

Toyokumo, Inc.

4058

Tokyo Stock Exchange Growth Market

1-Apr.-2026

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Summary

FY12/25 saw an increase in both net sales and profits. Net sales and operating profit surpassed forecasts

Toyokumo, Inc. <4058> (hereafter, also “the Company”) is a Software as a Service (SaaS) company providing cloud services to corporations. Provided services include a safety confirmation service, cloud services that link with the “kintone” service of Cybozu <4776>, and a group scheduler that makes it easy to adjust daily schedules.

1. Overview of FY12/25 results

In the Company’s consolidated results for FY12/25, net sales increased 54.4% year on year (YoY) to ¥4,858mn, operating profit increased 38.1% to ¥1,605mn, ordinary profit increased 38.4% to ¥1,608mn, and profit attributable to owners of parent increased 29.0% to ¥1,085mn. The Company reached historical highs in all profit items. Relative to targets revised upward in November 2025 (net sales of ¥4,800mn and operating profit of ¥1,500mn), progress rates were 101.2% for net sales and 107.1% for operating profit, both surpassing forecasts. In addition to robust growth in net sales, efficient business operations contributed to an upside in operating profit.

2. FY12/26 forecasts

In the Company’s consolidated results for FY12/26, net sales increased 19.4% YoY to ¥5,800mn, operating profit increased 18.3% to ¥1,900mn, ordinary profit increased 18.1% to ¥1,900mn, and profit attributable to owners of parent increased 19.8% to ¥1,300mn. In net sales, in addition to steady growth in the number of subscriptions for the Company’s core safety confirmation service and Toyokumo kintoneApps, etc., growth in NotePM provided by Project mode, Inc., which was made into a subsidiary in January 2025, will contribute significantly. In profits, the Company will continue its policy of securing an operating profit margin of 30% or higher, and expects 32.8%.

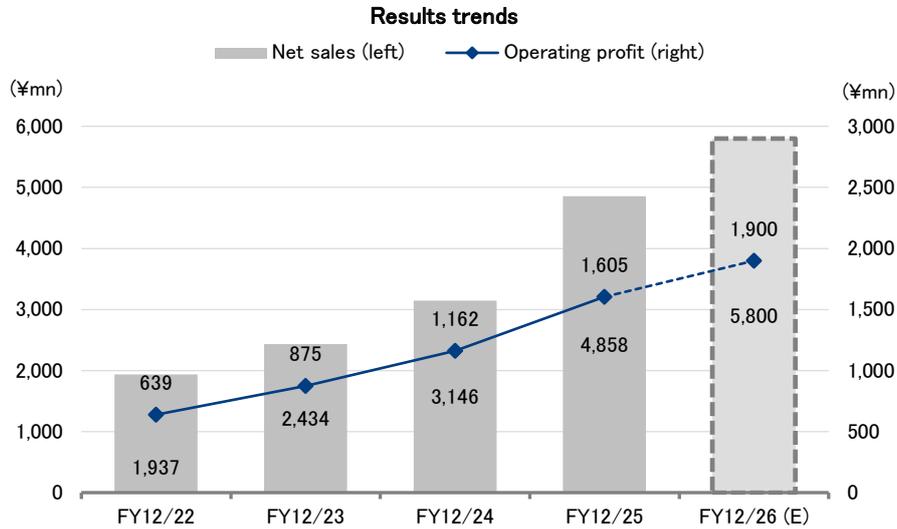
3. Medium-term growth strategy

The Company aims to realize “popularization of IT” by providing services that are easy, simple, and intuitive even for IT beginners to use. Its strategy is to thoroughly explore its current cloud-based business model and achieve significant medium-term growth. In safety confirmation services, in addition to the existing model of confirming the safety of a company’s own employees, the Company is widening the scope of use to cover the entire supply chain, including suppliers, in order to consider continuation of a company’s business activities during a disaster. With respect to the Toyokumo kintoneApps, the Company will endeavor to increase sales unit price per customer through cross selling.

Key Points

- Net sales and profits increased by double digits in FY12/25. Growth in both net sales and operating profit exceeded the Company’s expectations
- Growth expectations for NotePM remain for FY12/26 as well; plans to secure profits despite pressure from amortization of goodwill
- High profit growth will continue with business management that emphasizes the KPIs of number of subscriptions, churn rate, and LTV, while keeping a high ratio of recurring income sales and curbing indirect expenses

Summary



Note: Figures through FY12/23 are stated on a non-consolidated basis and those from FY12/24 onward reflect consolidated results.
 Source: Prepared by FISCO from the Company's financial results

Company profile

Provision of “easy, simple, and intuitive” cloud-services for corporations

1. Management policy

The Company is a SaaS company providing cloud services to corporations. Provided services include a safety confirmation service, cloud services that link with the “kintone” service of Cybozu, a group scheduler that makes it easy to adjust daily schedules, and a knowledge management tool.

The Company’s mission is “Freeing all people from inefficient work” and its corporate philosophy is “Contribute to abundant social activity around the world through information services.” The Company’s aim is not to provide the kind of services that have a boom, but rather to continually strive to provide the kind of services that become a corporate culture. By keeping ahead of the constantly changing times, it intends to anticipate products and services that customers will wish for and prepare them in advance. Furthermore, by focusing on points that have been conventionally absent in services: easy operation, simple functionality, and intuitive user interfaces, and providing services that can be used with confidence even by IT beginners unaccustomed to daily use of PCs and smartphones, the Company aims to support companies taking their first step towards the adoption of IT.

Established as a wholly-owned subsidiary of Cybozu, transitioned to an independent management structure through an MBO

2. History

Cybozu established the Company as Cybozu StartUps Inc. in Bunkyo Ward, Tokyo in August 2010 as a wholly-owned subsidiary to develop cloud services and other such new service offerings. Subsequently, it was judged that shifting the Company to an independent management structure would be beneficial for both companies, and a management buyout (MBO) was agreed upon. The Company was excluded from Cybozu's scope of consolidation in March 2014 and transitioned to an independent management structure. In July 2019, to clarify the independence of the management structure from Cybozu, the Company changed its name to "Toyokumo."

The origin of the Company name expresses the Company's desire to spread cloud computing all over the world, just as the Japanese god Toyokumononokami is said to have created clouds and brought rain to the land at the time of creation, thereby enabling agriculture. Toyokumononokami refers to a cloud of abundance that appears in the first volume of Japan's oldest chronicle, the Kojiki, and is considered to have been a deified cloud.

Company profile

History

| Date | Event |
|----------------|---|
| August 2010 | Established as a wholly-owned subsidiary of Cybozu, Inc., specifically for starting up new business |
| April 2011 | Released a composite photograph service, "DrCrop" for smartphones |
| November 2011 | Terminated provision of "DrCrop" service |
| December 2011 | Released "safety confirmation service" |
| February 2012 | Released "Sales Report Service" conducted using smartphones |
| March 2012 | Released social task management product "ToDous" |
| July 2012 | Released Toyokumo kintoneApp, "FormCreator" |
| September 2012 | Released "Interview Support Service" for smartphones |
| January 2013 | Released "BYOD Service" for managing employee smartphones |
| May 2013 | Released "Dedicated Device Conversion Service" to convert Android devices into dedicated work devices |
| December 2013 | Released the cloud service account management product, "Cloudum" |
| March 2014 | MBO conducted by management, acquiring 70% of shares from Cybozu, Inc. |
| April 2014 | Conducted a third-party allocation to raise capital, mainly allocating to management Released Toyokumo kintoneApp, "PrintCreator" |
| June 2014 | Released "DigitalSignage" conducted using smartphone Terminated provision of "BYOD Service" |
| August 2014 | Terminated provision of "Cloudum" service |
| September 2014 | Released Toyokumo kintoneApp, "kViewer" |
| November 2014 | Released Toyokumo kintoneApp, "kBackup" |
| December 2014 | Terminated provision of "Sales Report Service" |
| March 2015 | Terminated provision of "Digital Signage" service Terminated provision of "Dedicated Device Conversion Service" |
| April 2015 | Conducted a third-party allocation to venture capital and others Relocated head office to Shiba, Minato Ward, Tokyo Transferred "ToDous" business |
| February 2016 | Terminated provision of "Interview Support Service" |
| March 2016 | Released Toyokumo kintoneApp, "TimeStamp" |
| January 2017 | Relocated head office to Nishi Gotanda, Shinagawa Ward, Tokyo |
| July 2017 | Released Toyokumo kintoneApp, "FormBridge" |
| January 2018 | Released Toyokumo kintoneApp, "kMailer" |
| July 2019 | Changed company name to Toyokumo, Inc. |
| March 2020 | Released Toyokumo kintoneApp, "DataCollect" |
| June 2020 | Terminated provision of Toyokumo kintoneApp, "FormCreator" |
| September 2020 | Listed on the Tokyo Stock Exchange (TSE) Mothers Market |
| June 2021 | Terminated provision of Toyokumo kintoneApp, "TimeStamp" |
| September 2021 | Relocated head office to Kamiosaki, Shinagawa Ward, Tokyo |
| November 2021 | Released "TOYOKUMO Scheduler" |
| April 2022 | Transferred from the TSE's Mothers Market to the Growth Market |
| November 2023 | Established Toyokumo Cloud Connect, Inc. as a subsidiary |
| January 2025 | Made Project mode, Inc. a subsidiary |

Source: Prepared by FISCO from the Company's annual securities report and website

Business overview

Cloud service business for corporations forms the Company's sole segment

1. Business description

The Company's business comprises a single segment, the Corporate Cloud Services Business. The main services are the safety confirmation service, Toyokumo kintoneApps, TOYOKUMO Scheduler, Toyokumo Cloud Connect, and NotePM.

(1) Safety confirmation service

Companies are required to provide countermeasures to minimize confusion in the event of a natural disaster or disaster caused by phenomena such as abnormal weather and continuously provide customer services. The Company provides safety confirmation service, a cloud service for confirming the safety of employees and others when disasters occur using their mobile phone, smartphone, or PC. The service features functions for accurately grasping the status of damage when a disaster occurs, and rapidly giving directions to employees and others. Furthermore, the service can also be used as a tool for sharing information during emergencies such as pandemics and for conducting emergency communications when the company's internal network is experiencing a fault.

Main functions of the safety confirmation service

| Function | Outline |
|-------------------------------------|---|
| Safety confirmation function | Enables user to send out bulk messages to preregistered contacts in the event of a major disaster such as an earthquake or tsunami |
| Information collection function | Enables users in roles such as crisis management officer to confirm the status of contacts on a list |
| Countermeasure instruction function | Enables users to engage in three different communication functions: a message function for discussing countermeasures with the most suitable team member, a message board function for notifying transitional processes, and a bulk notification function for communicating the results |
| Prior preparation function | Enables user information, region, and department information to be all stored in a single CSV file |

Source: Prepared by FISCO from the Company's annual securities reports

The Company's safety confirmation service enlists a cloud-based system that enables flexible expansion of servers. The service is equipped with functions for automatically contending with increased access during emergencies. For instance, this includes a function for automatically expanding server capacity prior to surges in user access attributable to events such as release of earthquake notification from the Japan Meteorological Agency. Because there are few opportunities for use of the safety confirmation service during normal times given the nature of the service, the Company enters into server contracts aligned with access circumstances. This accordingly enables the Company to provide its safety confirmation service at competitive prices due to its ability to consistently operate the service while incurring an appropriate cost burden.

Business overview

The Company conducted nationwide joint training for 892,734 users at 2,261 organizations among the contracted customers for the safety confirmation service on September 1, 2025. Through this training, the Company confirmed that its systems operate even under access loaded situations, such as during a disaster. In the area of safety confirmation services, a common reason given by companies for changing to another company's service seems to be that while their current system may work during their own training, it stopped in an actual disaster due to over concentration of access. For this reason, we at FISCO think that the large-scale safety confirmation training run by the Company is very significant. The Company's safety confirmation service is likely to be the subject of increasing focus going forward, and we believe that demand will continue to be solid, including switch overs from other companies.

(2) Toyokumo kintoneApps

kintone is a cloud service provided by Cybozu. It is able to generate applications necessary for business operations, such as sales management and customer management. The application design and various operational settings do not need to be programmed by the users themselves as the service can be used simply by operating a mouse. While kintone can be used with various applications, there are some functions that cannot be achieved with the basic function alone, and the Company supports customers in making more convenient use of kintone by supplying Toyokumo kintoneApps, also known as extension functions.

The Company's Toyokumo kintoneApps include the PrintCreator service, which uses data registered in kintone to output forms such as estimates and invoices, and FormBridge, a Web-form generator service that generates questionnaire survey forms and application forms, etc., and can directly register data to kintone, as well as services that can protect, externally publish, collect and calculate data recorded on kintone. Moreover, customers who use Toyokumo kintoneApps purchase their kintone licenses via the Company, enabling them to make just one payment to the Company for what would normally be two separate payments.

Main Toyokumo kintoneApps

| Service name | Outline |
|------------------------------|---|
| PrintCreator | A service that uses data registered in kintone to output forms such as estimates and invoices |
| FormBridge | A web-form generator service that generates questionnaire survey forms and application forms, etc., and can directly register data to kintone |
| kBackup | A service for protecting data in case data registered on kintone is inadvertently deleted |
| kViewer | A service for externally disclosing data registered on kintone |
| kMailer | A service that can send emails while quoting data registered on kintone |
| DataCollect | A service that collects and calculates data inside kintone |

Source: Prepared by FISCO from the Company's annual securities reports

The Company added a user management function called "Toyokumo kintoneApp Authentication" to the FormBridge and kViewer Toyokumo kintoneApps from February 1, 2022. Toyokumo kintoneApp Authentication is an authentication system that can be set up across Toyokumo kintoneApps. This eliminates the previous need for simple authentication for each Toyokumo kintoneApp, enabling users to move back and forth between multiple forms and views once they have logged in using their email address. Toyokumo kintoneApps, which expand the scope of information sharing, have exceeded one million users in total, and the number of contracts for FormBridge and kViewer, which are compatible with Toyokumo kintoneApp Authentication, is increasing.

Business overview

Whereas user management under the kintone platform previously involved having employees with accounts perform operations as kintone users while suppliers and collaboration partners accessed the platform as guest users, use of Toyokumo kintoneApp Authentication now makes it possible to easily share information with others with whom online communication had previously not been possible. For example, the service enables the building of membership systems for apparel shops, fan clubs, and email magazines, as well as the building of low-cost systems for information sharing and communication between cram schools and their students, engineering firms and their clients, schools and guardians, and other such relationships. Toyokumo kintoneApp Authentication is expected to enable the evolution of kintone into an external information sharing platform and the expansion of Toyokumo kintoneApps provided by the Company going forward.

(3) TOYOKUMO Scheduler

TOYOKUMO Scheduler is a service released by the Company in November 2021. This service enables users to arrange schedules with people outside of their companies in addition to coordinating schedules with those in their companies who have access to conventional group schedulers. The service eliminates the process of manual entry during schedule creation through links with kintone or cybozu.com provided by Cybozu, as well as enabling one-click issuance of web meeting URLs. Since this service is intended to perform schedule arrangement, it can be used by companies of any industry or scale, offering a wide user base. It is also working to strengthen integration with other companies' cloud services, and has improved convenience by linking with Google Calendar and Microsoft Outlook, which are used by people outside the Company, as well as with Google Workspace, to enable the synchronization of user information.

(4) Services provided by Toyokumo Cloud Connect

Toyokumo Cloud Connect, Inc. is a consolidated subsidiary established in November 2023 through a joint venture between the Company and Cybozu, Inc. With local governments and large enterprises as its primary targets, Toyokumo Cloud Connect aims to develop and provide packaged products in the form of "Operation Packs" that combine multiple cloud services, starting with kintone.

Toyokumo Cloud Connect focuses on two themes: SPOT operations support, which provides temporary support for tasks that require specialized expertise, an example being the handling of personal information, during short development timelines, and professional support, which covers advanced areas including security, governance, and auditing. Specifically, it offers the likes of benefit payment systems for local governments that require identity verification using a My Number Card, as well as solutions that leverage the Digital Agency's Digital Authentication App.

Toyokumo Cloud Connect has a track record of adoption exceeding 400 contracts with local governments and promotes initiatives including Business Process as a Service (BPaaS) that realize low-cost system-building in a short timeframe and enhanced operational efficiency by leveraging SaaS through collaboration with business process outsourcing (BPO) vendors. In the example of Noda City Hall in Chiba Prefecture, it helps advancing the organizational digital transformation (DX) by offering the kintone governance establishment support and governance monitoring system, which enables secure operation even with a small management team.

(5) NotePM

Developed and operated by Project mode, NotePM is a SaaS-based cloud service dedicated to manual creation and knowledge management. Project mode has been a wholly owned subsidiary of the Company since January 2025. It is positioned as a new business pillar of the Group.

Business overview

NotePM is an “internal wiki tool” that prioritizes operability enabling intuitive ease of use for anyone. It is intended to eliminate dependence on individual-held information and promote operational efficiency and information-sharing. NotePM is equipped with powerful search functions and editing features that enable easy updates, resolving challenges such as the cumbersome manual creation previously performed using Excel or the like and inadequate handovers conducted verbally. It also offers a reactions feature that works to invigorate internal communication and boost posters’ motivation. NotePM enjoys support from users at entities ranging from startups to listed companies as well as those spanning a wide range of industry and job categories.

Emphasizing the number of subscriptions, churn rate, and LTV

2. Business model

The Company’s services are cloud services. All stages of the service from application to usage are completed online, which means that the service can be installed without a visit from the Company’s sales representatives. The Company focuses on providing services that are “easy” and “convenient” for customers to use, offering companies who make inquiries a free trial period, and coming up with ways for the customer’s personnel to master operation of the services themselves during the period. To this end, the Company has made it possible for users to implement the services themselves, simply by using telephone support and website FAQs as needed, rather than the Company’s sales representatives visiting the customer to give an explanation. In addition, since the services are not individually customized, the burden of support on the Company is low. Through efficient business operations where indirect costs are kept to a minimum, the Company is able to provide services at a low price.

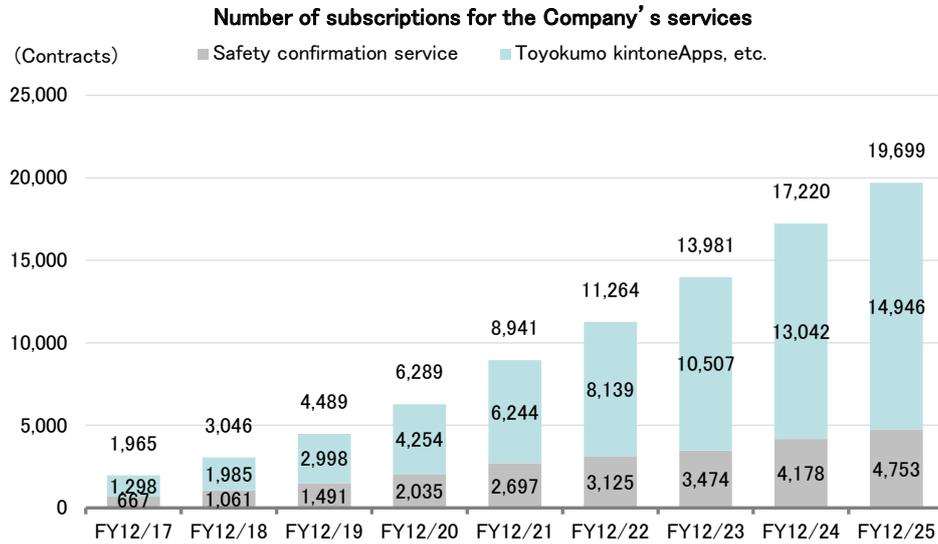
The Company’s services employ a recurring income business model whereby earnings increase continuously as the number of subscriptions increases because charges are incurred based on durations of use. The Company’s services are inherently unaffected by trends and are likely to be used continuously, giving them a distinctively low churn rate (annual average cancellation rate). Sales of services are mainly in the form of direct sales to customers who apply directly to the Company. However, some sales are conducted through sales partners such as agents.

The Company’s priority KPIs are “number of subscriptions,” “churn rate,” and “LTV.”

(1) Number of subscriptions

The number of subscriptions at the end of FY12/25 was up 14.4% YoY to 19,699. By service, safety confirmation service contracts were up 13.8% to 4,753, and Toyokumo kintoneApp contracts were up 14.6% to 14,946. The safety confirmation service and Toyokumo kintoneApps, etc., are maintaining double-digit growth. However, the growth rate in the number of subscriptions indicates a slowing trend.

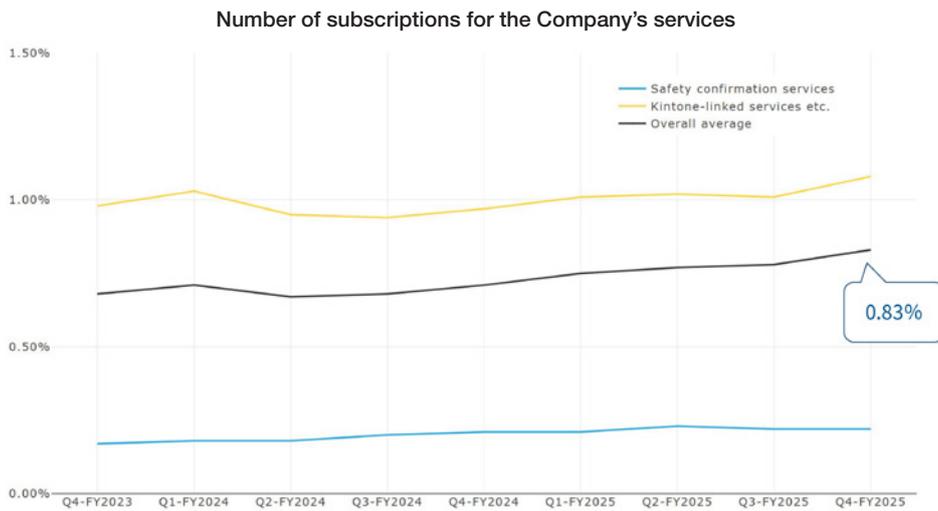
Business overview



Note: Figures for Toyokumo are stated on a non-consolidated basis.
 Source: Prepared by FISCO from the Company's annual securities reports and results briefing materials

(2) Churn rate

Churn rate represents the annual average cancellation rate, calculated based on average contract and cancellation amounts over a 12-month period. The Company's non-consolidated churn rate as of the end of FY12/25 on a monetary basis amounted to 0.83%, thereby remaining at a low level below 1%. Toyokumo kintoneApps, etc., have a stable churn rate overall, although some variation is seen due to factors such as spot projects from local governments.



Note: Figures for Toyokumo are stated on a non-consolidated basis.
 Source: The Company's results briefing materials

Business overview

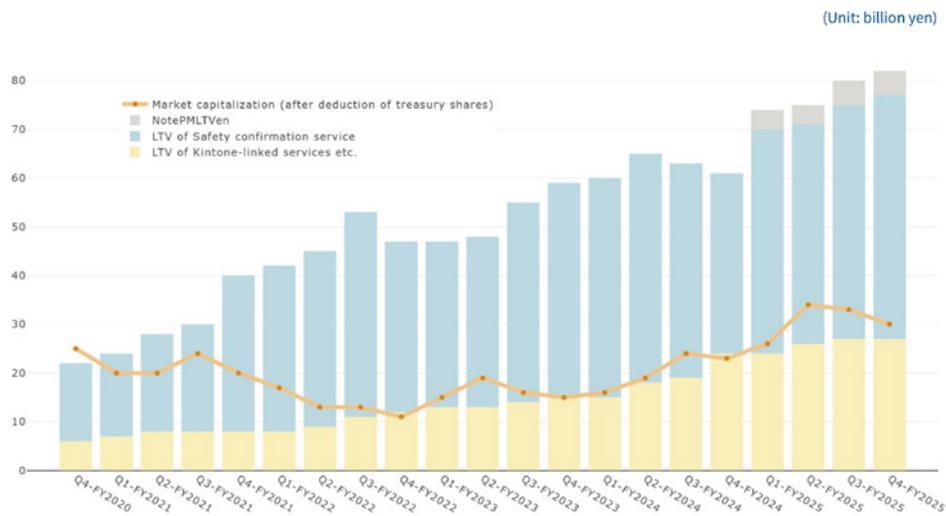
(3) LTV

The Company has set customer Life Time Value (LTV) as an important indicator. LTV is earnings to be received from customers in the future, calculated by dividing Monthly Recurring Revenue (MRR) by the churn rate (monetary amount basis).

In calculating LTV, it is important to take into account the notion that even slight variation in short-term churn rate has a significant impact on results given that the Company's churn rate is at an extremely low level of less than 1%. The sum total LTV associated with individual services (Toyokumo kintoneApps, etc., LTV, safety confirmation service LTV, and NotePM LTV) reached ¥60.0bn in FY12/24 and has continued on an upward trend from there, reaching ¥80.0bn in 3Q FY12/25.

LTV and market capitalization

LTV = total MRR/annual average cancellation rate (monetary amount basis)



Source: The Company's results briefing materials

Strengths consist of low churn rate and efficient sales structure

3. Strengths

The Company's strengths consist of its low churn rate and its efficient sales structure. The Company's churn rate is 0.83%, thereby remaining stable at a level below the overall average of 1%. The Company's recurring income model entails ultimately strengthening the management foundation given the likelihood of services of the Company producing continuous sales results. Since the Company provides non-customized software and does not conduct proposal sales, the acquisition cost per contact was kept low. Under this flow, new customer leads are often identified through online promotions, advertising, and displays at events. After that, prospective customers visit the Company's website to have a free trial of the services before concluding a contract. For post-contract support, the Company is efficiently providing support via telephone and email in addition to enhancing the content of its website.

Results trends

Net sales and profits increased by double digits in FY12/25. Number of subscriptions (Toyokumo, non-consolidated) also grew steadily

1. Overview of FY12/25 results

In the Company's results (consolidated) for FY12/25, net sales increased 54.4% YoY to ¥4,858mn, operating profit increased 38.1% to ¥1,605mn, ordinary profit increased 38.4% to ¥1,608mn, and profit attributable to owners of parent increased 29.0% to ¥1,085mn. The Company reached historical highs in all profit items. Relative to targets revised upward in November 2025 (net sales of ¥4,800mn and operating profit of ¥1,500mn), progress rates were 101.2% for net sales and 107.1% for operating profit, both surpassing forecasts. In addition to robust growth in net sales, efficient business operations contributed to an upside in operating profits.

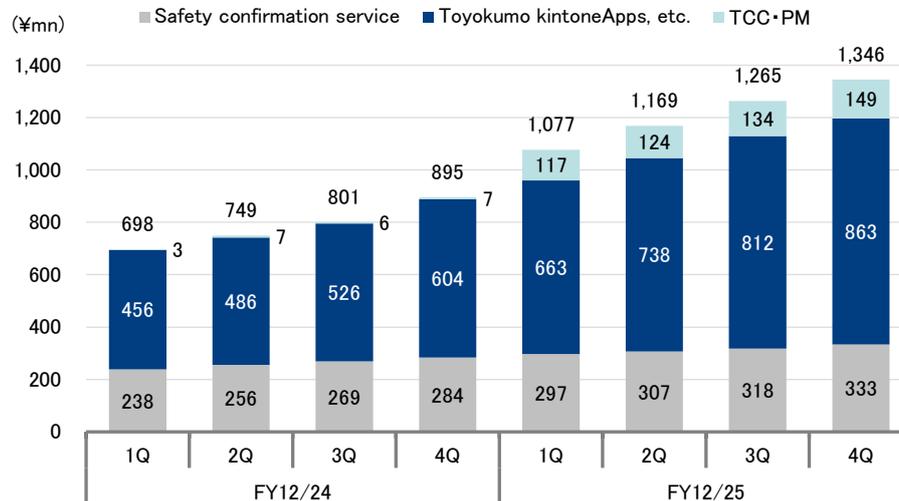
In profits, gross profit was ¥4,653mn, and the gross profit margin continues to trend at a high level at 95.8%. The operating profit margin was 33.1%, down from 36.9% in the previous fiscal year. However, the Company absorbed aggressive upfront investments in the form of amortization expenses (¥244mn) that included amortization of goodwill accompanying M&A as well as advertising expenses that increased 69.9% YoY (¥1,278mn). In doing so, the Company is definitely achieving its policy of maintaining an operating profit margin of 30% or higher on a consolidated basis. Advertising expenses actually recognized were met with a budget increased over the initial plan of ¥1,150mn in line with growth in results, and were efficiently utilized.

The number of subscriptions for Toyokumo (non-consolidated), a main KPI, is expanding steadily, and both net sales and operating profit are expected to continue trending upward going forward. The average unit price for Toyokumo on a non-consolidated basis gained substantially from ¥19,214 at the end of December 2024 to ¥20,419 at the end of December 2025.

In FY12/25, net sales by service trended favorably across the board. Net sales of the safety confirmation service increased 19.9% YoY to ¥1,256mn, while those for Toyokumo kintoneApps, etc., increased 48.3% to ¥3,076mn. Orders for the safety confirmation service were firm as awareness of disaster preparedness continued to rise. Toyokumo kintoneApps, etc., benefited from both the price revision and the enhancement of enterprise-oriented features that were implemented in November 2024. Additionally, net sales for Toyokumo Cloud Connect (TCC) and Project mode (PM) increased 2,064.4% YoY to ¥525mn with the addition of NotePM.

Results trends

Net sales by quarter



Source: Prepared by FISCO from the Company's results briefing materials

Overview of results for FY12/25

| | FY12/24 | | | FY12/25 | | | Progress rate against target |
|--|---------|---------------|--------|---------|---------------|--------|------------------------------|
| | Result | vs. net sales | Target | Result | vs. net sales | YoY | |
| Net sales | 3,146 | 100.0% | 4,800 | 4,858 | 100.0% | 54.4% | 101.2% |
| Cost of sales | 88 | 2.8% | - | 204 | 4.2% | 131.8% | - |
| Gross profit | 3,057 | 97.2% | - | 4,653 | 95.8% | 52.2% | - |
| Selling, general and administrative expenses | 1,895 | 60.2% | - | 3,047 | 62.7% | 60.8% | - |
| Advertising expenses | 752 | 23.9% | 1,150 | 1,278 | 26.3% | 69.9% | 111.1% |
| Depreciation + amortization of goodwill | 10 | 0.3% | 240 | 244 | 5.0% | - | 101.8% |
| EBITDA | 1,172 | 37.3% | 1,840 | 1,850 | 38.1% | 57.8% | 100.6% |
| Operating profit | 1,162 | 36.9% | 1,500 | 1,605 | 33.1% | 38.1% | 107.1% |
| Ordinary profit | 1,162 | 36.9% | 1,500 | 1,608 | 33.1% | 38.4% | 107.3% |
| Profit attributable to owners of parent | 841 | 26.7% | 1,100 | 1,085 | 22.3% | 29.0% | 98.7% |

Note: Target figures are those announced on November 13, 2025.

Source: Prepared by FISCO from the Company's financial results and results briefing materials

In the interest of continuous disclosure, the Company releases preliminary figures for monthly net sales around the 15th of each month. Looking back at the trend in the sales growth rate, it continued to exceed 40% YoY through February 2022. Afterwards, however, the growth rate temporarily exhibited a slowing trend amid changes in the market environment and other factors. Still, on a non-consolidated basis, the growth rate remained a stable 25–28% YoY through October 2024, and from November 2024 onward, it benefited from the price revision to Toyokumo kintoneApps, accelerating again to 36–37%. In FY12/25, due in part to the transition to consolidated accounting and to M&A, the pace of growth accelerated even further. On a consolidated basis, net sales in January 2025 increased 52.6% YoY, marking substantial growth. Afterwards, the effect of the price increase continued throughout the fiscal year. This, combined with the results of Project mode (NotePM), caused the YoY growth rate of monthly net sales to trend at a high level in the 50–60% range.

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Results trends

Monthly sales

| (Consolidated) | | | | | | | | | | | | (¥mn) |
|------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| 2025 | Jan. | Feb. | Mar. | Apr. | May | Jun. | Jul. | Aug. | Sep. | Oct. | Nov. | Dec. |
| Monthly sales | 347 | 365 | 364 | 375 | 389 | 404 | 410 | 425 | 429 | 442 | 447 | 456 |
| YoY | 152.6% | 157.8% | 152.1% | 153.9% | 156.2% | 157.8% | 156.8% | 158.8% | 157.9% | 160.7% | 147.2% | 144.9% |
| Cumulative sales | 347 | 713 | 1,077 | 1,453 | 1,843 | 2,247 | 2,657 | 3,083 | 3,512 | 3,955 | 4,402 | 4,858 |
| YoY | 152.6% | 155.2% | 154.2% | 154.1% | 154.5% | 155.1% | 155.4% | 155.8% | 156.1% | 156.6% | 155.6% | 154.5% |

| (Toyokumo, non-consolidated) | | | | | | | | | | | | |
|------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| 2024 | Jan. | Feb. | Mar. | Apr. | May | Jun. | Jul. | Aug. | Sep. | Oct. | Nov. | Dec. |
| Monthly sales | 227 | 231 | 235 | 242 | 247 | 253 | 260 | 265 | 270 | 275 | 300 | 307 |
| YoY | 125.2% | 125.1% | 125.1% | 125.7% | 126.2% | 127.4% | 128.4% | 127.9% | 127.9% | 126.7% | 136.3% | 137.2% |
| Cumulative sales | 227 | 459 | 695 | 937 | 1,184 | 1,437 | 1,697 | 1,963 | 2,233 | 2,508 | 2,809 | 3,116 |
| YoY | 125.2% | 125.2% | 125.1% | 125.3% | 125.4% | 125.8% | 126.2% | 126.4% | 126.6% | 126.6% | 127.6% | 128.5% |

Source: Prepared by FISCO from the Company's IR news releases

2. Financial position and management indicators

(1) Balance sheet

At the end of FY12/25, total assets were ¥6,538mn, up ¥1,875mn from the end of the previous fiscal year. Due in part to a ¥210mn increase in cash and deposits and a ¥73mn increase in accounts receivable - trade, total current assets increased ¥396mn to ¥4,802mn. Also, while property, plant and equipment decreased ¥4mn, goodwill and customer-related tangible assets of ¥1,189mn were newly recognized due to Project mode being made into a consolidated subsidiary. This, combined with investments and other assets increasing ¥171mn, resulted in total non-current assets expanding substantially to ¥1,736mn, an increase of ¥1,478mn.

Total liabilities were ¥2,477mn, up ¥870mn from the end of the previous fiscal year. This mainly owed to a ¥767mn increase in total current liabilities, as accounts payable - trade increased ¥7mn and contract liabilities increased ¥287mn. Non-current liabilities came to ¥103mn, up ¥103mn. As of the end of the fiscal year, the Company continued to have no net interest-bearing debt and to operate debt-free. Total net assets increased ¥1,005mn to ¥4,061mn. Retained earnings increased ¥932mn, mainly owing to the recording of profit attributable to owners of parent.

Regarding management indicators, due to an expansion in total assets accompanying M&A, the equity ratio decreased 3.5 percentage points (pp) from the end of the previous fiscal year to 61.8%. However, with the Company continuing to have no interest-bearing debt and holding ample cash and deposits of ¥4,407mn, its financial condition is evaluated as remaining extremely sound.

Results trends

Balance sheet and key management indicators

| | End of FY12/21 | End of FY12/22 | End of FY12/23 | End of FY12/24 | End of FY12/25 | vs. end of previous fiscal year |
|---|----------------|----------------|----------------|----------------|----------------|---------------------------------|
| | (¥mn) | | | | | |
| Current assets | 2,000 | 2,417 | 3,078 | 4,405 | 4,802 | 396 |
| Cash and deposits | 1,901 | 2,296 | 2,938 | 4,196 | 4,407 | 210 |
| Accounts receivable - trade | 29 | 44 | 57 | 107 | 180 | 73 |
| Non-current assets | 204 | 192 | 267 | 257 | 1,736 | 1,478 |
| Property, plant and equipment | 74 | 67 | 59 | 56 | 51 | -4 |
| Intangible assets | 0 | 0 | 0 | 64 | 1,375 | 1,311 |
| Investments and other assets | 129 | 125 | 207 | 136 | 308 | 171 |
| Total assets | 2,205 | 2,610 | 3,345 | 4,663 | 6,538 | 1,875 |
| Current liabilities | 746 | 975 | 1,105 | 1,606 | 2,373 | 767 |
| Accounts payable - trade | 21 | 23 | 27 | 34 | 41 | 7 |
| Non-current liabilities | - | - | - | - | 103 | 103 |
| Total liabilities | 746 | 975 | 1,105 | 1,606 | 2,477 | 870 |
| (Interest-bearing debt) | 0 | 0 | 0 | 0 | 0 | 0 |
| Total net assets | 1,458 | 1,634 | 2,240 | 3,056 | 4,061 | 1,005 |
| Retained earnings | 728 | 1,104 | 1,665 | 2,398 | 3,330 | 932 |
| Treasury shares | -0 | -199 | -185 | -118 | -101 | 16 |
| Total liabilities and net assets | 2,205 | 2,610 | 3,345 | 4,663 | 6,538 | 1,875 |
| Equity ratio | 66.1% | 62.6% | 67.0% | 65.3% | 61.8% | -3.5pp |
| Current ratio | 267.9% | 247.9% | 278.6% | 274.3% | 202.4% | -71.9pp |
| <Profitability> | | | | | | |
| Return on assets, ROA | 21.5% | 26.5% | 29.4% | 24.9% | 28.7% | 3.8pp |
| Return on equity, ROE | 21.8% | 27.6% | 32.6% | 27.7% | 30.6% | 2.9pp |
| Operating profit margin | 26.5% | 33.0% | 35.9% | 36.9% | 33.1% | -3.8pp |
| <ROE breakdown> | | | | | | |
| Financial leverage | 1.5 times | 1.6 times | 1.5 times | 1.5 times | 1.6 times | - |
| Total asset turnover | 0.7 times | - |
| Net income margin | 18.2% | 22.0% | 25.9% | 26.7% | 22.3% | -4.4pp |

Note: Figures through the end of FY12/23 are stated on a non-consolidated basis and those from the end of FY12/24 onward are stated on a consolidated basis.

Source: Prepared by FISCO from the Company's financial results and results briefing materials

(2) Statement of cash flows

At the end of FY12/25, the balance of cash and cash equivalents stood at ¥4,407mn, up ¥210mn from the end of the previous consolidated fiscal year. Cash flows from operating activities were ¥2,020mn. While payments of income taxes paid of ¥384mn were an outflow factor, the main inflow factors included the recording of profit before income taxes of ¥1,608mn, depreciation of ¥97mn, amortization of goodwill of ¥146mn, an increase in contract liabilities of ¥223mn, and an increase in accounts payable - other, and accrued expenses of ¥222mn. Cash flows from investing activities were ¥1,362mn. This was mainly attributable to an outflow of ¥1,185mn for the purchase of shares in connection with making Project mode a consolidated subsidiary, in addition to ¥89mn for the purchase of intangible assets (software) and ¥52mn for payments of leasehold and guarantee deposits, among other factors. Cash flows from financing activities were ¥448mn. The main factors were an outflow of ¥200mn for the purchase of treasury shares, ¥152mn in dividends paid, and ¥95mn in repayments of long-term borrowings. Overall, despite significant cash outflows for large-scale investment spending accompanying M&A, proactive purchases of treasury shares, and dividends, cash flow provided by core operating activities exceeded those outflows, resulting in an increase in the balance of cash and cash equivalents at the end of period.

Results trends

Cash flow status

| | (¥mn) | |
|--|---------|---------|
| | FY12/24 | FY12/25 |
| Cash flows from operating activities (a) | 1,337 | 2,020 |
| Depreciation | 10 | 97 |
| Cash flows from investing activities (b) | -70 | -1,362 |
| Free cash flow (a) + (b) | 1,266 | 658 |
| Cash flows from financing activities | -107 | -448 |
| Change amount in cash and cash equivalents | 1,158 | 210 |
| Cash and cash equivalents at the beginning of period | 3,037 | 4,196 |
| Cash and cash equivalents at the end of period | 4,196 | 4,407 |

Source: Prepared by FISCO from the Company's financial results and results briefing materials

■ Outlook

Full-scale expansion of sales of NotePM warrants focus in FY12/26

1. FY12/26 forecasts

The Company operates in the cloud services market, where DX to realize enhanced operational efficiency and productivity gains is becoming increasingly important. Moreover, following the COVID-19 pandemic, diverse workstyles, such as remote work, became entrenched. Demand for cloud services that can be used anytime, anywhere is therefore expected to continue increasing going forward. The proliferation of generative AI is also driving IT investment. With the domestic SaaS market projected to exceed ¥2tn in FY12/27, forecasts indicate the market will remain on a high-growth trajectory.

In the Company's consolidated results for FY12/26, net sales increased 19.4% YoY to ¥5,800mn, operating profit increased 18.3% to ¥1,900mn, ordinary profit increased 18.1% to ¥1,900mn, and profit attributable to owners of parent increased 19.8% to ¥1,300mn. In net sales, in addition to steady growth in the number of subscriptions for the Company's core safety confirmation service and Toyokumo kintoneApps, etc., growth in NotePM provided by Project mode will contribute significantly.

In profits, the Company is continuing its policy of securing an operating profit margin of 30% or higher on a consolidated basis, and expects 32.8% for FY12/26 as well. Factors behind cost increases will include proactive recruitment to secure top talent and higher personnel expenses aimed at raising the average annual salary into the ¥10mn range. Additionally, the burden of amortization expenses, including amortization of goodwill arising from the acquisition of Project mode, will continue (with ¥270mn planned for FY12/26). For advertising expenses, the Company's policy is to invest ¥1,200mn, equivalent to 20.7% of net sales, with the dual aim of raising brand recognition and acquiring customers efficiently. While the Company tends to announce conservative initial forecasts and revise them upward as progress is made, its most recent monthly net sales have been trending strongly at 130.0% YoY (January 2026 result), supporting expectations for solid growth.

Outlook

The highest-priority challenge for FY12/26 is the full-scale expansion of NotePM sales. NotePM is highly regarded externally, and its adoption among non-IT companies is also progressing. The knowledge management market is currently burgeoning, and has a market size and potential exceeding those of safety confirmation services. By establishing a structure in which the Company is responsible for sales and marketing while Project mode focuses on development, strong synergies leveraging the compatibility of their business models are expected to drive further expansion of business scale.

Forecast for FY12/26

| | FY12/25 | | FY12/26 | | YoY |
|---|---------|---------------|--------------|---------------|-------|
| | Result | vs. net sales | Company plan | vs. net sales | |
| Net sales | 4,858 | 100.0% | 5,800 | 100.0% | 19.4% |
| Operating profit | 1,605 | 33.1% | 1,900 | 32.8% | 18.3% |
| Ordinary profit | 1,608 | 33.1% | 1,900 | 32.8% | 18.1% |
| Profit attributable to owners of parent | 1,085 | 22.3% | 1,300 | 22.4% | 19.8% |

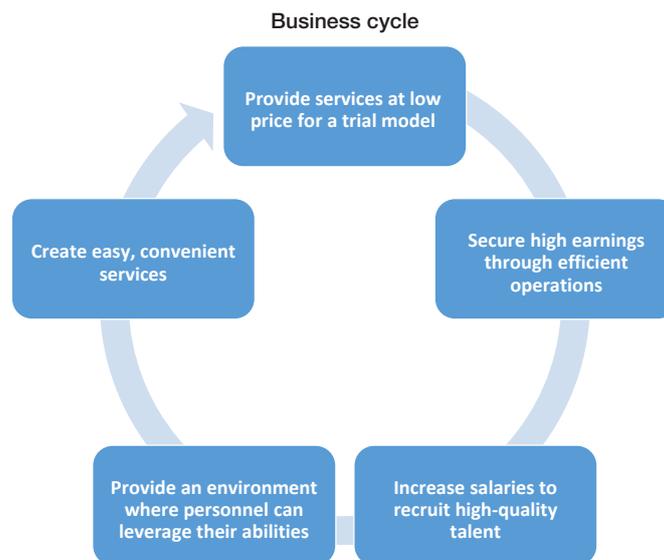
Source: Prepared by FISCO from the Company's financial results

Refining the business model and aiming for “popularization of IT”

2. Medium-term growth strategy

(1) Management strategy

Under its mission of “Freeing all people from inefficient work,” the Company aims to realize the “popularization of IT” by providing services that are easy, simple, and intuitive even for IT beginners to use. It endeavors to facilitate its sure and steady growth through the implementation of a Product-Led Growth (PLG) cycle (provide services at low price for a trial model → secure high earnings through efficient operations → recruit high-quality talent by improving average salaries → provide an environment where personnel can leverage their abilities → create easy, convenient services).



Source: The Company's results briefing materials

Outlook

(2) Business strategy
a) Safety confirmation service

Previously, safety confirmation was conducted for a company's own employees; however, in continuing a company's business activities during a disaster (BCP), it is imperative to ascertain the state of the entire supply chain, including suppliers. The Company aims to capture demand by highlighting new use cases, including supply chain management (SCM). It is steadily expanding its market share, with contracts surpassing 4,700 as of the end of 2025.

b) Toyokumo kintoneApps

The Company will strengthen proposals to leverage kintone as a low-cost Web system by integrating multiple services. As a result of expanding use cases and promoting cross-selling and upselling to existing customers, there has also been an ongoing qualitative improvement in earnings, with the average unit price surpassing the ¥20,000 mark as of the end of 2025.

c) TOYOKUMO Scheduler

While the Company is also considering overseas expansion through enlisting the unique concept of enabling users to coordinate plans with external persons, it is currently at the stage of focusing on raising awareness and promoting adoption in Japan through advertising rollouts and other initiatives.

(3) Product development

Since its foundation, the Company has continued to develop cloud services specifically for corporate clients. As of FY12/24, it offered eight services across three categories. In FY12/25, the Company expanded its offerings to nine services in four categories by adding NotePM, which it had acquired. Going forward, it intends to continue expanding its services under its policy of "easy, simple, and intuitive," including pursuing partnerships aimed at a rollout of the "Hito-no-Me Cloud" leveraging AI technology.

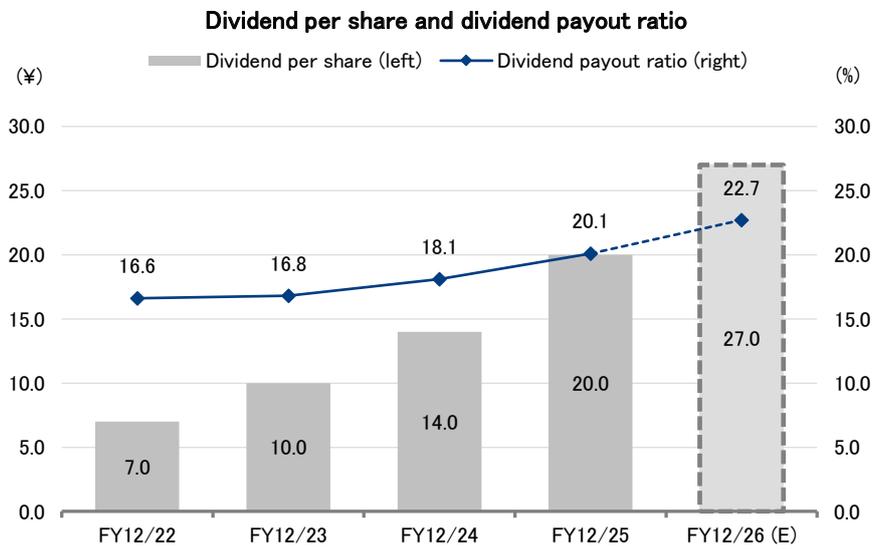
■ Shareholder return policy

Dividend for FY12/26 expected to increase by ¥7.0 to ¥27.0

The Company has not made any dividend payments since its establishment as it prioritizes enhancing the necessary internal reserves for future business expansion in order to strengthen its financial position and secure the competitiveness of its businesses. However, while there is no change to its direction of prioritizing growth investment and aiming for business expansion, the Company recognizes that returning profit to shareholders is an important management task, and has commenced the payment of dividends as of FY12/21. The Company's dividend policy is to conduct continuous return of profits to shareholders, with a dividend payout ratio standard of around 20% of profit attributable to owners of parent at the end of the fiscal year. Going forward, the Company will revise the policy appropriately in consideration of factors such as its earnings, business environment, financial position, and future business development. Note that the deciding body for the dividend of surplus is the General Meeting of Shareholders for the year-end dividend and the Board of Directors for the interim dividend. In addition, while its Articles of Incorporation permit the Company to pay interim dividends, its current basic policy is to pay a dividend once a year at the end of the fiscal year.

Shareholder return policy

The dividends per share the Company paid to date were ¥5.0 in FY12/21, ¥7.0 in FY12/22, ¥10.0 in FY12/23, and ¥14.0 in FY12/24. In its most recent fiscal year, FY12/25, the dividend per share came in at ¥20.0, up ¥6.0 YoY, and the payout ratio reached 20.1%. Also, in FY12/25, the Company executed a ¥200mn purchase of treasury shares, demonstrating a proactive stance on shareholder returns. In FY12/26, the Company plans to further increase the dividend per share by ¥7.0 to ¥27.0. If achieved, this would mark the sixth consecutive fiscal year of dividend increases, and the dividend payout ratio is forecast to become 22.7%, placing it above their standard. Furthermore, to improve capital efficiency, the Company resolved at its Board of Directors meeting held on February 13, 2026 to execute a new purchase of up to ¥300mn of treasury shares (purchase period: from February 16, 2026 to May 29, 2026). The Company intends to continue delivering stable shareholder returns with a payout ratio target in the range of 20%, and, going forward, will keep on enhancing corporate value while maintaining a balance between growth investments and shareholder returns.



Source: Prepared by FISCO from the Company's financial results



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