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Tokyo Stock Exchange Growth Market)

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Notice Regarding the Release of the Transcript and Video of the Second Quarter Earnings Briefing for the Fiscal Year Ending October 2026

BRANU Inc. hereby announces the release of the transcript and video of the Second Quarter Earnings Briefing for the fiscal year ending October 2026, which was held on June 15, 2026. Please note that the transcript includes the Q&A session.

We hope this will help our investors gain a deeper understanding of our company.

Details

[Q2 Earnings Briefing for the Fiscal Year Ending October 2026: Video]

Please view the video via the link below.

<https://www.youtube.com/watch?v=STc5ZwkTKtk>

[Q2 Earnings Briefing for the Fiscal Year Ending October 2026: Transcript]

Please see the following pages.

[Q2 Earnings Release for the Fiscal Year Ending October 2026]

<https://ssl4.eir-parts.net/doc/460A/tdnet/2835011/00.pdf>

[Q2 Financial Results Presentation Materials for the Fiscal Year Ending October 2026]

<https://ssl4.eir-parts.net/doc/460A/tdnet/2835037/00.pdf>

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Branu

BRANU Inc.

Second Quarter Earnings Conference Call for the Fiscal Year Ending October 2026

June 15, 2026

Event Summary

[Company Name]	BRANU Inc.
[Company ID]	460A-QCODE
[Event Language]	JPN
[Event Type]	Earnings Announcement
[Event Name]	Second Quarter Earnings Conference Call for the Fiscal Year Ending October 2026
[Fiscal Period]	FY2026 Semi-annual
[Date]	June 15, 2026
[Number of Pages]	26
[Time]	10:00 – 10:46 (Total: 46 minutes, Presentation: 28 minutes, Q&A: 18 minutes)
[Venue]	Webcast
[Venue Size]	
[Participants]	
[Number of Speakers]	2
	Tatsuya Natomi CEO
	Hisayuki Utsunomiya CFO, Director

Presentation

Moderator: Thank you for your patience. We will now begin BRANU Inc.'s financial results briefing for Q2 of the fiscal year ending October 2026.

I would like to begin by introducing the speakers from the Company. First, Mr. Tatsuya Natomi, CEO.

Natomi: Thank you.

Moderator: Mr. Hisayuki Utsunomiya, Director and CFO.

Utsunomiya: Thank you.

Moderator: Regarding today's schedule, we will begin with a presentation from the Company, followed by a Q&A session. We expect to conclude at 11:00 AM.

Mr. Natomi, please go ahead.

Natomi: Thank you. Thank you very much for joining us today for BRANU Inc.'s financial results briefing for Q2 of the fiscal year ending October 2026. I am Natomi, CEO.

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Today, I will present the information in the order shown here. We will focus on an overview of our financial results, along with updates on key topics and our growth strategy.

I will begin with an overview of our Q2 financial results.

Summary of Financial Results for the Second Quarter of the Fiscal Year Ending October 31 2026

Executive Summary

Sales October 2026 1.294 billion yen YoY + 40.0%	Operating income October 2026 170 million yen YoY + 56.3%	Ordinary profit October 2026 152 million yen YoY + 41.4%
Number of sales personnel * 1 October 2026 66 YoY + 32.0%	Stock-type services ARR * 2 October 2026 963 million yen YoY + 45.8%	Stock service Number of Licensing Partners * 3 As of April 2026 3,145 companies YoY + 19.9%

* 1 The average number of employees for each period is stated.

* 2 Calculated by multiplying the monthly sales of "CAREECON" Plus for each month of the fiscal year by 12 for services that provide continuous services over a certain period, such as the various tier plans (Standard, Mini, and Middle) and advertising management services.

* 3 Total number of stock-type service subscribers of "CAREECON Plus" Standard plan, mini plan and Middle plan at each point of time.

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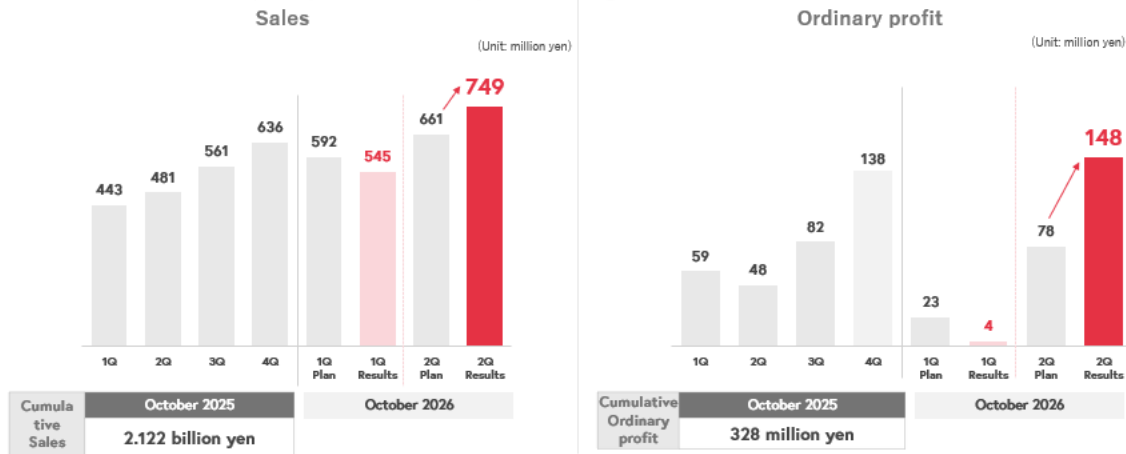
The financial results and KPIs for H1 of the fiscal year are as shown here.

Revenue was JPY1,294 million, up 40% YoY. Ordinary profit also increased 41.4% to JPY152 million. We achieved significant growth across our other KPIs as well compared to the same period last year.

Sales and Ordinary Income for the Second Quarter

Net sales were 1.294 billion yen, up 40.0% year on year, and ordinary profit was 152 million yen, up 41.4% year on year.

- ▶ The increase in customer contact points through the expansion of branch network contributed to the business performance. Sales and profits exceeded the plan, driven by steady new customer acquisition that accurately met market needs.
- ▶ Up-selling to existing customers was strong due to the provision of high value-added proposals associated with the expansion of new functions. Increase unit prices per customer and expand the earnings base



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The quarterly trends in revenue and ordinary profit compared to prior years, as well as the plan-versus-actual comparison for FY2026, are as shown here.

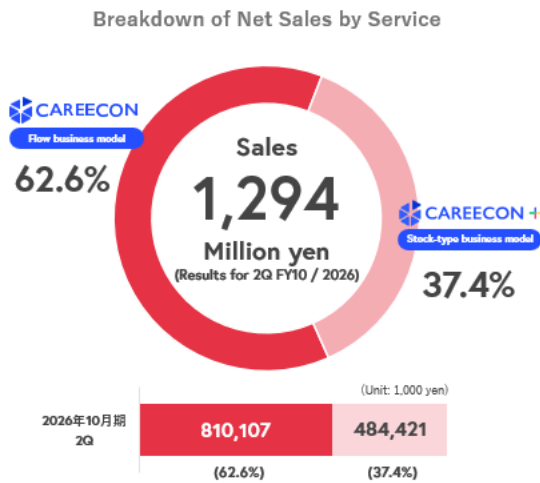
Although we fell short of our targets for both revenue and ordinary profit in Q1 of this fiscal year, we were able to make up for that shortfall over the three months of Q2 and meet our targets.

For H1, revenue reached 103% of the plan and ordinary profit reached 150%, with both metrics achieving the highest quarterly figures on record. This was driven by the expansion of our branch network, as well as enhanced proposals to existing customers and progress in upselling. I will provide further details on these factors later.

Sales mix

The sales composition ratio of the construction DX platform business by service category is 6:4.

▶ Aiming to become the market leader while driving growth in both upfront customer acquisition and recurring up-sell revenue



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Over the past few years, the revenue mix between the flow-based revenue from our matching platform CAREECON and the subscription-based revenue from our integrated business SaaS, CAREECON Plus, has been approximately 60% to 40%. However, for the cumulative six-month period, sales of flow-based revenue grew dramatically, resulting in a slightly higher flow-based proportion of 62.6%.

For the flow-based CAREECON model, enhancing the media value of our matching platform and expanding our sales organization are the key factors driving revenue growth. This result stems from a significant increase in new contracts.

Development of the key features of the subscription-based CAREECON Plus is currently progressing smoothly. However, as this product is primarily driven by upselling, we expect contract growth to lag slightly behind that of CAREECON initially before the growth rates converge.

We hope you will understand that we have made significant investments in these key factors over the past six months and that the results are materializing sooner than expected.

KPI Status

Steady progress in KPI due to active hiring and user growth, and business expanded in both flow and stock

- ▶ Our sales headcount grew steadily through branch expansion and active hiring, strengthening overall sales capabilities by combining staff expansion with productivity improvements
- ▶ Expanded our customer base through the launch of the "CAREECON Plus" Middle Plan, driving higher up-sell migration rates and leveraging the added value of newly developed features.

(Unit: 1,000 yen)		October 2025 Actual	October 2026 2Q Results	Change (Percentage change)	Factors for Changes in Performance / Reasons for Selection of KPIs
Principal KPI	Number of sales personnel * 1	57	66	9 People (15.8%)	Contribute to accelerating acquisition of new customers For the most important indicators
	Per sales representative Net sales * 2	37,241	39,228	1,987 (5.3%)	
	Number of registered users of "CAREECON" (User) * 3	5,846	6,517	671 (11.5%)	As a matching medium As a key indicator of media value
	Stock service ARR * 4	825,112	963,698	138,586 (16.8%)	Show stable and accelerated growth For the most important indicators
	Stock service Number of Licensing Partners * 5	2,881 companies	3,145 companies	264 companies (9.2%)	

* 1 The average number of employees for each period is stated.
 * 2 Calculated by dividing total sales of each organization by the number of sales personnel.
 * 3 The number of accounts of users who have registered for "CAREECON" at each point in time.
 * 4 Calculated by multiplying the monthly sales of the "CAREECON" Plus Standard Plan, Mini Plan, and Middle Plan, which is the middle of the three plans, by 12.
 * 5 Total number of stock-type service subscribers of "CAREECON" Plus Standard plan, mini plan and Middle plan at each point of time.

The table shows a comparison of our key KPIs against those from the end of last fiscal year.

We have been able to significantly improve all of these metrics.

The number of sales staff increased by nine, including locally hired employees at our branches, and we are also expecting the new graduates hired in April to begin working full-time in H2. Revenue per sales representative also increased by 5.3% as a result of efforts to improve sales productivity, including through the use of AI.

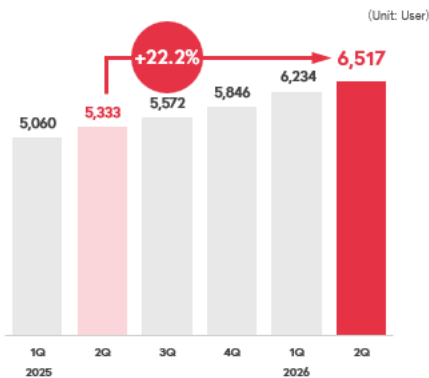
We will provide details on product KPIs and their trends on the following pages.

"CAREECON" and "CAREECON Plus" KPIs

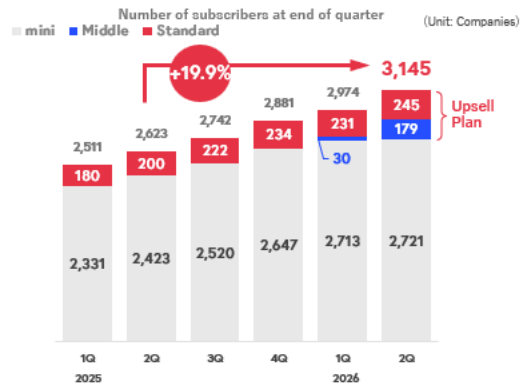
The number of subscribers to "CAREECON Plus" has accelerated, and up-selling has also progressed steadily.

- ▶ Core KPIs for "CAREECON" and "CAREECON Plus" achieved steady expansion, fueled by sales team growth, higher productivity, and accelerated feature development.
- ▶ Launched the new Middle Plan in January 2026 to create a multi-stage up-sell path tailored to each customer's growth phase

Number of registered users of "CAREECON" * 1



Number of stock-type service license companies * 2



* 1 The number of accounts of users who have registered for "CAREECON" at each point in time.
 * 2 Number of stock-type service subscribers of "CAREECON Plus" Standard plan, mini plan and Middle plan at each point of time.

The number of CAREECON users increased 22% YoY to 6,517. The increase in registered CAREECON users leads to more matching opportunities with partner companies, which in turn increases the contract win rate for our flow products. As the naphtha shock subsided, pent-up demand temporarily surged, and this steady increase in user numbers was also one of the factors contributing to the revenue growth in Q2.

The number of SaaS contract companies increased 20% YoY to 3,145. The data is color-coded by plan. As of the end of [Q4], the breakdown is as follows: 2,721 companies on the mini plan, 179 on the Middle plan, and 245 on the standard plan.

Migration from the mini plan to the middle plan, which launched in January, is progressing at a faster-than-expected pace, with new mini plan sign-ups and upsells to the middle plan reaching nearly equal numbers.

When we first launched the middle plan, our policy was to recommend it as a pre-standard option in cases where the standard plan was not yet feasible. However, as it has become increasingly clear that we can expect steady upsells to the middle plan, we have revised our thinking.

We now believe that offering the standard and middle plans flexibly and promptly in response to customer needs, thereby increasing migration rates to these upsell plans and boosting ARPU, will lead to faster growth.

"CAREECON" Plus KPI

Up-Selling Strategy: Strengthening the Earnings Base by Improving ARPU and Lowering Churn of Up-Selling Plans

- ▶ "CAREECON Plus" The core of our sales strategy is to gradually upsell to middle and standard brands starting with the mini-plan. Promoting accumulation of stock income

	October 2025 4Q	October 2026 Q1 Results	October 2026 2Q Results	Factors of increase and decrease
Monthly ARPU * 1	23,883 yen	24,733 yen	25,535 yen	Up-selling progress due to new plans and the effect of unit price revision contributed to an upward trend in ARPU
"CAREECON Plus" Mini plan Monthly churn rate * 2	0.25%	0.35%	0.36%	Unit price increased slightly due to the impact of the unit price revision (from 10,000 yen to 12,000 yen) in the fiscal year ended October 2025, but churn rate remained stable at a low level.
"CAREECON Plus" up-sell plan Monthly churn rate * 3	2.51%	2.57%	2.44%	The churn rate declined due to the improvement in the usage rate of business management functions and other functions.

* 1 Average monthly revenue per user who has signed up for any of the plans of "CAREECON" Plus.
 * 2 "CAREECON" Plus Average monthly churn rate for the last 12 months for mini plans.
 * 3 Average monthly churn rate for the most recent 12 months for the "CAREECON" Plus Standard and Middle plans.

In Q2, we began disclosing new KPIs for CAREECON Plus, our SaaS product, including monthly ARPU and monthly churn rate. As I mentioned earlier, ARPU is a critical metric as we shift our sales strategy toward increasing ARPU across our entire subscription-based service portfolio, including the middle plan.

As shown in the table, monthly ARPU has been gradually increasing over the past six months, reaching JPY25,535 in Q2. As the proportion of upsell plans increases, we expect this figure to continue rising going forward.

Churn rate is also a key metric in the SaaS industry. As our track record of offering upsell plans has grown, we have reached a point where we can disclose meaningful ratio data, which is why we have decided to make this information public. The churn rate for the mini plan has remained around 0.25% for the past few years, but it has risen slightly to 0.36% due to last year's price increase.

However, as the revenue increase resulting from the price hike significantly outweighs the revenue decrease caused by the higher churn, we do not view this as a problematic increase.

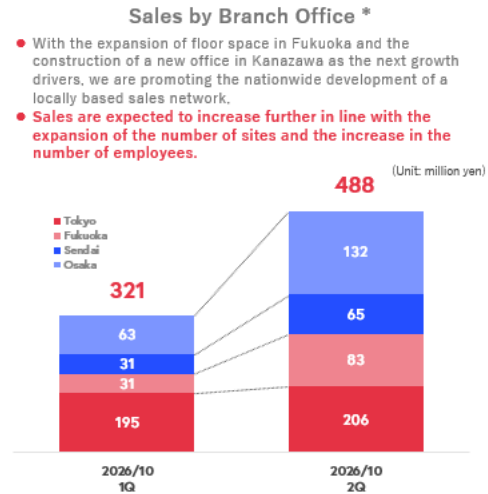
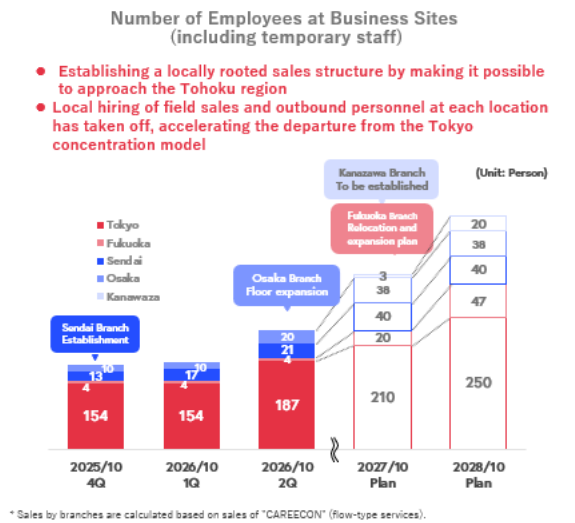
The churn rate for our upsell plans is on a downward trend. We attribute this to increased user adoption of features such as management data tools, which tend to make cancellation difficult once users begin using them.

Going forward, our strategy is to feed this proprietary data into AI to advance the development of construction industry-specific agentic AI, thereby reducing churn rates through automation.

Factors for strong performance in the second quarter (1)

(1) Strengthen local hiring and organization by opening and expanding branches

- ▶ Successfully scaled operations at our Sendai, Osaka, and Fukuoka branches, driving strong performance in Q2.



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I will now explain the factors behind our strong Q2 performance.

We have identified three main factors.

The first is that the opening and expansion of branches has enabled us to grow our organization through local hiring, leading to a significant increase in branch sales.

The graph on the left shows headcount trends at the end of each quarter, while the graph on the right compares sales by branch [inaudible]. We opened our Sendai branch last September and expanded our Osaka branch this February to triple its capacity. This has enabled us to expand the local recruitment market for field sales and inside sales positions, accelerating our hiring efforts.

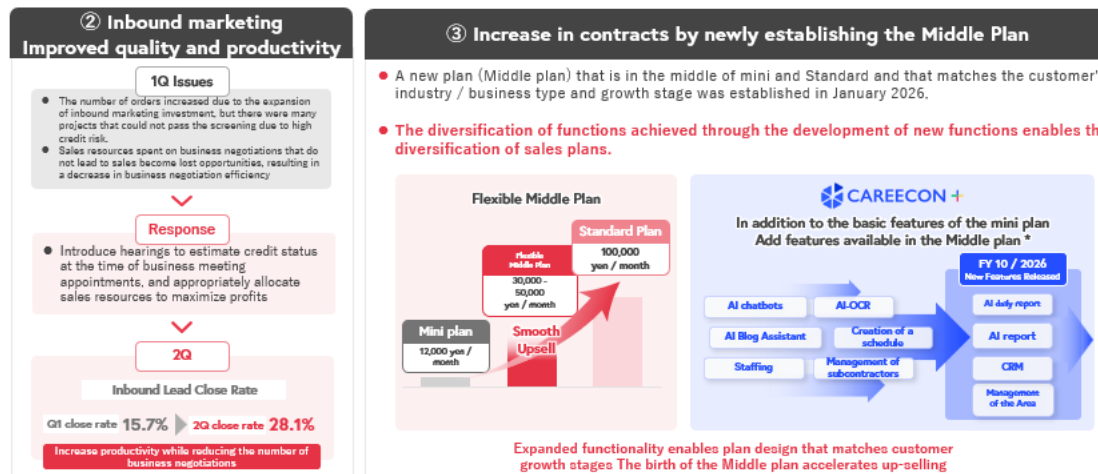
As a result, in Q2, our Osaka, Fukuoka, and Sendai branches all recorded sales more than double those of Q1.

With the planned relocation and significant expansion of our Fukuoka branch and the opening of our Kanazawa branch, both scheduled during the fiscal year ending October 2027, we will be able to establish a nationwide sales network and further expand our revenue base.

Factors for strong performance in the second quarter (ii) (iii)

② ③ Inbound marketing Improved efficiency of business negotiations and new establishment of the Middle Plan drove revenue

- ▶ Improved selection of business opportunities and new plans have resulted in both sales and productivity
- ▶ Achieved structural improvements in Q2 (Feb–Apr) through the successful integration of our three core measures.



* Some functions may not be included depending on the content of the contract plan

The second factor is the improvement in inbound marketing quality, which had been a challenge in Q1, and the resulting increase in productivity. In Q1, while the number of orders increased due to expanded investment in inbound marketing, a high volume of cases failed to pass our credit screening process due to elevated credit risk.

As a result, sales resources spent on deals that did not lead to revenue represented a lost opportunity, and overall sales efficiency declined.

We addressed this issue during Q1 by conducting more detailed interviews at the appointment-setting stage to assess credit risk upfront. This enabled us to improve our closing rate from 15.7% in Q1 to 28.1% in Q2.

The third factor is the accumulation of contracts from the introduction of the Middle plan, which, as shown in the earlier breakdown by plan, grew to 179 companies by the end of Q4. We were able to introduce the Middle plan because we expanded the features released over the past six months, which represents one outcome of our ongoing development investment.

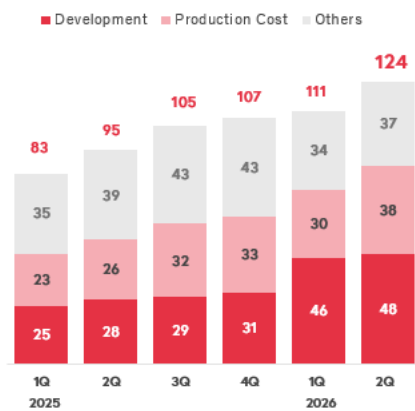
The combined effect of these three measures enabled us to achieve a structural improvement in our earnings base in Q2.

Trends in Cost of Sales and SG &

Build a foundation for medium - to long-term growth by focusing investment on development systems and human capital

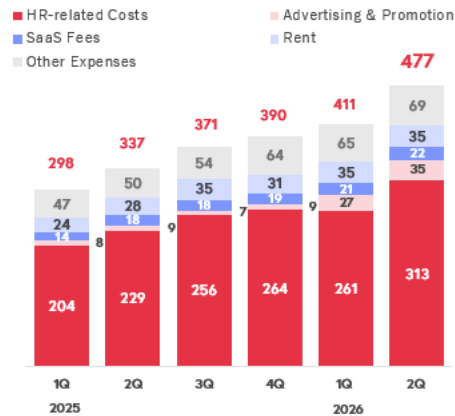
- ▶ Accelerate product development by channeling management resources into enhancing core product competitiveness.
- ▶ SG&A expenses increased due to recruitment costs for regional branch staff and new graduates, alongside higher advertising investment for inbound marketing.

Breakdown of Cost * (Unit: million yen)



* Disclosure by subject has been reclassified to disclosure by element.

Breakdown of SG & (Unit: million yen)



To conclude the financial results overview, I will explain the trends in cost of sales and SG&A expenses.

In line with the increase in revenue, both cost of sales and SG&A expenses have risen, primarily due to higher personnel costs. Cost of sales is shown in the dark red section at the bottom of the chart. We are accelerating development speed by prioritizing the allocation of management resources to product planning, engineering recruitment, and outsourced development, which are the sources of our product competitiveness.

SG&A expenses have increased due to higher personnel costs associated with local hiring at branches and new graduate recruitment, shown in the dark red section at the bottom, as well as advertising and promotional expenses from inbound marketing investment, shown in the second section from the bottom.

These are all upfront investments necessary for future growth, and we are allocating resources with a view to maximizing future earnings rather than focusing solely on short-term profits.

We will now move on to the earnings forecast for the fiscal year ending October 2026. Based on our progress through Q2, I would like to explain our projected outlook for the remainder of the year.

Forecast for the Fiscal Year Ending October 2026

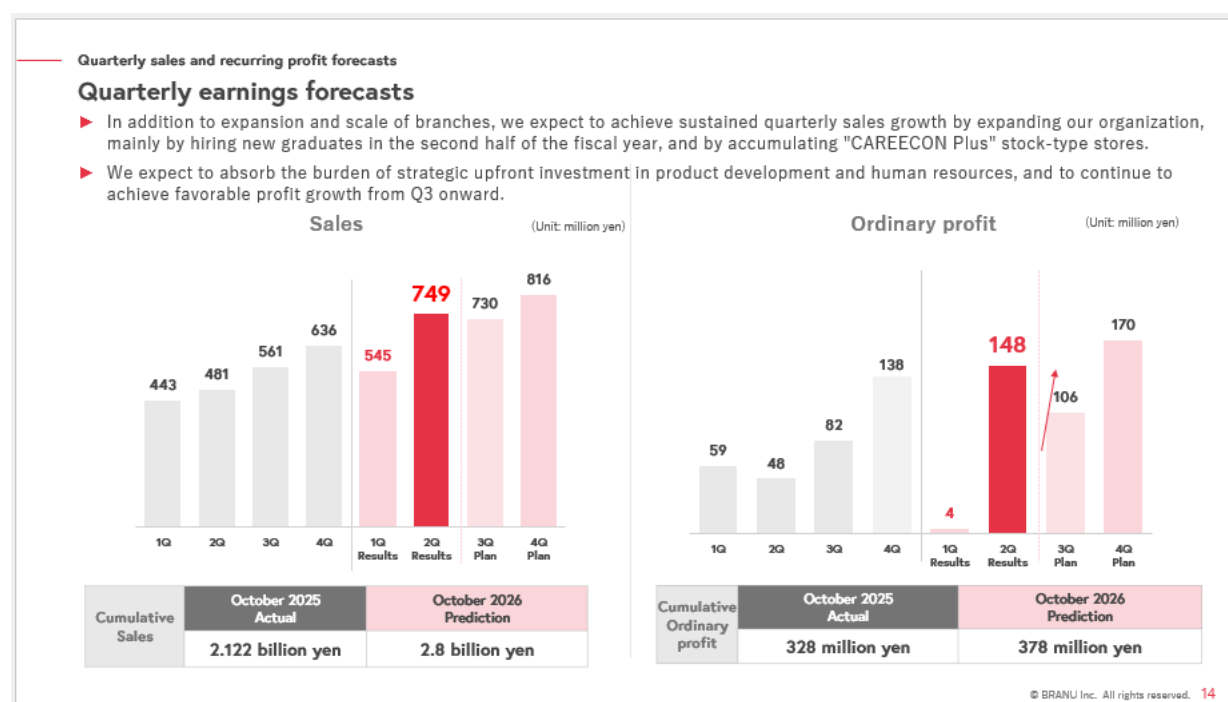
Accelerate expansion of customer base through aggressive sales activities

- ▶ We will further strengthen our growth base by expanding product development and human resource investment against the backdrop of our name recognition and creditworthiness improved by our initial public offering.
- ▶ Based on the progress of business performance up to the second quarter, the sales growth rate will continue to be at a high rate of 30% or more. While profit margin will temporarily stagnate due to "aggressive investment" mainly in development fields such as AI of funds procured through listing, the Company aims to recover investment over the medium to long term.

(Unit: million yen)	October 2025 Actual	October 2026 Prediction	Change	October 2026 2Q Results	Percent complete
Sales	2,122	2,800	31.9%	1,294	46.2%
Operating income	331	395	19.2%	170	43.1%
Operating margin	15.6%	14.1%	- 1.5p	13.2%	-
Ordinary profit	328	378	15.1%	152	40.2%
Ordinary profit ratio	15.5%	13.5%	- 2.0p	11.8%	-
Net income / Interim net income	241	261	8.0%	100	38.3%
Net income margin	11.4%	9.3%	- 2.1p	7.7%	-

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The full-year earnings forecast for the fiscal year ending October 2026 calls for revenue of JPY2,800 million and ordinary profit of JPY378 million. Although the H1 progress rate stands at 46.2% for revenue and 40.2% for ordinary profit, both below 50%, our revenue structure is such that a significant portion of sales is recognized in H2, and we are currently on track to exceed our targets.



The graph shows the quarterly results for revenue and ordinary profit through Q2, as well as the forecasts for Q3 and Q4.

As shown on the previous page, although the progress rate has not yet reached 50%, if we can sustain the Q2 performance level through H2, we will be on track to meet our full-year targets. Regarding the factors behind

our strong Q2 performance, such as branch hiring, we believe there is still significant room for growth given current branch capacity, and we expect to continue expanding as we open new locations.

We also expect CAREECON Plus to increase both ARPU and its customer base through growth in the standard and mini plans.

Naturally, we will not be content with simply maintaining Q2 levels, and we will implement measures to further improve performance over the next six months. We therefore believe we are well positioned to meet our full-year earnings forecast.

Furthermore, given the growth trajectory from Q1 to Q2, it is possible that full-year earnings will significantly exceed the forecast. We intend to carefully assess the timing when the likelihood of an upward revision becomes sufficiently certain before deciding whether to make an announcement.

KPI Plan
KPI plan for achieving full-year forecast

- ▶ Continue to expand our sales headcount with a focus on new graduate hires while leveraging AI to boost sales productivity.
- ▶ Drove ARR growth for our recurring services by successfully migrating customers to the "CAREECON Plus" Standard and Middle plans.

(Unit: million yen)		October 2025 Actual	October 2026 Planning	Year-on-year (Percentage change)	October 2026 2Q Results
Key KPIs	Number of sales personnel * 1	57	69 people	12 (21.1%)	66
	Per sales representative Net sales * 2	37,241	40,592	3,351 (9.0%)	39,228
	Number of registered users of "CAREECON" (User) * 3	5,846	7,114	1,268 (21.7%)	6,517
	Stock service ARR * 4	825,112	1,157,331	332,219 (40.3%)	963,698
	Stock service Number of Licensing Partners * 5	2,881 companies	3,506 companies	625 (21.7%)	3,145 companies

* 1 The average number of employees in each period is shown.
* 2 Calculated by dividing total sales for each fiscal year by the number of sales personnel.
* 3 The number of accounts of users who have registered as members of "CAREECON" at each point in time.
* 4 "CAREECON" Plus Standard Plan, "CAREECON" Plus. Calculated by multiplying the sales of services that provide continuous services over a certain period, such as mini plans and advertising management services, by 12.
* 5 Total number of stock-type service subscribers of "CAREECON" Plus Standard plan, mini plan and Middle plan at each point of time.

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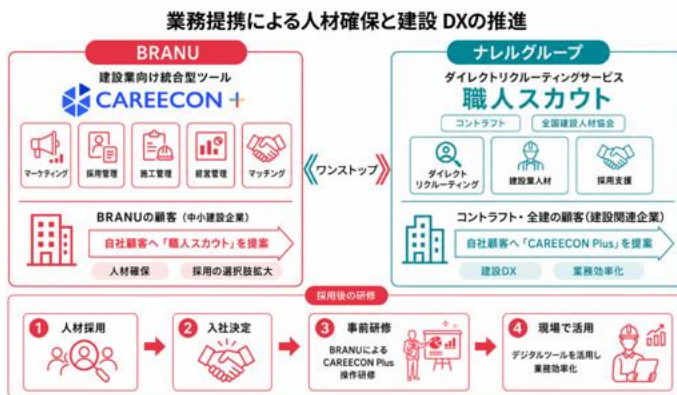
Progress through Q2 on our key KPIs has exceeded our targets, putting us on track to achieve our full-year goals. For the full year, we plan to increase our sales headcount to 69 and improve productivity through the use of AI. We also plan to grow our SaaS ARR by 40.3% YoY, with a strategy to accelerate growth through increases in both the number of licenses and average unit price.

Topics (1)

Concluded a business alliance with Narelle Group for direct recruiting services

- ▶ Concluded a business alliance with the Narelle Group for direct recruiting services to solve labor shortages at construction sites and promote DX
- ▶ The provision of services through mutual cooperation began on July 1, 2026, and provides a one stop solution to the problems of "human resource recruitment" and "system (DX)" faced by small and medium-sized construction companies.

By leveraging the Narelle Group's strengths in human resources and customer base
Strengthen profitability by adding DX unit price through business alliance in the construction DX domain



To cover all layers of the construction industry

Narelle Group

The Konraft Corporation and the Japan Construction Personnel Association

It's a group company of the Narelle Group.



Location: 3-5 Nibancho, Chiyoda-ku
Representative: Naoki Shibata
Capital stock ¥ 420 million
Net sales: 24.158 billion yen (FY10 / 2025)
Listed: July 2023, Growth Market, Tokyo Stock Exchange
(Securities Code: 9163)

- <Business>
- Engineer dispatch for construction industry and construction-related drawings
 - Construction DX Consulting
 - Matching of human resources for construction industry (Artisan scouting / Artisan scouting)
 - IT engineer dispatch and SES

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Next, I would like to share three recent topics.

The first is our business partnership with Nareru Group Co., Ltd. Nareru Group is listed on the TSE Growth Market and is a corporate group providing human resources services to the construction industry.

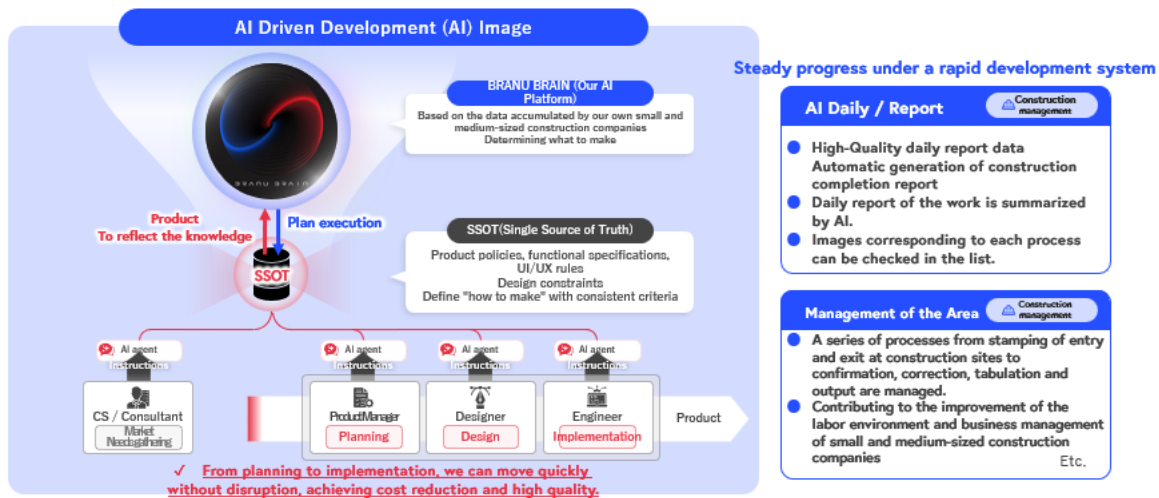
It is one of the few companies in Japan authorized to provide paid job placement and temporary staffing services for construction work, which is generally prohibited under the Employment Security Act and related legislation. We have entered into a business partnership with Nareru Group to address labor shortages at construction sites and promote DX through recruitment services.

The specific terms of the partnership involve both companies expanding sales by referring customers to each other's existing client bases. In addition, when candidates are successfully recruited through the skilled worker placement service, they will receive advance training on our product, laying the groundwork for the adoption of CAREECON Plus at their assigned workplaces.

Service provision under this partnership will begin on July 1, 2026, providing small and medium-sized construction companies with a one-stop solution to their challenges in securing talent and advancing AI and DX adoption.

Transition to a "AI driven development" system in April 2026

- ▶ Building a centralized data infrastructure that leverages our proprietary AI database, "BRANU BRAIN," to rapidly deliver high-quality features that meet market needs.



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The second topic concerns our AI-driven development framework, which we transitioned to in April 2026.





AI-driven development refers to an approach in which generative AI is integrated not merely as a support tool or coding aid, but as a partner throughout the entire product development process, from planning through to implementation and testing. By implementing AI-driven development, we expect product development productivity to approximately double.

Going forward, we are also considering moving toward a lean, high-performing development organization.

While adoption of AI-driven development is growing, particularly among large companies, we go a step further by combining this approach with BRANU BRAIN, our proprietary AI data platform. This has enabled us to use AI to generate high-quality plans regarding what to build and what features to develop.

By simultaneously achieving higher productivity and higher quality, we aim to realize both rapid development speed and continuous product evolution.

The evolution of AI is a booster for our product value, and this situation is a tailwind.

State of the SaaS / Construction Industry	Our approach
<p>01  What if SaaS Be replaced by AI</p>	<p>➤ Not all SaaS will be replaced by AI, but rather the core vertical SaaS will be increasingly aligned with AI (AI on SaaS)</p>
<p>02  For a general AI Progress in the evolution and spread</p>	<p>➤ Complex business practices and on-site workflows unique to the construction industry, and a general purpose Many issues cannot be answered effectively only by using generative AI</p>
<p>03  Small and medium construction enterprises Lag in SaaS x AI</p>	<p>➤ Since management often goes out to the field, the spread of DX itself has been delayed. Customers create applications that replace SaaS by using their own AI It is difficult to do so, and there is a business opportunity to promote the use of our products equipped with AI</p>
<p>04  Competitive Progress at the speed of development</p>	<p>➤ The key is not only to introduce general-purpose generation AI but also to accumulate unique information specific to the target customer industry in a structured and systematic manner.</p>

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The third topic concerns the so-called "SaaS is dead" narrative.

As referenced in our Q1 earnings materials, I will provide an updated and more detailed explanation today.

While some view the evolution of AI as a threat, we see it not as a threat but as a tailwind. In industries like construction, where operations are complex, fieldwork is central, and industry-specific data is critical, we believe that the integration of vertical SaaS and AI, in other words AI on SaaS, is what truly creates value.

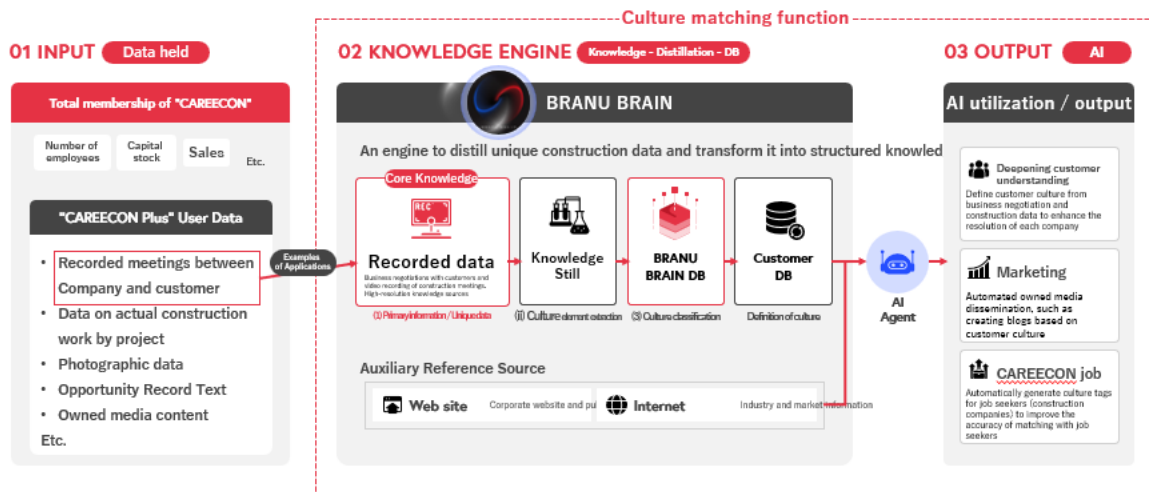
Simply embedding general-purpose generative AI into a product is unlikely to yield effective answers or solutions. Going forward, the key will be the accumulation of unique, structured, and systematic data specific to the construction industry. In this regard, we hold a network of over 6,000 users and a comprehensive proprietary database, and we will continue to leverage this data effectively within our products.

We do not believe AI will kill our SaaS. We believe AI will help our SaaS evolve.

Topic ③ Grow with the SaaS is Dead situation as a booster

Examples of Unique Data Collection and AI Applications

- ▶ Extracts and structures industry-specific construction insights through "BRANU BRAIN" to deliver them as high-value AI agents for clients.



Next, I will introduce examples of how we are utilizing the construction industry data we hold and applying AI within our products.

We possess a broad range of data, including management data from over 6,000 client companies, project-specific construction data, on-site photographs, consulting meeting recordings, business negotiation transcripts, and web content.

By integrating this data with AI, we are able to develop construction industry solutions that only we can provide, and this serves as the source of our unique competitive advantage.

Beyond the automation of various functions through AI agents, one concrete example is our culture matching capability, which analyzes customer data to assess corporate culture and preferences, categorizes that information, and enables high-quality marketing that reduces mismatches with prospective customers and job seekers.

We are already seeing cases where this AI feature has increased customer acquisition and recruitment effectiveness sevenfold.

I would like to move on to an update on our growth strategy.

Overview of Growth Strategy

Aiming for Dramatic Growth by Strengthening All-in-One Platform Functions, Investing Human Resources, and Expanding Branches

3 Provision of services in new fields

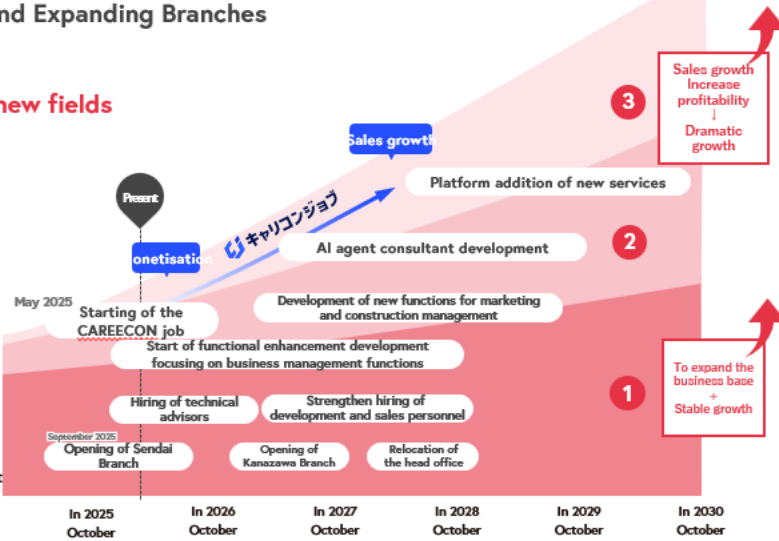
- ✓ Develop new products and services by leveraging our scalable development foundation.
- ✓ Deliver enhanced value-added solutions powered by "BRANU BRAIN"(AI)

2 Product enhancement

- ✓ Enhance cross-selling and up-selling to existing customers.
- ✓ Expand our recurring revenue base

1 To expand the base

- ✓ Expansion of branches and strengthening of partnership
- ✓ Expansion of human resources investment



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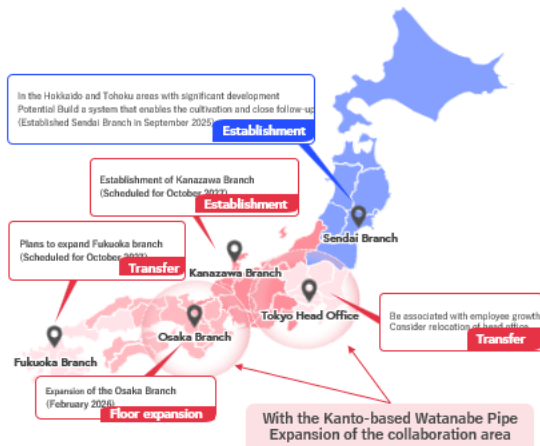
The three pillars of our growth strategy remain unchanged: expanding our foundation, strengthening our products, and offering services in new areas. We have made progress on each of these over the past six months.

Growth Strategy (1) Expansion of Foundation - Expansion of Branches, Strengthening of Partner Cooperation -

We have established a network of bases that can be deployed throughout Japan.

Also utilize the base of Watanabe Pipe, our sales agent

Building a system that can reach all of Japan



By utilizing the bases of Watanabe Pipe Cover the entire country area

- Watanabe Pipe is the industry leader by revenue, supplying materials to construction, civil engineering, water supply, and electrical installation companies nationwide.
- Initiated joint sales activities and strategic marketing directly targeting Watanabe Pipe's extensive customer base.

With WATANABE PIPE CO., LTD. in 2018 Start of business alliance

SEDIA SYSTEM | 渡辺パイプ

Coverage ratio of sites * **About 28%**

* Base coverage ratio: In case that the Company has a track record of receiving referrals from customers in charge and having business negotiations with them, the base is included in the coverage ratio.

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The first pillar is expanding our foundation, specifically the expansion of our branch network and the strengthening of our partnerships.

Face-to-face communication is essential for building relationships with small and medium-sized construction companies, and there are still regions where we have yet to establish a presence or where our reach remains limited. We will therefore continue to expand our branch network and strengthen our organizational structure to achieve nationwide coverage.

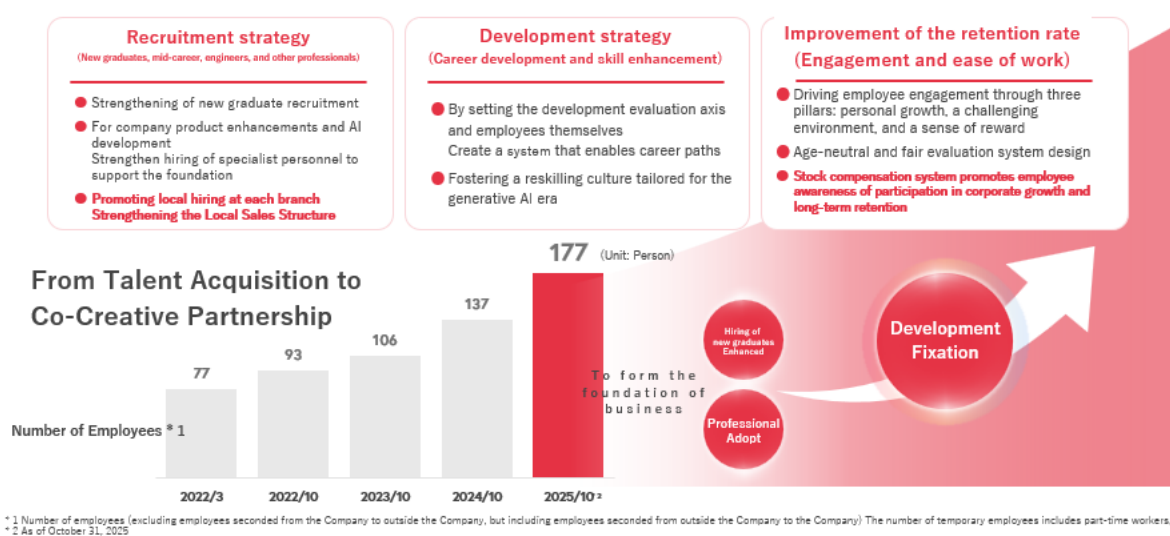
As for our specific plans, as explained earlier in the financial results overview, we expanded our Osaka branch to three times its previous capacity in Q2. We also plan to relocate our Fukuoka branch during the fiscal year ending October 2027 to accommodate a staff of 50, up from the current six employees, and to open a new Kanazawa branch with a capacity of 45 staff.

In addition, through our business partnership with Watanabe Pipe Co., Ltd., Japan's largest building materials wholesaler, agency sales have grown into a significant revenue stream. Going forward, expanding the number of Watanabe Pipe sales offices we can cover will be a key priority, and we plan to continue increasing our coverage.

We have expanded our location coverage rate from 20% at the end of last fiscal year to 28% as of Q2.

Growth Strategy (1) Expansion of Foundation - Human Capital Investment -

Accelerate growth by increasing investment in sales, development and consultancy personnel
Strengthen the organization's structure through measures to develop and establish the system



As attracting talent is a key source of our competitive advantage, we plan to continue investing actively in our people. We are seeing a modest positive impact on hiring, training, and retention as a result of our listing. Local hiring through our branch expansion is also playing a significant role in growing our organization.

Going forward, in this era of AI, we will promote a division of labor in which humans and AI complement each other's weaknesses and build on each other's strengths. We will carefully identify specific roles, such as those suited to a small, high-performing team and those where we will hire large numbers of high-potential candidates, and guided by a clear vision, maximize the return on our human capital investment.



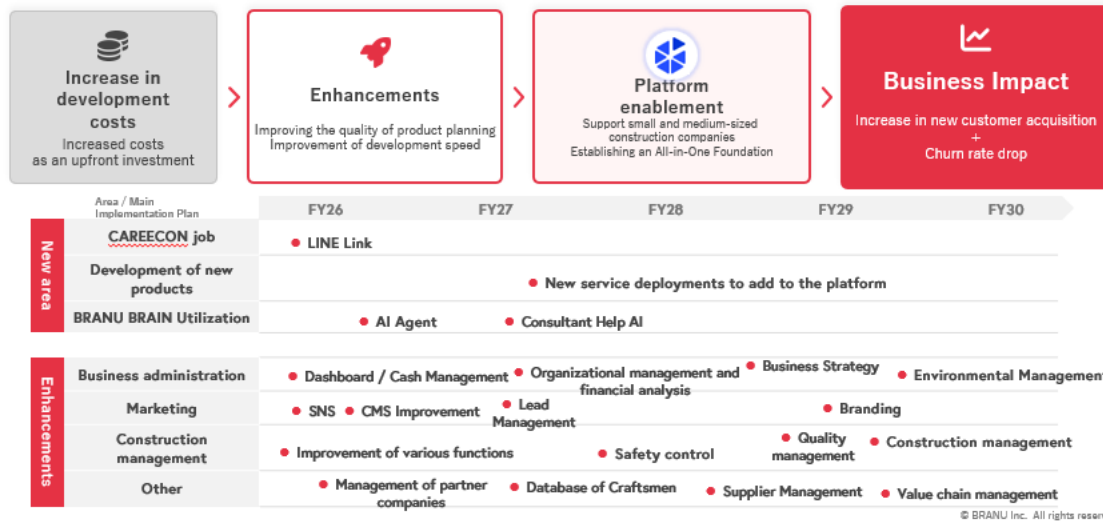
Since announcing our DX platform vision in 2019, we have made steady progress in building the platform through the development of CAREECON Plus. With the hiring of a CTO and the adoption of AI-driven development, our platform has been evolving at an accelerated pace since the start of this fiscal year.

Building on our existing marketing, construction management, and business management functions, we have recently added a web platform covering CRM capabilities, skills and knowledge management in the construction field, and HR functions such as recruitment.

This platform serves as a foundation that covers the majority of management needs for small and medium-sized construction companies, all within the CAREECON platform. We will continue to support the back-office operations of these companies so that they can focus solely on their core business.

Medium-term Benefits and Roadmap

- ▶ Mid-Term Investment Strategies: Building a Foundation for Stable Growth of 'CAREECON Plus'
- ▶ Improving Mid-Term Profit Structure through ARR expansion and lower in churn rate



To achieve this, we need to prioritize development investment. Specifically, we will continue to strengthen our recruitment of product managers and AI engineers to expand our team.

Our main development roadmap through 2030 is as shown here, and we will prioritize the release of features with the highest market demand.

We plan to expand the platform's capabilities to better support the management of small and medium-sized construction companies, with the aim of growing our subscription-based services and developing take-rate-based services. Through this, we aim to solidify our position as a leading all-in-one platform provider and achieve step-change growth.

That concludes my presentation. Thank you very much for joining us today for BRANU Inc.'s financial results briefing for Q2 of the fiscal year ending October 2026. We sincerely appreciate your continued support.

Question & Answer

Moderator [M]: Thank you for the presentation. We will now move to the question-and-answer session.

I apologize for the inconvenience, but we will be taking questions in a one-question-at-a-time format.

Please note that we plan to distribute a verbatim transcript of today's briefing, including the question-and-answer session, to investors both in Japan and overseas. If you wish to remain anonymous, please submit your question without providing your name.

Participant [Q]: Regarding the current development status, I understand that you are aiming for an all-in-one solution, but there are several areas to consider, such as construction management and business management. I was wondering whether there are any specific priorities in this regard.

Will the Company aim to become a construction management SaaS in the future, or will it aim to become a management OS for small and medium-sized construction companies? That is the broader question. Are you planning to do everything at once with an all-in-one approach, or will you prioritize updates and tackle them one by one? I would appreciate it if you could clarify that a bit.

Natomi [A]: Ultimately, we will continue to aim for an all-in-one model, but there are priorities. Since addressing management challenges is the highest-priority need, expanding our business management functions is our top priority.

Expanding these management functions will generate data that is essential for running a business, and this data will serve as a foundation for reducing churn and as a starting point for upselling and driving adoption of other features. We will therefore focus on expanding the business management functions first, then continue developing adjacent features from there, with the goal of building an all-in-one compound SaaS platform.

Participant [Q]: So, the focus will be on business management first.

Natomi [A]: That's right. That said, both the construction management and marketing functions already include most of the core features, so we will continue refining the finer details and addressing specific pain points. The system is already fully functional as it stands.

Participant [Q]: My second question: while your competitive advantage may appear to lie in your products, data, and AI, it seems that your current strengths lie primarily in your sales network and customer strategy.

Natomi [A]: That's right. Unless we acquire new customers and grow our customer base, our data won't grow either, and we won't see network effects.

The question is how many of the 480,000 small and medium-sized construction companies we can serve. Our initial target is 100,000 companies, and that is really our primary focus. If people don't use the product, the data won't accumulate, so that is our most fundamental competitive strength at this stage.

Participant [Q]: So, growing the customer base is your primary competitive priority.

Natomi [A]: That comes first. The next stage is using AI to automate data processing within the product.

Participant [Q]: In that case, if competitors were to develop similar features and strengthen their sales efforts as well, what would be the key factor that would allow you to come out on top?

Natomi [A]: We have a sales network and corporate culture that we have built up over 16 years, and that serves as our foundation. Even if someone were to try to replicate what we do, I believe it would take considerable time. It is not something that can be achieved overnight. Our strategy is therefore to capture as much of the market as possible while competitors are still building up their capabilities.

Participant [Q]: Finally, what will your company look like five years from now? Right now, the focus is primarily on overall business management, what you might call the management OS, but ultimately, I think the scope will need to expand to encompass construction DX more broadly, including construction management. Given the wide range of needs in this space, I believe the key will be how quickly you can address all of these areas.

Could you share your general goals for around five years from now and how you plan to get there?

Utsunomiya [M]: Just to clarify, are you asking about how we are tracking our numbers, or are you asking about what specific functional areas we plan to cover?

Participant [Q]: I am asking about what your company will look like in five years.

Utsunomiya [A]: As Mr. Natomi mentioned earlier, we are aiming to build a compound SaaS platform, with the goal of enabling small and medium-sized construction companies to handle the majority of their business operations through the CARECON platform.

As I mentioned, we plan to focus on developing our business management capabilities, but we are also looking at other areas, such as a sales outsourcing platform and tools to effectively support the marketing efforts of our construction industry clients.

We are also aiming to develop what we call a skilled worker skills platform, designed to explore how building new skills can increase the overall added value of the construction industry as a whole. Our goal is to have a fully equipped platform incorporating all of these elements within the next five years.

Participant [M]: Understood. Thank you.

Participant [Q]: Regarding SaaS, you mentioned that current technological advances are acting as a tailwind. From your perspective, President, could you share your current thoughts on both a best-case scenario, where the evolution of AI acts as a tailwind for your company, and a worst-case scenario, where it would require you to reassess your current approach?

Natomi [A]: The best-case scenario is the full fusion of AI and SaaS.

For example, users would not need to enter any data manually. Simply taking photos at a construction site would handle all aspects of construction management, and using OCR to photograph receipts and invoices would automate the entire business management process. It is a world where SaaS and AI are fully integrated based on proprietary data, to the point where users do not even feel like they are using a product.

The ideal outcome is a product where users can simply focus on the work at hand, take photos on-site, and have all administrative tasks and tedious processes handled automatically. That is the best-case scenario, and it is genuinely what we are aiming for.

The worst-case scenario is that AI is ultimately useless without data, so a situation where the owner of a small or medium-sized construction company, while out on-site, uses AI to build a product similar to ours would be the bad scenario.

Even so, a single company is in a completely different league from our network of 6,000, 10,000, or eventually 100,000 companies, so they would not be able to benefit from network effects or the standardization benefits of our platform.

Ultimately, whoever holds the data will win. AI cannot do anything without data. Current generative AI has been built by ingesting all the data available on the internet, so a complete worst-case scenario is not something we currently foresee. I hope that answers your question.

Participant [Q]: You mentioned that this fiscal year's investment is intended to secure personnel to strengthen product development. Would shifting to an AI-driven development framework not reduce the need to hire as many people as before?

Utsunomiya [A]: Regarding our planned development investments for this fiscal year, while AI-driven development is certainly a key focus, we plan to hire talent for relatively upstream roles, such as those capable of designing AI systems or planning and designing products. We view this as an essential investment even within an AI-driven development framework, and we intend to allocate capital to this area accordingly.

On the other hand, we expect that selection will become more stringent for engineers whose primary skill is coding, and we may scale back our investment in that area in our hiring plans for the fiscal year ahead and beyond. That is all from me.

Participant [Q]: I believe this was on page 14 of the materials. Since Q2 results exceeded the plan and the full-year earnings forecast has not been revised, the implied H2 figures would be slightly lower than the original plan. Looking at the graph on page 14, it appears that Q2 may have pulled forward some performance from Q3. Is that the case?

Natomi [A]: There was no pull-forward.

Participant [Q]: So, Q3 being lower than Q2 is simply in line with the original plan.

Natomi [A]: That is simply because the budget figures have not been revised.

Utsunomiya [A]: The figures we are presenting here are taken directly from our initial plan. While the growth drivers I mentioned are sustainable and there is certainly a good chance, we will exceed these projections, for now we are presenting the original plan figures.

Participant [Q]: Regarding the 28% coverage rate for Watanabe Pipe on page 23, is my understanding correct that the combined coverage of Watanabe Pipe's locations and your own company's locations will ultimately total 100%? Regarding the 28% coverage rate for Watanabe Pipe on page 23, is my understanding correct that the combined coverage of Watanabe Pipe's locations and your own company's locations will ultimately total 100%?

Natomi [A]: No, it means 100% for Watanabe Pipe and 100% for our own company. Currently, our coverage rate of Watanabe Pipe's locations is 28%.

Participant [Q]: And you are aiming to bring that to 100%?

Natomi [A]: Yes, we plan to increase it to 100%.

Participant [Q]: Do you have a timeline for reaching 100% coverage of both your own locations and Watanabe Pipe's locations? By when, specifically?

Utsunomiya [A]: In order to increase our coverage of Watanabe Pipe's locations, we have a partner sales team within our company, and we will need to expand that team's headcount. As outlined here, we will be rolling this out at each branch. By assigning partner sales staff to each branch, we expect our coverage of Watanabe Pipe's locations to increase significantly.

Natomi [A]: Around three years, I would say.

Participant [Q]: With the expansions planned for the Sendai, Kanazawa, and Osaka areas during the fiscal year ending October 2027, is it fair to assume that the development of your branch network will essentially be complete by then?

Natomi [A]: In terms of full branches, yes. That said, we may establish smaller sales offices, for example in Hokkaido, Nagoya, or Shikoku, as sub-offices under the main branches. However, all of the larger branches will be covered.

Participant [Q]: So currently, Sendai and Osaka are covering areas such as Hokkaido and Shikoku.

Natomi [A]: That is correct. Sendai covers Hokkaido and Osaka covers Shikoku, but since the distances are considerable, I think we will need an additional layer of sales offices, even if they do not rise to the level of full branches.

Participant [Q]: What was the reason you were able to recover in Q2 alone?

Utsunomiya [A]: I mentioned three factors behind our strong results earlier, but the biggest reason was the strong sales of our flow-based products. In particular, branch sales doubled, supported by steady hiring. The fact that we were able to successfully acquire new customers was the key factor behind our recovery in Q2.

Participant [Q]: Was the strong performance in new customer acquisition due to the new plan?

Company Representative [A]: The new middle plan is an upsell offering, which has significantly bolstered our financial results. However, it does not impact new customer acquisition; that growth is driven solely by our expanded reach through new branch openings.

[END]

Document Notes

1. *Portions of the document where the audio is unclear are marked with [inaudible].*
2. *Portions of the document where the audio is obscured by technical difficulty are marked with [TD].*
3. *Speaker speech is classified based on whether it [Q] asks a question to the Company, [A] provides an answer from the Company, or [M] neither asks nor answers a question.*
4. *This document has been translated by SCRIPTS Asia.*

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