Business Brain Showa-Ota Inc.

[TSE Prime Market Securities Code: 9658]

Business Brain Showa-Ota Inc.
1Q Financial Results Briefing for the Fiscal Year Ending March 2027

2026.8.13

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Company Introduction

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Company Profile

Name	**株式会社ビジネスブレイン太田昭和**
Name in English	**Business Brain Showa-Ota Inc.**
Headquarters	15F Hibiya Fort Tower, 1-1-1 Nishishimbashi, Minato-ku, Tokyo
Business locations	Tokyo, Osaka, Nagoya, Hamamatsu, Fukuoka, Sapporo, Niigata, Kumamoto, Kagoshima, Naha, Nago, Bangkok, Thailand; Ho Chi Minh City, Vietnam; Singapore
Representative	Kazuhiro Komiya, President
Founded	August 1967
Capital	2,233,490,000 yen
Number of issued shares	34,845,600
Listed market	TSE Prime (Securities Code: 9658)
Number of employees	1,066 (non-consolidated) 2,495 (consolidated)*

(As of the end of March 2026)
* Including 13 consolidated subsidiaries of BBS Group
BBS Group Network URL: https://www.bbs.co.jp/corporate/group/

Business Model

-Aiming to Solve Back Office Challenges-

Expanding Back Office Challenges

Hiring difficulties
Aging workforce
Black-boxed operations
Preventing fraud/
Strengthening internal controls
BCP measures
Changing workstyles
etc...

BBS's Unique Integrated Consulting Services

**Supporting mid-sized companies through
the integrated provision of three core solutions**

CONSULTING
Optimizing business processes

SYSTEM INTEGRATION
Automation through
system implementations

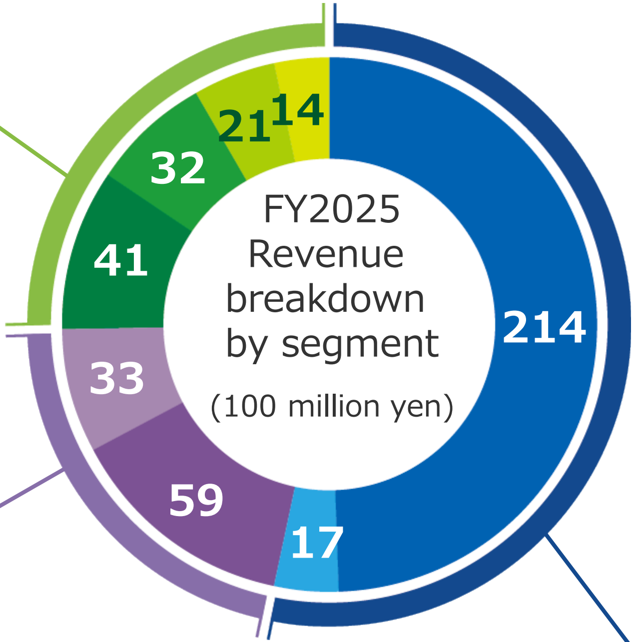
MANAGEMENT SERVICE
Outsourcing via BPO

Advantages of Providing Services in a Cycle

- ✓ Can select and propose optimal solutions without being tied to a specific solution
- ✓ Realistic proposals with an eye on subsequent processes
- ✓ Seamless integration between solutions

Business Details

102 BPO & Managed Services
- 41 HR & Payroll BPO
- 32 Accounting BPO
- 21 Onsite BPO
- 14 Managed Services



92 SES Co-Creation Business
- 59 Financial Business
- 33 Industrial Business

232 Consulting and System Development
- 214 Management Accounting Consulting & Solutions
- 17 PLM Solutions

Consulting and System Development

Management Accounting Consulting & Solutions
- Consulting for management accounting and related domains and system development, introduction support, and maintenance
- Some scratch development and package adoption, handled solutions include the ACT series (internal brand), Biz∫, mcframe, Rakuraku Framework, etc.

PLM Solutions
- CAD add-on development, BOM/PDM development, and maintenance
- Sales and adoption of our PLM console product

SES Co-Creation Business

Financial Business
- Contracted development for securities companies (quasi-mandate-based), SE dispatching
- Sales and adoption of internally developed fund wrap package

Industrial Business
- Contracted development (semi-commission), SE deployment

BPO & Managed Services

HR & Payroll BPO
- Center-based HR related outsourcing services, such as payroll calculation
- Contract calculation using our systems (Bulas, Win5)

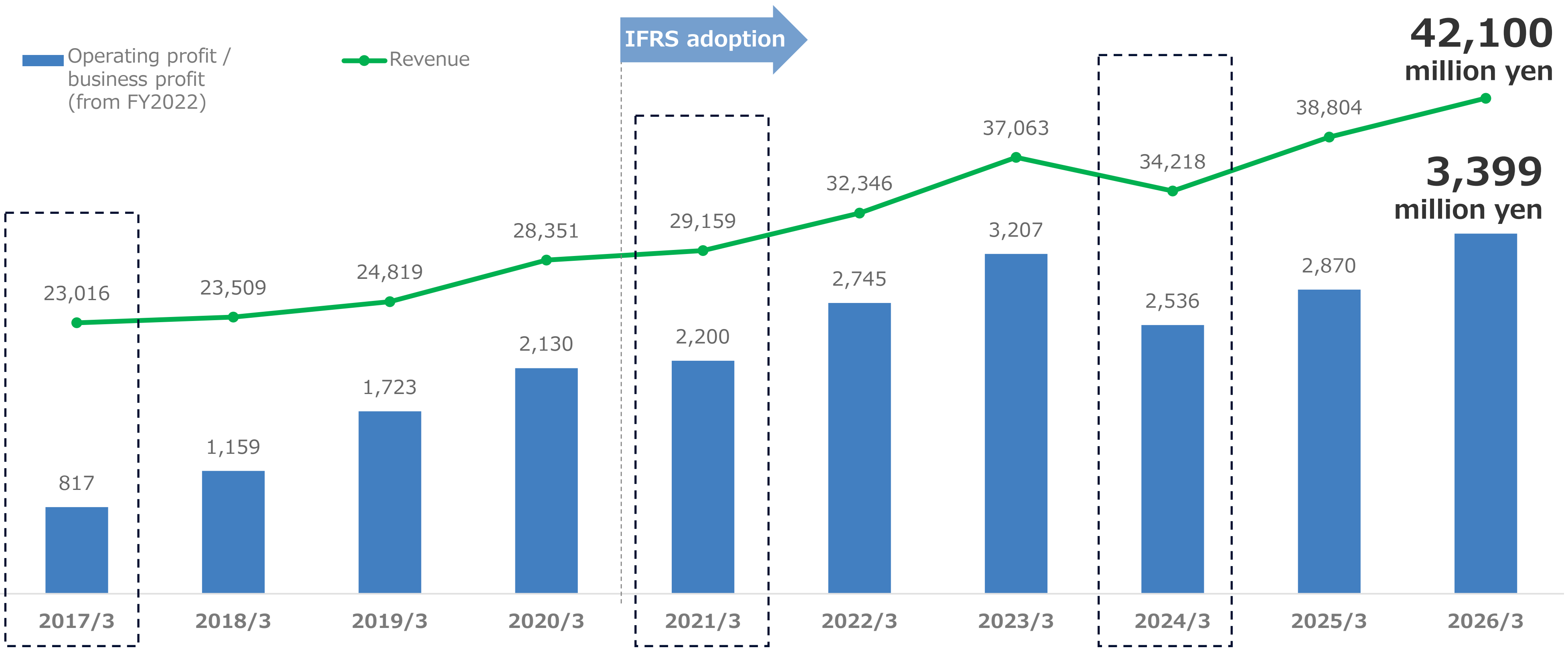
Accounting BPO
- Consulting and center-based outsourcing services for accounting operations
- Handles highly specialized tasks such as preparing financial statements and consolidated financial statements

Onsite BPO
- Dispatch of call center operators, recruitment services, and call center operations

Managed Services
- Product maintenance and business outsourcing services for packaged product vendors and service providers

Profit / Loss Highlights

Sales revenue and operating/business profit over the past 10 years



10-year revenue CAGR **7.4%**

10-year business profit CAGR **14.3%**

* PMI costs recorded due to the acquisition of a BPO subsidiary

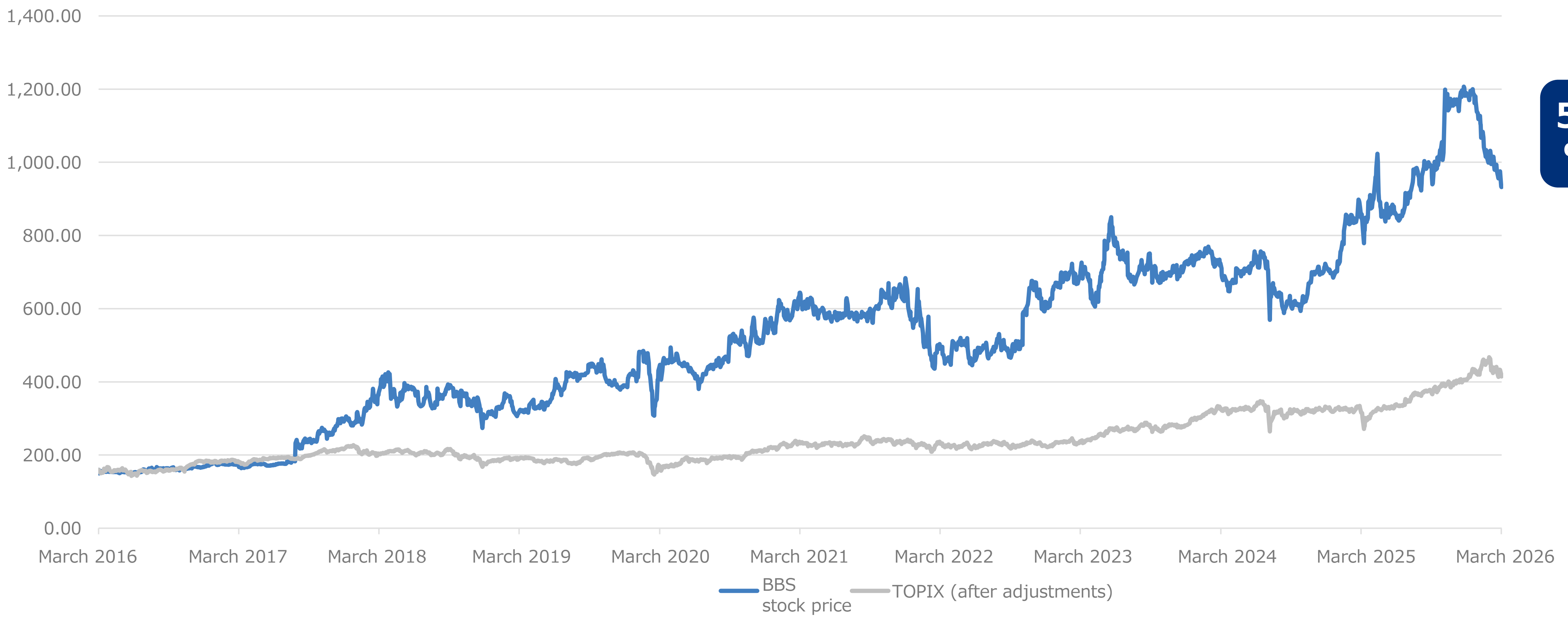
* Revenue stagnation due to COVID-19; increased costs related to IFRS adoption

* Decrease due to the deconsolidation of GSX and MICS

Stock Price Trends

- Over the 10 years from April 2016 to March 2026 our stock price has increased by 5.8x
- We have significantly outpaced the broader TOPIX, which increased by 2.6x

■ Stock price over the past 10 years



5.8x increase over 10 years

Financial Highlights for 1Q FY2026

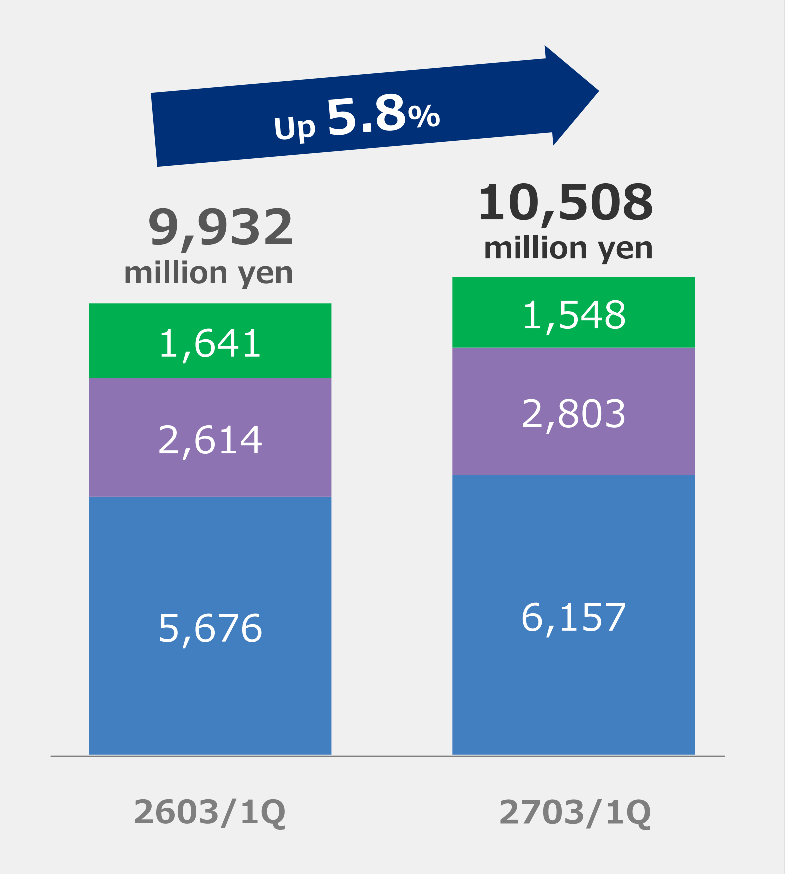
2

Highlights for 1Q FY2026

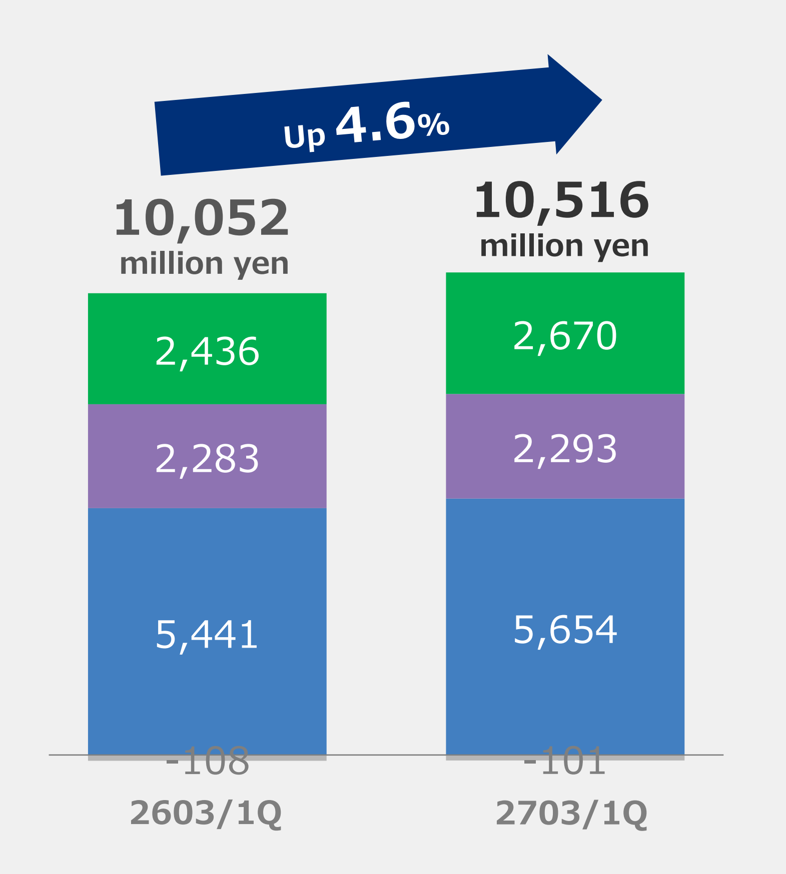
- Orders received and revenue grew steadily, but business profit decreased due to a decline in the utilization rate and an increase in recruitment expenses
- Company-wide expenses increased due to R&D investment, a key priority for this fiscal year

■ Consulting and System Development
■ SES Co-Creation Business
■ BPO & Managed Services
■ Corporate Expenses / Adjustments

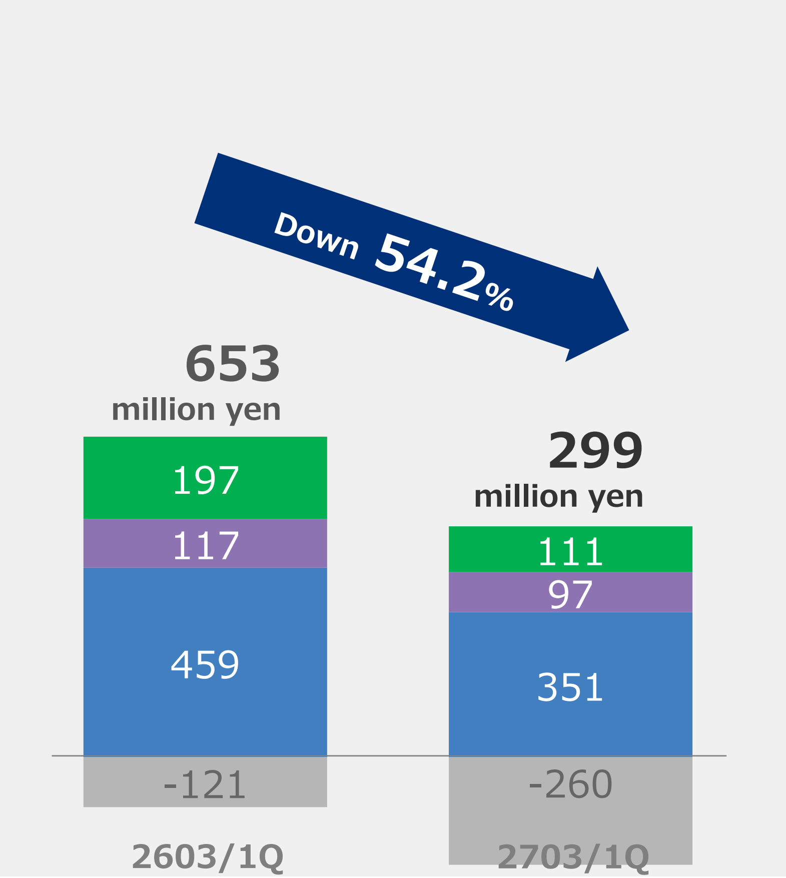
■ Orders received



■ Revenue



■ Business profit



Highlights for 1Q FY2026 - Comments

Orders received

Revenue

Consulting and System Development Business: Increased orders (481 million yen) / increased revenues (213 million yen)

- Infrastructure-related demand remained strong
- Orders from existing customers increased

SES Co-Creation Business: Increased orders (189 million yen) / increased revenues (10 million yen)

- Orders expanded through strengthened proposals to existing customers and price negotiations
- Revenue in the Industrial Business decreased due to an increase in resignations at the end of the previous fiscal year

BPO & Managed Services Business: Decreased orders (-94 million yen) / increased revenues (234 million yen)

- HR & Payroll BPO and Accounting BPO were sluggish due to the absence of large-scale project wins
- Orders for Onsite BPO and Managed Services expanded

Business profit*

Consulting and System Development Business: Decreased profits (-108 million yen)

- Profit margin declined due to a rise in the outsourcing ratio and a decline in the utilization rate

SES Co-Creation Business: Decreased profits (-20 million yen)

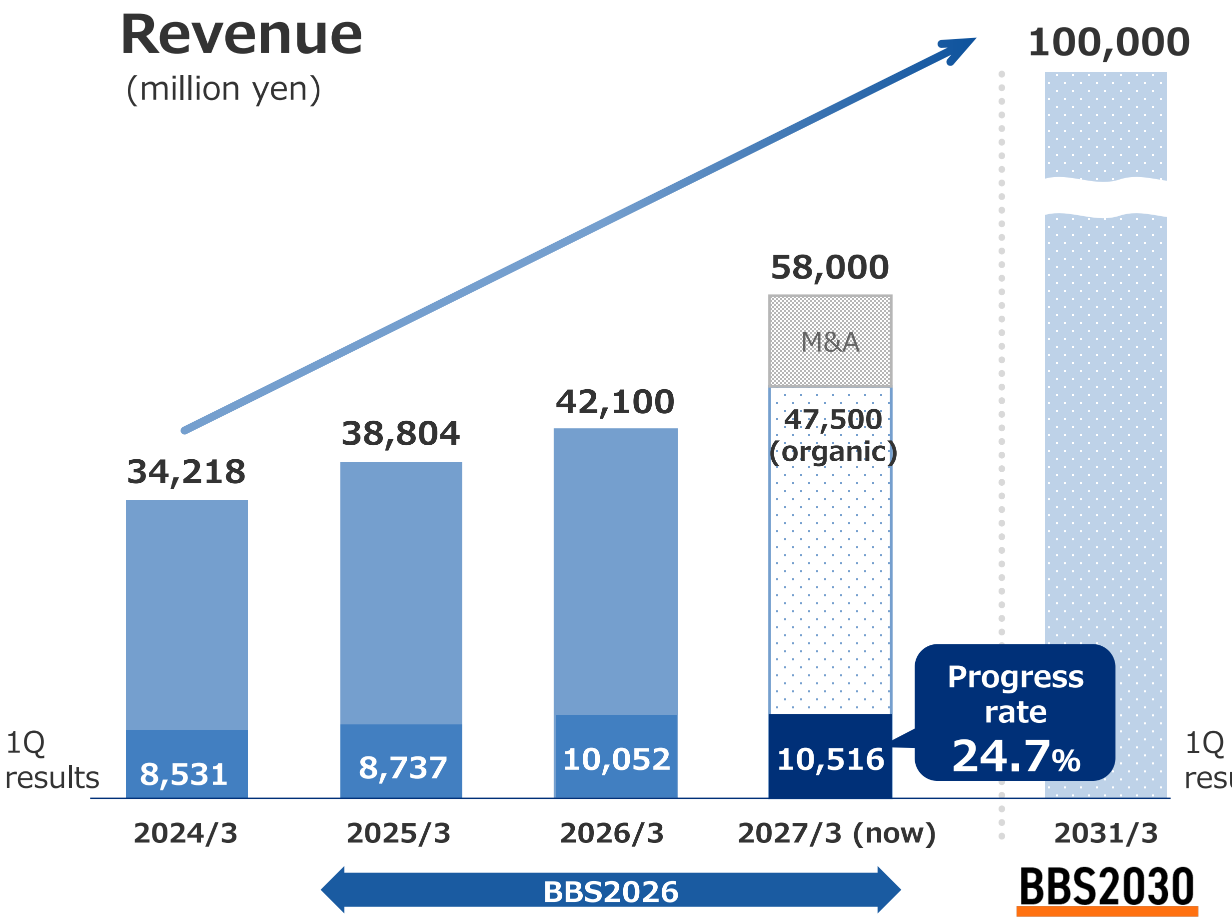
- Impacted by the decrease in revenue and decline in the utilization rate in the Industrial Business

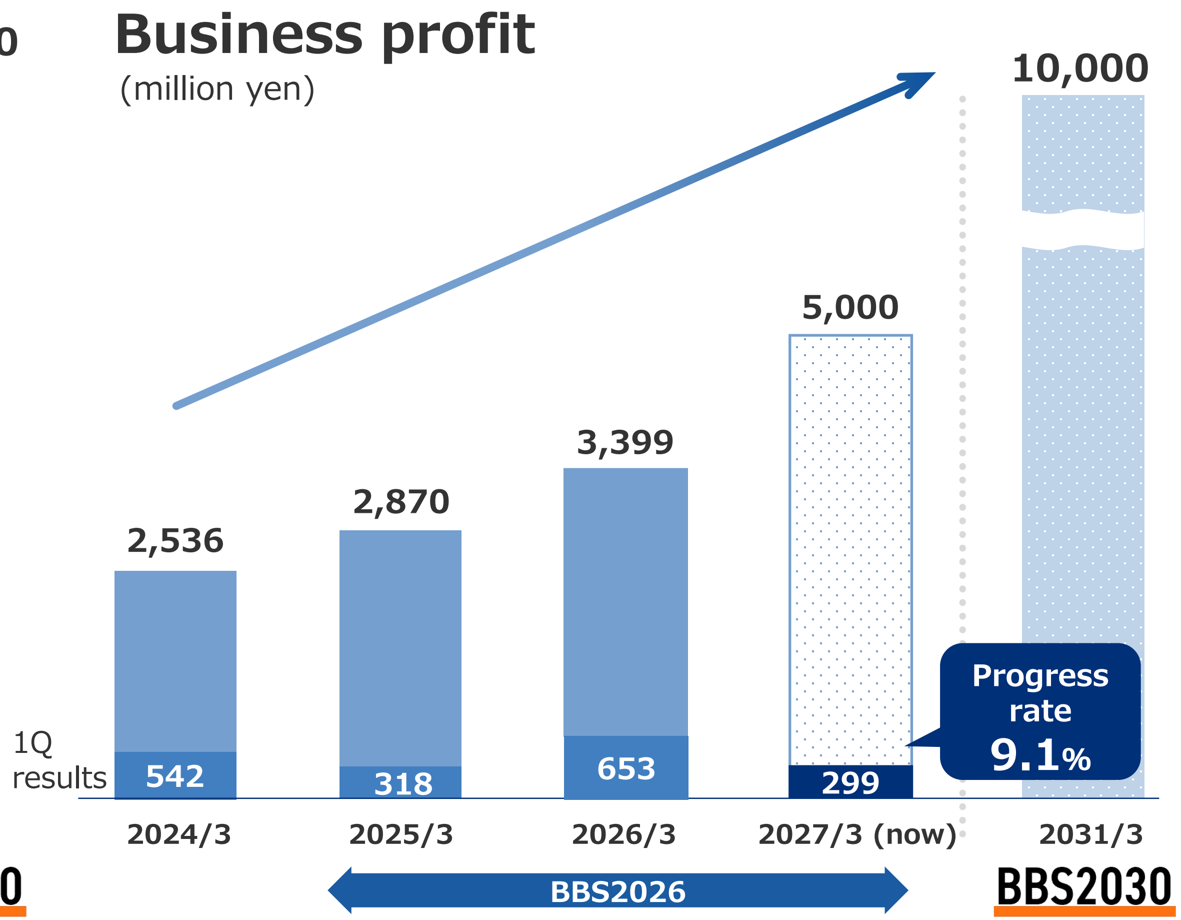
BPO & Managed Services Business: Decreased profits (-86 million yen)

- Impacted by delays in the launch of Accounting BPO and the recording of relocation costs for the Hamamatsu BPO Center

* Business profit is calculated by excluding gains and losses arising from non-recurring factors from operating profit.

Business Progress





FY2026 is the final year (the third year) of the Medium-term Management Plan BBS2026, but BBS will revise its initial plan and make upfront investments in R&D.

BBS2026 KPI Progress

BBS

【Growth】

Mid-term plan targets

Sales growth rate (including M&A)

4.6% (YoY: 15.0%)

(Organic sales growth rate: 4.6%)

3 Year CAGR 20%

Business profit margin on sales

2.8% (YoY: 6.5%)

By FY2026 8.5%

BBS cycle rate

34%

(End of previous fiscal year: 35%)

By FY2026 40%

【Investment】

Mid-term plan targets

M&A investment

490 million yen

(Cumulative: 490 million yen)

(Progress vs. mid-term plan target: 4%)

Total for 3 years 13,000 million yen

R&D investment

140 million yen

(Cumulative: 440 million yen)

(Progress vs. mid-term plan target: 44%)

Total for 3 years 1,000 million yen or more

Human capital investment

160 million yen

(Cumulative: 1,000 million yen)

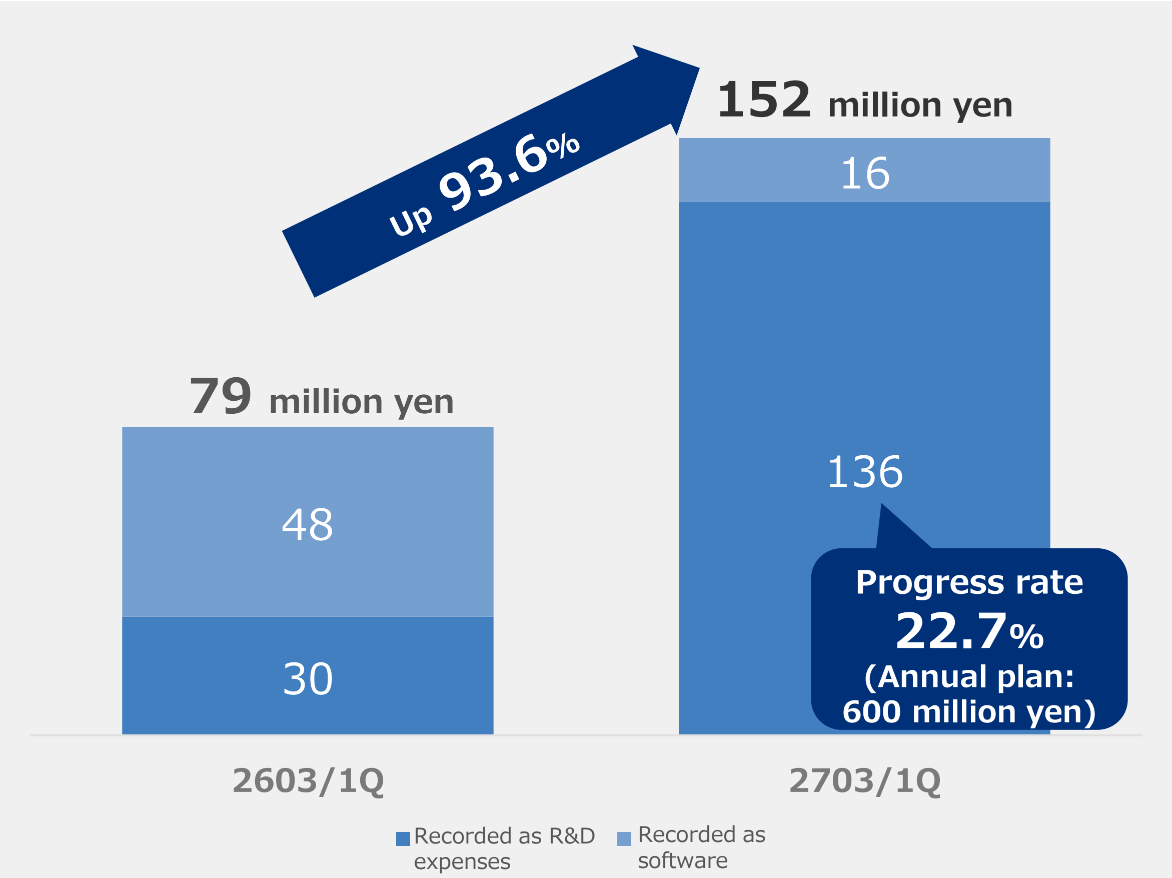
(Investment progress: 46%)

Total for 3 years 2,200 million yen or more

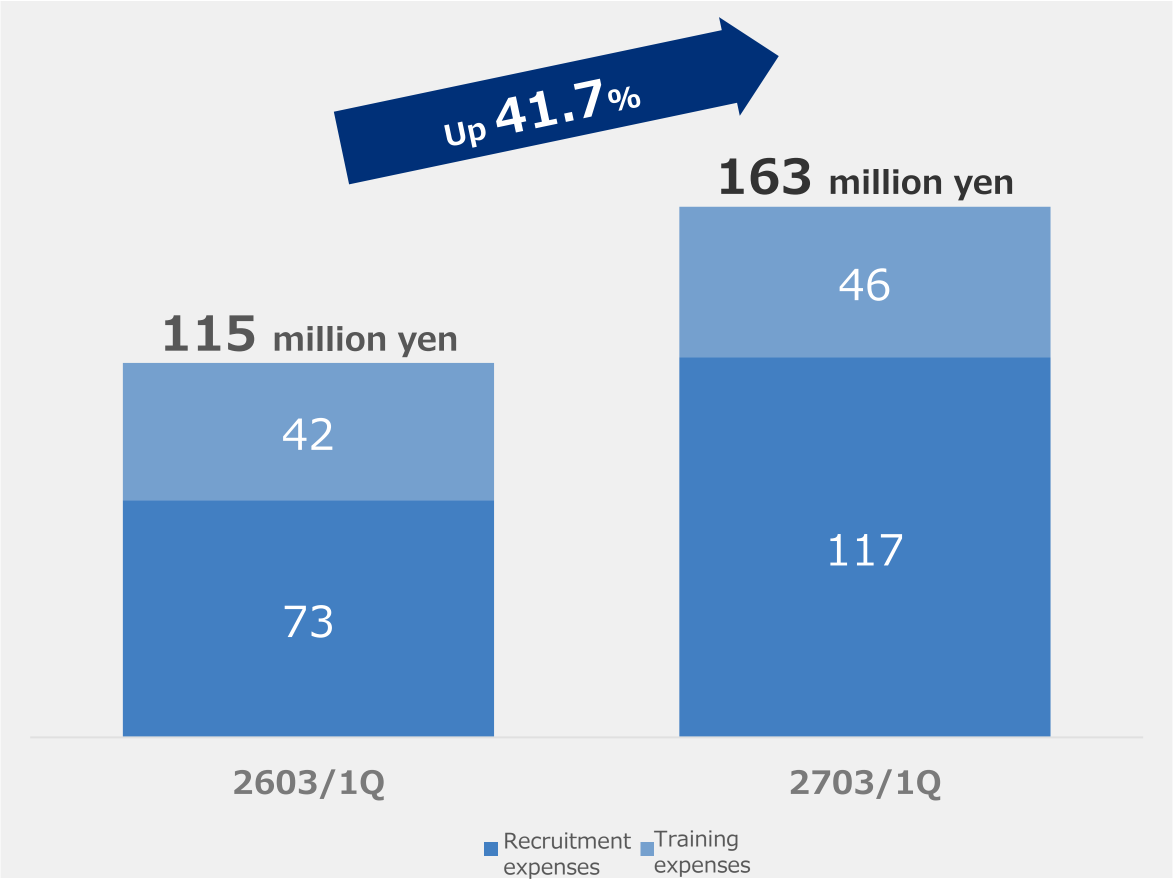
R&D Investment, Human Capital Investment

- Main R&D themes: [Key Priorities] AI utilization, renewal of the BBS standard methodology, and ACT-Horizon-related development
- Main human capital investment: Increase in fees paid to agents, etc., due to proactive recruitment of human resources

■ R&D investment



■ Human capital investment



(Reference: Financial Results Briefing for FY2025)
Investment Amounts and Profit Effects

BBS

Goal2030

Beginning with upfront investment of **600 million yen*** in FY2026,
we will realize a return of **approx. 2x over 5 years.**

In FY2028 investment recovery will exceed the investment amount, and
investment profit of 2,600 million yen will be created on a 5-year cumulative basis.

*: Total of R&D investment and capital investment

FY2026
Investment amount: 600 million yen*
Recovery amount: 0 million yen

Investment P/L **-600 million yen**

FY2027
Investment amount: 700 million yen*
Recovery amount: 600 million yen

Investment P/L **-100 million yen**

▼ Turning point for investment recovery

FY2028
Investment amount: 700 million yen*
Recovery amount: 1,000 million yen

Investment P/L **300 million yen**

FY2029
Investment amount: 300 million yen*
Recovery amount: 1,600 million yen

Investment P/L **1,300 million yen**

FY2030
Investment amount: 400 million yen*
Recovery amount: 2,100 million yen

Investment P/L **1,700 million yen**

5-year cumulative total
Investment amount: 2,700 million yen
Return: 5,300 million yen
Investment profit: 2,600 million yen

- Return on investment (ROI): Approx. **196%** (5,300 million yen ÷ 2,700 million yen)
- Turning point for investment recovery: **FY2028** (profitability on a single-year basis in the 3rd year of investment)

Topics for 1Q FY2026

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The six months ending September 30, 2026 Revision of Earnings Forecast

BBS

Revision of the consolidated earnings forecast for the six months ending September 30, 2026

(Unit : Millions of yen)

	Revenue	Business profit	Operating profit	Profit before tax	Interim profit	Interim profit attributable to owners of parent	Basic earnings per share for the interim period(Yen)
Previous forecast (A)	20,900	1,550	1,550	2,010	1,304	1,293	39.85
Revised forecast (B)	**20,900**	**1,300**	**1,300**	**1,760**	**1,207**	**1,197**	**36.88**
Change (B – A)	–	- 250	- 250	- 250	- 97	- 96	–
Rate of change (%)	–	- 16.1	- 16.1	- 12.4	- 7.4	- 7.4	–
(Reference) Results for the same period last year	20,410	1,496	1,490	1,975	1,242	1,229	37.86

（Note）On April 1, 2026, a stock split of three shares will be implemented for every 1 common share held. Intermediary earnings per share for the same period last year are figures after considering the split.

Reason for revision

With respect to the consolidated financial results for the three months ended June 30, 2026, revenue exceeded that of the same period of the previous fiscal year; however, profit at each level from business profit downward fell short of initial expectations. The main factors were a decline in the utilization rate due to uneven allocation of personnel, delays in the launch of new projects, and expenses incurred in connection with the relocation of business offices. On the other hand, orders received have remained solid, and since some of these factors are considered temporary, profitability is expected to improve gradually from the second quarter onward.

In light of the foregoing, following a thorough review of the consolidated earnings forecast for the six months ending September 30, 2026, the Company has decided to revise the previously announced forecast as set forth above.

With respect to the consolidated earnings forecast for the full fiscal year, the Company is leaving its previously announced forecast unchanged at this time, as it is necessary to monitor future trends in orders received, the progress of projects, and the status of improvement in profitability, among other factors. Should any matters requiring a revision of the earnings forecast arise in the future, the Company will promptly make an announcement.

Acquisition of Shares of System-One (Making it a Wholly Owned Subsidiary)

Purpose of the share acquisition

- Based on the No. 1 Strategy (Area Strategy), a key strategy under the Medium-term Management Plan BBS2026, expand the business base in the western Japan region, including the Hiroshima area
- Strengthen the customer base and development structure in the Hiroshima area through cooperation with BBS's subsidiary BSC and the Western Japan Region Division
- Expand proposal capabilities and service delivery structure in the western Japan region, contributing to the expansion of the Group's overall business and the enhancement of value for clients

Acquisition scheme and schedule

- Acquired all shares, making System-One a wholly owned subsidiary (share transfer executed on May 28, 2026)
- Board of Directors meeting resolution: March 27, 2026
- Agreement execution: March 31, 2026

Overview of System-One	
Name	System-One Co., Ltd.
Location	4F, Delta Building, 1-1-22 Honkawa-cho, Naka-ku, Hiroshima-shi, Hiroshima
Representative	Toru Kondo, Representative Director
Date of incorporation	January 21, 1985
Capital stock	¥10,000,000
Business description	With a focus on software development, System-One operates a broad range of businesses spanning infrastructure construction, personnel support, and education and certification support

Operating Results and Financial Position (fiscal year ended September 2025)	
Net sales	184 million yen
Operating profit/loss	-3 million yen
Profit	6 million yen
Total assets	524 million yen
Net assets	510 million yen

Selection for the JPX-Nikkei Mid and Small Cap Index

Selection of Our Stock

- Selected as a constituent for fiscal year 2026 (August 31, 2026 ~ August 30, 2027)
- Efficient use of capital and investor-oriented management are highly evaluated

Approach to Stock Selection

- Applying JPX Nikkei 400's concept of 'a company highly attractive to investors' to Mid and small-cap stocks
- Screening: Excludes companies listed less than 3 years, with excess liabilities or continuous losses, as well as the top 20% by market capitalization and low liquidity stocks
- Scoring: Ranking based on 3-year average ROE (70%) + 3-year cumulative operating profit (30%)
- Qualitative Elements Bonus: Appointment of independent outside directors and female executives, IFRS adoption, English disclosure (TDnet)

Source: Japan Exchange Group "JPX Nikkei Mid & Small Cap Index"

Overview of JPX-Nikkei Mid and Small Cap Index	
Name	JPX-Nikkei Mid and Small Cap Index
Provider	JPX Market Innovation & Research, Inc., and Nikkei Inc.
Start of Calculation	March. 13, 2017
Base Date/Base Point	Aug. 31, 2016 / 10,000 points
All the eligible constituents	Common stocks whose main market is the TSE Prime Market, Standard Market, Growth Market
Number of Constituents	200 issues
Calculation Method	Free-float adjusted market capitalization-weighted (with 1.5% cap)
Periodic Review	The base date for selection is the last business day of June each year, with the replacement effective on the last business day of August.

FY2026 1Q Detailed Financial Results

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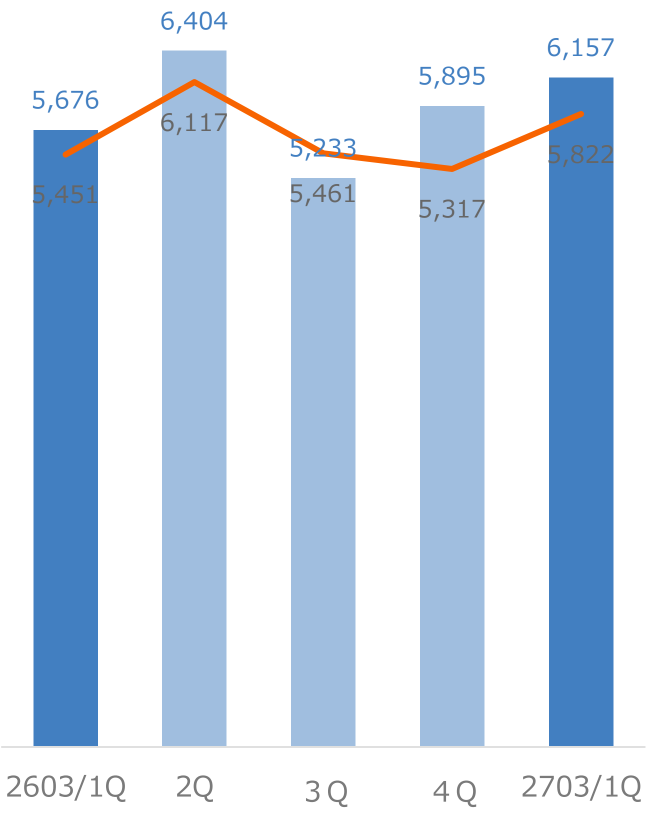
Orders Received and Backlog of Orders
Quarterly Change (Accounting Period)

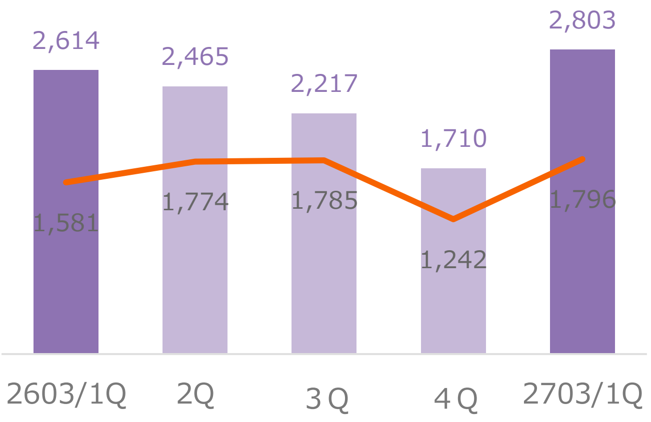
Orders received in Consulting and System Development and SES Co-Creation Business improved, but BPO & Managed Services struggled

Orders Received
Backlog of Orders
Unit: million yen

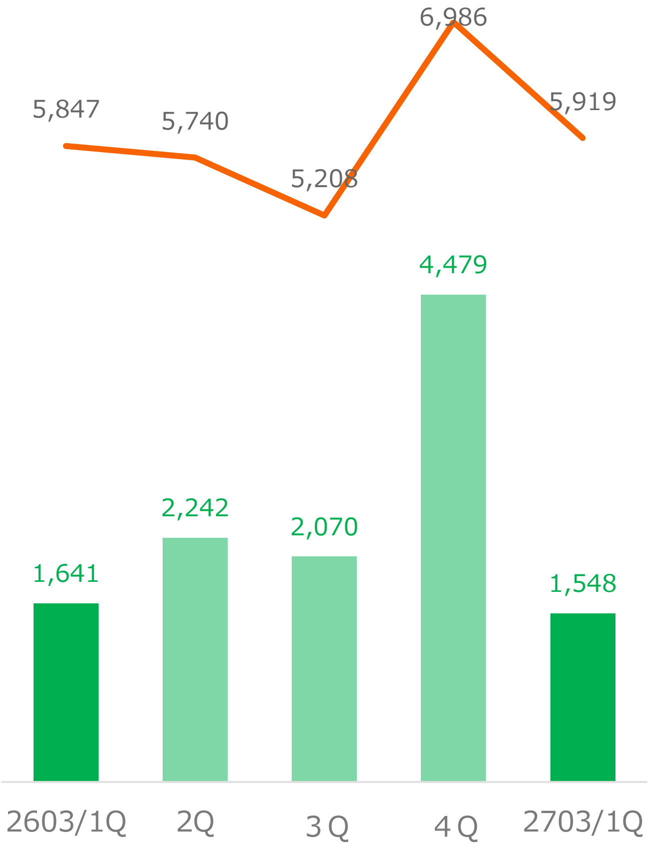
Consulting and System Development



SES Co-Creation Business



BPO & Managed Services



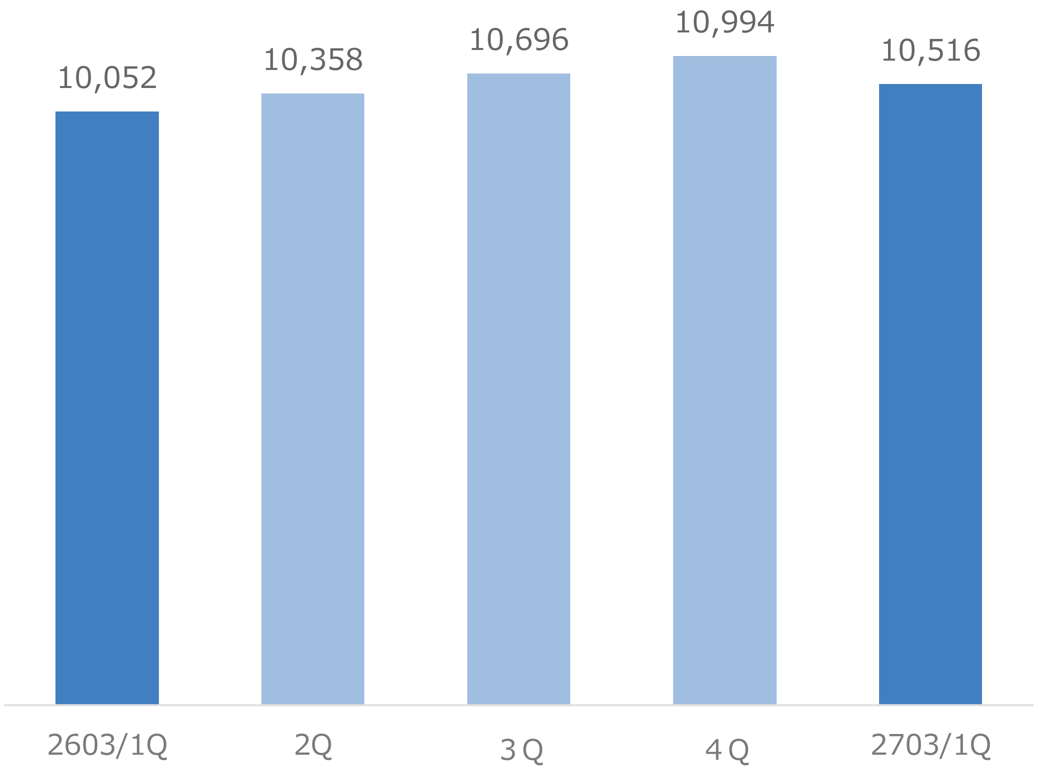
Orders Received and Backlog of Orders

Segments	Order Trends	Year-on-Year Comparison Commentary
■ Consulting and System Development	• Because orders are often placed once customer budgets are finalized, the fourth quarter used to be the peak; however, with the increasing proportion of relatively large projects and constraints on our side in terms of response (production capacity), orders are tending to be dispersed across the second and third quarters	• Infrastructure-related demand remained strong, and orders from existing customers also increased
■ SES Co-Creation Business	• In principle, most orders are for periods of one to several months, making it a business that secures stable orders throughout the year	• Amid intensifying competition in the online securities market, limited demand for new regulatory compliance, and projects trending downward, orders were expanded through strengthened proposals to existing customers and price negotiations • For fund wrap-related projects, BBS is considering expanding its scope through support for new functionality, etc.
■ BPO & Managed Services	• Many contracts are for one-year terms with renewals in March, which concentrates orders in the fourth quarter. In addition, large orders are often multi-year contracts, which can cause a surge in orders in the period when such orders are received. As such, quarterly order value is not stable	• The core HR & Payroll BPO and Accounting BPO businesses were sluggish due to the absence of large-scale project wins, while orders for Onsite BPO and Managed Services expanded from existing customers

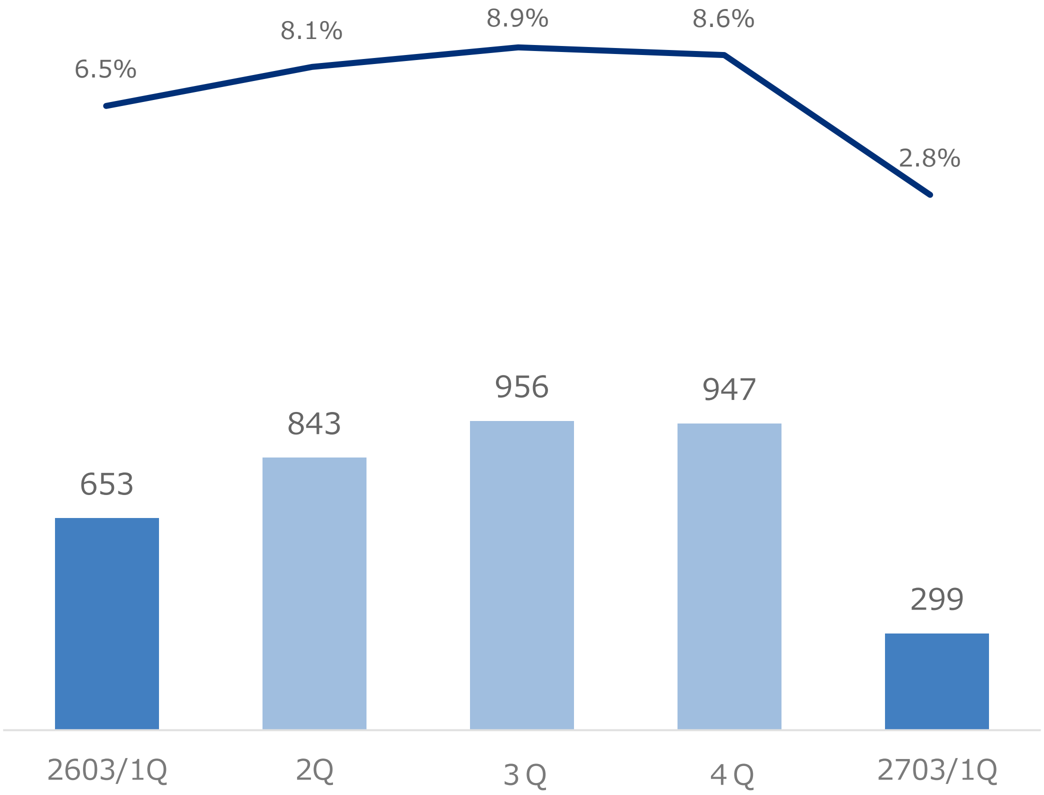
Revenue and Business Profit
Quarterly Change (Accounting Period)

Revenue grew steadily, but business profit decreased due to the impact of intensive investment in R&D and efforts to level the utilization rate in the System Development Division

Revenue (Unit: million yen)



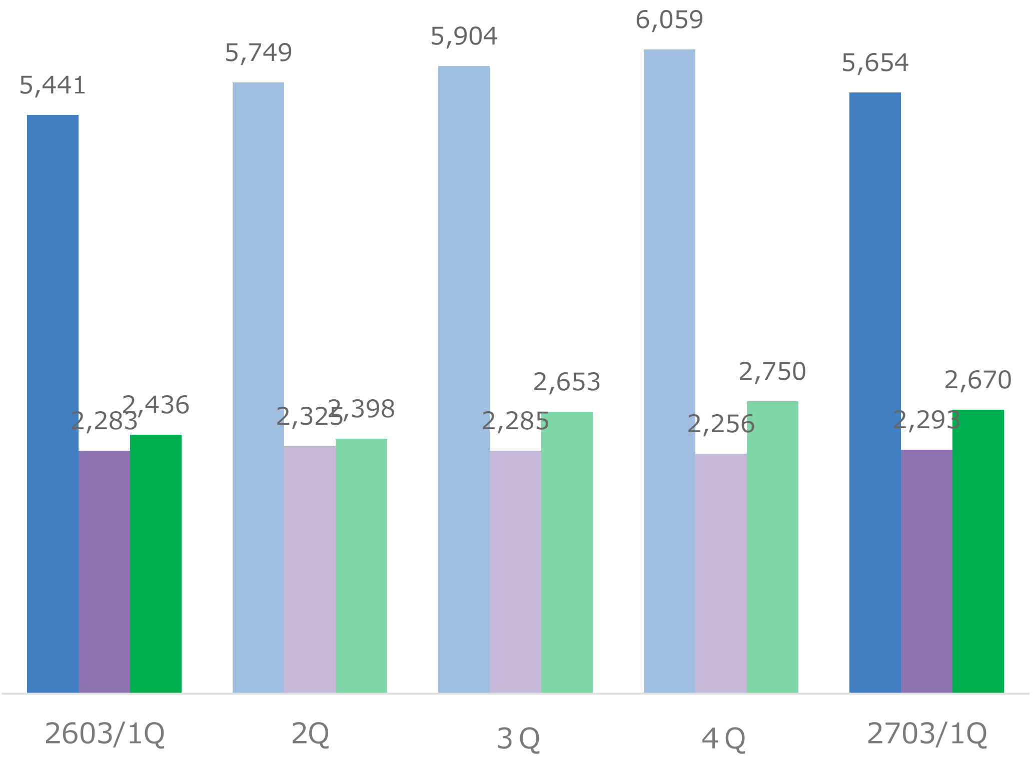
Business Profit (Unit: million yen) and Business Profit Margin



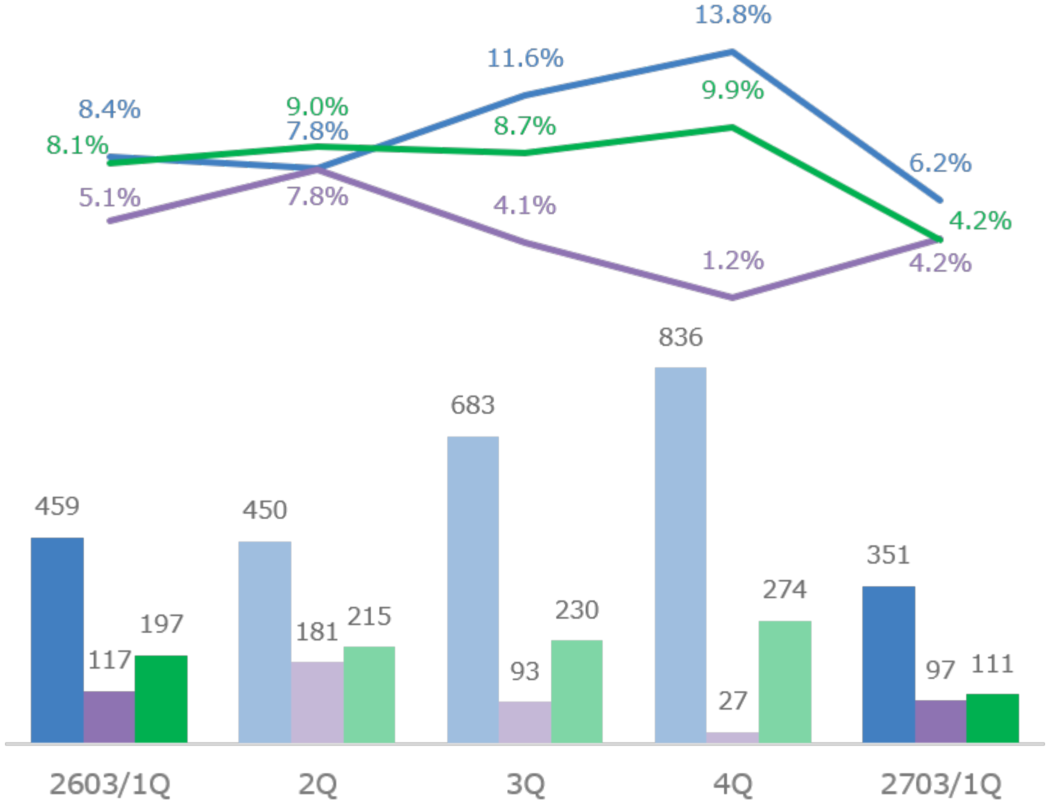
Segment Revenue and Profit Quarterly Change (Accounting Period)

■ Consulting and System Development
■ SES Co-Creation Business
■ BPO & Managed Services

Segment Revenue (Unit: million yen)



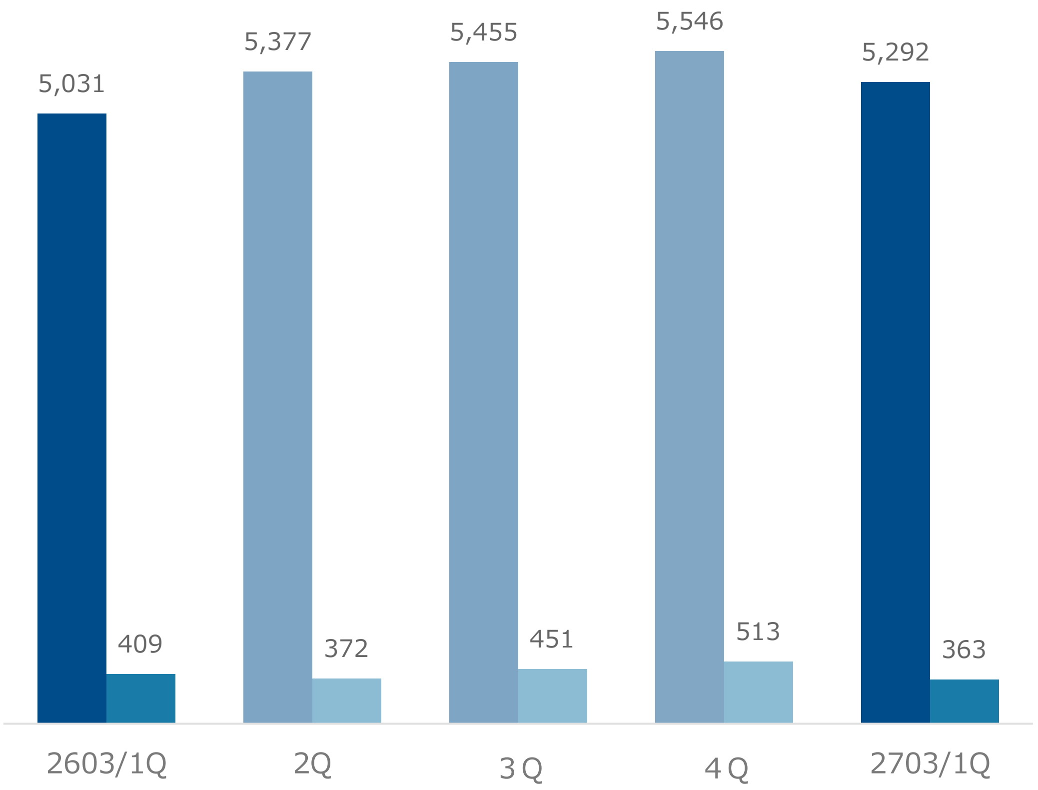
Segment Profit (Unit: million yen)



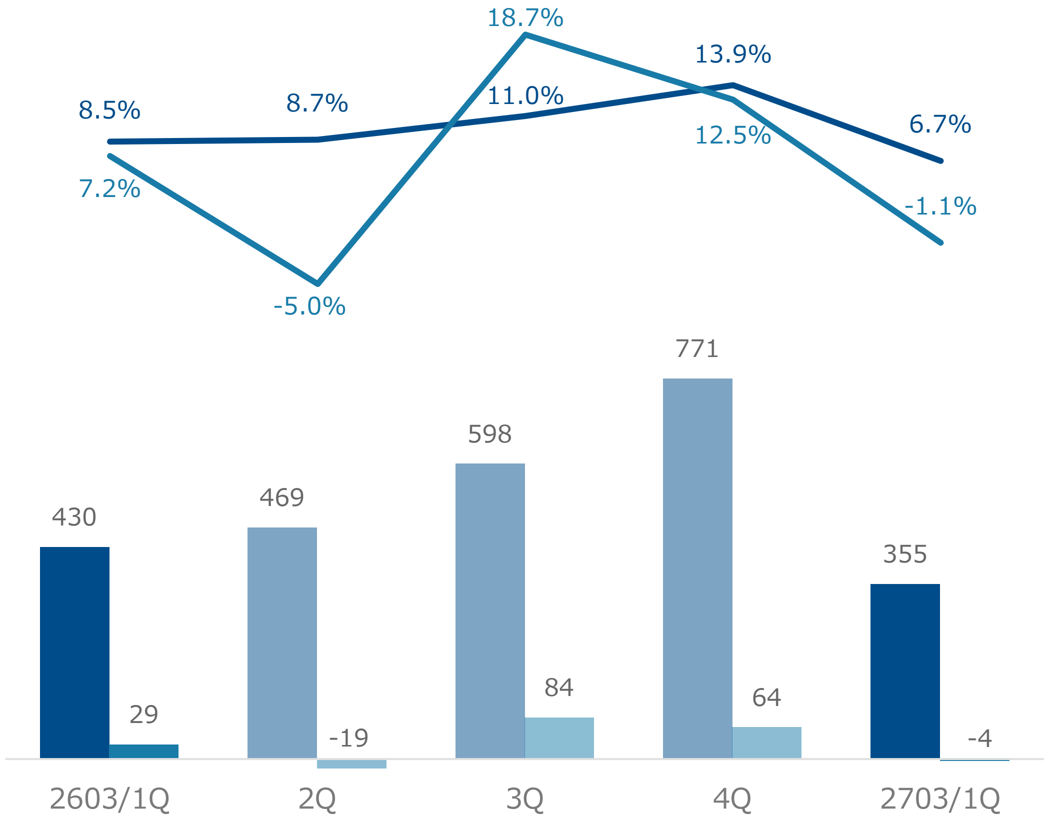
Consulting and System Development Quarterly Change (Accounting Period)

■ Management Accounting Consulting & Solutions
■ PLM Solutions

Segment Revenue (Unit: million yen)



Segment Profit (Unit: million yen)



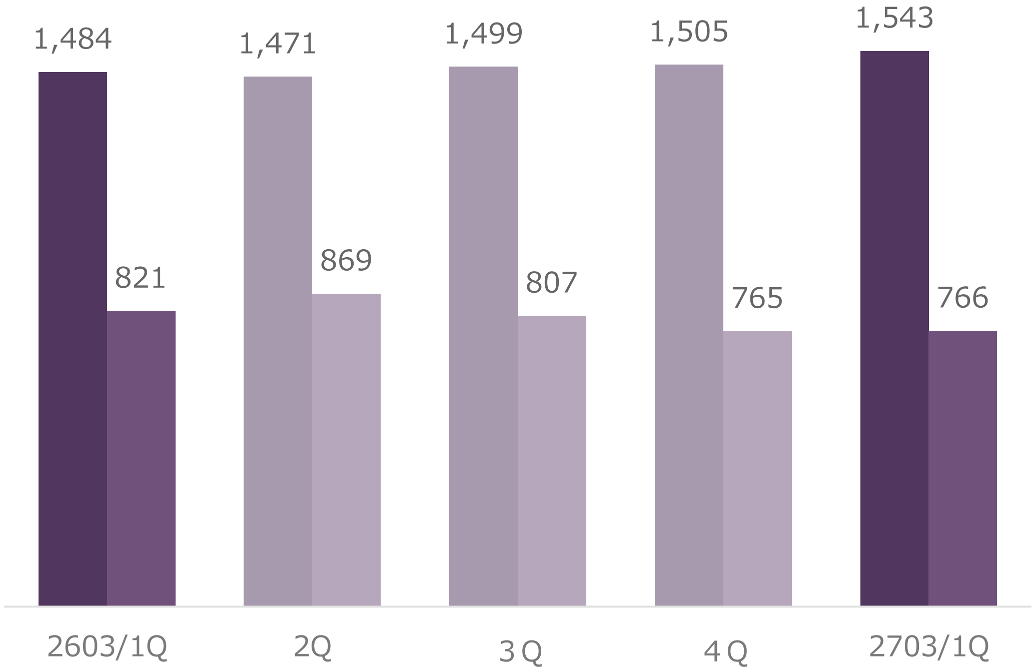
Consulting and System Development Overview

Subsegments	Year-on-Year Comparison Commentary
■ Management Accounting Consulting & Solutions	• Revenue increased, driven by steady performance in projects for existing customers, mainly in infrastructure-related areas • In terms of profit, as internal personnel operating at high utilization were rebalanced from a quality assurance standpoint, the outsourcing ratio rose and the profit margin declined • In addition, profit decreased due to a decline in the company-wide utilization rate caused by unassigned personnel in the Accounting Consulting Division and the Nagoya area. Utilization varies by region and service line, and the need to level utilization is recognized as an issue
■ PLM Solutions	• Revenue decreased due to the postponement of some projects, etc. • In addition to the revenue decrease, an operating loss was temporarily recorded due to upfront investment to strengthen the internal structure

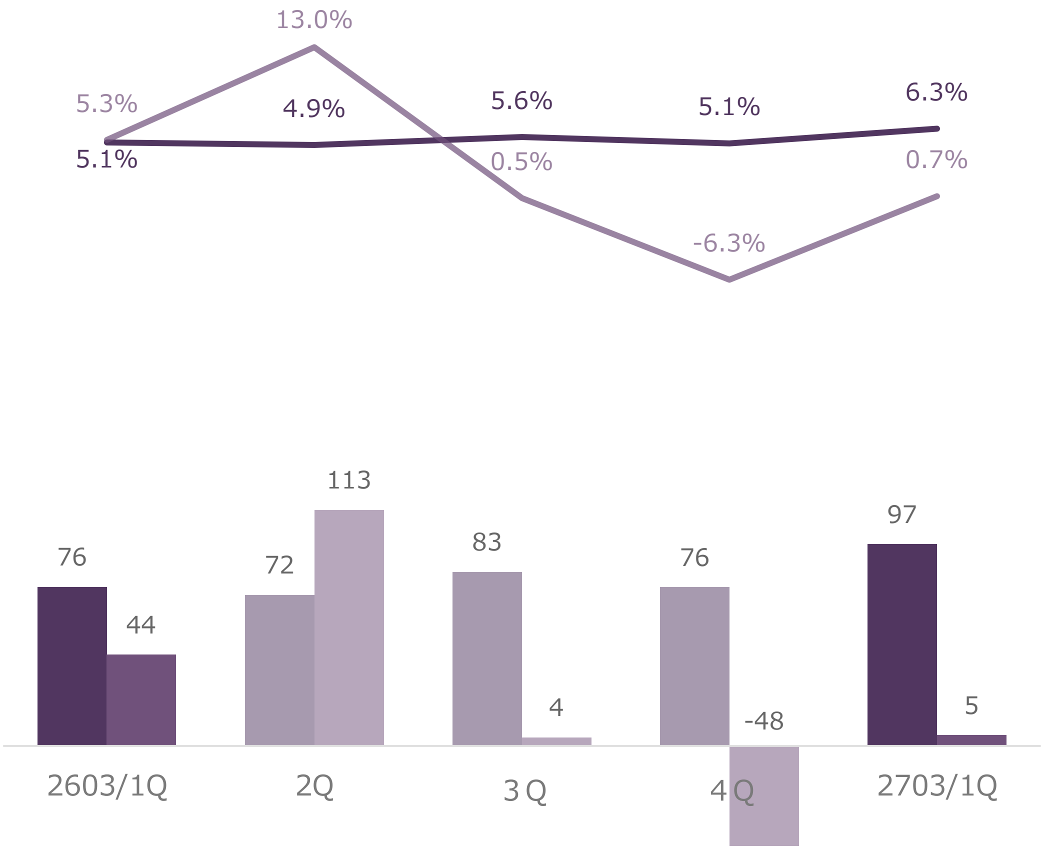
SES Co-Creation Business Quarterly Change (Accounting Period)

■ Financial Business
■ Industrial Business

Segment Revenue (Unit: million yen)



Segment Profit (Unit: million yen)



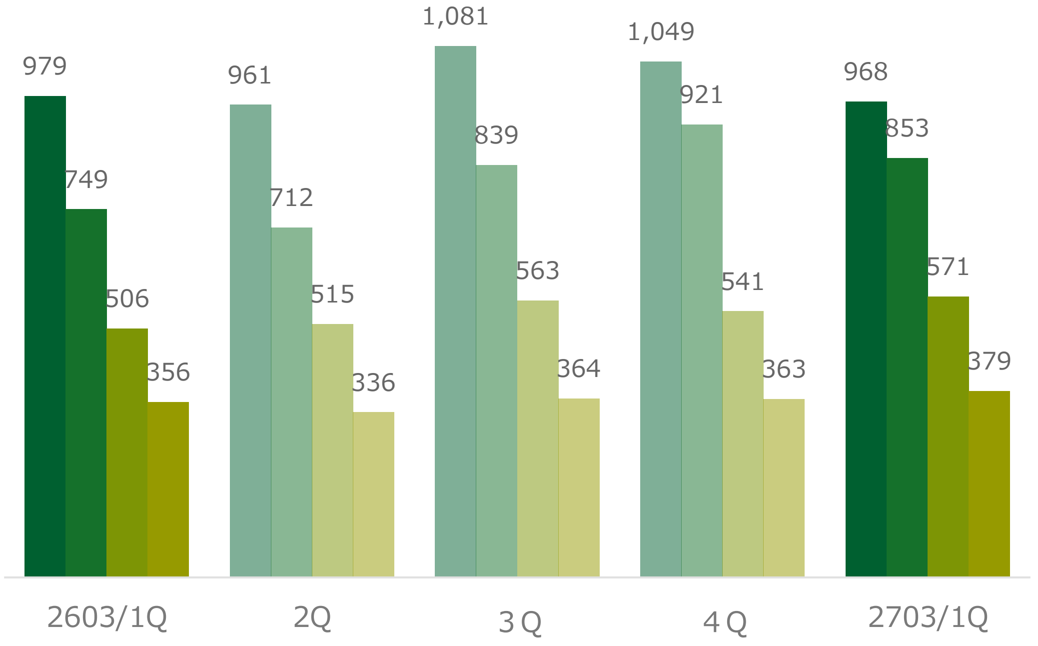
SES Co-Creation Business Overview

Subsegments	Year-on-Year Comparison Commentary
■ Financial Business	• Revenue increased due to the expansion of projects for existing customers, including online securities firms, combined with the success of strengthened price negotiations • Profit also improved due to the effect of the measures above
■ Industrial Business	• Revenue decreased, as BBS was unable to fully offset the decline resulting from an increase in resignations at the end of the previous fiscal year • In terms of profit, besides the revenue decrease, the utilization rate also declined due to unassigned personnel, resulting in decreased profit.

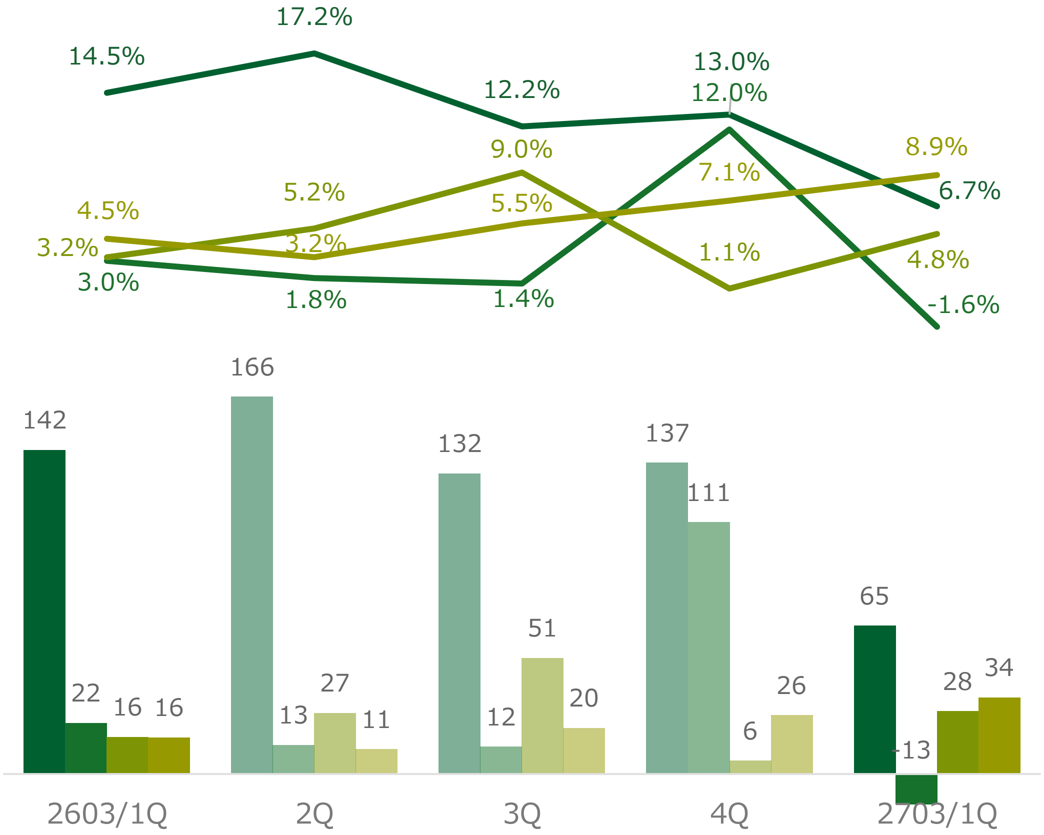
BPO & Managed Services Quarterly Change (Accounting Period)

- HR & Payroll BPO
- Accounting BPO
- Onsite BPO
- Managed Services

Segment Revenue (Unit: million yen)



Segment Profit (Unit: million yen)



BPO & Managed Services Overview

Subsegments	Year-on-Year Comparison Commentary
■ HR & Payroll BPO	• Revenue was generally on par with the same period of the previous year, despite the cancellation of some contracts • In terms of profit, in addition to the impact of the cancellation, profit decreased due to an increase in recruitment expenses and the recording of 33 million yen in expenses associated with the relocation of the Hamamatsu BPO Center (including the double rent burden, etc.)
■ Accounting BPO	• Revenue increased due to the expansion of the Sapporo BPO Center • On the other hand, the launch of projects was delayed relative to plan, resulting in an operating loss. This is expected to normalize in the second half
■ Onsite BPO	• Revenue expanded due to an increase in call center staff in response to client requests • Profit also increased due to the increase in revenue and the improvement in profit margin resulting from expanded utilization
■ Managed Services	• Revenue expanded through collaboration with NTT DATA Corporation • Profit also increased due to the increase in revenue and the improvement in profit margin resulting from improved productivity

Appendix

四半期セグメント売上/Quarterly Segment Revenue

（単位:百万円）	（unit: million yen）	2026/3				2027/3			
		1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
コンサルティング･システム開発	**Consulting and System Development**								
経営会計コンサルティング＆ソリューション	Management Accounting Consulting & Solutions	5,031	5,377	5,455	5,546	5,292	0	0	0
PLMソリューション	PLM Solutions	409	372	451	513	363	0	0	0
調整	Adjustments	0	0	-1	-0	-2	0	0	0
セグメント計	Segment Total	5,441	5,749	5,904	6,059	5,654	0	0	0
SES共創ビジネス	**SES Co-Creation Business**								
金融ビジネス	Financial Business	1,484	1,471	1,499	1,505	1,543	0	0	0
産業ビジネス	Industrial Business	821	869	807	765	766	0	0	0
調整	Adjustments	-22	-15	-21	-14	-16	0	0	0
セグメント計	Segment Total	2,283	2,325	2,285	2,256	2,293	0	0	0
BPO&マネージドサービス	**BPO & Managed Services**								
人事給与BPO	HR & Payroll BPO	979	961	1,081	1,049	968	0	0	0
経理BPO	Accounting BPO	749	712	839	921	853	0	0	0
オンサイトBPO	Onsite BPO	506	515	563	541	571	0	0	0
マネージドサービス	Managed Services	356	336	364	363	379	0	0	0
調整	Adjustments	-154	-126	-194	-124	-101	0	0	0
セグメント計	Segment Total	2,436	2,398	2,653	2,750	2,670	0	0	0
合計	**Total**	**10,160**	**10,473**	**10,842**	**11,065**	**10,617**	**0**	**0**	**0**
本社/調整額	Company-wide expenses and Adjustments	-108	-115	-146	-71	-101	0	0	0
連結	**Consolidated**	**10,052**	**10,358**	**10,696**	**10,994**	**10,516**	**0**	**0**	**0**

四半期セグメント事業利益/ Quarterly Segment Business Profit

(単位:百万円)	(unit: million yen)	2026/3				2027/3			
		1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
コンサルティング･システム開発	**Consulting and System Development**								
経営会計コンサルティング＆ソリューション	Management Accounting Consulting & Solutions	430	469	598	771	355	0	0	0
PLMソリューション	PLM Solutions	29	-19	84	64	-4	0	0	0
調整	Adjustments	0	0	0	0	0	0	0	0
セグメント計	Segment Total	459	450	683	836	351	0	0	0
SES共創ビジネス	**SES Co-Creation Business**								
金融ビジネス	Financial Business	76	72	83	76	97	0	0	0
産業ビジネス	Industrial Business	44	113	4	-48	5	0	0	0
調整	Adjustments	-3	-5	5	-1	-5	0	0	0
セグメント計	Segment Total	117	181	93	27	97	0	0	0
BPO&マネージドサービス	**BPO & Managed Services**								
人事給与BPO	HR & Payroll BPO	142	166	132	137	65	0	0	0
経理BPO	Accounting BPO	22	13	12	111	-13	0	0	0
オンサイトBPO	Onsite BPO	16	27	51	6	28	0	0	0
マネージドサービス	Managed Services	16	11	20	26	34	0	0	0
調整	Adjustments	0	-1	15	-5	-2	0	0	0
セグメント計	Segment Total	197	215	230	274	111	0	0	0
合計	**Total**	**773**	**847**	**1,005**	**1,136**	**559**	**0**	**0**	**0**
本社/調整額	Company-wide expenses and Adjustments	-121	-3	-49	-189	-260	0	0	0
連結	**Consolidated**	**653**	**843**	**956**	**947**	**299**	**0**	**0**	**0**

* During the consolidated accounting period for the second quarter of the fiscal year ending March 2026, we are finalizing the provisional accounting treatment related to the business combination, and the figures pertaining to the first quarter of the fiscal year ending March 2026 have been adjusted to reflect the details of this finalized provisional accounting treatment.

About BBS
BBS is listed on the Prime Market of the Tokyo Stock Exchange.
Since its founding in 1967, BBS has been working closely with Japanese companies to support the management and accounting of our customers.

BBS provides consulting, system integration, and management services (business process outsourcing) with regards to management accounting, and has stipulated that the BBS cycle is the foundation of these three services. The BBS cycle enables effective and continuous support in a variety of stages from the strategies and plan formulation of our customers to operation and consolidation.
As experts in management accounting transcending the accounting field, we are a Back Office Comprehensive Supporter providing support to our customers.

Disclaimer
Any forward-looking statements or outlooks contained in this material are based on the Company's views at the present time and may differ from actual results.

Together for Value

BBS

Business Brain Showa-Ota Inc.