



Business Brain Showa・Ota Inc.

**Supplementary Materials for the Consolidated Financial
Results for the Three Months Ended June 30, 2025**



2025.8.13

Table of Contents

- 1. Company Introduction**
- 2. Highlights for the Three Months of FY2025**
- 3. Topics**
- 4. Explanation of Financial Results
for the Three months of FY2025**



1. Company Introduction



Company Profile



Name	株式会社ビジネスブレイン太田昭和 (BBS) Business Brain Showa-Ota Inc.
Name in English	
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	12,725,000
Listed market	TSE Prime (Securities Code: 9658)
Number of Employees	927 (non-consolidated) 2,382 (consolidated)*

(As of the end of March 2025)

* 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

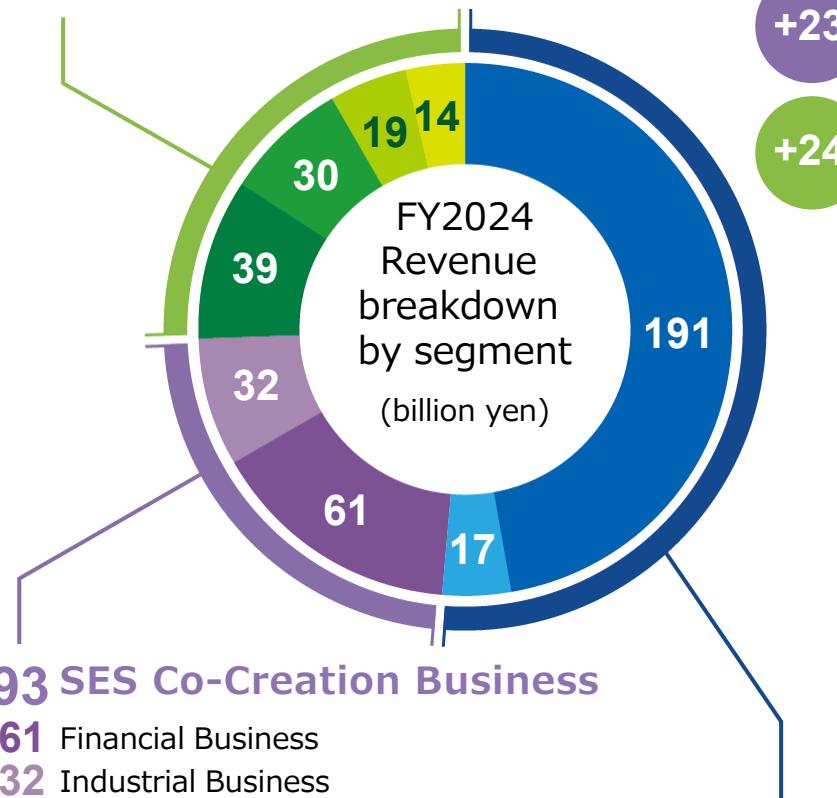
92 BPO & Managed Services

39 HR & Payroll BPO

30 Accounting BPO

19 Onsite BPO

14 Managed Services



93 SES Co-Creation Business

61 Financial Business

32 Industrial Business

208 Consulting and System Development

191 Management Accounting Consulting & Solutions

17 PLM Solutions

Quarter-over-Quarter
Comparison
(100 million yen)

+59

+23

+24

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

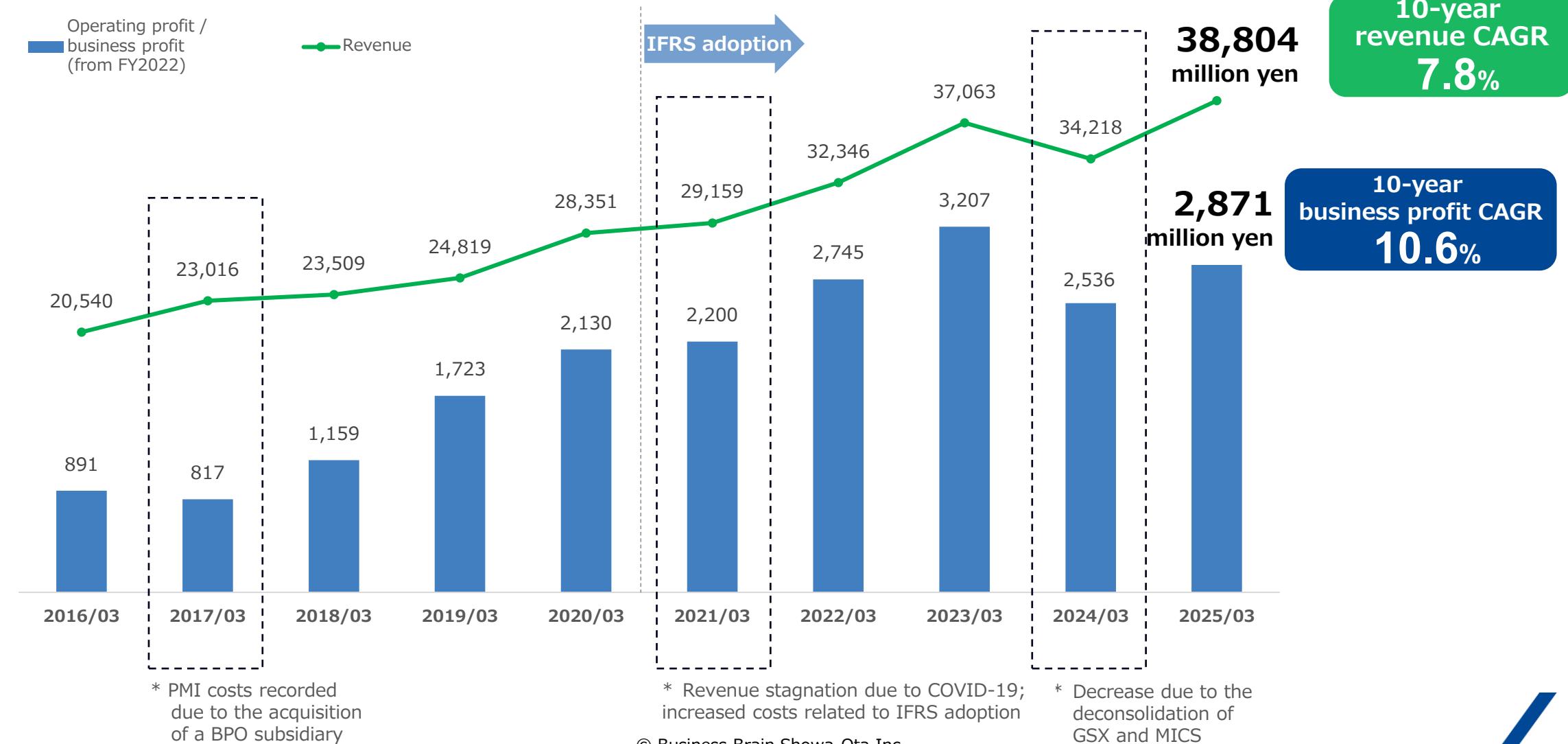
- Dispatch of call center operators, recruitment services, and call center operations

Managed Services

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

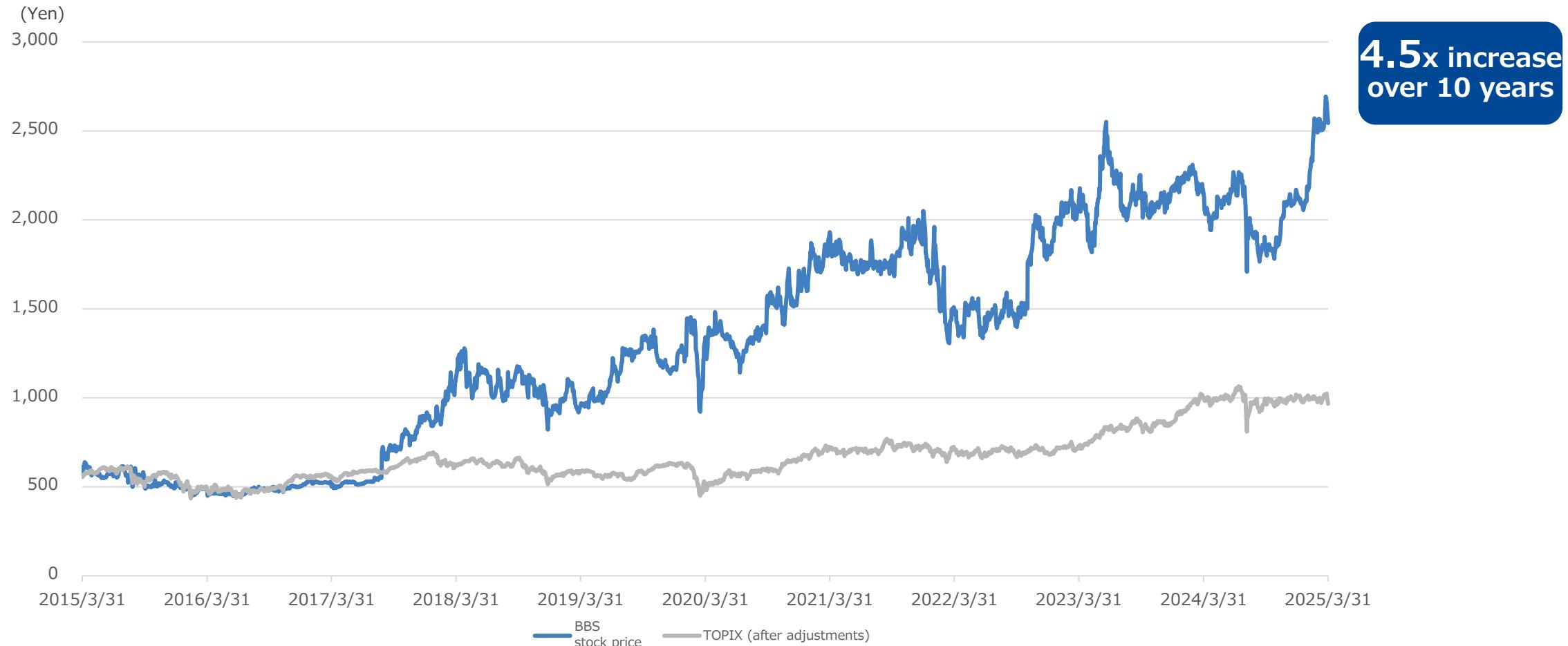
Profit / Loss Highlights

Revenue and operating/business profit over the past 10 years



Stock Price Trends

Stock price over the past 10 years

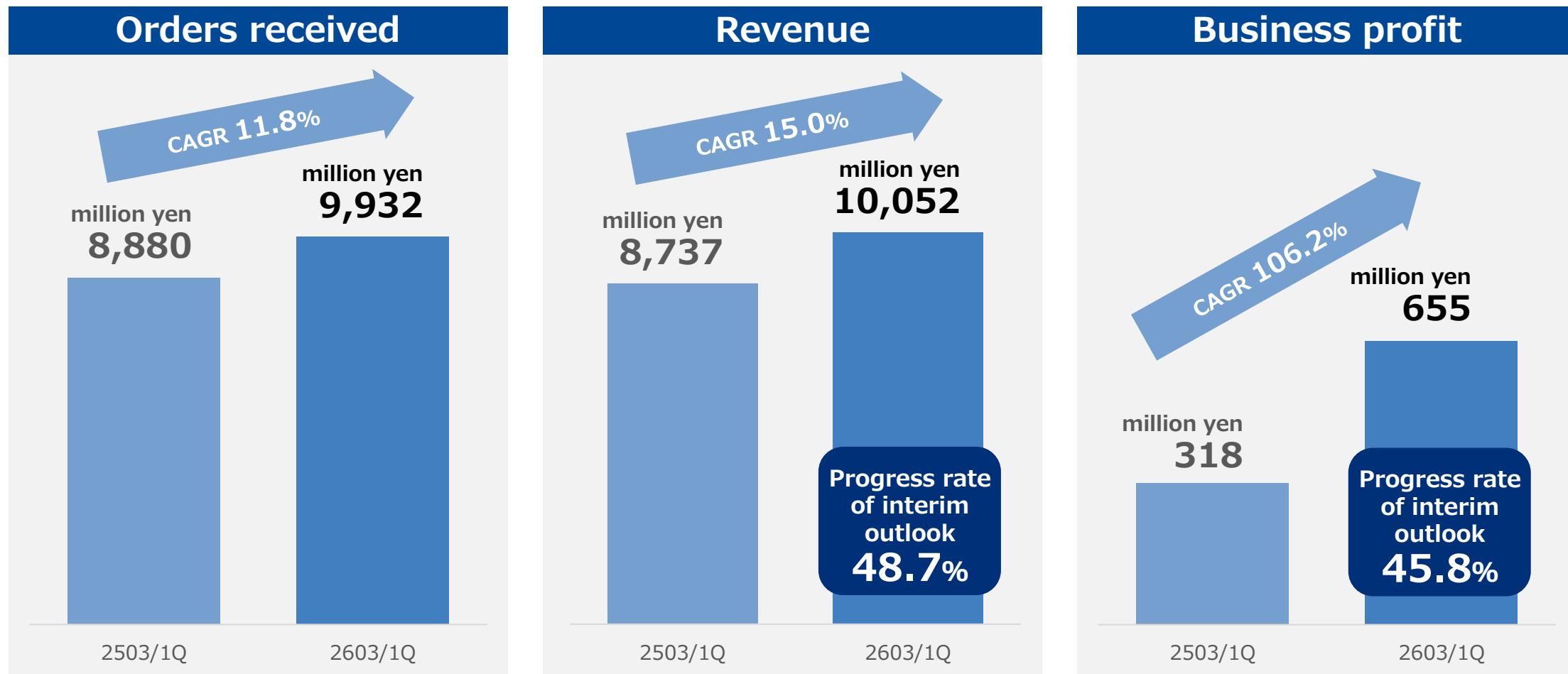




2. Highlights for the Three Months of FY2025

Highlights for the Three Months of FY2025

Achieved significantly higher results in each category compared to the same period of the previous year, driven by a rebound from the previous year's slump



Highlights for the Three Months of FY2025 - Comments

Orders
received

Revenue

Business profit

Consulting and System Development Business:

Increased orders (+720 million yen) and increased revenues (+937 million yen)

- Growth after the slump in the previous fiscal year
- Increased orders from infrastructure-related sectors and existing clients

SES Co-Creation Business: Decreased orders (-388 million yen)

- Decline in fund wrap projects
- Existing SES projects also shrank because of worsening conditions at securities companies

BPO & Managed Services Business:

Increased orders (+718 million yen) and increased Revenue (+334 million yen)

- Increased orders for accounting BPO and call center dispatch
- Increased revenues from HR & payroll BPO

Consulting and System Development Business: Improved profits (+250 million yen)

- Profits increased with higher revenue, though profit margin declined due to underperforming projects

BPO & Managed Services Business: Improved profits (+79 million yen)

- Profits increased due to higher revenues from HR & payroll BPO
- Profits increased from the elimination of prior-period integration costs in accounting BPO and improved utilization rate at the Sapporo BPO Center

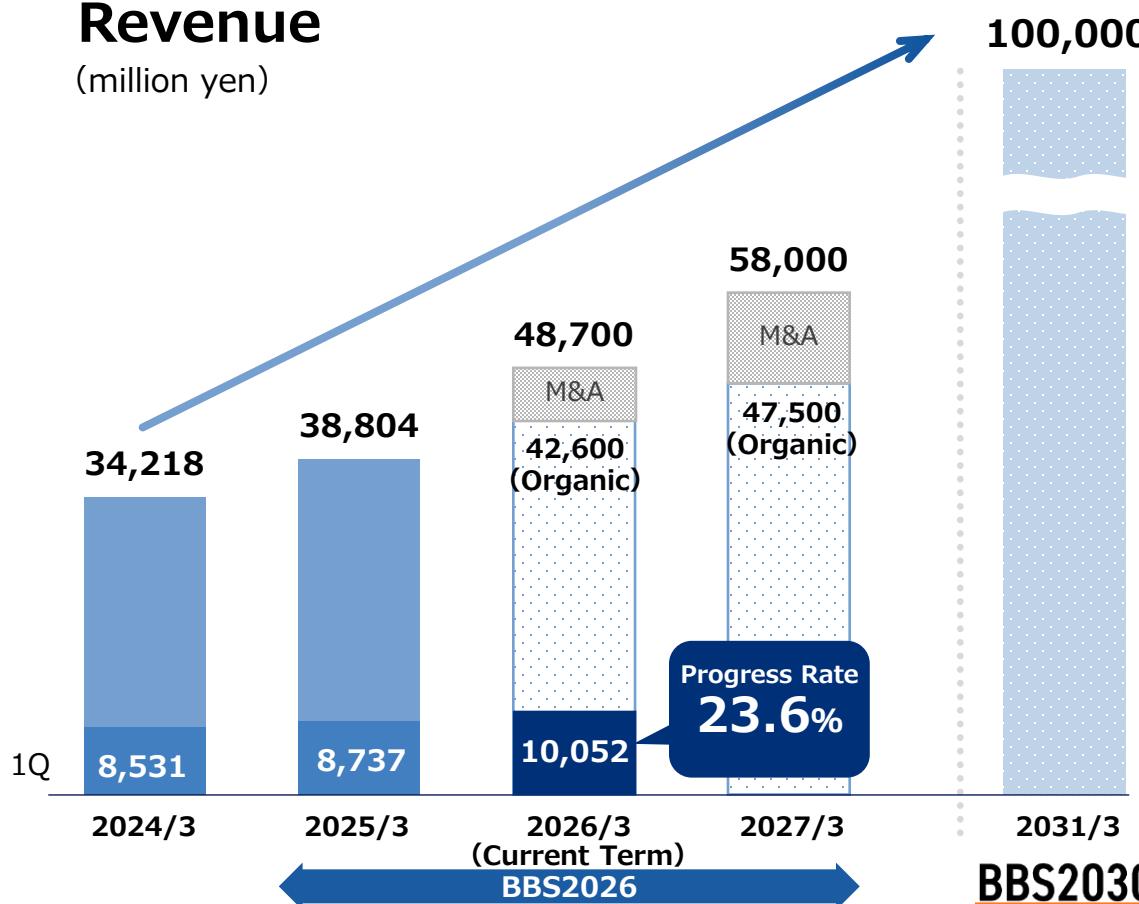
* Business Profit is calculated by excluding profits and losses incurred due to non-recurring factors from Operation profit.

Business Progress



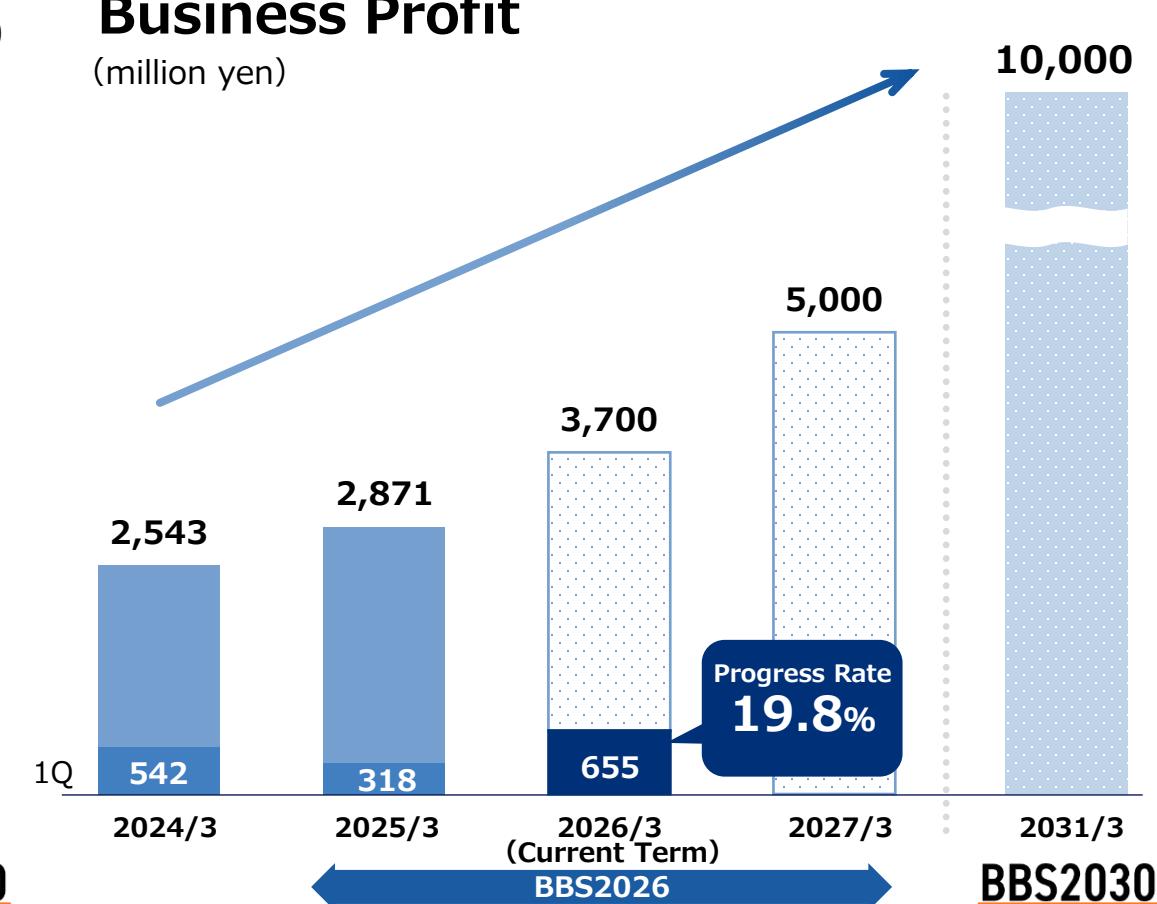
Revenue

(million yen)



Business Profit

(million yen)



FY2025 marks the second year of our Medium-Term Management Plan, BBS2026, and we have made a solid start in the first quarter.

BBS2026 KPI Progress



[Growth]

Medium-term goal

Sales growth rate (including M&A)

15.0% (2.4% YoY)

(organic sales growth rate 15.0%)

3-year CAGR
20%

Business profit margin on sales

6.5% (3.6% YoY)

by the year 2026
8.5%

BPO sales ratio

19.9%

(28.9% at the end of previous period)

by the year 2026
30%

BBS cycle rate

32%

(34% at the end of previous period)

by the year 2026
40%

[Investment]

Medium-term goal

M&A Investment

No significant progress

Total of 3 years
13,000 million yen

R&D investment

30 million yen

(Cumulative 190million yen)

(Investment progress 19%)

Total of 3 years
Over 1,000 million yen

Human capital investment

120 million yen

(Cumulative 500million yen)

(Investment progress 23%)

Total of 3 years
Over 2,200 million yen

Analysis of Changes in Business Profit

Continuously invest within the business profit



Human capital investment: 115 million yen

Recruitment costs: 73 million yen + 2 million yen

- Increased recruitment staff
- Increase in agent fees due to increased hiring

Education and training expenses:

42 million yen + 1 million yen

- Strengthened selective training for next-generation management development
- Expand training opportunities by enhancing e-Learning

R&D investment: 30 million yen

R&D expensed: 30 million yen + 1 million yen

- Research on operations optimization using AI
- Edification activities to improve AI technical capabilities
- Development of next-generation system development platform

(No expense recorded because software recorded)



3. Topics

- Disposal of Treasury Shares:
Cancellation & Contribution to BIP Trust
- Change in Segment Classifications

Disposal of Treasury Shares: Cancellation & Contribution to BIP Trust



Treasury shares contributed to the BIP trust for officers, with the remaining shares cancelled

Of the 1,262 thousand treasury shares held in the first quarter, a portion was used as an additional contribution due to the extension of the BIP trust for officers, and the remaining shares were cancelled as there are no plans for their future use.

Balance as of June 30, 2025	Number of shares	Ratio
Treasury shares	1,262,654 shares	9.9%
(Reference) Number of issued shares	12,725,000 shares	100.0%

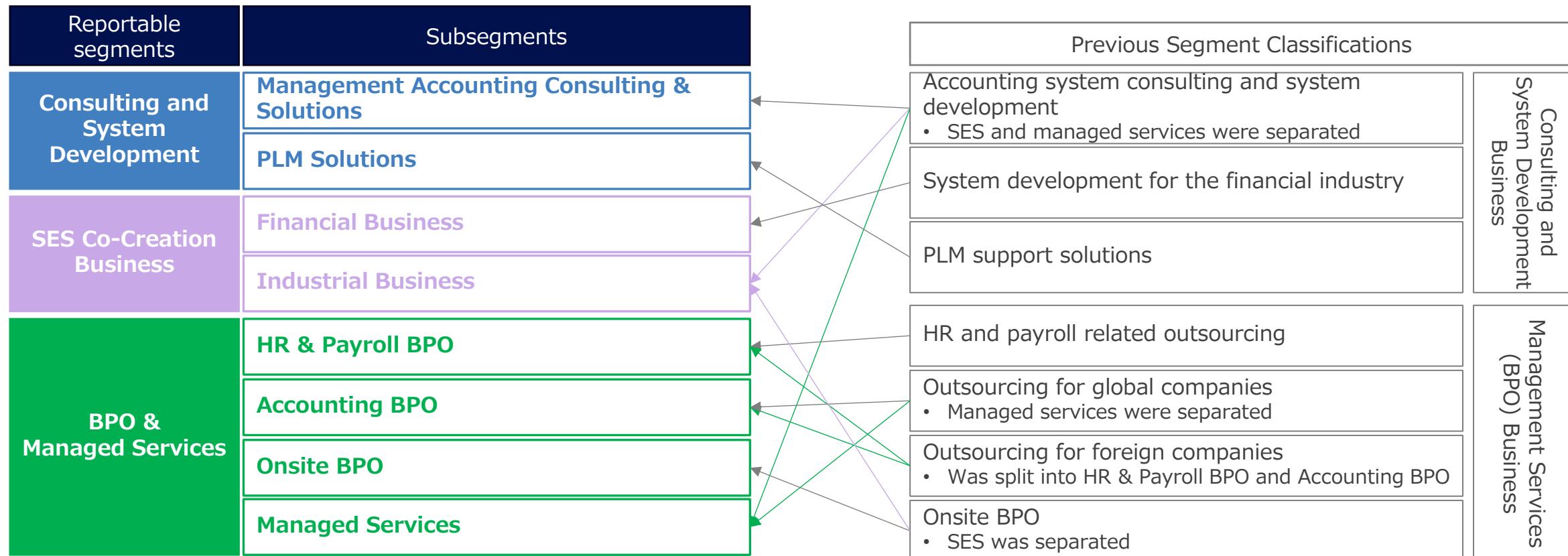


Balance after disposal	Number of shares
Cancellation	1,109,800 shares
Contribution to BIP trust	152,821 shares
Treasury shares	33 shares
(Reference) Number of issued shares	11,615,200 shares

Change in Segment Classifications

More easily understood, and facilitating easier comparisons with other companies

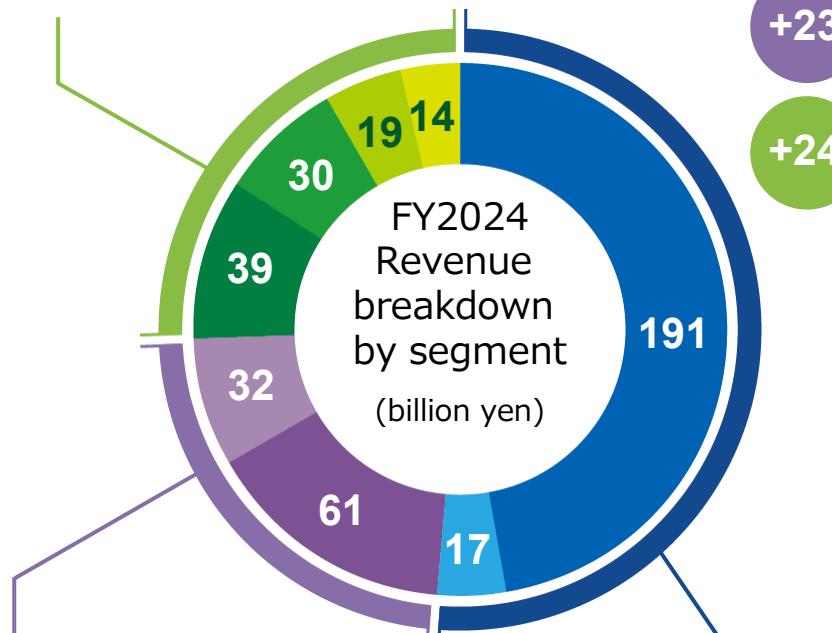
- Establishment of reportable segments based on business content and revenue structure
- Unified subsegment classification criteria
- Displays common inter-segment expenses as adjusted amounts without allocation



Business Details (Repost)

92 BPO & Managed Services

- 39 HR & Payroll BPO
- 30 Accounting BPO
- 19 Onsite BPO
- 14 Managed Services



93 SES Co-Creation Business

- 61 Financial Business
- 32 Industrial Business

208 Consulting and System Development

- 191 Management Accounting Consulting & Solutions
- 17 PLM Solutions

Quarter-over-Quarter
Comparison
(100 million yen)

+59

+23

+24

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

Comparison of New and Old Segments for the Fiscal Year Ending March 2025



Reaggregate segment information using the new segmentation method for the Fiscal Year Ending March 2025.

New segment classification

segment	Revenue	Business Profit	Profit Margin
Consulting and System Development	20,755	1,990	9.6%
ES Co-Creation Business	9,323	357	3.8%
BPO & Managed Services	9,216	903	9.8%
Company-wide expenses and Adjustments	-490	-378	
Consolidated	38,804	2,871	7.4%

Old segment classification

Segment	Revenue	Business Profit	Profit Margin
Consulting and System Development Business	27,705	2,211	8.0%
Management Services (BPO) Business	11,451	661	5.8%
Adjustments	-352	-1	
Consolidated	38,804	2,871	7.4%

(Reference) New Segments for the Fiscal Year Ending March 2025



Re-aggregate quarterly information for the fiscal year ending March 2025 in the new segments.

segment	Revenue				Business Profit			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Consulting and System Development	4,503	4,924	5,462	5,866	209	578	655	548
ES Co-Creation Business	2,255	2,368	2,373	2,327	131	144	74	7
BPO & Managed Services	2,102	2,159	2,494	2,461	119	190	318	275
Company-wide expenses and Adjustments	-122	-124	-102	-142	-142	-55	-24	-157
Consolidated	8,737	9,326	10,227	10,513	318	857	1,023	674



4. Explanation of Financial Results for the Three months of FY2025

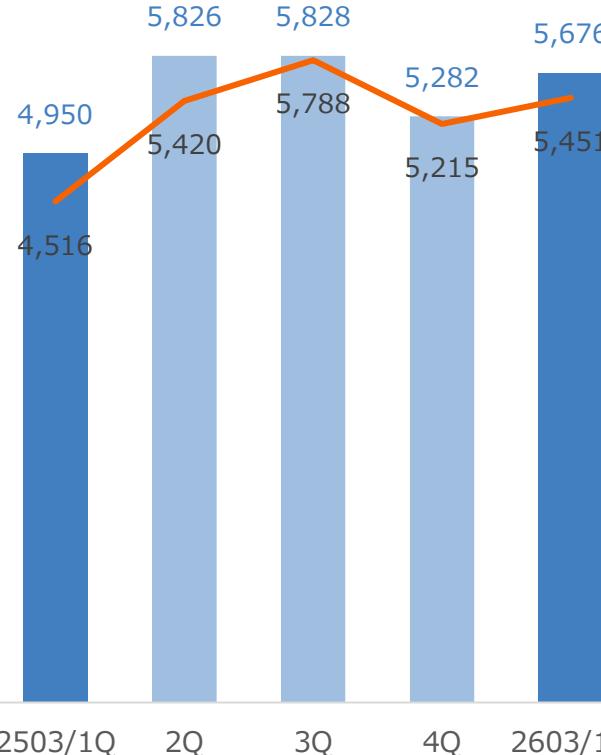
Orders Received and Backlog of Orders



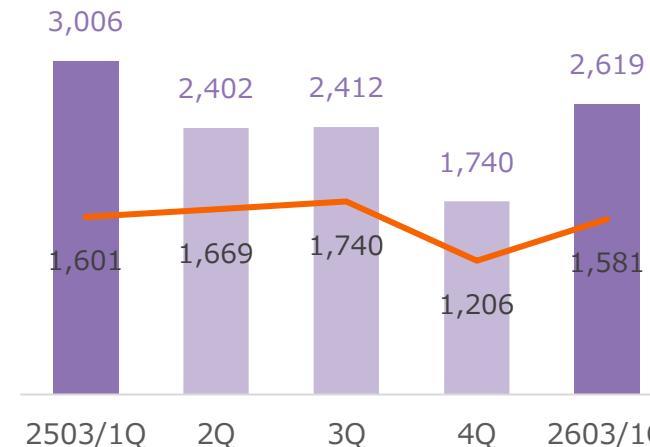
Quarterly Change (Accounting Period)

While Consulting & System Development and BPO & Managed Services improved, the SES Co-Creation Business continued to face a challenging business environment and struggled

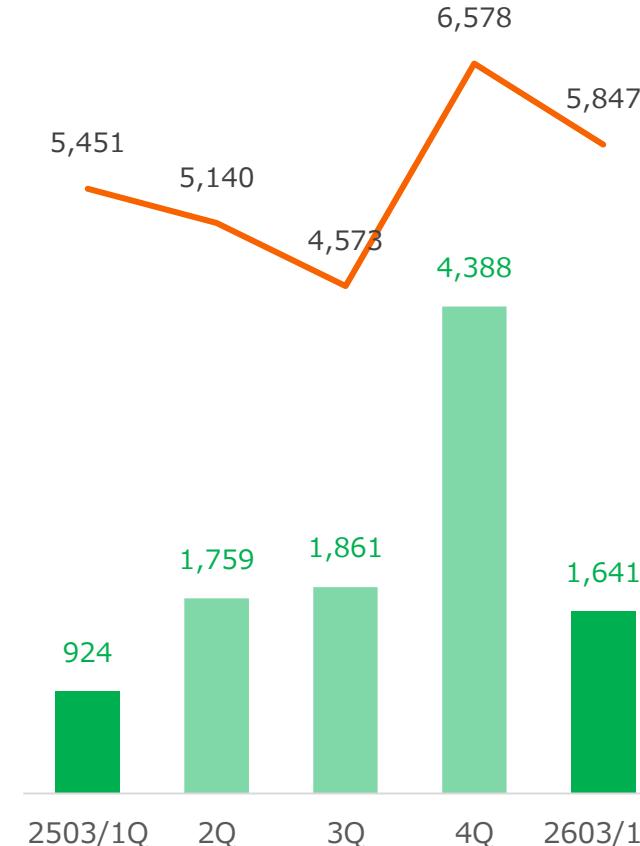
Consulting and System Development



SES Co-Creation Business



BPO & Managed Services



Orders Received and Backlog of Orders



■ Consulting and System Development	<ul style="list-style-type: none">Since many orders are placed with the customer's budget finalized, traditionally the fourth quarter was the peak. However, due to the increasing proportion of relatively large projects and issues related to our capacity to respond (production capacity), there is a tendency for orders to be dispersed in the second and third quarters. (Year-on-Year Comparison Commentary.)A significant increase due to the rebound from poor performance in the previous term.Continuing from the fourth quarter of last year, the infrastructure sector is performing well, with an increase in orders from existing customers.
■ SES Co-Creation Business	<ul style="list-style-type: none">Basically, there are many orders lasting for about 1 to several months, and it is a business that acquires stable orders throughout the year. (Year-on-Year Comparison Commentary.)The business environment in the securities industry is harsh, and due to a lack of new regulatory responses, overall projects are shrinking. Additionally, the fund wrap projects have generally reached a cycle, leading to a transitional period with demands for new functionality.We are strengthening revenues to compensate for the order shortfall in the fourth quarter of last year, but we have not reached the same level as the same period last year.
■ BPO & Managed Services	<ul style="list-style-type: none">Most contracts are on a yearly basis, and orders updated in March tend to concentrate in the fourth quarter. Additionally, large orders are often on multi-year contracts, which can lead to a surge in orders during the period when such orders are received. Therefore, the order volume each quarter is not stable. (Year-on-Year Comparison Commentary.)Smooth expansion of orders in accounting BPO, with an increase in orders for onsite BPO due to customer factors.

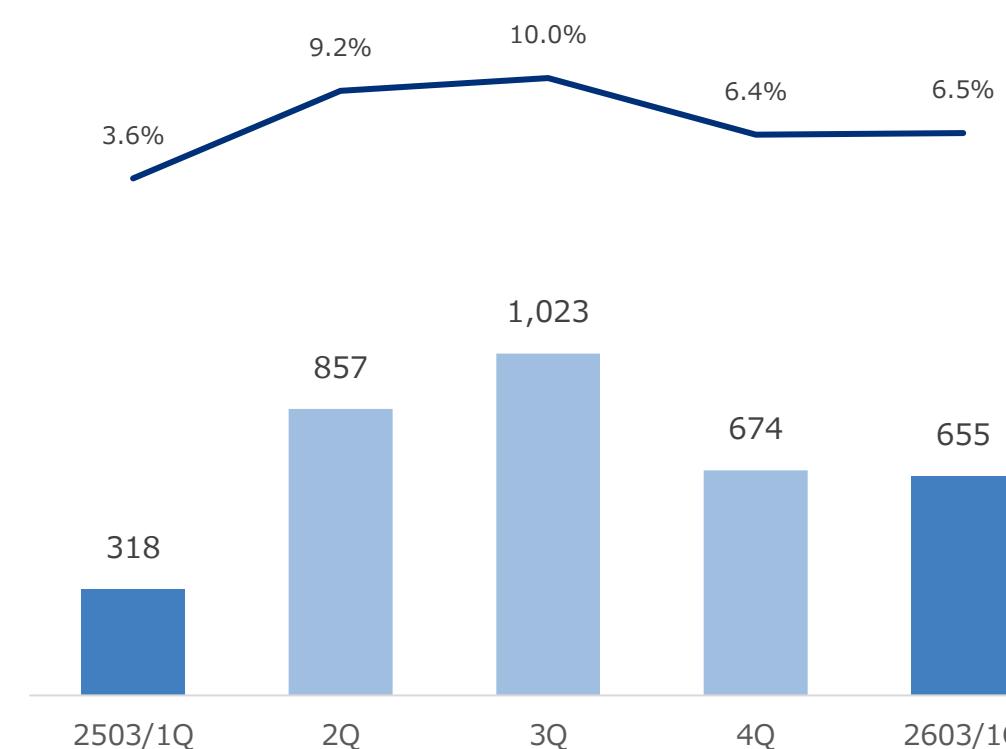
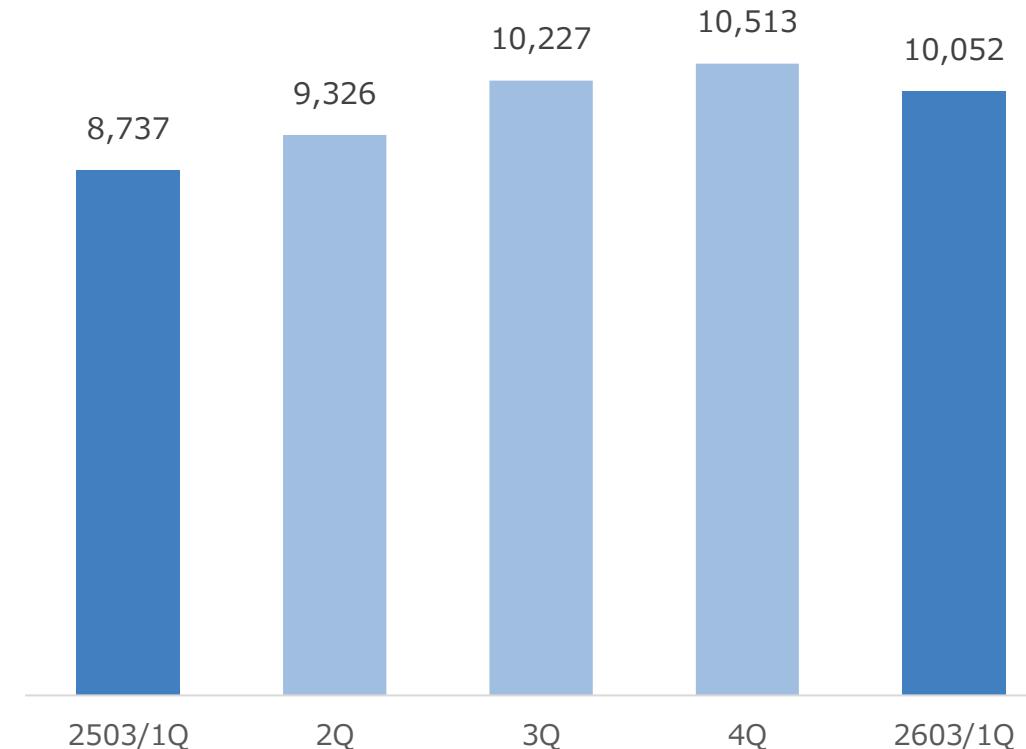
Revenue and Business Profit

Quarterly Change (Accounting Period)

Revenue has been recovering steadily, and while business profit has significantly improved, profit margins have not increased.

Revenue (unit:million yen)

Business Profit (unit:million yen) • Profit Margin



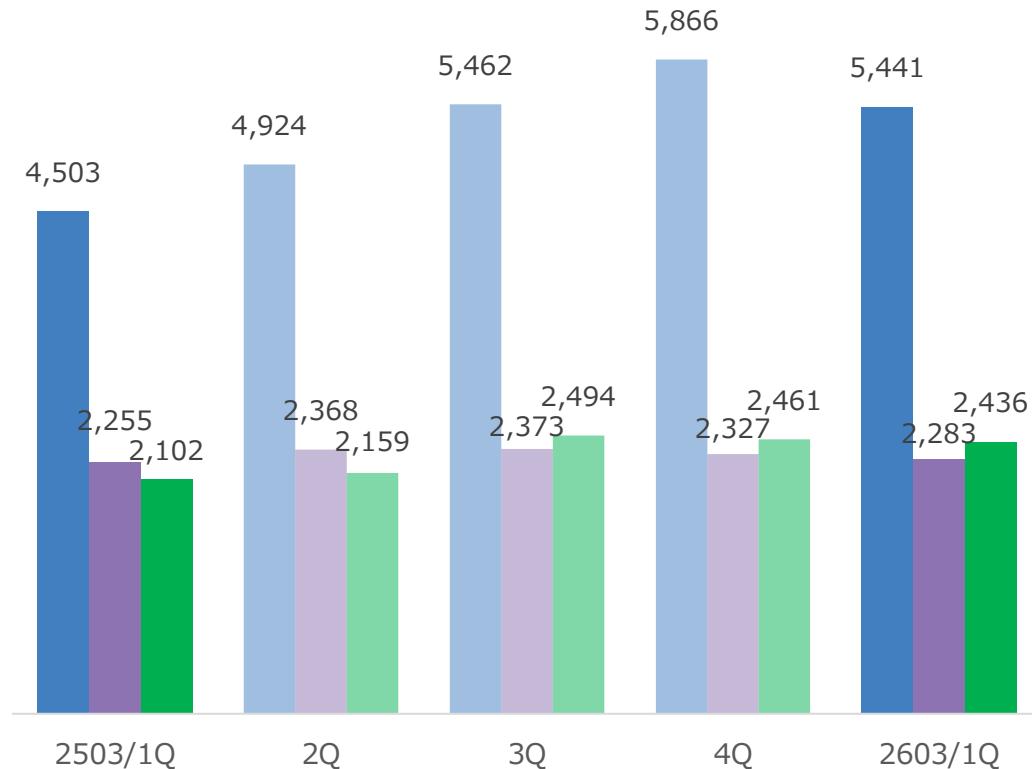
Segment Revenue and Business Profit

Quarterly Change (Accounting Period)

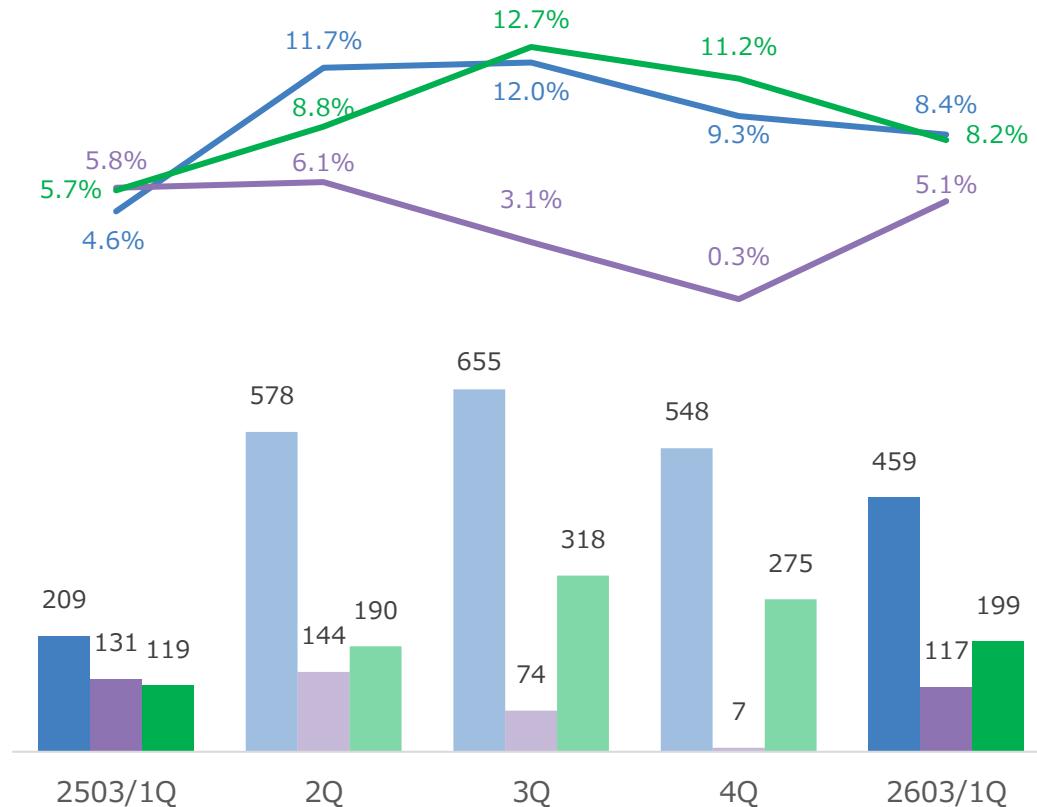


- Consulting and System Development
- SES Co-Creation Business
- BPO & Managed Services

Segment Revenue (unit:million yen)



Segment Business Profit (unit:million yen)

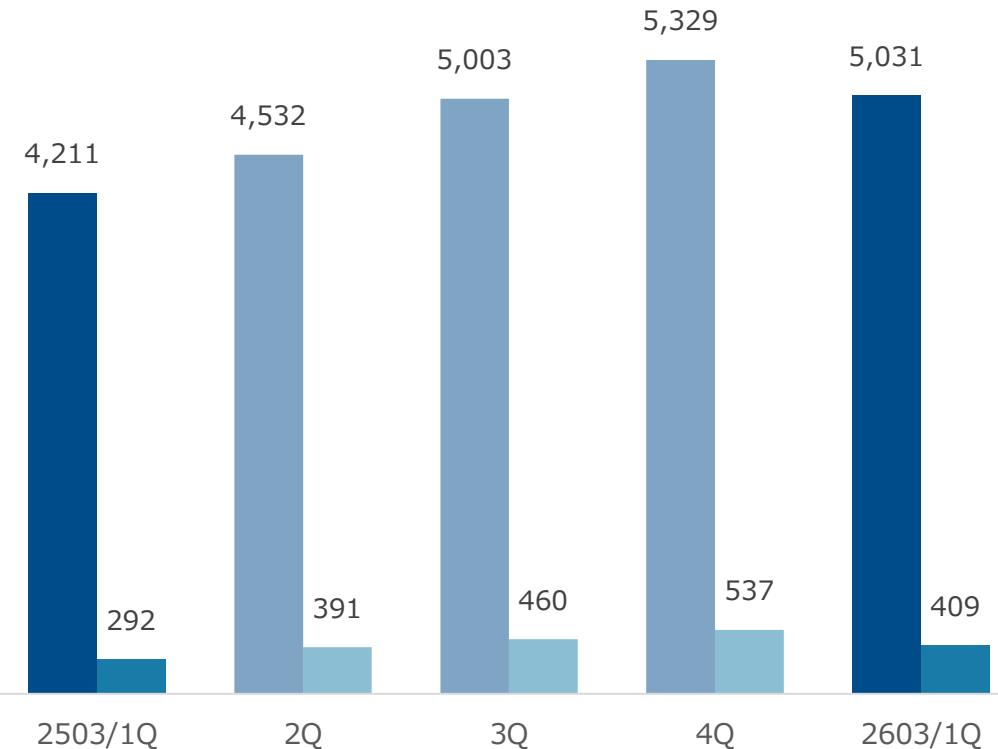


Consulting and System Development Business

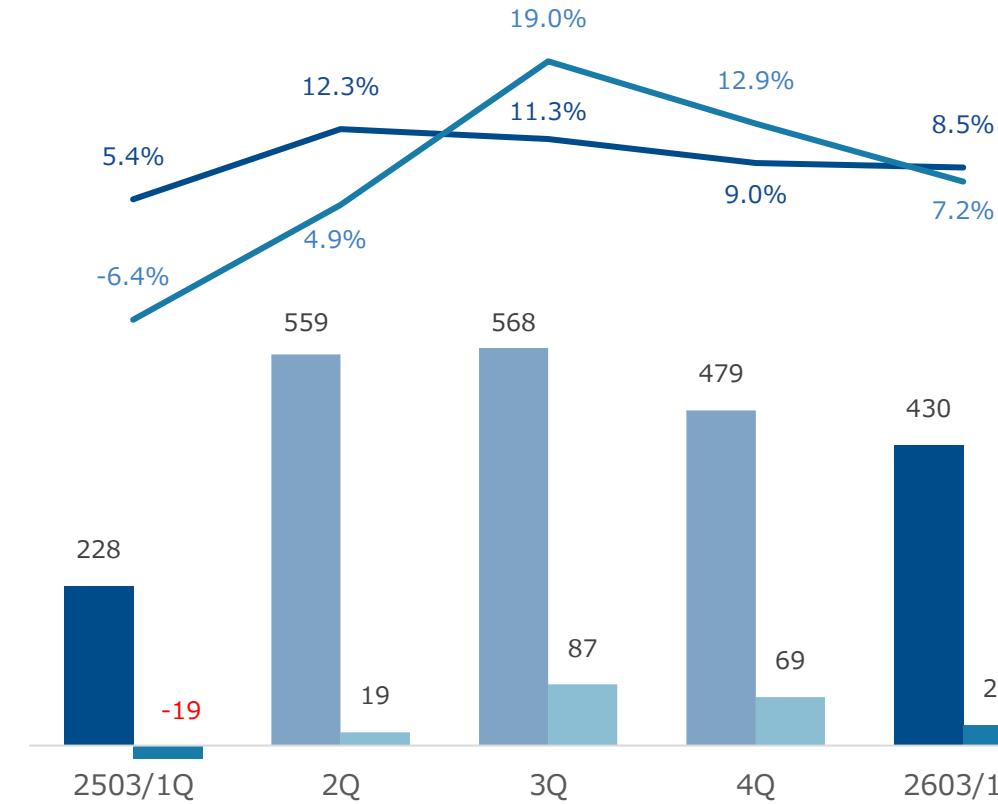
Quarterly Change (Accounting Period)



Segment Revenue (unit:million yen)



Segment Business Profit (unit:million yen)



Consulting and System Development Business

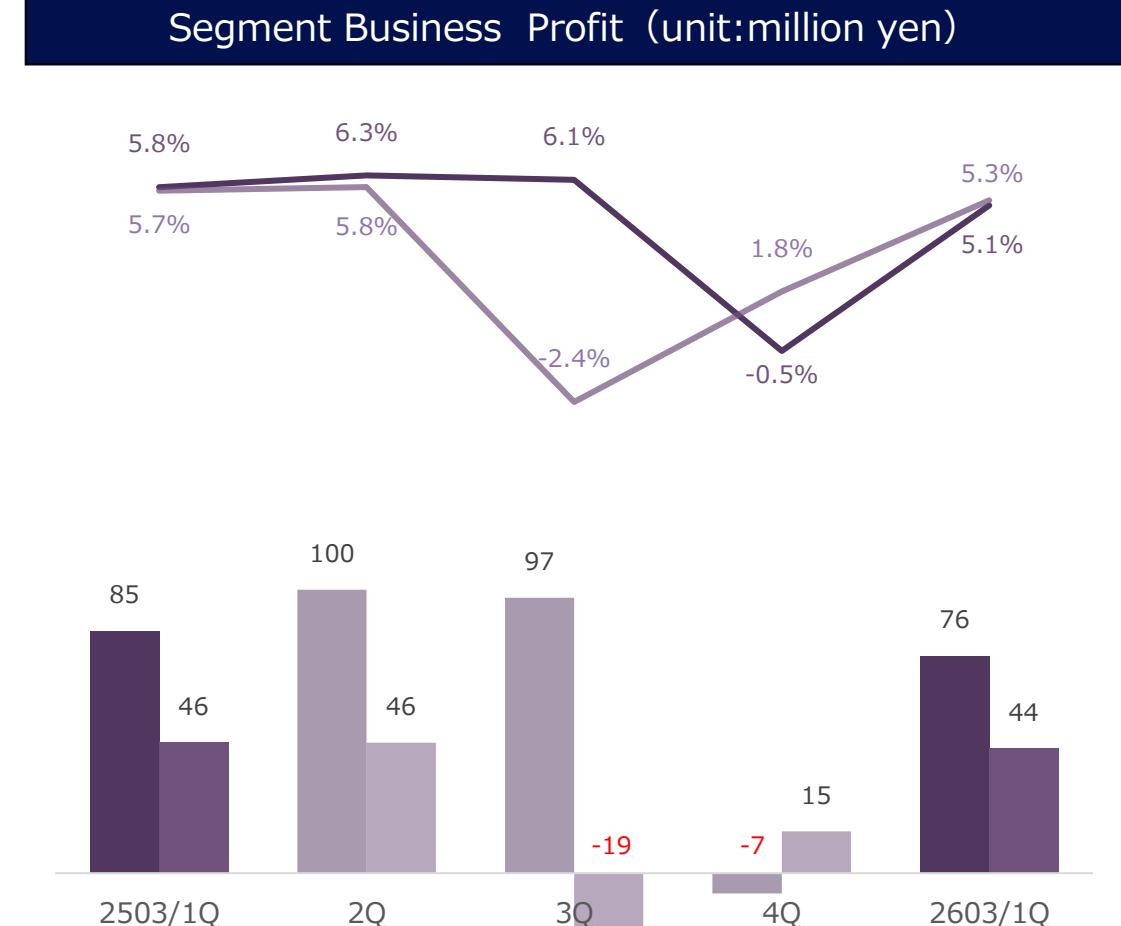
Overview



Subsegments	Year-on-Year Comparison Commentary
■ Management Accounting Consulting & Solutions	<ul style="list-style-type: none">Revenue significantly increased due to a rebound from the previous year's slumpInfrastructure-related sectors remained strong, continuing from the fourth quarter of the previous fiscal yearWhile profits increased with revenues, profit margin deteriorated more than expected due to the occurrence of underperforming projects
■ PLM Solutions	<ul style="list-style-type: none">Revenue significantly increased due to a rebound from the previous year's slumpThe previous fiscal year recorded a loss due to measures for underperforming projects, but higher revenues led to a return to profitabilityHowever, profit margin deteriorated more than expected due to the occurrence of new underperforming projects

SES Co-Creation Business

Quarterly Change (Accounting Period)



SES Co-Creation Business Overview



Subsegments	Year-on-Year Comparison Commentary
■ Financial Business	<ul style="list-style-type: none">• In terms of revenue, the business environment in the securities industry remains challenging, and with no new regulatory compliance requirements, overall project volume is shrinking• Fund wrap projects have largely run their course, and the business is now in a transitional phase awaiting new feature development• With limited revenue growth and rising costs such as personnel expenses, profits declined
■ Industrial Business	<ul style="list-style-type: none">• Difficulty in securing sufficient personnel has limited revenue growth• At the same time, profits have declined due to increased hiring costs

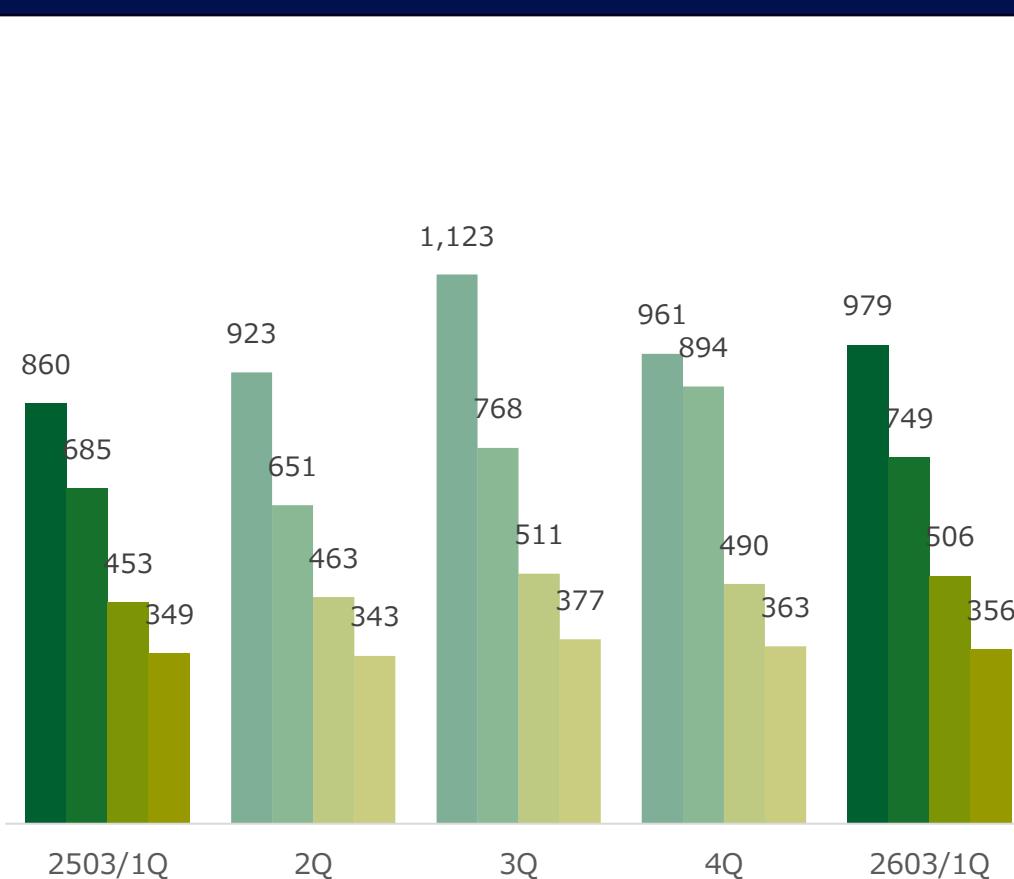
BPO & Managed Services

Quarterly Change (Accounting Period)

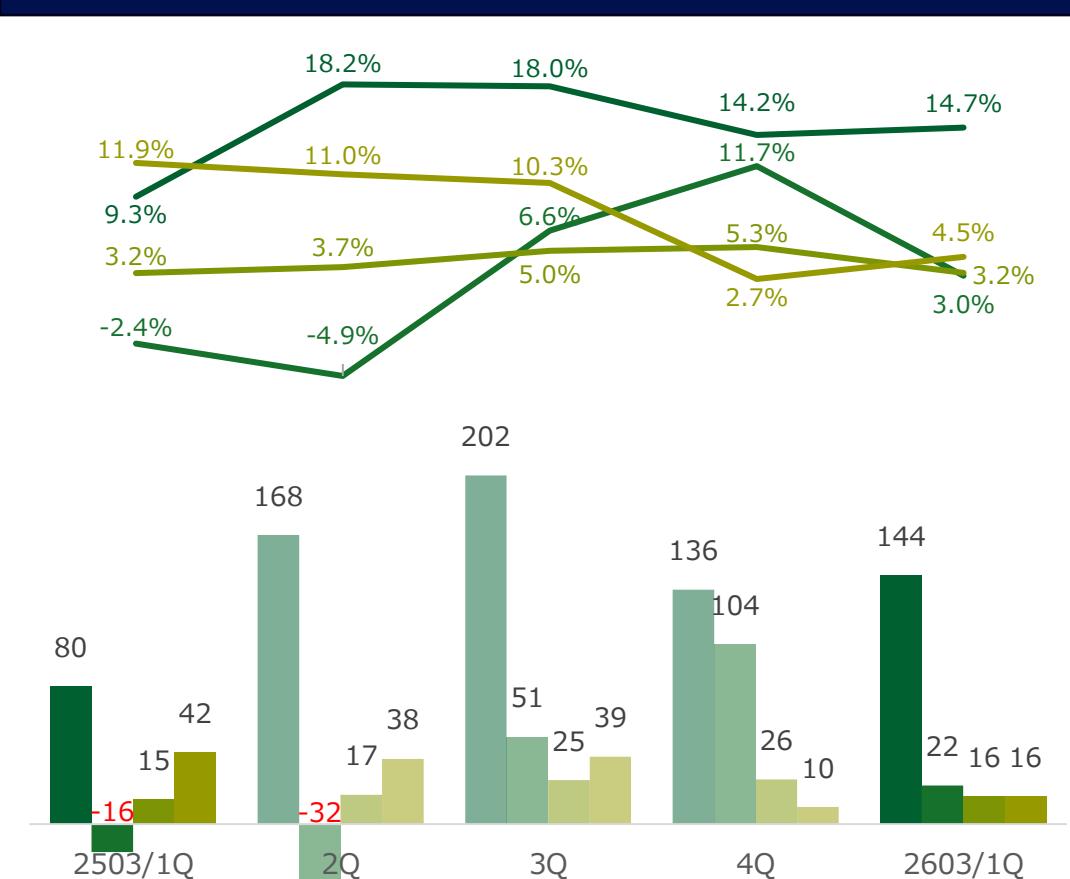


- HR & Payroll BPO
- Accounting BPO
- Onsite BPO
- Managed Services

Segment Revenue (unit:million yen)



Segment Business Profit (unit:million yen)



BPO & Managed Services Overview



Subsegments	Year-on-Year Comparison Commentary
■ HR & Payroll BPO	<ul style="list-style-type: none">Revenue is steadily increasing due to order accumulation since last yearProfits are also increasing in line with the rise in revenues
■ Accounting BPO	<ul style="list-style-type: none">The Sapporo BPO center is steadily ramping up, and revenue is risingThe previous fiscal year recorded a loss due to integration costs from a subsidiary merger, but these costs were eliminated in the current fiscal year, resulting in a return to profitabilityHowever, upfront investments in the new Sapporo No. 3 Center have kept the profit margin low
■ Onsite BPO	<ul style="list-style-type: none">Revenue increased in response to a client request to expand call center staffingHowever, there have been recruitment expenses, delaying the impact on profits
■ Managed Services	<ul style="list-style-type: none">Operations ramped up smoothlyIn the current fiscal year, staffing has been secured in advance for new orders, resulting in deteriorated profitability

About BBS

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.

Together for Value



Business Brain Showa-Ota Inc.