

Consolidated Financial Results for the Three Months Ended June 30, 2025 (Under IFRS)

August 13, 2025

Company name BUSINESS BRAIN SHOWA・OTA INC. Stock exchange listings: Tokyo Prime
Securities code 9658 URL <https://www.bbs.co.jp>
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Dividend payable date (as planned) —
Supplemental material of results : Yes
Convening briefing of results : None

(Yen amounts are rounded to millions, unless otherwise noted.)

1. Consolidated financial results for the three months ended June 30, 2025 (from April 1, 2025 to June 30, 2025)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Revenue		Business profit		Operating profit		Profit before tax		Profit		Profit attributable to owners of parent	
Three months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
June 30, 2025	10,052	15.0	655	106.2	655	105.4	974	121.7	560	189.3	551	188.1
June 30, 2024	8,737	2.4	318	△41.4	319	(98.3)	439	(97.6)	194	(98.5)	191	(98.5)

Note:1. Total comprehensive income for the quarter June 30, 2025 561Millions of yen(112.5%) June 30, 2024 264Millions of yen(△97.9%)

2. Business Profit is calculated by excluding profits and losses incurred due to non-recurring factors from Operation profit.

3. During the consolidated accounting period for the second quarter of the fiscal year ending March 2025, 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 2025 have been adjusted to reflect the details of this finalized provisional accounting treatment.

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
June 30, 2025	50.91	50.90
June 30, 2024	16.52	16.50

(2) Consolidated financial position

	Total assets	Total equity	Equity attributable to owners of parent	Equity attributable to owners of parent to total assets ratio
As of	Millions of yen	Millions of yen	Millions of yen	%
June 30, 2025	44,581	29,252	28,785	64.6
March 31, 2025	45,323	29,612	29,139	64.3

2. Cash dividends

	Annual dividend				
	First quarter	Second quarter	Third quarter	Year end	Annual
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2025	-	37.00	-	41.00	78.00
Fiscal year ending March 31, 2026	-				
Fiscal year ending March 31, 2026 (Forecast)		37.00	-	52.00	89.00

Note:Revisions to the forecast of cash dividends most recently announced : None

3. Consolidated financial forecast for the fiscal year ending March 31, 2026 (from April 1, 2025 to March 31, 2026)

(Percentages indicate year-on-year changes.)

	Revenue		Business profit		Operating profit		Profit before tax		Profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2025	20,658	14.4	1,430	21.7	1,430	21.6	1,710	23.0	1,085	8.2	1,065	7.4	92.52
Fiscal year ending March 31, 2026	42,600	9.8	3,300	14.9	3,300	14.9	3,970	18.4	2,600	3.6	2,560	3.7	222.35

Note:Revisions to the earnings forecasts most recently announced : None

* Notes

(1) Significant changes in the scope of consolidation during the period : None

(2) Changes in accounting policies and changes in accounting estimates

(i) Changes in accounting policies required by IFRS : Yes

(ii) Changes in accounting policies due to other reasons : None

(iii) Changes in accounting estimates : None

(3) Number of issued shares (ordinary shares)

① Number of issued and outstanding shares at the period end (including treasury stock)

② Number of treasury stock at the period end

③ Average number of shares (quarterly period-YTD)

As of June 30, 2025	12,725,000shares	As of March 31, 2025	12,725,000shares
As of June 30, 2025	1,959,173shares	As of March 31, 2025	1,779,249shares
Three months ended June 30, 2025	10,829,306shares	Three months ended June 30, 2024	11,585,426shares

[Reference] Overview of non-consolidated financial results

Non-consolidated financial results for the three months ended June 30, 2025 (from April 1, 2025 to June 30, 2025)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

	Sales		Operation profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
June 30, 2025	6,024	18.9	568	154.5	905	115.9	681	△45.3
June 30, 2024	5,066	11.9	223	△30.5	419	△32.9	1,245	△37.0

	Profit per share	Per share adjusted for potential shares profit
	Yen	Yen
June 30, 2025	62.92	-
June 30, 2024	107.49	-

(2) Non-consolidated financial position

	Total assets	Total equity	Capital adequacy ratio	Total equity per share
	Millions of yen	Millions of yen	%	Yen
June 30, 2025	22,252	14,711	66.1	1,366.45
March 31, 2025	22,522	14,956	66.4	1,366.37

* Japan GAAP is applied to financial figures in the summary of individual business results.

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm : Yes (voluntary)

* Proper use of earnings forecasts, and other special matters

(Caution regarding forward-looking statements, etc.)

The forward-looking statements regarding performance forecasts and other related information contained in this document are based on the information currently available to us and on certain assumptions we consider reasonable; they do not constitute a guarantee

of their achievement by our company. Furthermore, actual performance and results may vary significantly due to various factors. Key factors that could potentially impact actual performance include, but are not limited to, the following:

- (1) Economic conditions surrounding the business areas of our group
- (2) Trends in demand for the services provided by our group

○Table of Contents of Attached Documents

1. Overview of operating results	2
(1) Overview of operating results for the three months ended June 30, 2025	2
(2) Overview of financial position for the three months ended June 30, 2025	3
(3) Explanation of consolidated earnings forecasts and other forward-looking information	3
2. Condensed quarterly consolidated financial statements and principal notes	4
(1) Condensed quarterly consolidated statement of financial position	4
(2) Condensed quarterly consolidated statement of income and condensed quarterly consolidated statement of comprehensive income	6
(3) Notes concerning condensed quarterly consolidated financial statements	8
(Notes relating to going concern assumption)	8
(Changes in accounting policies)	8
(Segment information)	8
(Notes in the event of significant changes in the amount of equity attributable to owners of the parent)	10
(Notes relating to quarterly consolidated statement of cash flow)	10
(Significant subsequent events)	10

1. Overview of operating results

(1) Overview of operating results for the three months ended June 30, 2025

During the consolidated three months ended June 30, 2025, the Japanese economy showed signs of a gentle recovery due to improvements in corporate capital investment and the employment and income environment and growth in inbound consumption. On the other hand, the future outlook remains uncertain with concerns over the invasion of Ukraine by Russia becoming drawn out, the risk of an economic downturn due to the impact of the trade policies of the United States, and other problems. Amid this economic environment, following on the previous fiscal year the orders received by the Group continued to be favorable.

As a result, orders received during the consolidated three months ended June 30 totaled 9,932 million yen (up 11.8% year-on-year), and backlog of orders was 12,878 million yen (up 11.3% year-on-year).

The results for revenue were higher than the previous year in all of the reporting segments, resulting in overall revenue being 15.0% higher year-on-year.

Where gross profit was concerned, subcontract expenses and personnel costs both increased along with the growth in revenue, but the loss on orders received decreased, so due to this and other factors gross profit increased 20.0% year-on-year.

Selling, general and administrative expenses climbed by 3.0% year-on-year as a result of increases in depreciation expenses and consignment expenses for personnel, etc., among other factors.

As a result, for the consolidated three months ended June 30, BBS reported revenue of 10,052 million yen (up 15.0% year-on-year), operating profit of 655 million yen (up 105.4% year-on-year), quarterly profit before taxes of 974 million yen (up 121.7% year-on-year) and quarterly profit attributable to owners of the parent of 551 million yen (up 188.1% year-on-year).

Operating results by segment are as follows.

Regarding the segment information, previously the Company used the two business demarcations of the “consulting and system development business” and the “management services (BPO) business” but from the consolidated three months ended June 30 we have changed to the three business demarcations of “consulting and system development,” the “SES co-creation business” and the “BPO & managed services.”

This is because as each business of the Group expanded, the previous demarcation method started to deviate from the actual situation, so we have adopted demarcations which better reflect the actual situation of the business taking into account the current business structure and revenue structure.

The main business content of each segment in the new demarcations is as follows.

Consulting and system development:

Consulting in management accounting and product lifecycle management (PLM) and related areas and mainly contract-based system development, introduction support, and maintenance

SES co-creation business:

Mainly quasi-mandate-based system development, SE dispatching

BPO & managed services:

Business process outsourcing services (BPO) for human resources payroll and accounting, dispatching of call center operators and others, and managed services which provide product maintenance and business outsourcing services mainly to packaged product vendors

Regarding the figures for the previous fiscal year, the necessary reclassifications have been made and comments on increases or decreases have been stated.

The results for the consulting and system development business for the consolidated three months ended June 30 were revenue of 5,441 million yen (up 20.8% year-on-year) and segment profit of 459 million yen (up 119.3% year-on-year).

Revenue for the consolidated three months ended June 30 increased by 20.8% across the overall business due to the increase in management accounting consulting & solutions mainly in BUSINESS BRAIN SHOWA-OTA INC. and the favorable performance of PLM Japan Inc. in PLM solutions, among other factors.

In terms of segment profits, they increased compared to the same quarter of the previous year for all business within segment.

The results for the SES co-creation business for the consolidated three months ended June 30 were revenue of 2,283 million yen (up 1.3% year-on-year) and segment profit of 117 million yen (down 10.3% year-on-year).

Where segment profits were concerned, segment profits for the SES co-creation business as a whole declined compared to the same quarter of the previous year due to a decrease in gross profit caused by an increase in costs such as labor costs, subcontract expenses, etc., and due to an increase in selling, general and administrative expenses, including an increase in recruiting costs from recruitment activities.

The results for the BPO & managed services business for the consolidated three months ended June 30 were revenue of 2,436 million yen (up 15.9% year-on-year) and segment profit of 199 million yen (up 66.5% year-on-year).

Regarding revenue and segment profits, human resources payroll BPO and onsite BPO performed favorably, so segment profits for the BPO & managed services business as a whole increased.

(2) Overview of financial position for the three months ended June 30, 2025

Assets

Total consolidated assets at the end of the first quarter were 44,581 million yen, down by 742 million yen from the end of the previous fiscal year.

Current assets totaled 17,665 million yen, a decrease of 586 million yen from the end of the previous fiscal year. The main factors were that trade and other receivables due to debt collection declined by 889 million yen, contract assets grew by 138 million yen, and inventories increased by 87 million yen.

Non-current assets totaled 26,915 million yen, a decrease of 157 million yen compared to the end of the previous fiscal year. The main factors included a 186 million yen decrease in other financial assets.

Liabilities

Total consolidated liabilities at the end of the first quarter were 15,328 million yen, a decrease of 382 million yen from the end of the previous fiscal year.

Current liabilities totaled 7,587 million yen, a decrease of 354 million yen from the end of the previous fiscal year. The main factors were a 655 million yen decrease in other current liabilities, a 264 million yen increase in other financial liabilities, and an increase of 120 million yen in income taxes payable.

Non-current liabilities totaled 7,742 million yen, a decrease of 29 million yen from the end of the previous fiscal year. The main factors included a 110 million yen decrease in lease liabilities, a 28 million yen increase in non-current liability for stock benefit, a 28 million yen increase in retirement benefit liabilities, and a 25 million yen increase in provisions.

Net assets

Total consolidated shareholders' equity at the end of the first quarter totaled 29,252 million yen, a decrease of 360 million yen from the end of the previous fiscal year.

(3) Explanation of consolidated earnings forecasts and other forward-looking information

Regarding the consolidated earnings forecasts, there are no changes to the consolidated earnings forecasts for the consolidated six months ended September 30, 2025 and the full year which were published in the "Summary of Consolidated Financial Results for the Year Ended March 31, 2025 (Based on IFRS)" dated May 13, 2025.

2. Condensed quarterly consolidated financial statements and principal notes

(1) Condensed quarterly consolidated statement of financial position

(Thousands of yen)

	As of March 31, 2025	As of June 30, 2025
Assets		
Current assets		
Cash and cash equivalents	9,907,750	9,843,596
Trade and other receivables	5,092,915	4,203,980
Contract assets	1,911,182	2,049,593
Other financial assets	315,548	315,268
Inventories	103,533	190,771
Other current assets	920,032	1,062,091
Total current assets	18,250,960	17,665,299
Non-current assets		
Property, plant and equipment	624,949	572,591
Right-of-use assets	2,628,077	2,553,260
Goodwill	2,158,630	2,158,630
Intangible assets	1,000,005	997,823
Investments accounted for using equity method	17,073,004	17,156,828
Other financial assets	2,908,888	2,723,227
Deferred tax assets	588,351	646,628
Retirement benefit asset	52,523	74,224
Other non-current assets	37,754	32,260
Total non-current assets	27,072,181	26,915,471
Total assets	45,323,141	44,580,770

(Thousands of yen)

	As of March 31, 2025	As of June 30, 2025
Liabilities and equity		
Liabilities		
Current liabilities		
Lease liabilities	807,825	843,017
Trade and other payables	2,115,788	1,918,360
Other financial liabilities	276,069	539,942
Income taxes payable	332,424	452,904
Provisions	156,093	71,341
Contract liabilities	444,883	608,285
Other current liabilities	3,807,241	3,152,691
Total current liabilities	7,940,323	7,586,540
Non-current liabilities		
Lease liabilities	1,883,508	1,773,166
Other financial liabilities	40,912	40,916
Retirement benefit liability	446,156	474,125
Provisions	513,188	538,400
Non-Current liability for stock benefit	277,694	306,120
Deferred tax liabilities	4,224,234	4,215,387
Other non-current liabilities	384,744	393,626
Total non-current liabilities	7,770,436	7,741,740
Total liabilities	15,710,759	15,328,280
Equity		
Share capital	2,233,490	2,233,490
Capital surplus	4,487,356	4,517,473
Retained earnings	24,603,683	24,730,491
Treasury shares	(2,640,821)	(3,152,522)
Other components of equity	454,797	455,773
Total equity attributable to owners of parent	29,138,505	28,784,705
Non-controlling interests	473,877	467,786
Total equity	29,612,382	29,252,490
Total liabilities and equity	45,323,141	44,580,770

(2) Condensed quarterly consolidated statements of income and condensed quarterly consolidated statements of comprehensive income

Condensed quarterly consolidated statements of income

(Thousands of yen)

	Three months ended June 30, 2024	Three months ended June 30, 2025
Revenue	8,737,494	10,051,769
Cost of sales	6,910,926	7,859,393
Gross profit	1,826,568	2,192,376
Selling, general and administrative expenses	1,495,223	1,539,588
Other income	6,747	8,430
Other expenses	19,354	6,374
Operating profit	318,738	654,844
Finance income	62,138	269,296
Finance costs	5,221	31,060
Share of profit (loss) of investments accounted for using equity method	71,592	89,201
Loss (profit) on change in equity	(7,961)	(8,511)
Profit before tax	439,286	973,770
Income tax expense	245,646	413,489
Profit	193,640	560,281
Profit attributable to		
Owners of parent	191,380	551,344
Non-controlling interests	2,260	8,937
Profit	193,640	560,281
Earnings per share		
Basic earnings per share	16.52	50.91
Diluted earnings per share	16.50	50.90

Condensed quarterly consolidated statements of comprehensive income

(Thousands of yen)

	Three months ended June 30, 2024	Three months ended June 30, 2025
Profit	193,640	560,281
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Net change in fair value of equity instruments designated as measured at fair value through other comprehensive income	57,585	(82,533)
Share of other comprehensive income of investments accounted for using equity method	13,163	84,199
Total of items that will not be reclassified to profit or loss	70,748	1,666
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	(391)	(1,056)
Total of items that may be reclassified to profit or loss	(391)	(1,056)
Other comprehensive income, net of tax	70,357	610
Comprehensive income	263,997	560,891
Comprehensive income attributable to		
Owners of parent	261,287	552,320
Non-controlling interests	2,710	8,571
Comprehensive income	263,997	560,891

(3) Notes concerning condensed quarterly consolidated financial statements

(Notes relating to going concern assumption)

There are no relevant items.

(Changes in accounting policies)

The material accounting policies applied in the condensed quarterly consolidated financial statements are the same as the accounting policies applied in the consolidated financial statements for the previous fiscal year, except for the following.

Note that the income tax expense for the consolidated three months ended June 30 is calculated based on the estimated annual effective tax rate.

IFRS		Summary of New and Amended Standards
IAS No. 21	The Effects of Changes in Foreign Exchange Rates	Clarification of requirements in the case that a currency is not convertible into another currency

The application of the above-mentioned statement of standards does not have a material impact on the condensed quarterly consolidated financial statements.

(Segment information)

(1) Summary of reporting segments

The Group's reporting segments are those segments of the Group's constituent units for which separate financial information can be obtained, and which are the subject of regular review by the Company's board of directors for making decisions about business resource allocation and assessing performance.

Regarding the segment information, previously the Company used the two business demarcations of the “consulting and system development business” and the “management services (BPO) business” but from the consolidated three months ended June 30 we have changed to the three business demarcations of “consulting and system development,” the “SES co-creation business” and the “BPO & managed services.”

This is because as each business of the Group expanded, the previous demarcation method started to deviate from the actual situation, so we have adopted demarcations which better reflect the actual situation of the business taking into account the current business structure and revenue structure.

The main business content of each segment in the new demarcations is as follows.

Consulting and system development:

Consulting in management accounting and product lifecycle management (PLM) and related areas and mainly contract-based system development, introduction support, and maintenance

SES co-creation business:

Mainly quasi-mandate-based system development, SE dispatching

BPO & managed services:

Business process outsourcing services (BPO) for human resources payroll and accounting, dispatching of call center operators and others, and managed services which provide product maintenance and business outsourcing services mainly to packaged product vendors

Regarding the figures for the previous fiscal year, the necessary reclassifications have been made and comments on increases or decreases have been stated.

(2) Segment revenue and financial results

The revenue and financial results by the reporting segments of the Group are as follows.

Note that inter-segment revenue is based on market prices.

The consolidated three months ended June 30, 2024 (from April 1, 2024 to June 30, 2024)

(Thousands of yen)

	Reporting Segment				Adjustments (Note 1)	Consolidated
	Consulting and system development	SES co-creation business	BPO & managed services	Total		
Revenue						
(1) External customers	4,501,039	2,227,276	2,009,179	8,737,494	—	8,737,494
(2) Inter-segment revenue	2,065	27,410	92,432	121,907	(121,907)	—
Total	4,503,104	2,254,686	2,101,611	8,859,401	(121,907)	8,737,494
Business profit (Note 2)	209,272	130,921	119,463	459,656	(142,078)	317,578

(Note 1) Adjustments are as follows:

(1) Inter-segment adjustments are from eliminating inter-segment transactions.

(2) The segment profit adjustments of minus 142,078 thousand yen include inter-segment transaction eliminations of minus 1,349 thousand yen and Costs not attributable to a specific segment of minus 140,729 thousand yen.

(Note 2) Business profit is calculated by excluding from operating profit those profits or losses arising from non-recurring factors.

(Note 3) In the consolidated second quarter of the fiscal year ended March 31, 2025, the determination of a provisional accounting method pertaining to business combinations was carried out, and the content of the determination of the provisional accounting method is reflected in figures concerning the first quarter of the fiscal year ended March 31, 2025.

(Note 4) The Company has changed its segment business demarcations from the first quarter consolidated financial period of year ending March 2026 and the necessary reclassifications have been made for each of the figures for the first quarter of the year ended March 2025.

The consolidated three months ended June 30, 2025 (from April 1, 2025 to June 30, 2025)

(Thousands of yen)

	Reporting Segment				Adjustments (Note 1)	Consolidated
	Consulting and system development	SES co-creation business	BPO & managed services	Total		
Revenue						
External customers	5,439,789	2,239,169	2,372,811	10,051,769	—	10,051,769
Inter-segment revenue	737	44,114	63,235	108,086	(108,086)	—
Total	5,440,526	2,283,283	2,436,046	10,159,855	(108,086)	10,051,769
Business profit (Note 2)	459,011	117,414	198,938	775,363	(120,519)	654,844

(Note 1) Adjustments are as follows:

(1) Inter-segment adjustments are from eliminating inter-segment transactions.

(2) The segment profit adjustments of minus 120,519 thousand yen include inter-segment transaction eliminations of minus 971 thousand yen and Costs not attributable to a specific segment of the Company of minus 121,490 thousand yen.

(Note 2) Business profit is calculated by excluding from operating profit those profits or losses arising from non-recurring factors.

Adjustments to quarterly profit before tax are as follows:

(Thousands of yen)

	Previous consolidated three months ended June 30, 2024 (from April 1, 2024 to June 30, 2024)	Current consolidated three months ended June 30, 2025 (from April 1, 2025 to June 30, 2025)
Business profit	317,578	654,844
Other	1,160	—
Operating profit	318,738	654,844
Finance income	62,138	269,296
Finance costs	5,221	31,060
Share of profit (loss) of investments accounted for using equity method	71,592	89,201
Profit (loss) on change in equity	(7,961)	(8,511)
Quarterly profit before taxes	439,286	973,770

(Notes in cases of significant changes in equity attributable to owners of parent)

There are no applicable items.

(Notes relating to the quarterly consolidated statement of cash flows)

The condensed quarterly consolidated statement of cash flow for the consolidated three months ended June 30 has not been prepared. Note that the depreciation and amortization for the consolidated three months ended June 30, 2025 are as follows.

(Thousands of yen)

	Previous consolidated three months ended June 30, 2024 (from April 1, 2024 to June 30, 2024)	Current consolidated three months ended June 30, 2025 (from April 1, 2025 to June 30, 2025)
Depreciation costs and amortization costs	299,682	345,245

(Significant subsequent events)

(Cancellation of treasury shares)

In the Board of Directors meeting held on August 13, 2025, the Company resolved matters pertaining to the cancellation of treasury shares based on the provisions of the Companies Act, Article 178.

(i) Classes of shares to be cancelled: ordinary shares of the Company

(ii) Total number of shares to be cancelled: 1,109,800 shares (8.7% of the total number of issued shares prior to the cancellation)

(iii) Scheduled share cancellation date: August 29, 2025