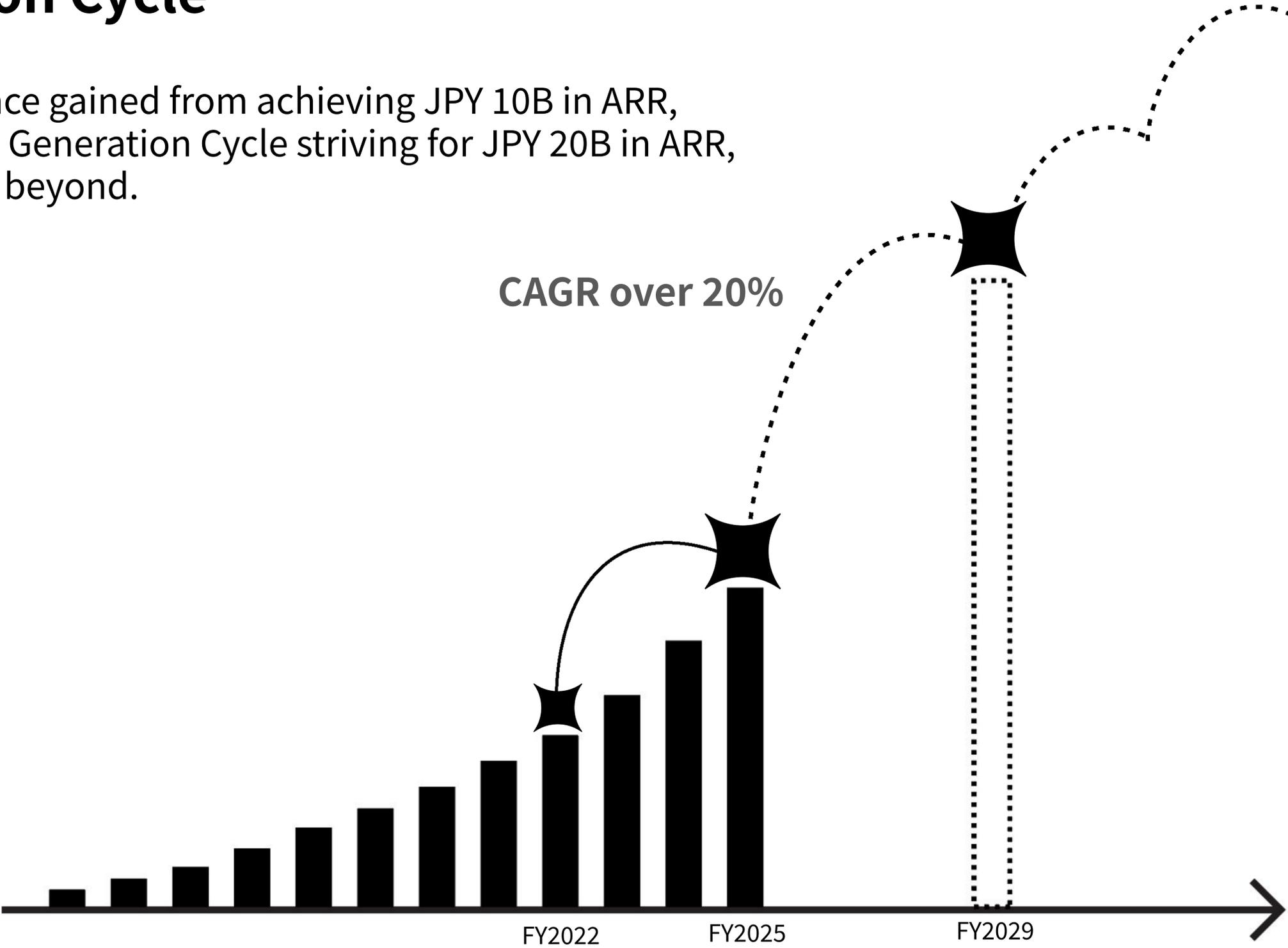
HENNGE One - Growth Strategy KPIs

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 (JPY million)	YoY (%)	YoY	# of contracted companies (companies)	YoY (%)	YoY	Average # of contracted users per contracted companies (users)	YoY (%)	YoY	Average Revenue Per User (JPY)	YoY (%)	YoY
FY2018	2,552		=	1,176		×	1,166		×	1,861		
		+34.4%	+653		+26.7%	+248		+5.3%	+59		+0.7%	+13
FY2019	3,240		=	1,428		×	1,171		×	1,938		
		+27.0%	+688		+21.4%	+252		+0.4%	+5		+4.2%	+77
FY2020	3,909		=	1,667		×	1,169		×	2,007		
		+20.7%	+670		+16.7%	+239		-0.2%	-2		+3.5%	+68
FY2021	4,740		=	1,952		×	1,095		×	2,217		
		+21.2%	+830		+17.1%	+285		-6.3%	-73		+10.5%	+210
FY2022	5,602		=	2,213		×	1,050		×	2,410		
		+18.2%	+862		+13.4%	+261		-4.1%	-45		+8.7%	+193
FY2023	6,929		=	2,610		×	912		×	2,910		
		+23.7%	+1,328		+17.9%	+397		-13.2%	-138		+20.8%	+501
FY2024	8,753		=	2,951		×	845		×	3,508		
		+26.3%	+1,824		+13.1%	+341		-7.3%	-67		+20.5%	+598
FY2025	11,135		=	3,427		×	817		×	3,977		
		+27.2%	+2,382		+16.1%	+476		-3.4%	-28		+13.4%	+468
Q1 FY2026	11,585		=	3,580		×	812		×	3,987		

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.

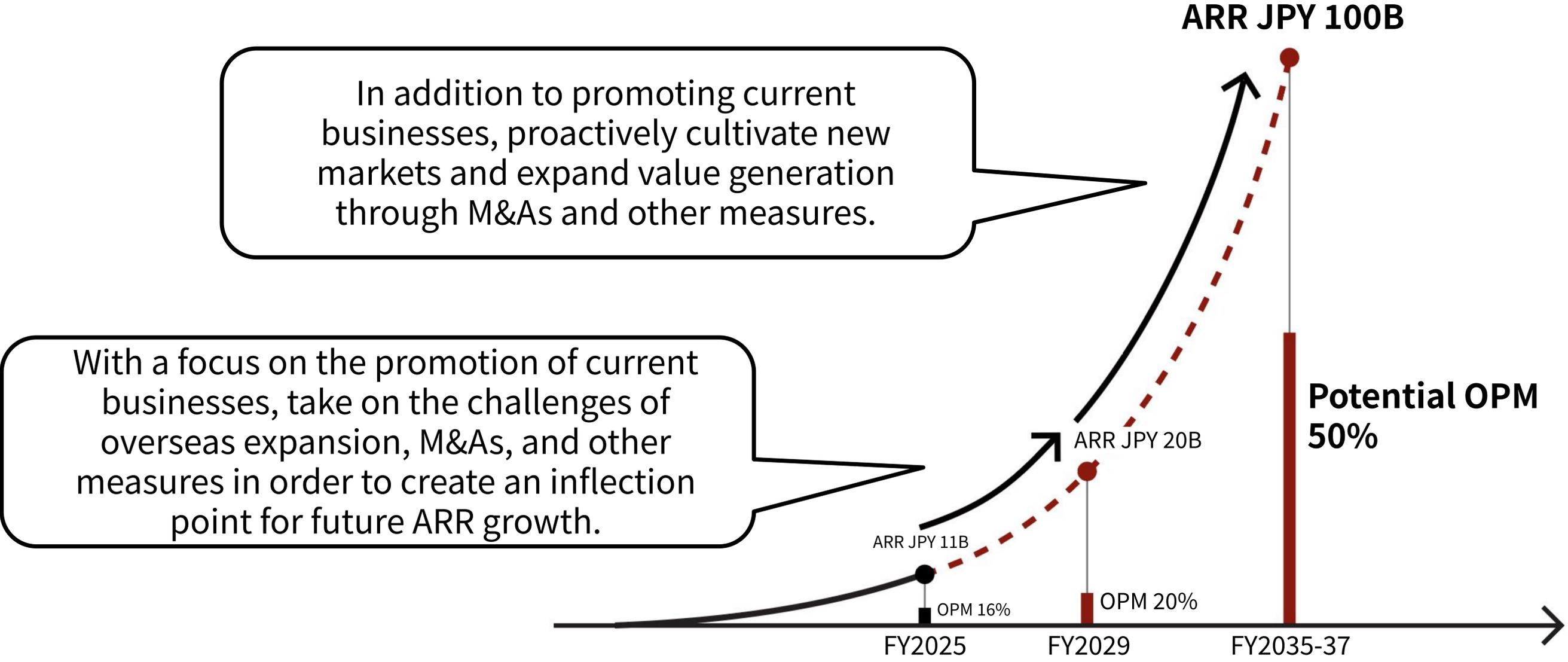


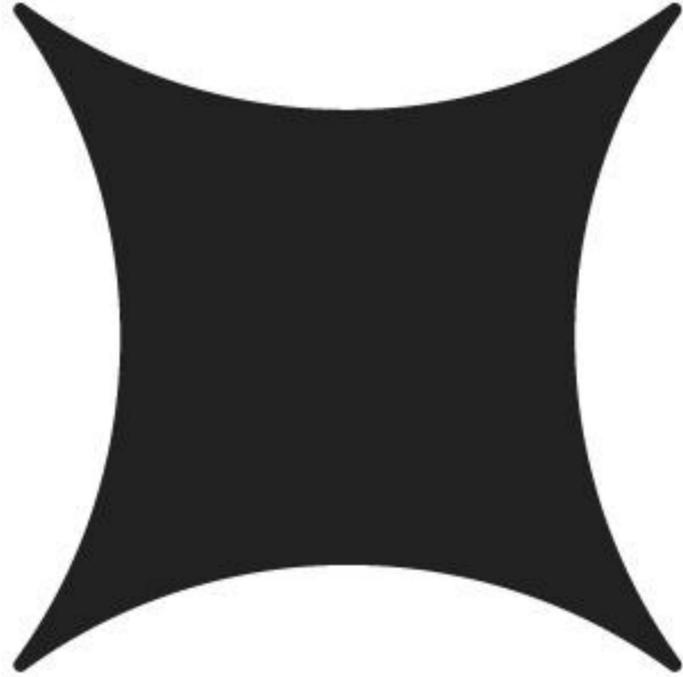
(The bar graph displays data for ARR of HENNGE One)



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.





HENNGE

Appendix (Corporate Overview)

Corporate Profile

Company name : HENNGE K.K.

Directors :

- Kazuhiro Ogura**
Representative Director, President and CEO
- 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)



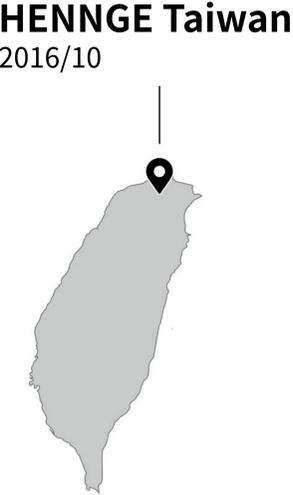
Founded on : November 5, 1996

Locations

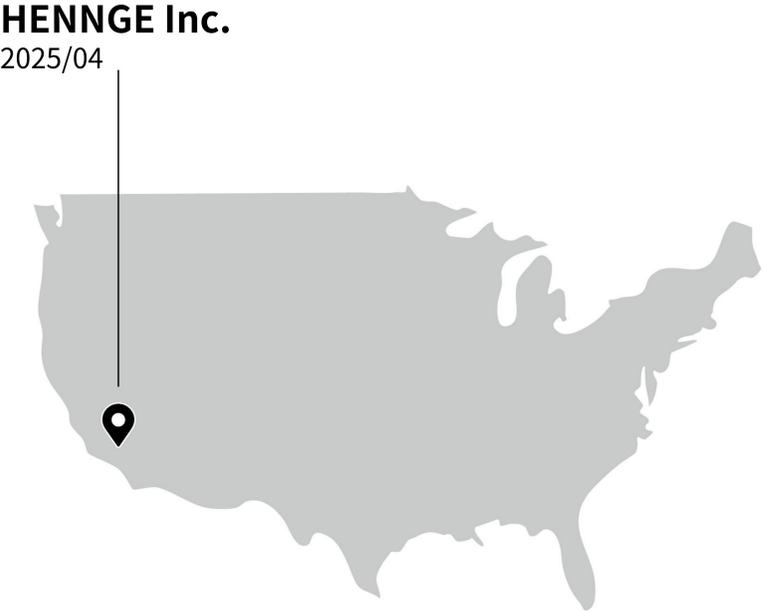
Japan



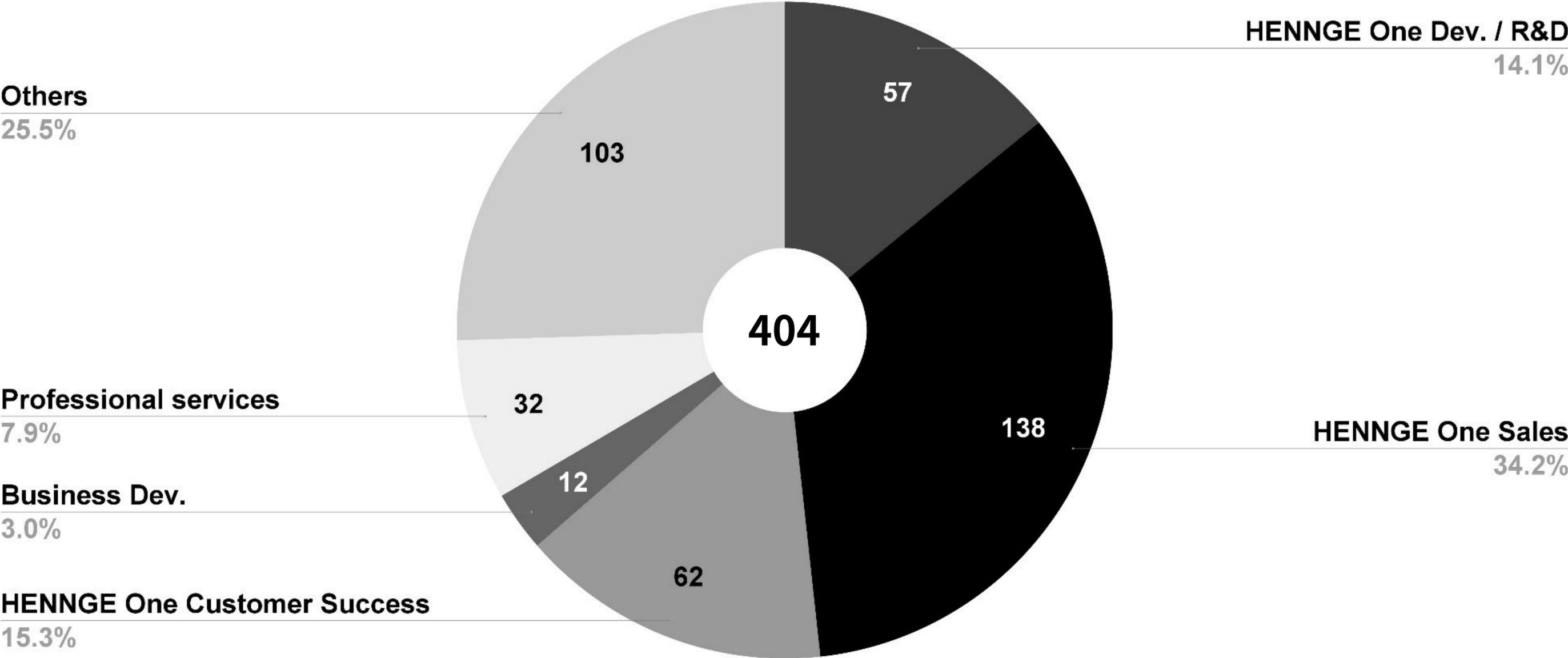
Taiwan



USA



Employee Breakdown by Function



(unit: employees, excluding part-time employees, as of 2025-12-31)

Corporate Philosophy

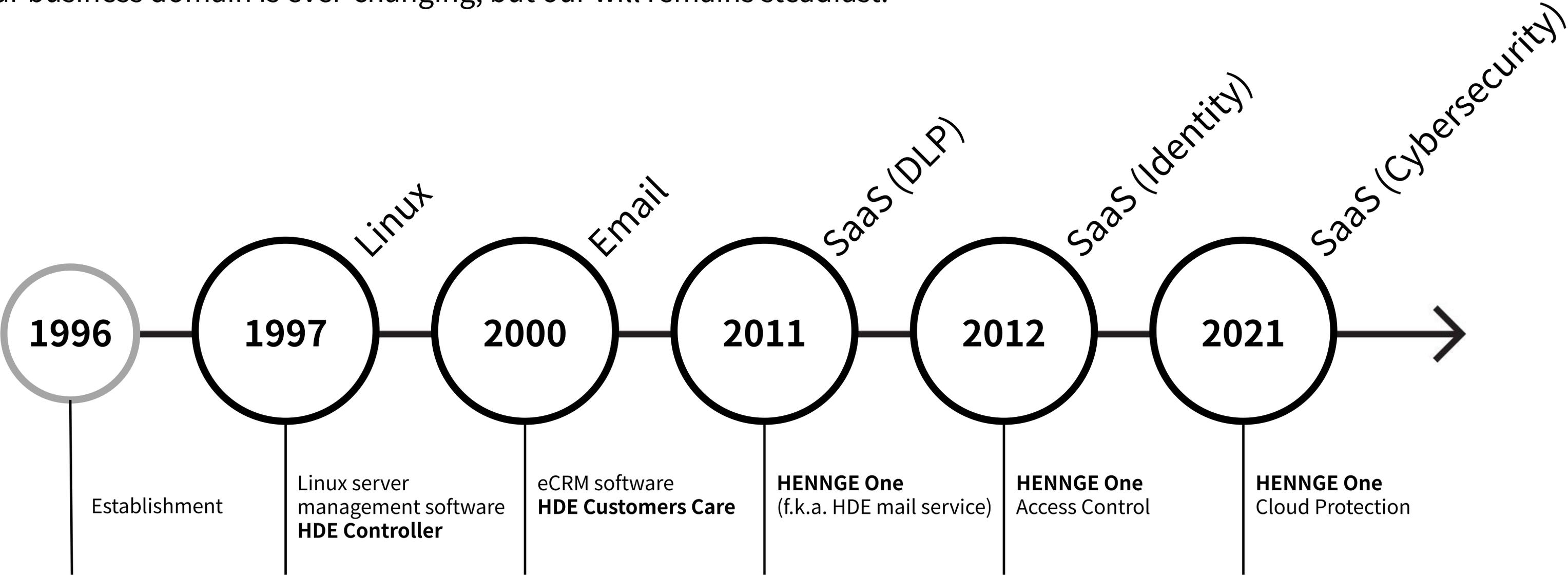
We want to deliver the power of technology to as many people as we can.

Liberation of Technology

テクノロジーの解放

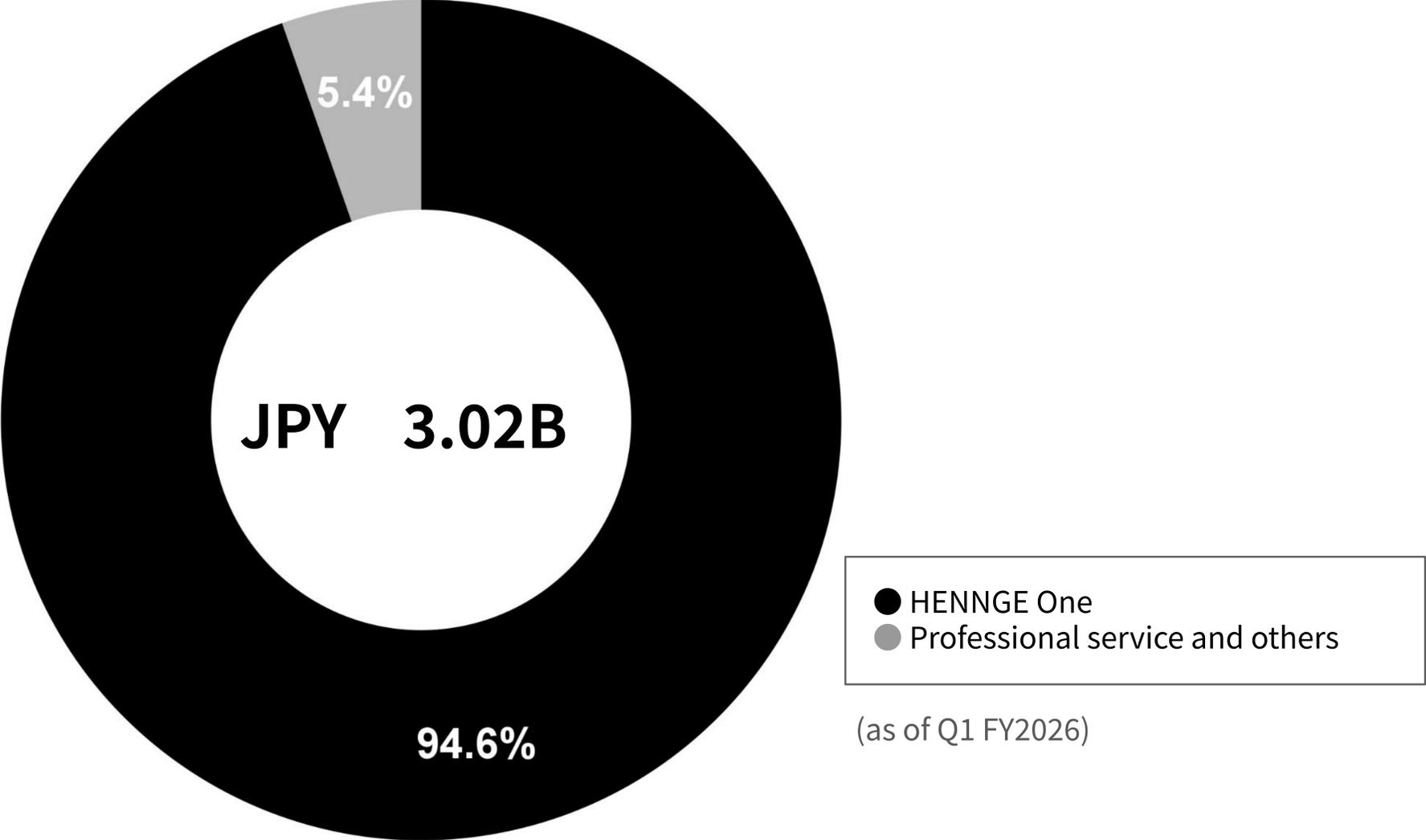
History

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



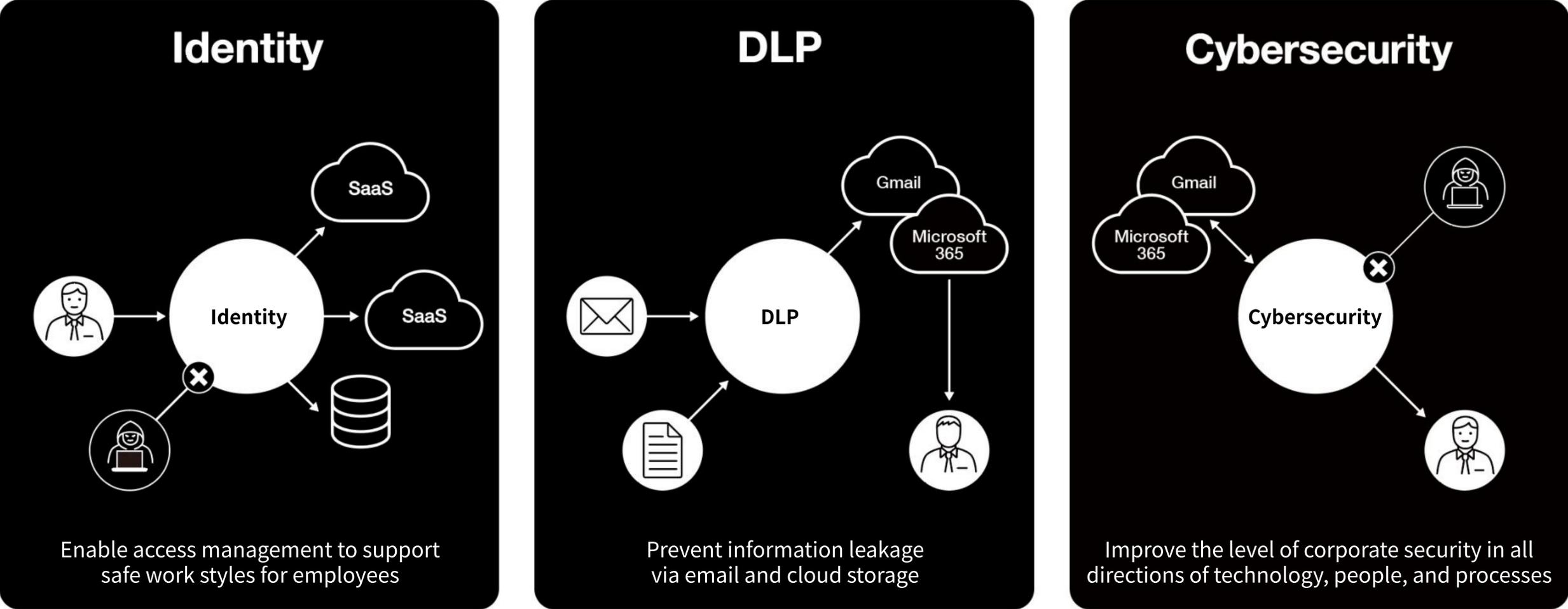
Net Sales by Business

94.6% 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.

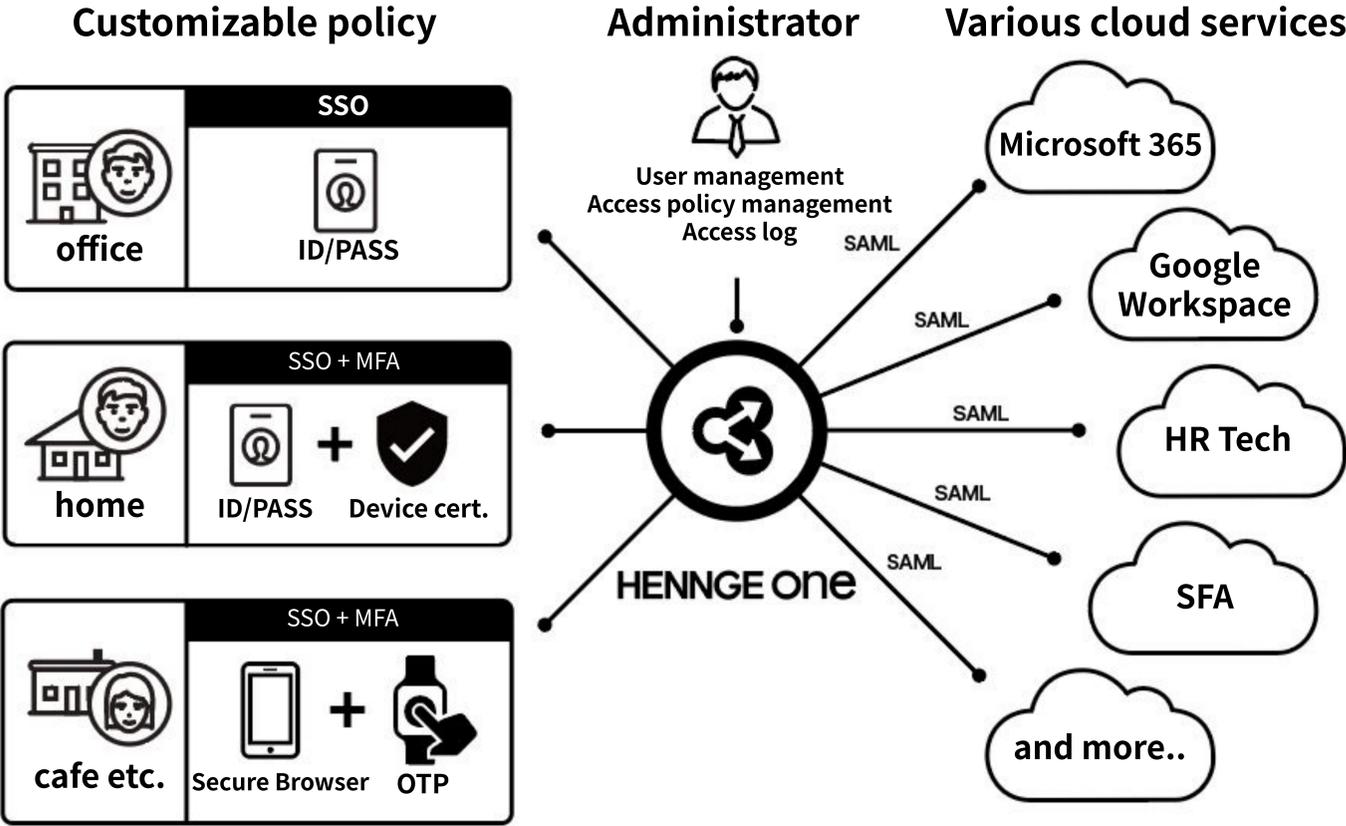


HENNGE One's service availability rate: **Over 99.9%**

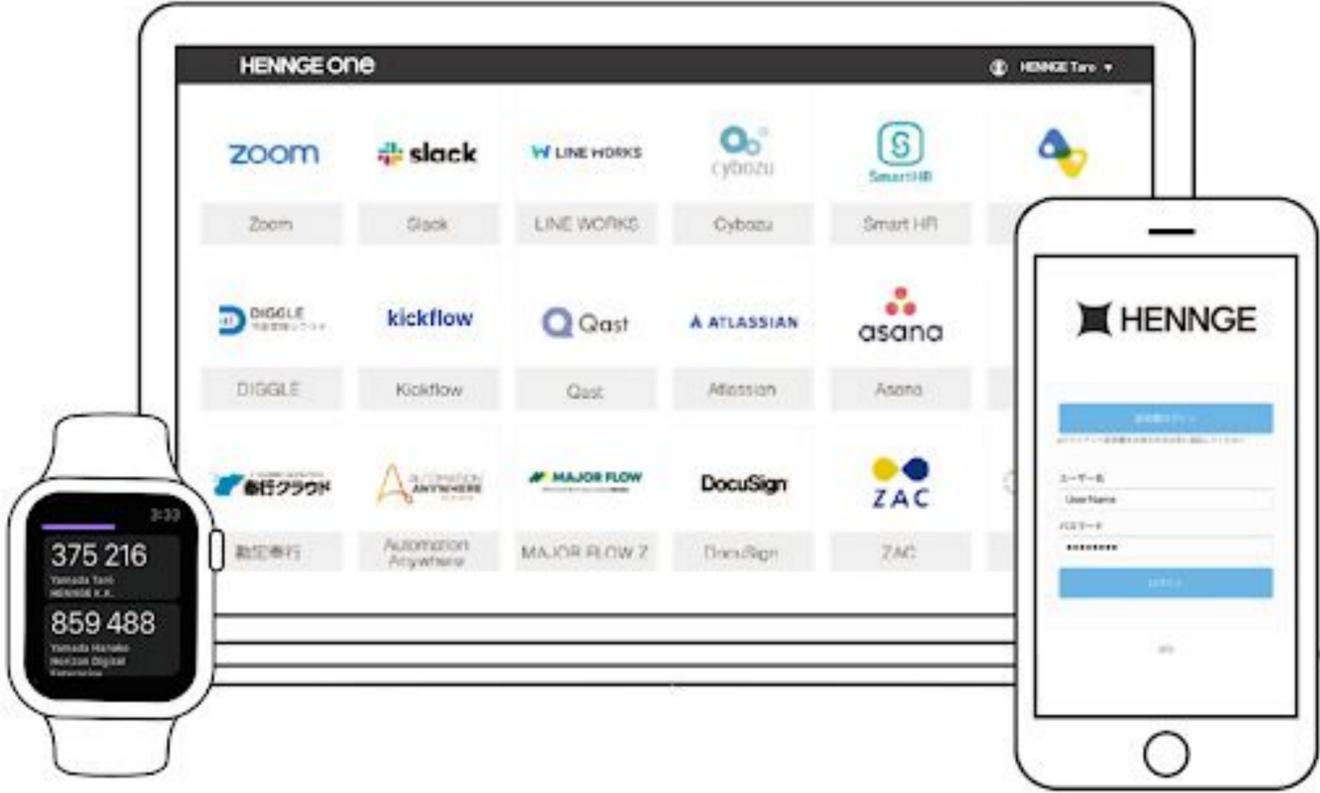
HENNGE One - Identity

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

Access Control



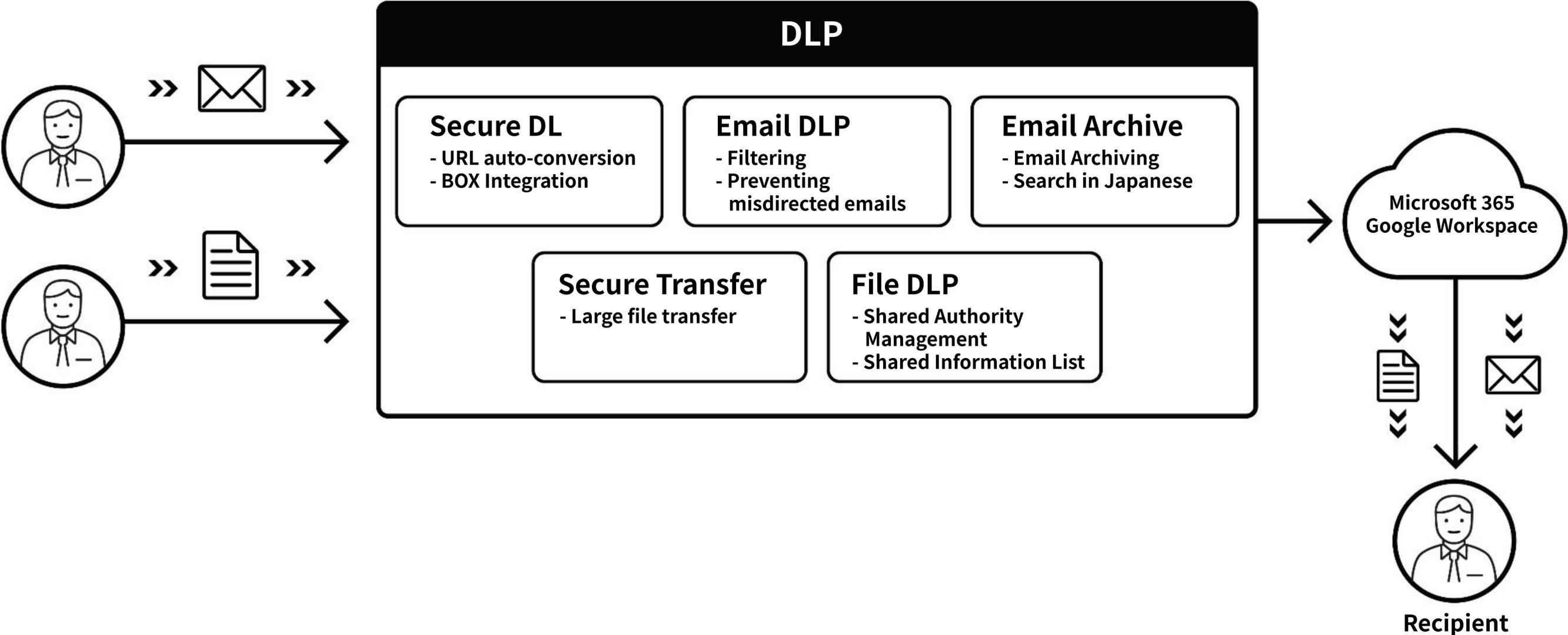
ID Federation



SSO Integration: Currently integrates with **443** cloud services

HENNGE One - DLP

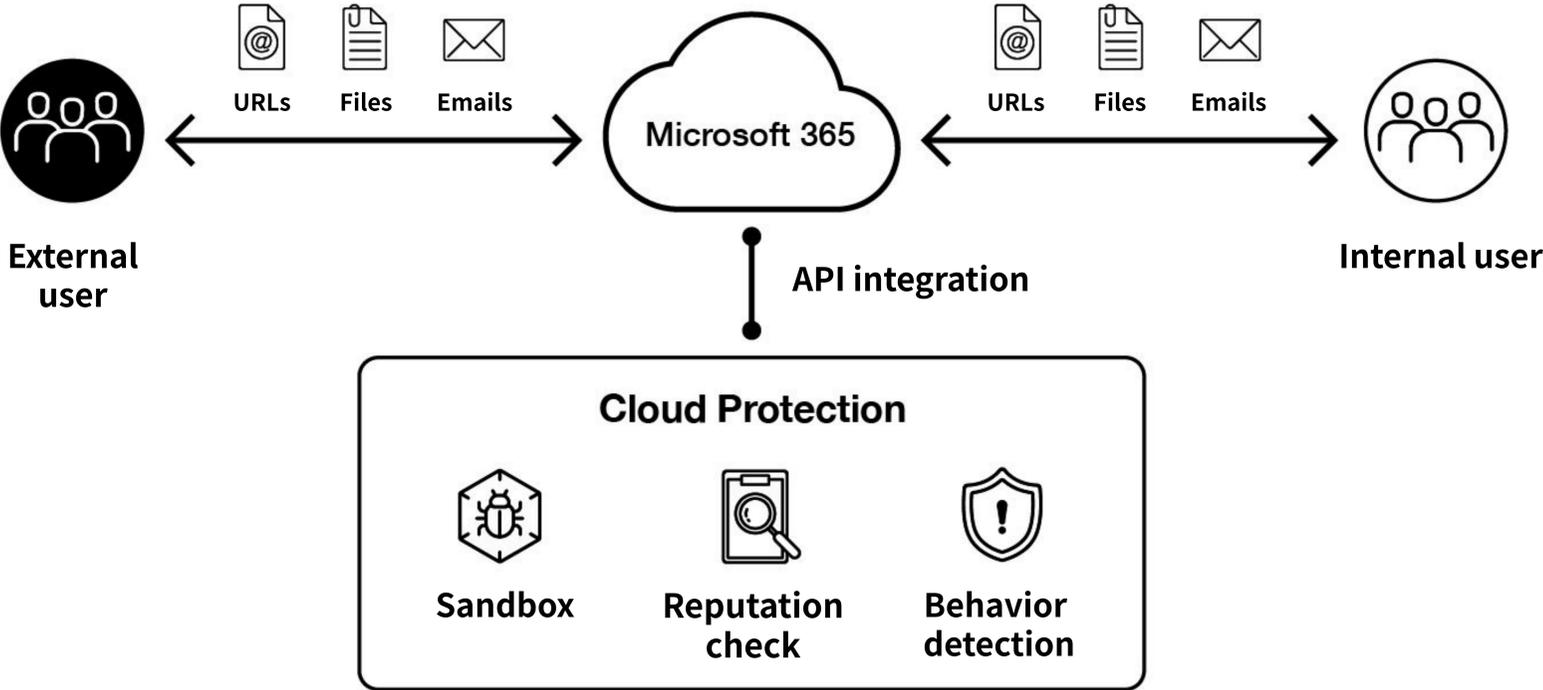
Prevent leaks of important data, such as confidential corporate information, from misdirected email and wrong file sharing misconfiguration.



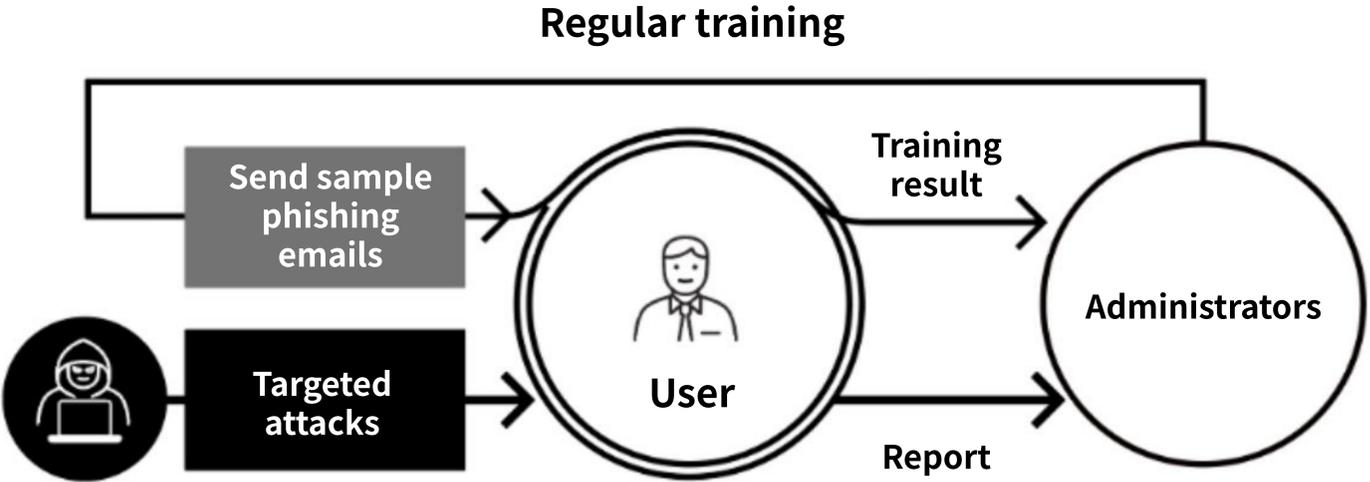
HENNGE One - Cybersecurity

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

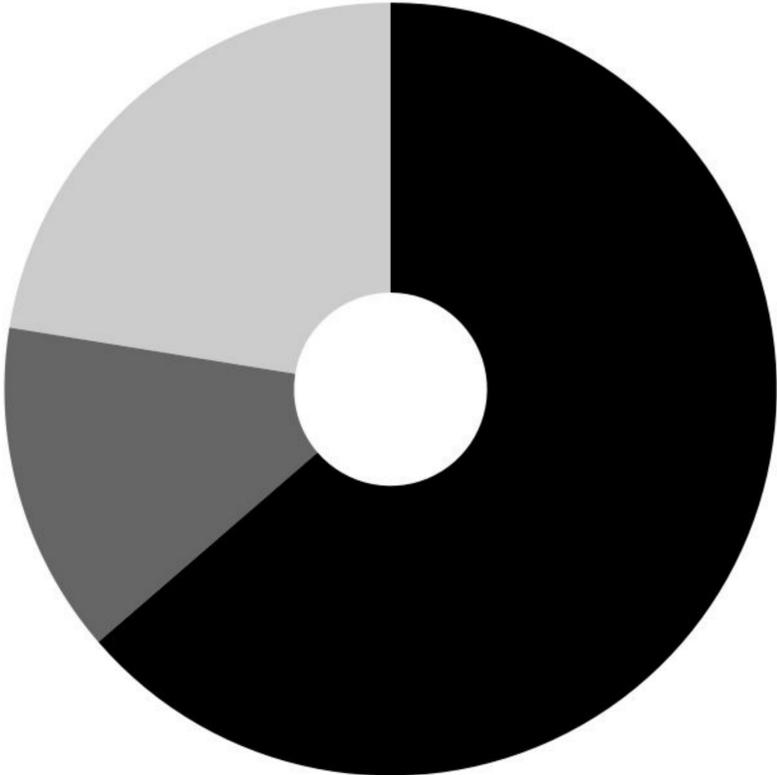
HENNGE One is used by 3,580 companies in various industries, and has approximately 2.906 million users. Average number of contracted users per contracted company is approximately 812. (as of 2025-12-31)



and more

Approx. **19.6%** of listed companies on TSE are using HENNGE One.

Breakdown by Contracted Users Size (ARR Base, FY2025)



● 300 - 5,000 users ● Less than 300 users ● Over 5,000 users

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)

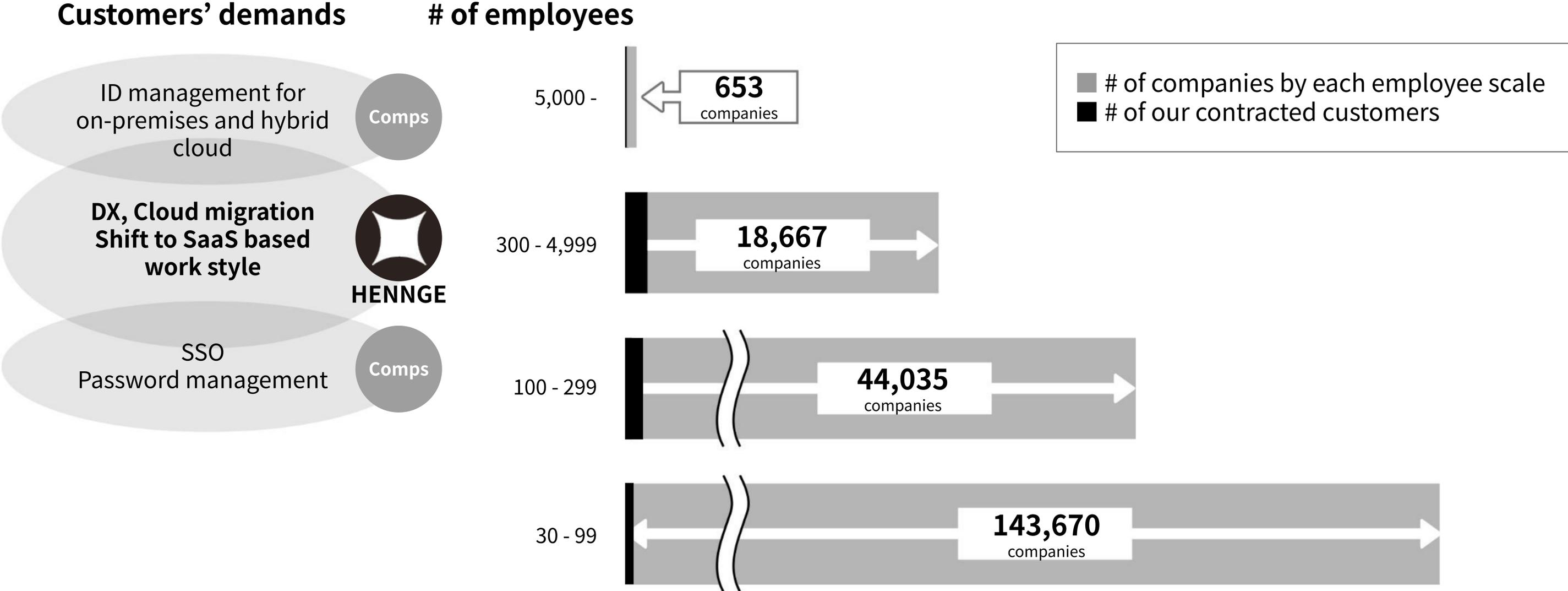


● HENNGE One Pro ● HENNGE One Basic ● Single-function plans and others

Appendix (Total Addressable Market)

Number of Companies by Employee Size in Japan

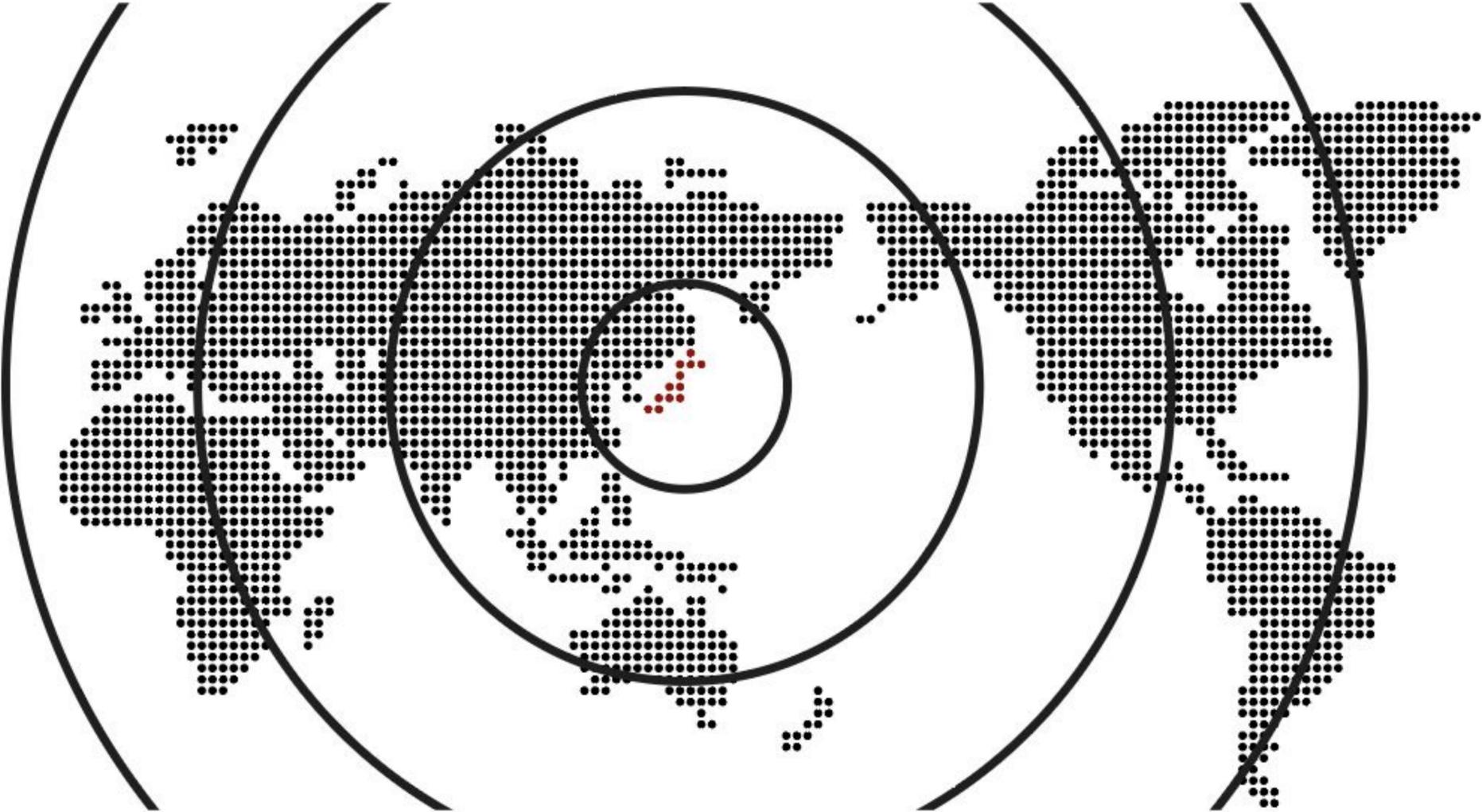
Enormous potential within the market exists as cloud adoption will accelerate going forward.



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

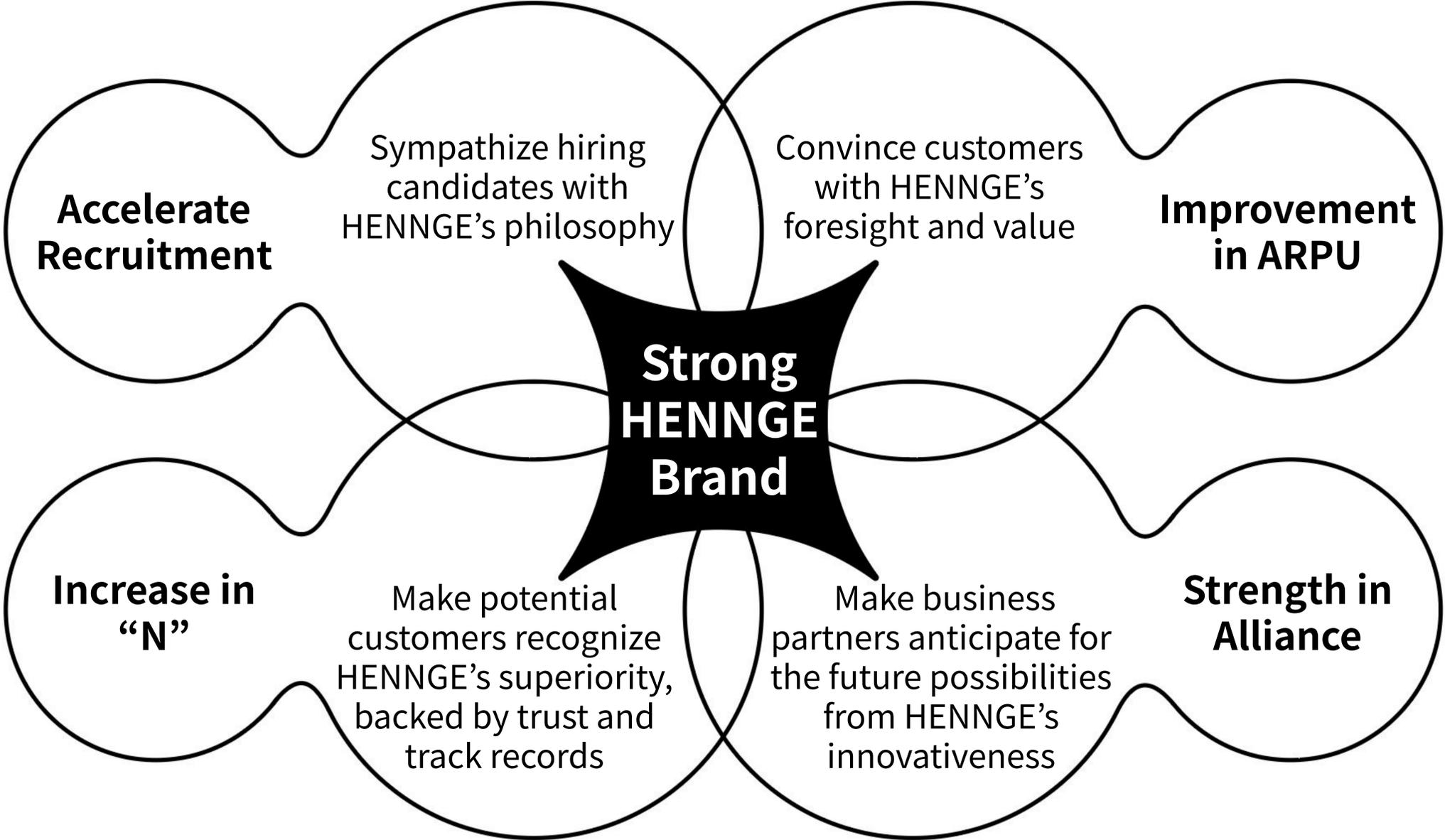
Our main service is a cloud service, which has the potential for cross-border expansion. While continuing to target the Asian market, we will also challenge the business expansion in other regions.



Appendix (Others)

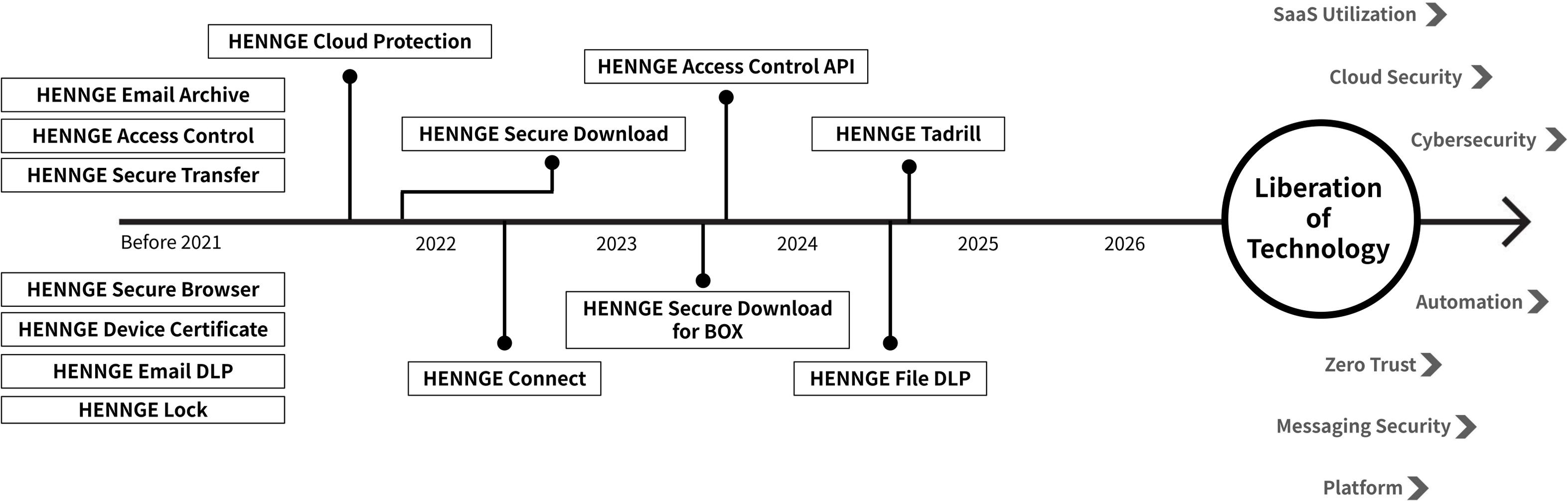
Path to Becoming World Class IT Company

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.



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.”



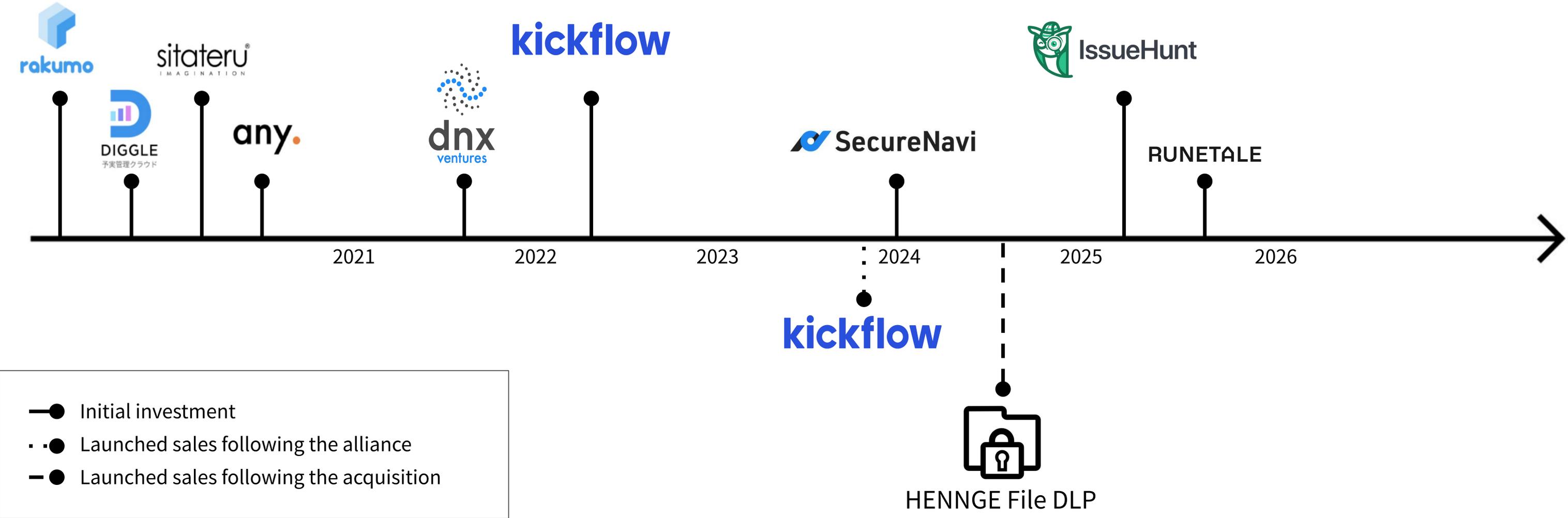
HENNGE One - Service Overview

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

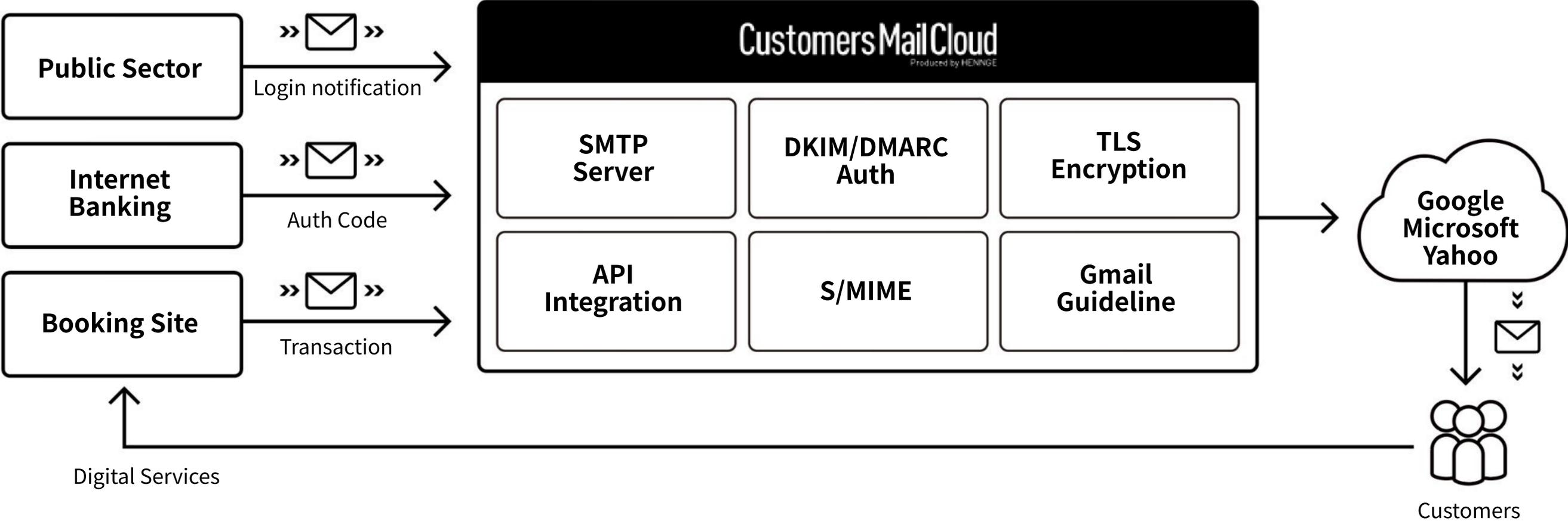
Business Investments

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

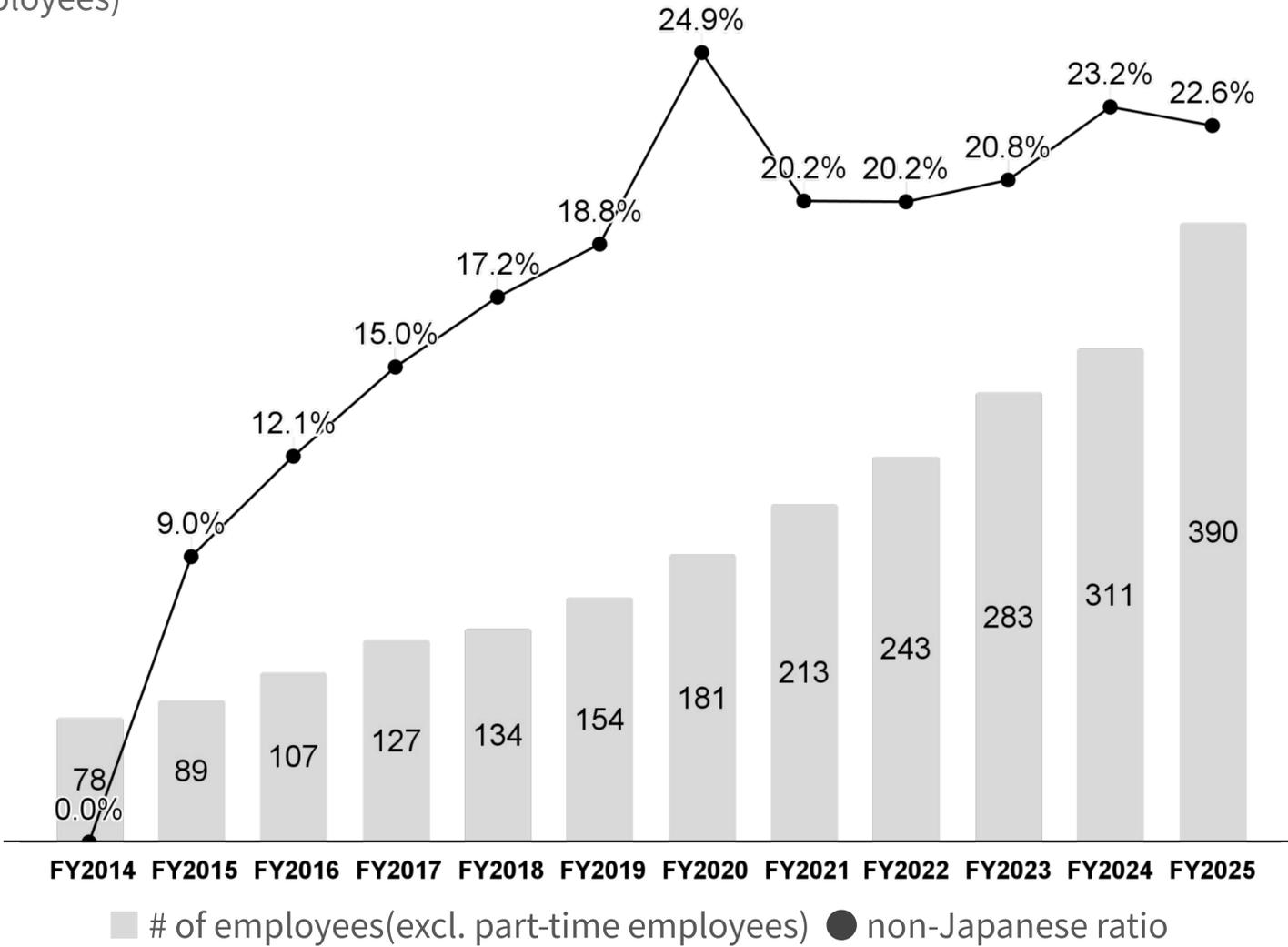
You can't win alone. The mountains is high. So, what do we do?



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) :

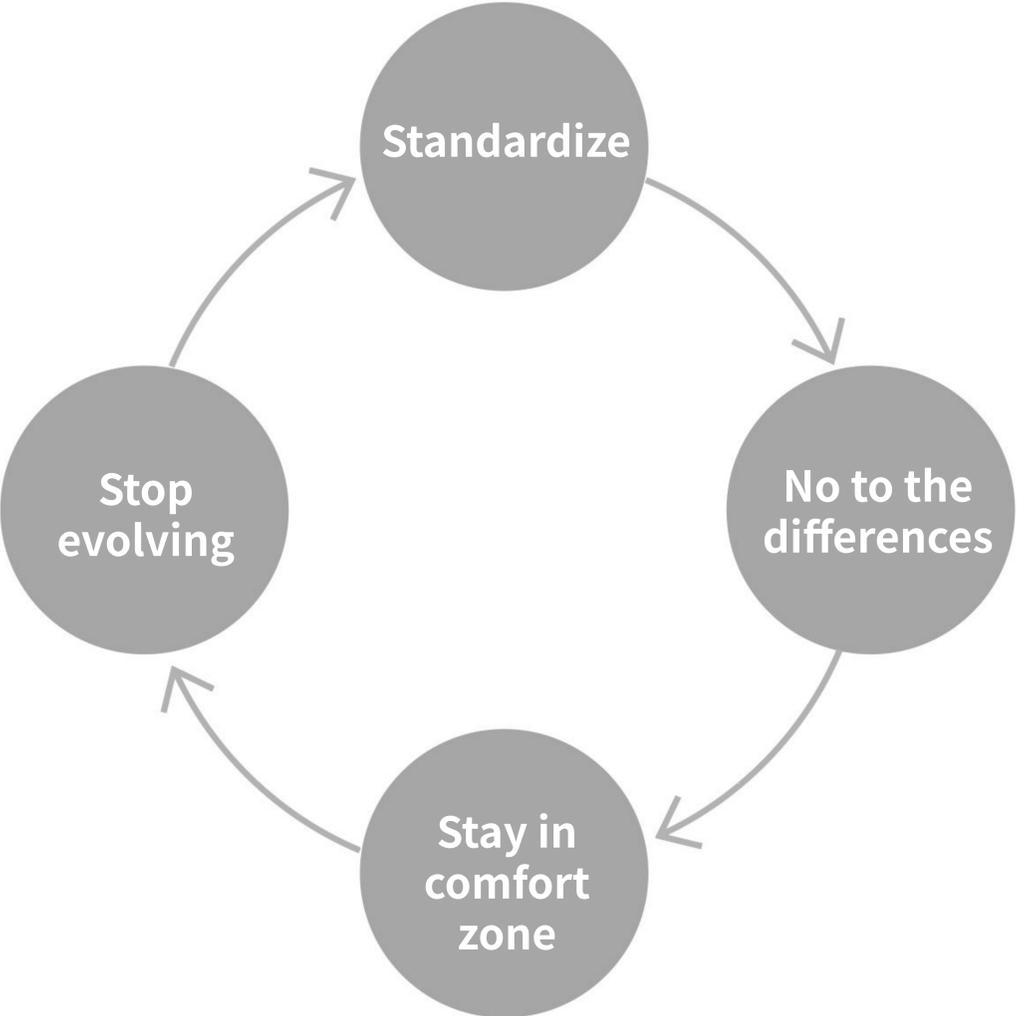
approx. **30** countries and regions
 (as of 2025-09-30)

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.

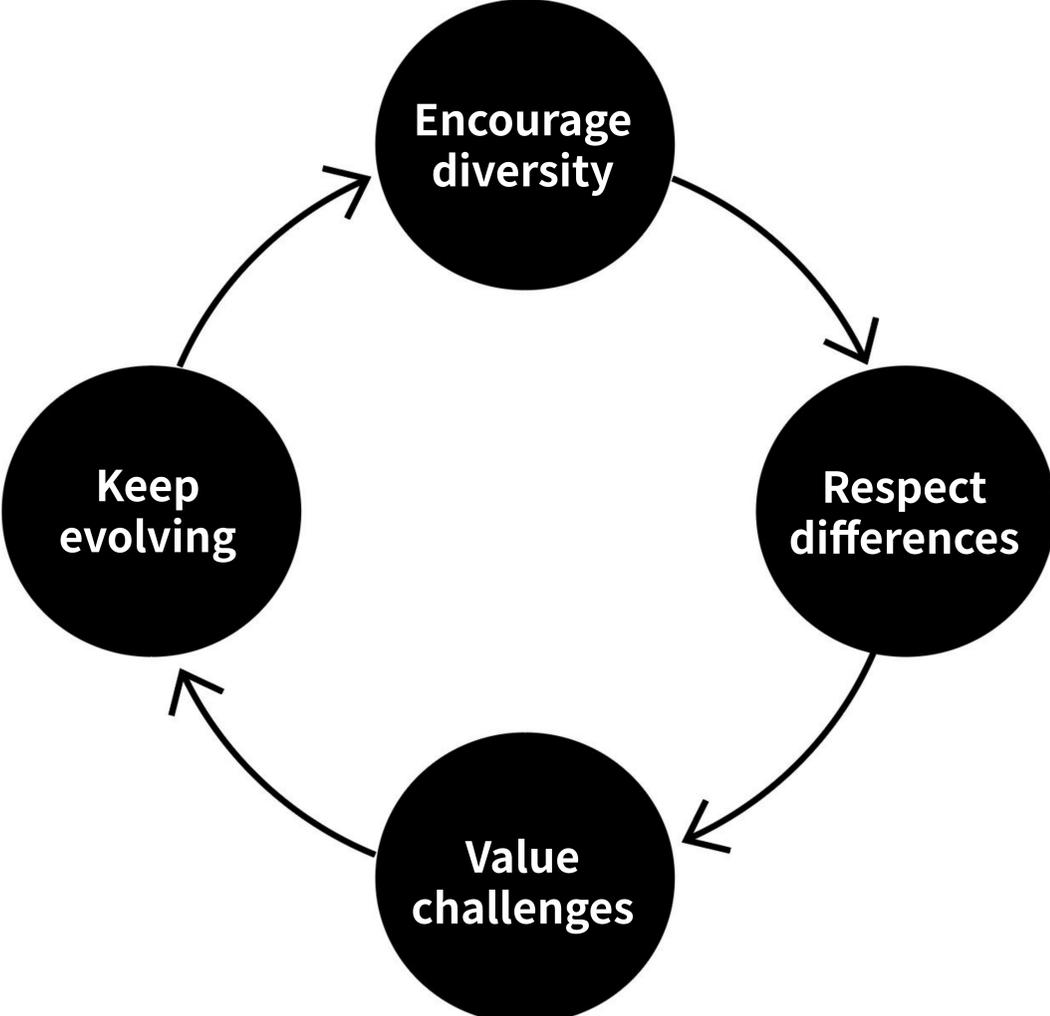
Old HENNGE

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.

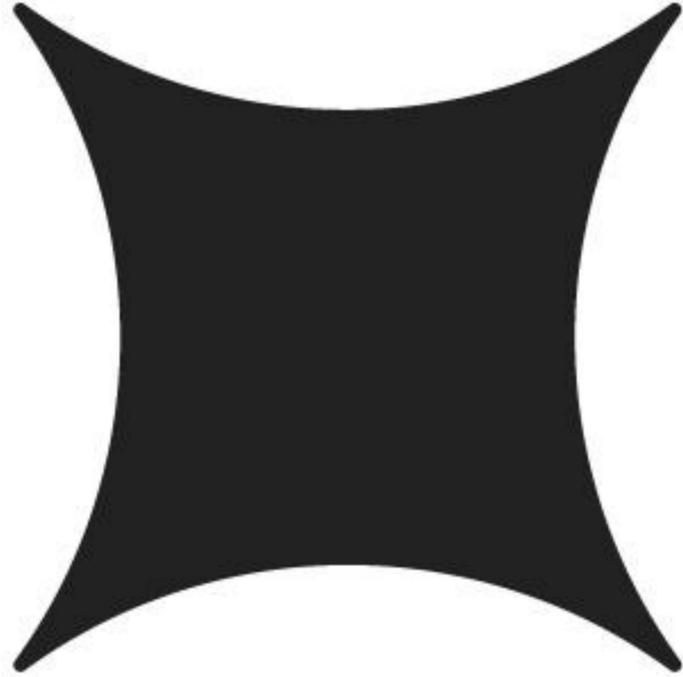
Gross Revenue Churn Rate

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

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