Business Brain Showa-Ota Inc.

[TSE Prime Market Securities Code: 9658]

# Business Brain Showa-Ota Inc.
## Financial Results Briefing for the Fiscal Year Ended March 2026

2026.5.14

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## Medium-Term Management Plan

# BBS2026 Progress Report

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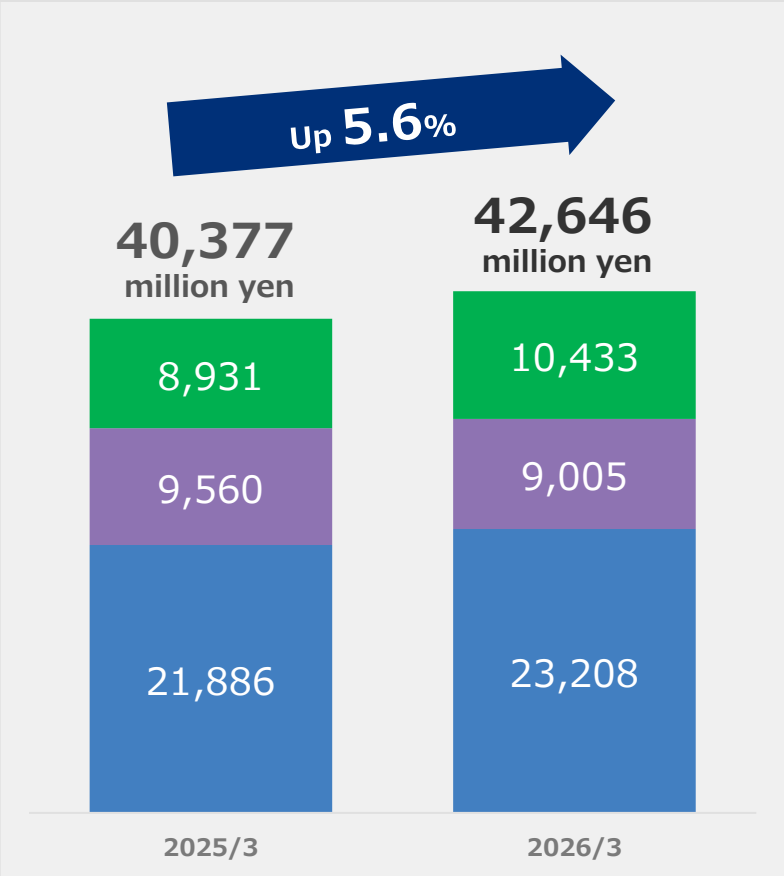
# Highlights of FY2025

As Consulting and System Development are performing well, orders, revenue, and business profit have increased overall

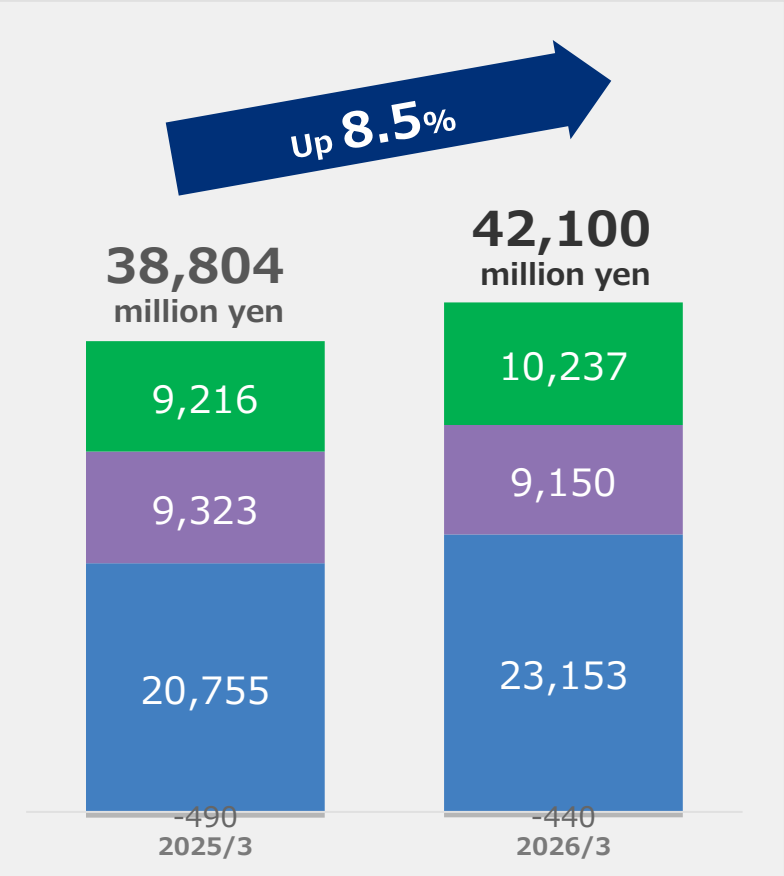
BPO & Managed Services recorded increases in orders and revenue, but struggled to launch new projects, and business profit did not grow

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

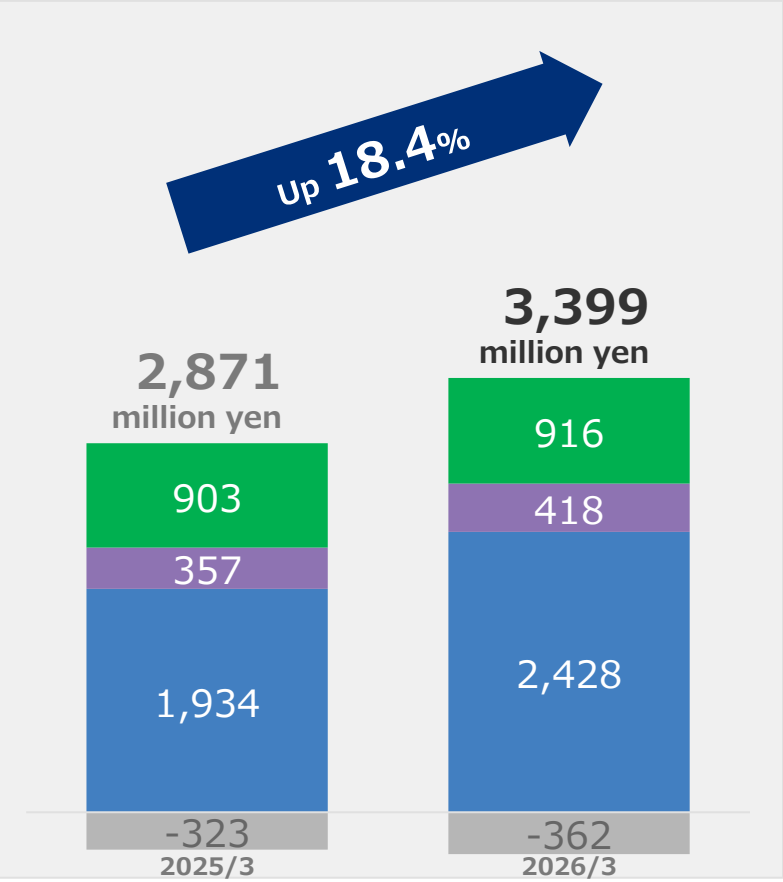
## ■ Orders received




## ■ Revenue




## ■ Business profit

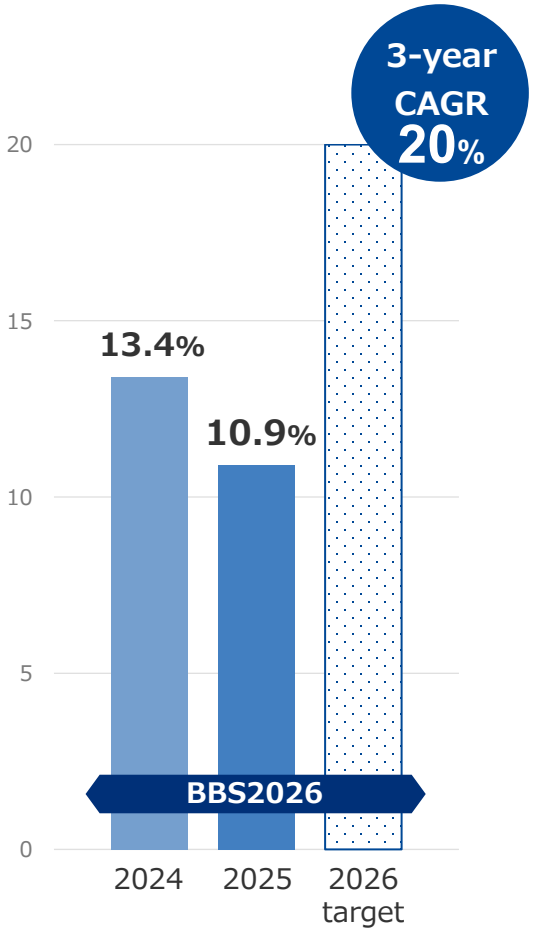



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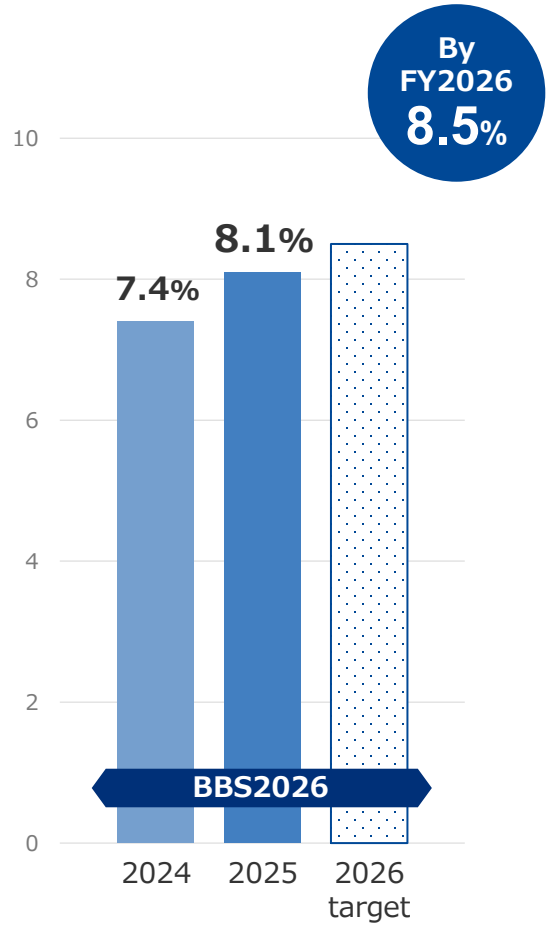
# BBS2026 Primary KPIs

The business profit margin on sales and ROE have grown steadily, but sales CAGR was not achieved due to the lack of progress in M&A investments

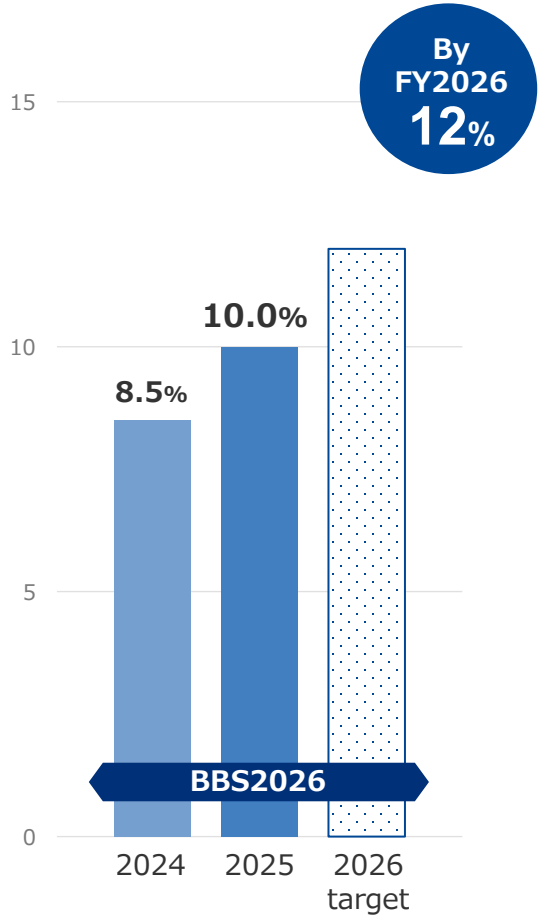
## Sales CAGR (inc. M&A)




## Business profit margin on sales




## ROE




## M&A investment

FY2024 **0.0 billion yen**

FY2025 **0.0 billion yen**

No significant progress

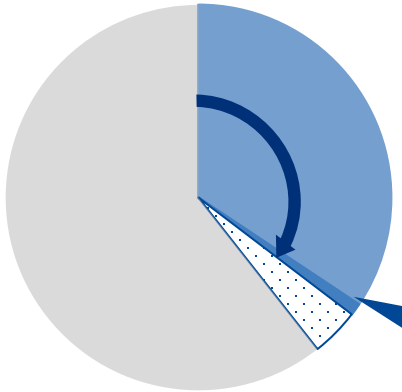
**3-year total 13 billion yen (maximum)**

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# BBS2026 Other KPIs

**BBS cycle rate** refers to the ratio of sales to customers to whom two or more of the three business areas of the BBS cycle are provided, relative to company-wide sales

## BBS cycle rate

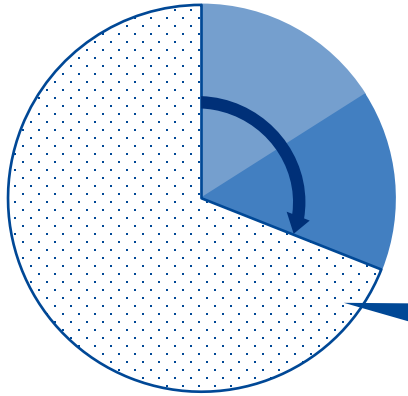


FY2024 **34%**

FY2025 **35%**

**By FY2026 40%**

## R&D investment



FY2024 **0.16billion yen**

FY2025 **0.15billion yen**

2-year total **0.31billion yen**

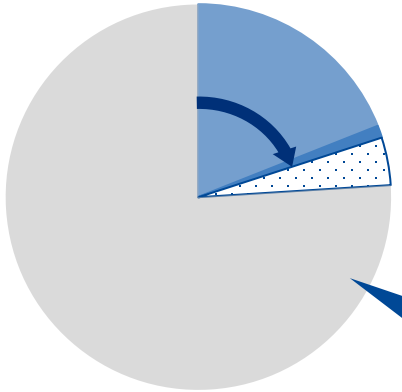
**3-year total 1 billion yen or more**

**Reference : Software investment（excluding）**

FY2024 0.17billion yen

FY2025 0.18billion yen

## Female manager ratio

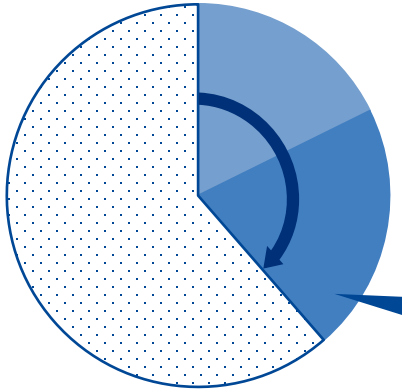


FY2024 **19%**

FY2025 **20%**

**By FY2026 24%**

## Human capital investment



FY2024 **0.39billion yen**

FY2025 **0.46billion yen**

2 -year total **0.85billion yen**

**3-year total 2.2billion yen or more**

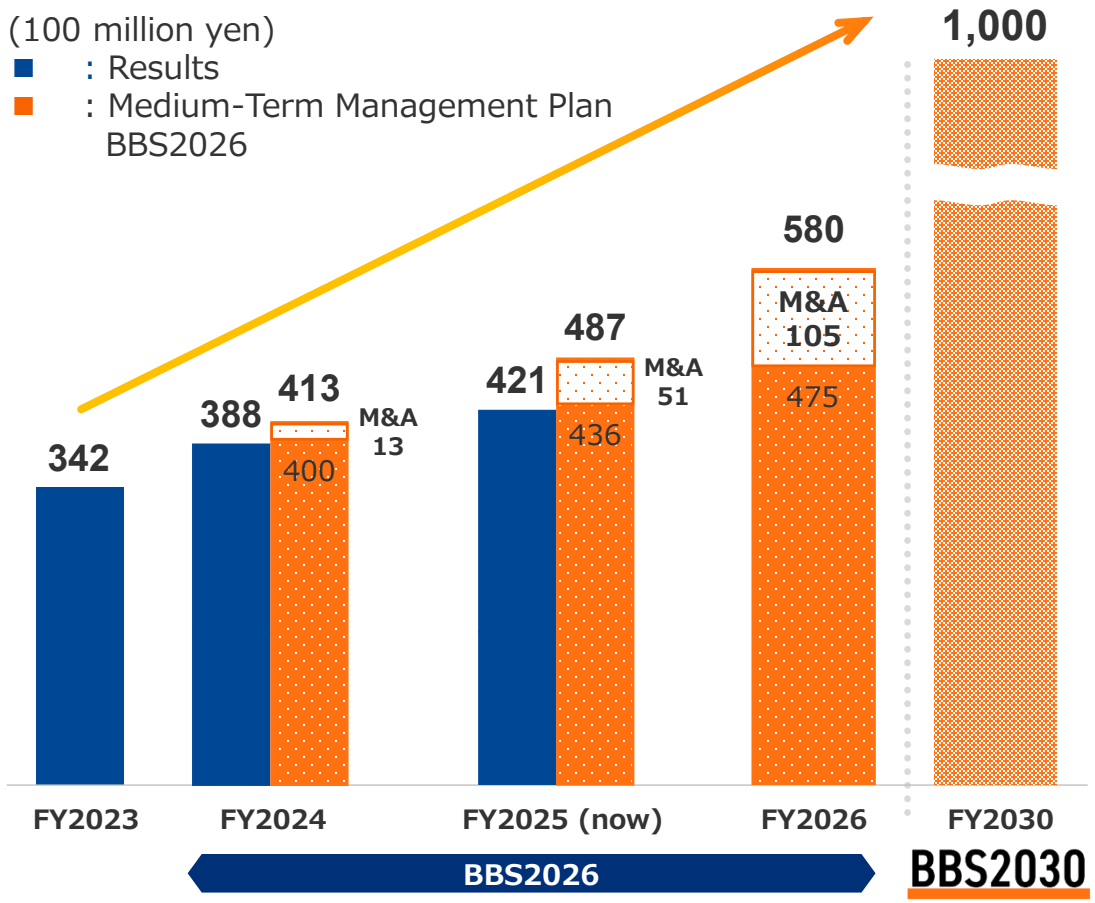
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# Business Progress

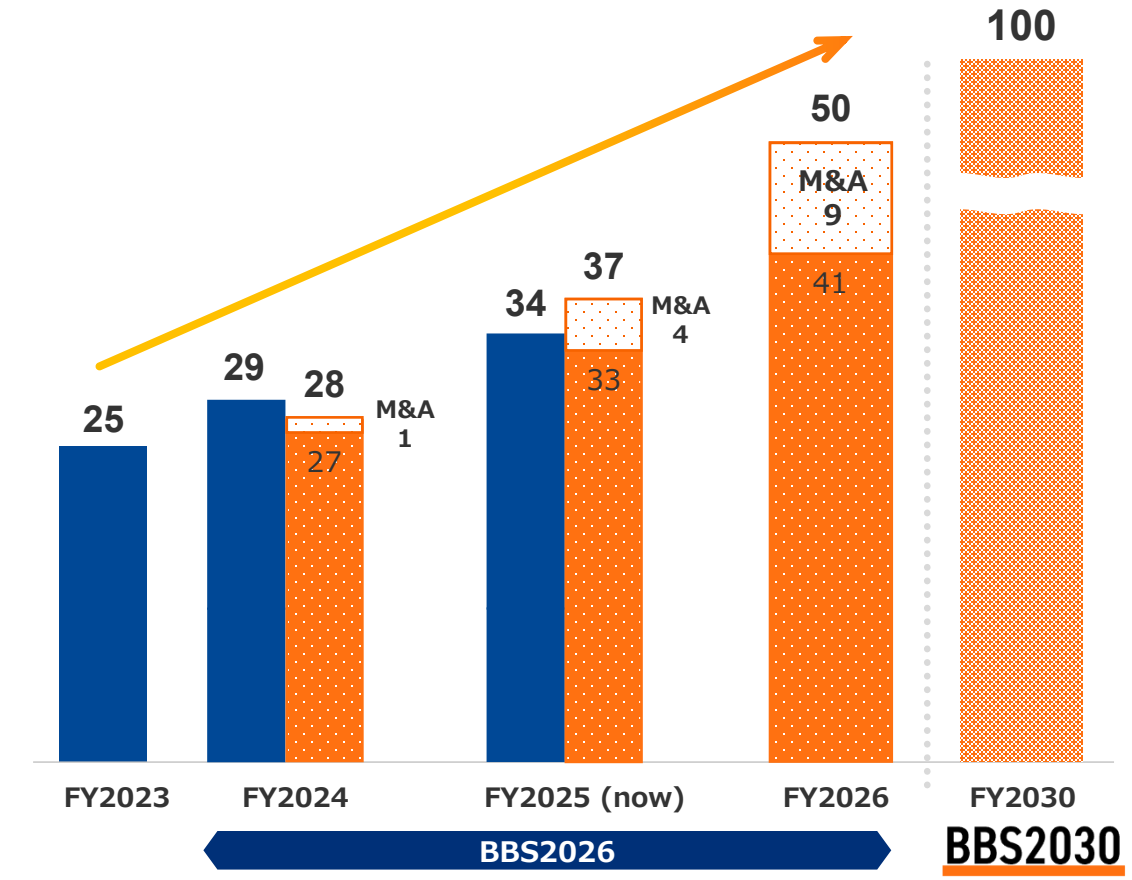
Revenue and profits increased, and business profit exceeded the organic plan under the Medium-term Management Plan

Due to the lack of progress in M&A, the overall plan was not achieved

## ■ Revenue




## ■ Business profit




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# Upfront Investment Plan for Realizing G2030

In order to respond to rapid changes in the business environment, although this is the 3rd year of BBS2026, we will change our policy and accelerate R&D investment.

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# Significant Environmental Changes and the Need to Respond

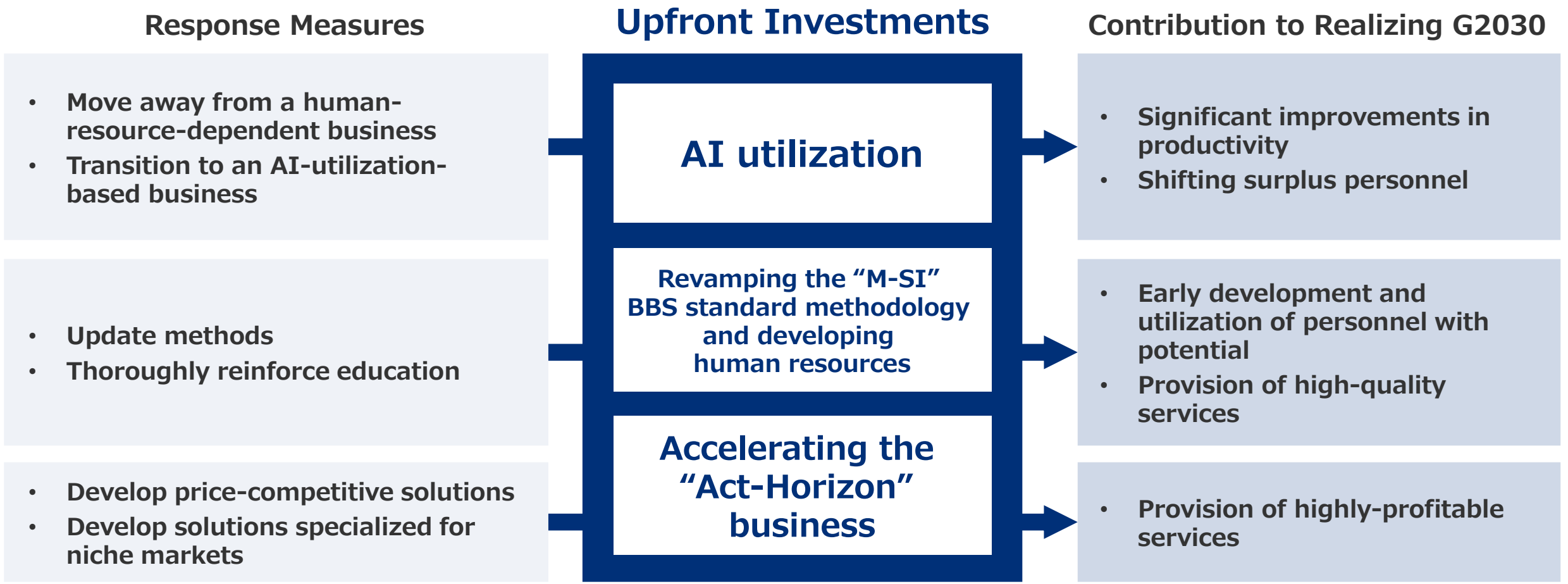
It has become apparent that there are environmental changes that exceed the assumptions made at the time the Medium-term Management Plan was formulated, and an early response is required to realize G2030.

| Significant Environmental Changes | Issues for the BBS Group | Response Measures |
|---|---|---|
| Rapid evolution of AI | Replacement of existing services with AI | • Move away from a human-resource-dependent business<br>• Transition to an AI-utilization-based business |
| Chronic shortage of human resources | Limits to growth through acquiring human resources | |
| Occurrence of quality problems | Ambiguity and insufficiently thorough methods and quality standards | • Update methods<br>• Thoroughly reinforce education |
| Rise of low-cost ERP and SaaS | Intensifying competition with low-cost ERP and SaaS | • Develop price-competitive solutions<br>• Develop solutions specialized for niche markets |

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# Accelerate the Transition to an AI-Utilization-Based Business through Upfront Investment

We are translating our response measures to the environmental changes into three upfront investments, and are accelerating the transition toward  a high-value-added business utilizing AI.

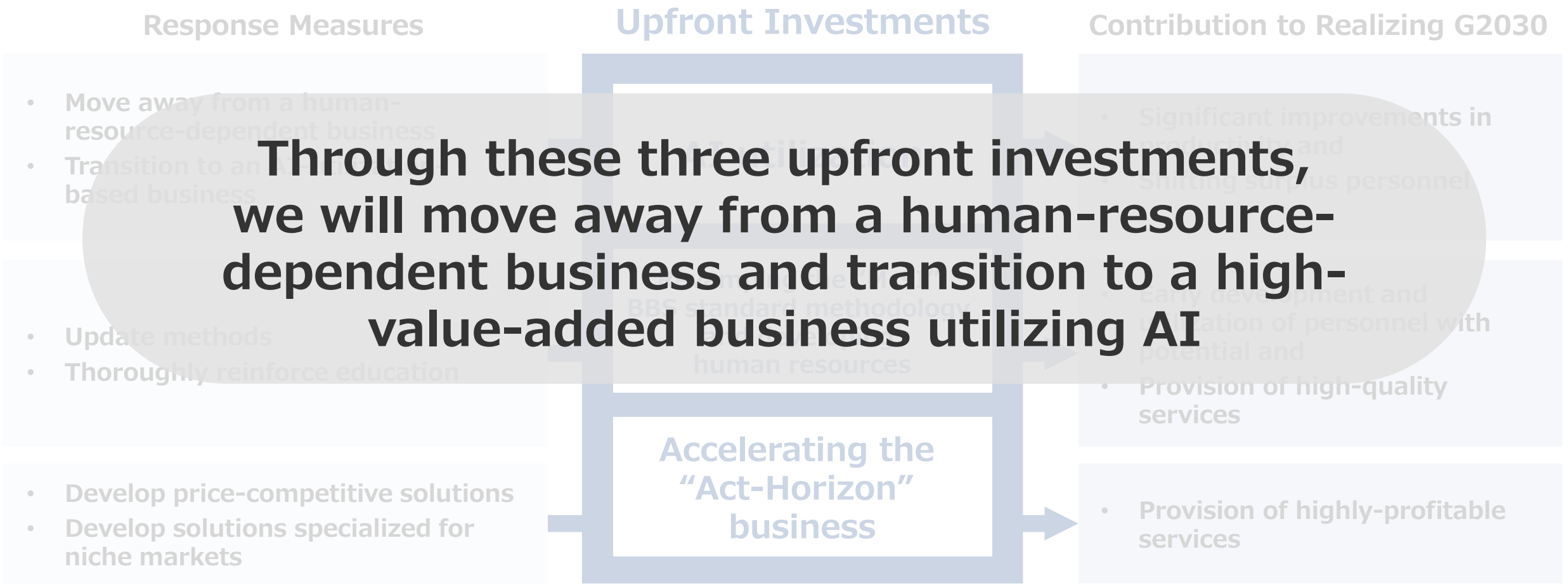



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# Accelerate the Transition to an AI-Utilization-Based Business through Upfront Investment

We are translating our response measures to the environmental changes into three upfront investments, and are accelerating the transition toward  a high-value-added business utilizing AI.

**Through these three upfront investments, we will move away from a human-resource-dependent business and transition to a high-value-added business utilizing AI**




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# Investment Themes Related to AI Utilization

We will fully promote AI utilization in each business.
We will also invest in the foundation and human resource development for that purpose.

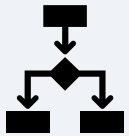
## Investment Themes

### Consulting and SI Business



**Incorporate AI into solutions**

Incorporate AI functions into Act-iAP
Incorporate AI functions into Act-Horizon



**Utilize AI in system development**

Labor savings and automation in each process, including programming and testing

### BPO Business



**Utilize AI in payroll calculation operations**

AI-BPaaS service



**Utilize AI in accounting operations**

Automate accounting item entry creation and closing work

### Foundation and Human Resource Development



**Develop an AI utilization foundation**

Develop AI guidelines
Develop AI utilization tools



**Develop AI human resources**

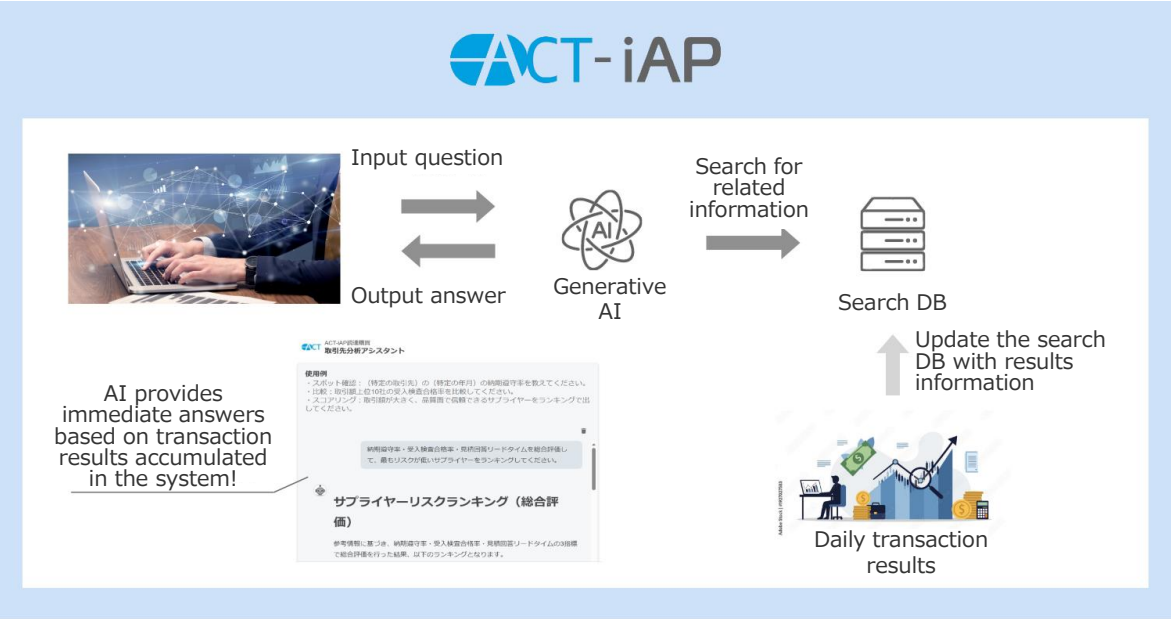
AI training
AI ideathons/hackathons

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# Incorporating an AI Data Assistant Function into ACT-iAP

The AI will analyze past transaction results data accumulated within the system and present evidence-based answers, thereby improving the quality and speed of procurement operations.

## ■ Immediately supports optimal purchasing decisions based on results data




## ■ Function Points

### 1. Enhances purchasing decisions

- AI immediately answers questions
- Supports quick and highly accurate decision-making

### 2. Self-service data inquiries

- AI directly checks and answers by using data within the system
- Obtain the desired information on the spot without developing a dedicated screen

### 3. Optimized and maintained for each company's exclusive use

- AI learns industry-specific terminology and company-specific operational rules
- After introduction, accuracy of the AI's answers is constantly optimized under site leadership

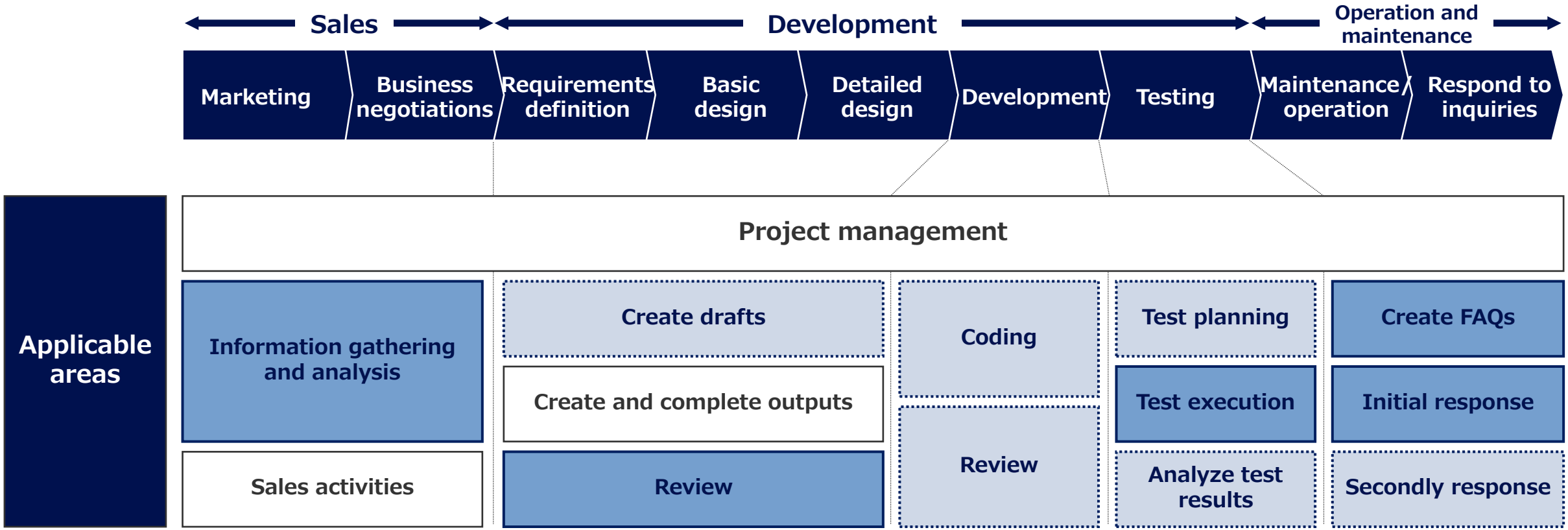
### 4. Support functions

- Equipped with a feedback function for AI answers and a function for outputting analysis results
- Can be widely used for daily business reporting and improvement activities

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# Utilizing AI in System Development Operations

We will utilize AI in each process related to system development,
working to significantly improve productivity.




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# AI Utilization in the BPO Business: Human Resources and Payroll AI-BPaaS Platform

We will work to transition to a service format in which AI and people collaborate to provide comprehensive support, from business process outsourcing to decision-making support.

## (1) Multi-UI of AI and people

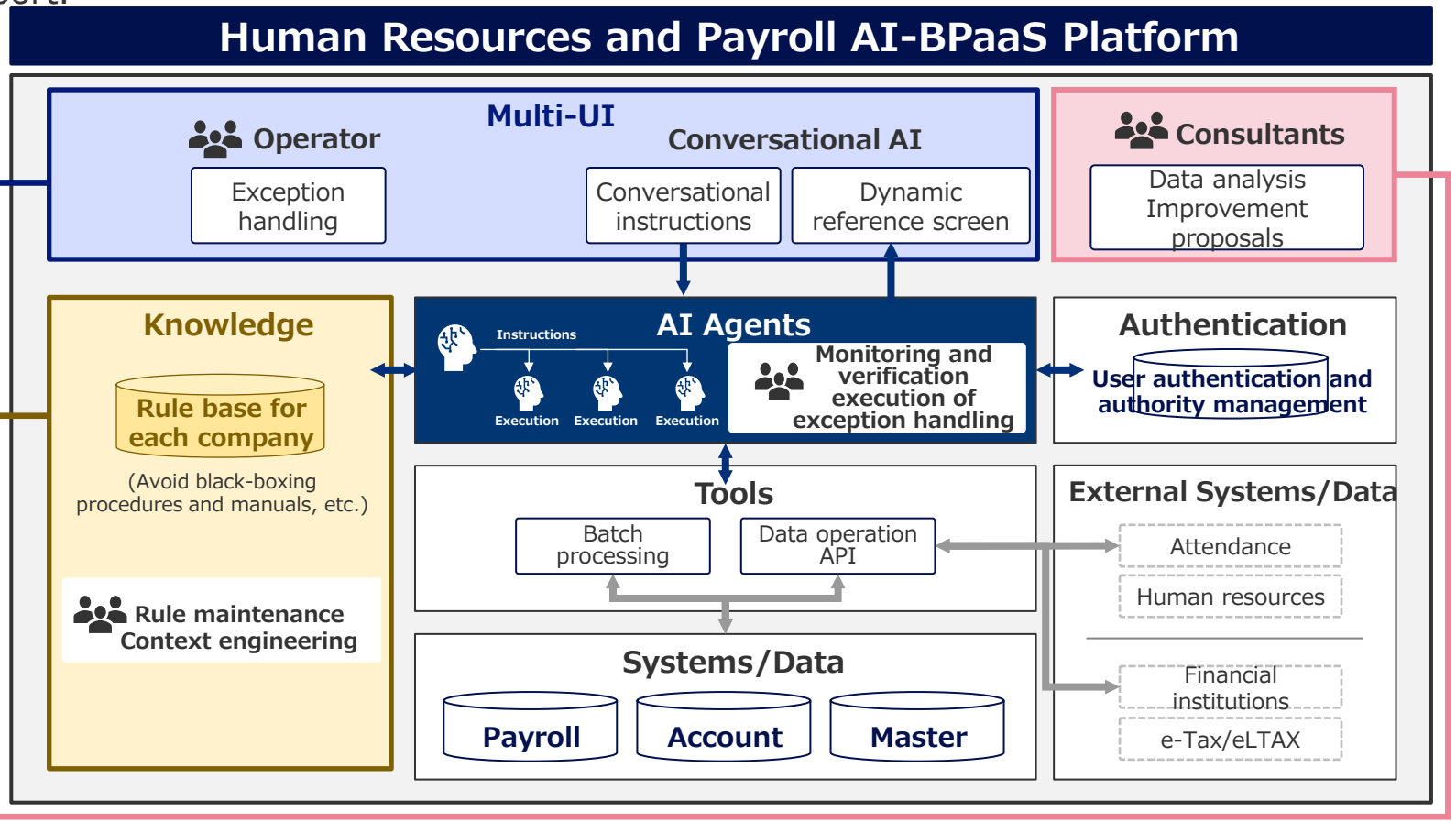
・AI agents provide 24-hour support
・Humans respond to exceptions and advanced requests

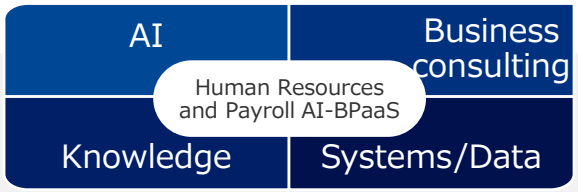
## (2) Utilize knowledge specific to each company

・Execute highly accurate answers and processing based on regulations, manuals, etc.

## (3) Decision-making support

・Analyze accumulated data, then propose decision-making and business improvement measures




**Transition to an integrated platform-based service comprising 4 elements**

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# Investment Amounts and Profit Effects

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 expenses and software

## Goal2030

### 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**

■ 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)

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

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# Plan for the 60th Fiscal Period (FY2026)

In the 60th fiscal term, management resources will be strategically concentrated on upfront investments aimed at realizing Goal 2030

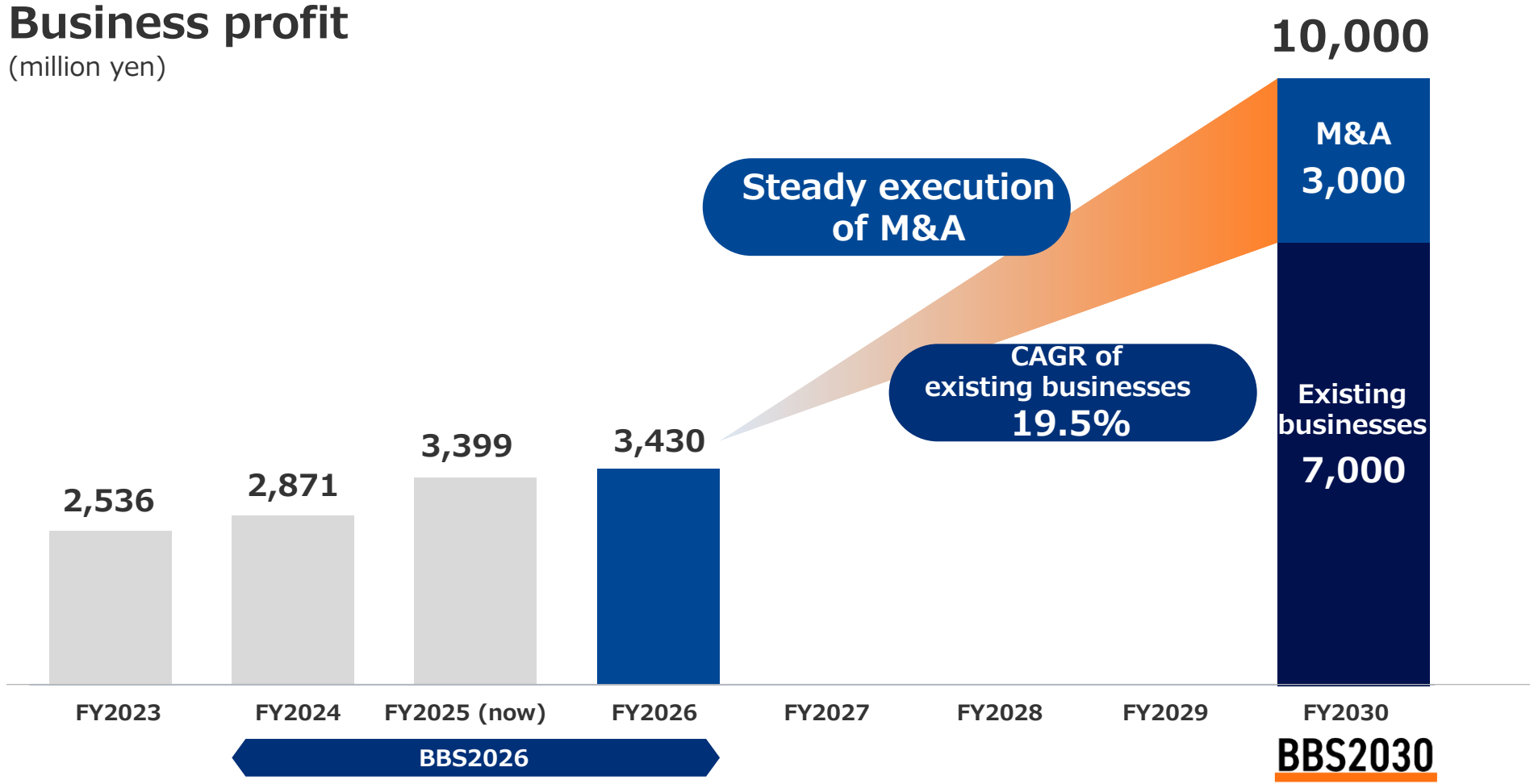
| | 2025 Result | 2026 Plan | Change |
|---|---|---|---|
| **Consolidated sales** | 42.1 billion yen | 43.6 billion yen | 1.5 billion yen ↑ |
| **Business profit** | 3.4 billion yen | 3.4 billion yen | 0 billion yen → |
| **R&D investment*** | 342 million yen | 618 million yen | 276 million yen ↑ |
| **ROE** | 10.0% | 9.1% | 0.9% ↓ |

*: Total of R&D expenses and software

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# Toward Realizing Goal2030

We aim to achieve the business profit target of 10,000 million yen by generating profit of 7,000 million yen from existing businesses and 3,000 million yen from M&A




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# Explanation of Financial Results for FY2025

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# Highlights of FY2025

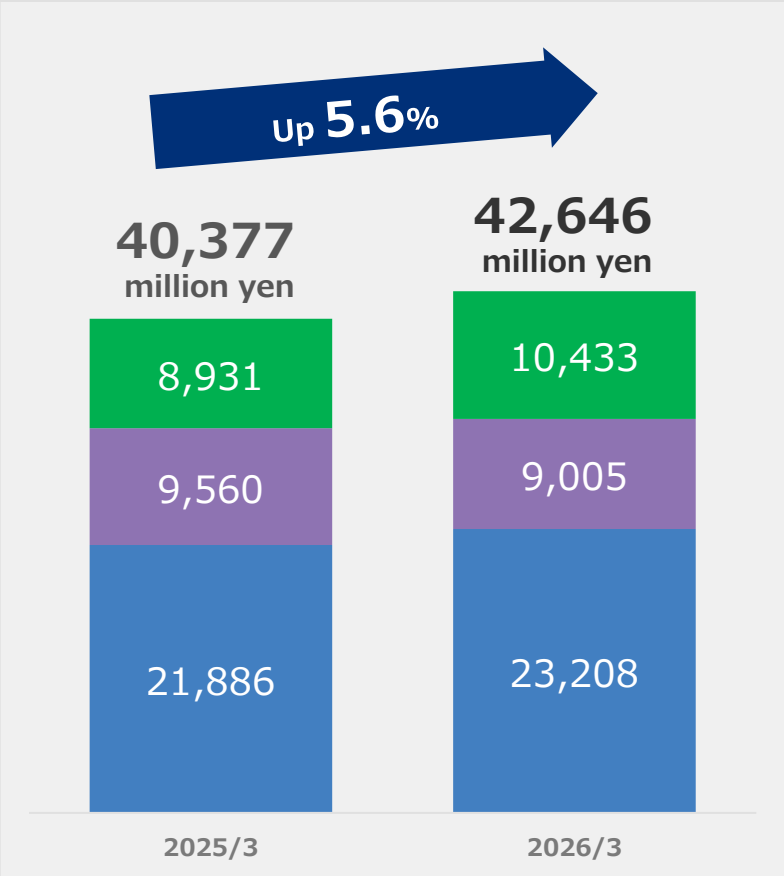
Repost

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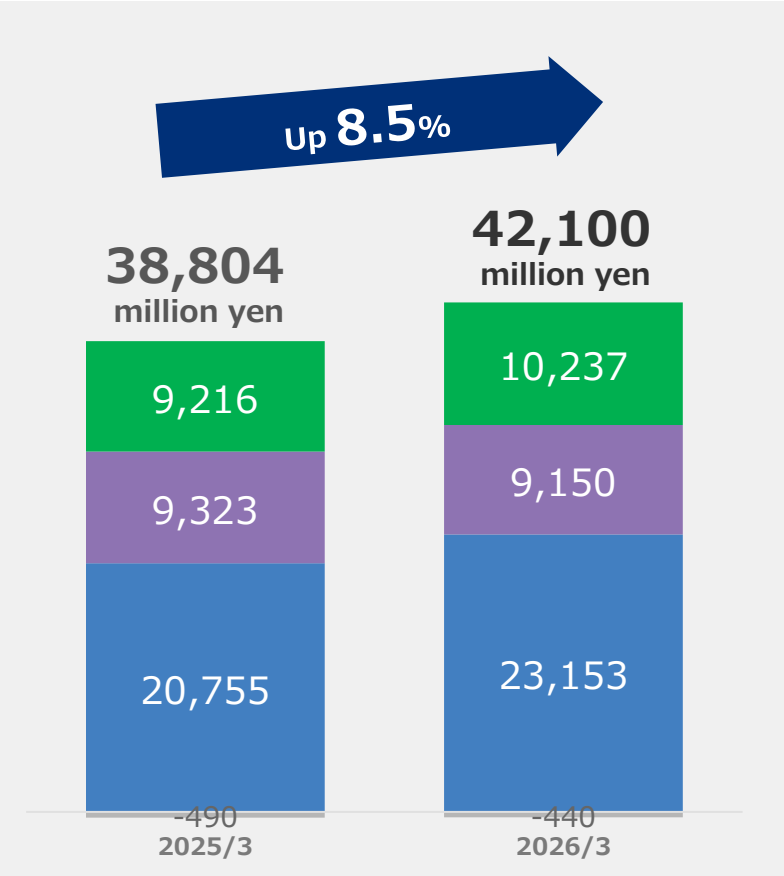
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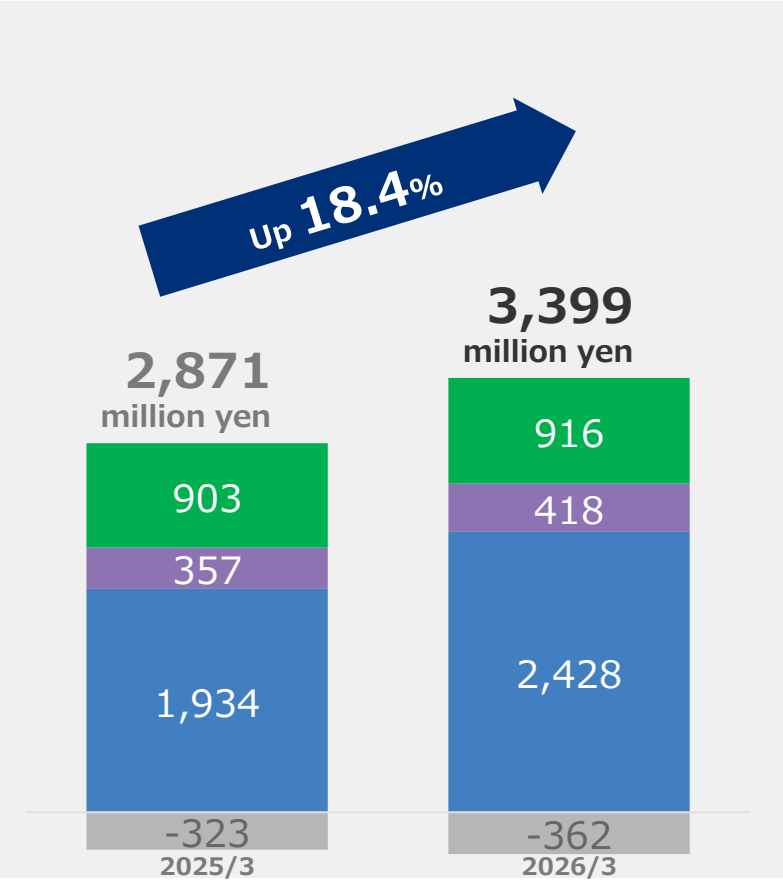
## ■ Orders received




## ■ Revenue




## ■ Business profit



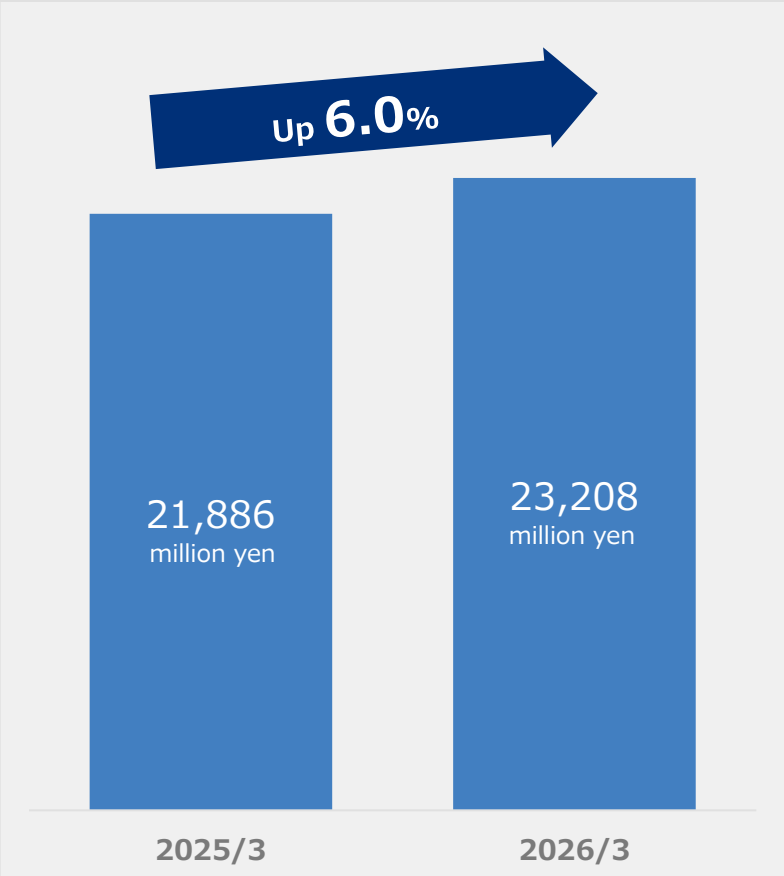

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# Consulting and System Development

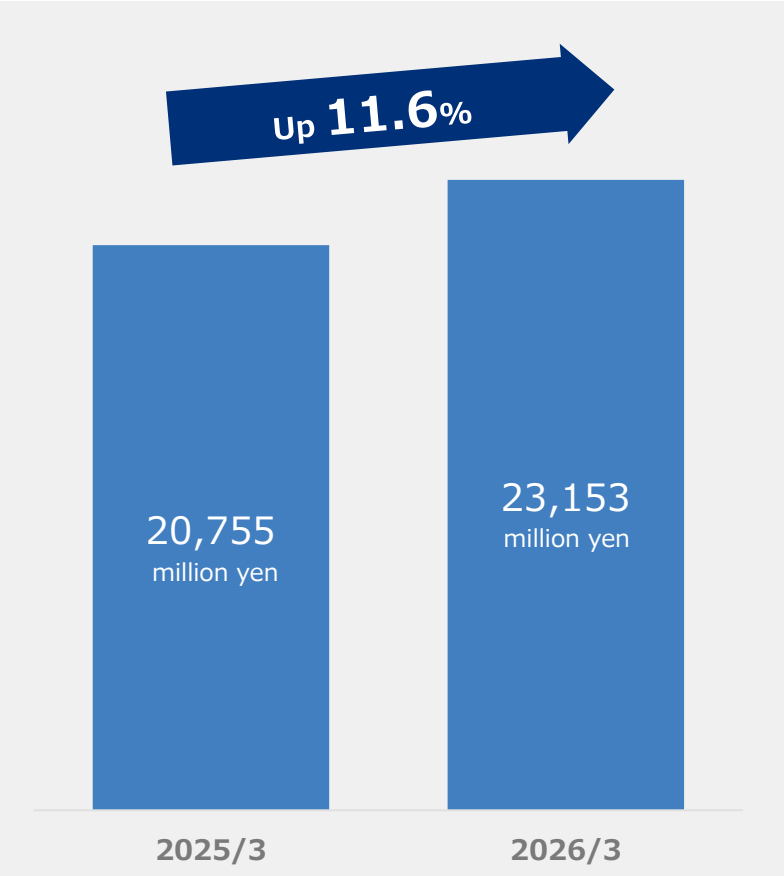
Operations were stable throughout the full year, and the profit margin improved (in the previous fiscal year, there was an impact from underperforming projects in the first half)

Renewal demand from existing infrastructure-related customers made a significant contribution, and production management systems also performed strongly

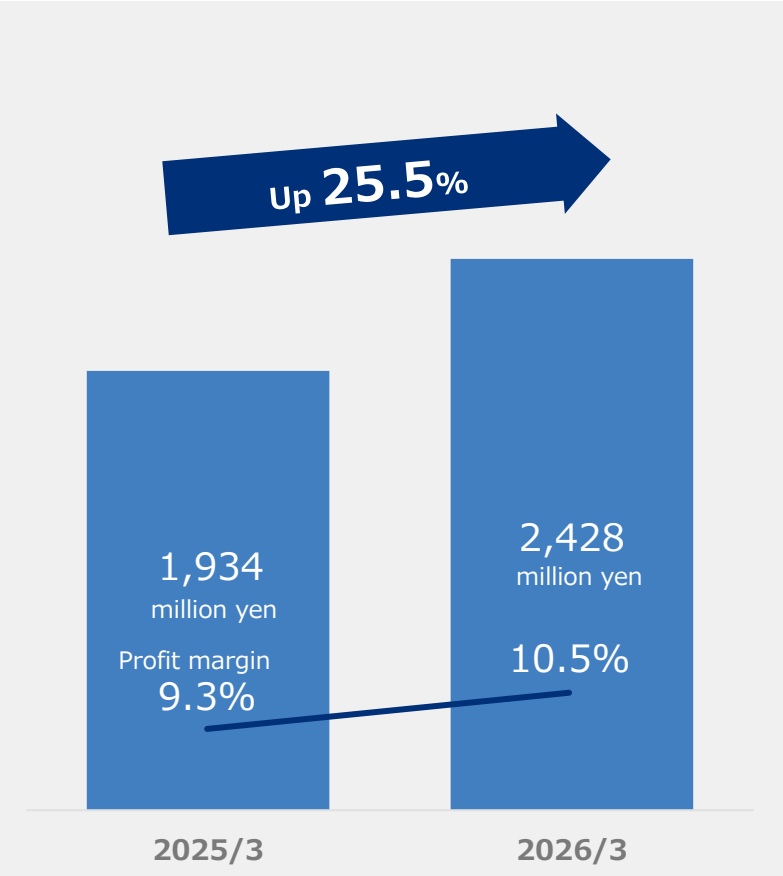
## ■ Orders received




## ■ Revenue




## ■ Segment profit




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# SES Co-Creation Business

The Financial Business struggled due to the severe business environment in the securities industry, but the profit margin recovered due to the elimination of the impact of underperforming projects in the previous fiscal year

The Industrial Business struggled to acquire human resources and was unable to increase revenue

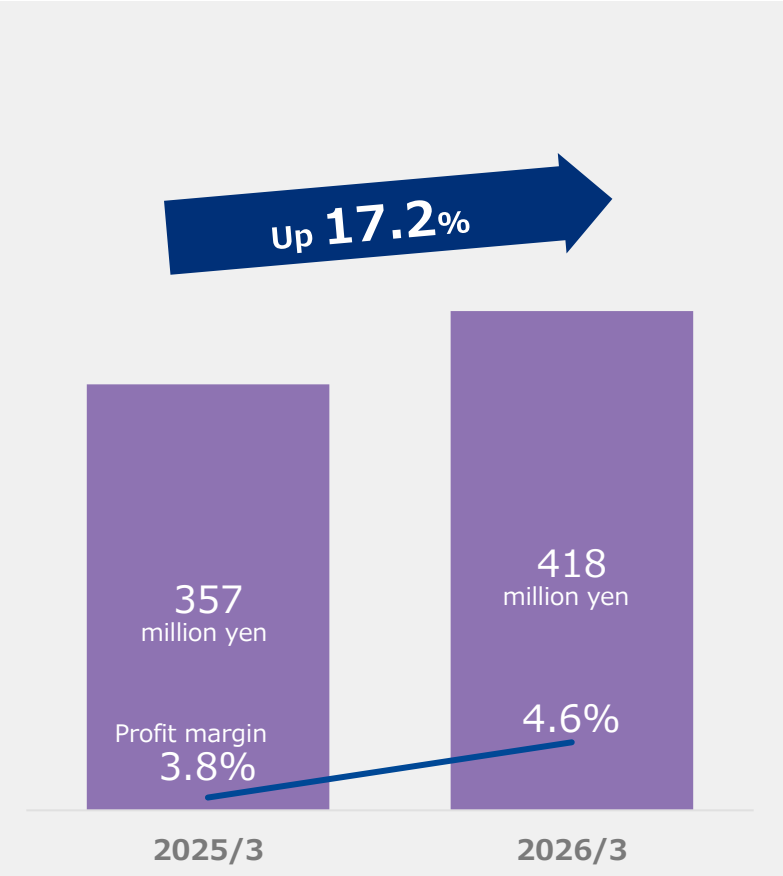
## ■ Orders received




## ■ Revenue




## ■ Segment profit




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# BPO & Managed Services

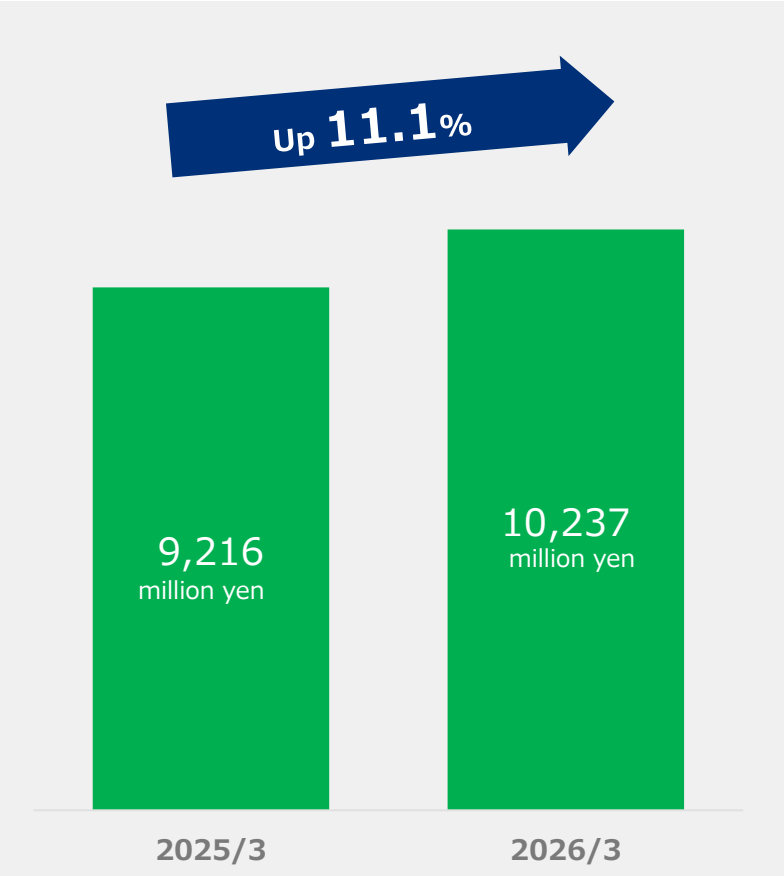
Revenue increased due to the increase in orders received in the previous fiscal year, but profit contribution was limited due to struggles in launching new projects

Onsite BPO recorded an increase in revenue due to customer factors, and Managed Services recorded an increase in orders through collaboration with the NTT DATA Group

## ■ Orders received




## ■ Revenue




## ■ Segment profit




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# PL Comparison

Impairment losses were recorded for goodwill at three subsidiaries

Financial profit/loss improved due to the recording of gain on sales of investment securities

(million yen)

| Item | 2025/3 | 2026/3 | Change |
|---|---|---|---|
| Revenue | 38,804 | 42,100 | 3,296 |
| Business profit | 2,870 | 3,399 | 529 |
| Non-recurring profit/loss items | 1 | -137 | -138 |
| Operating profit | 2,871 | 3,262 | 391 |
| Share of profit (loss) of investments accounted for using equity method | 460 | 636 | 176 |
| Other profit/loss | 19 | 258 | 239 |
| Profit before tax | 3,350 | 4,156 | 805 |
| Profit | 2,509 | 3,030 | 521 |
| Profit attributable to owners of parent | 2,468 | 2,987 | 518 |
| Rate of profit attributable to owners of parent | 6.4% | 7.1% | – |

Main changes:

Impairment losses 131 million yen

Fresco 15 million yen

Twinkle 83 million yen

joyworks 33 million yen

Recorded in consideration of each company's future profit outlook

Main changes:

Gain on sales of investment securities 239 million yen

Sale of other securities

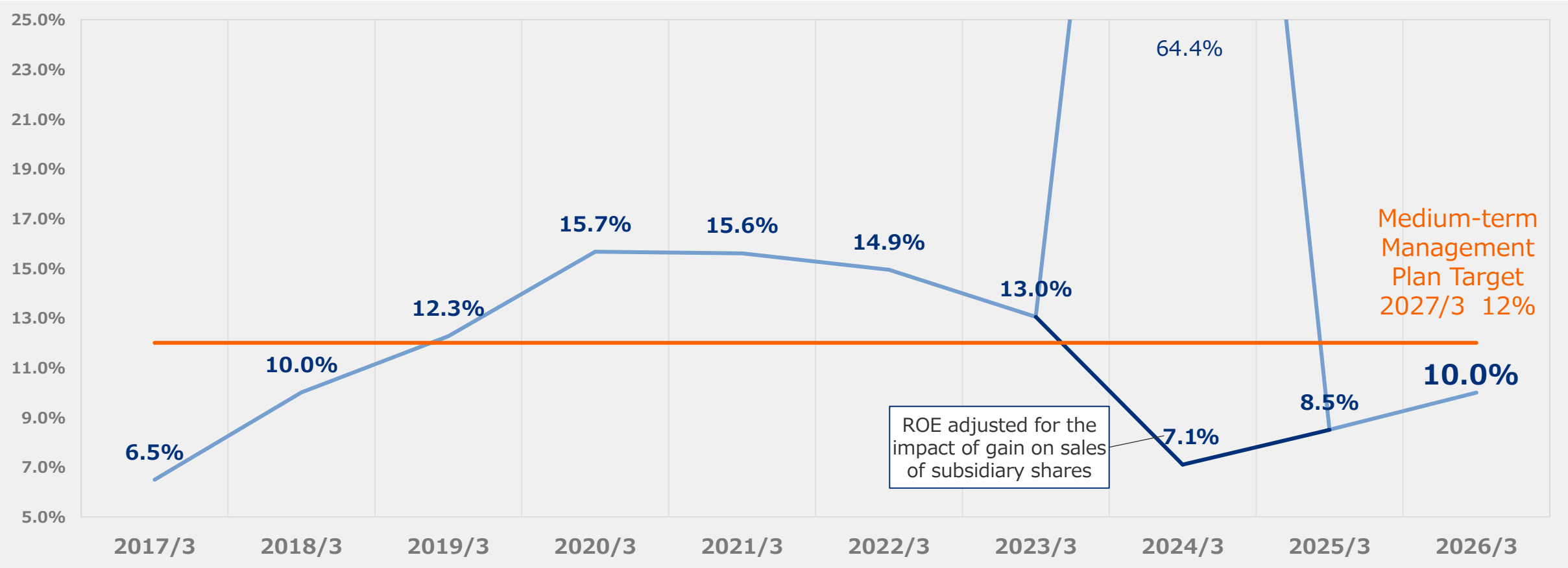
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# ROE

ROE reached the 10% level, and improvement in capital efficiency is steadily progressing

There are 2 pt remaining to the Medium-term Management Plan target of 12%, within reach through organic growth

## ■ 10-year ROE trend



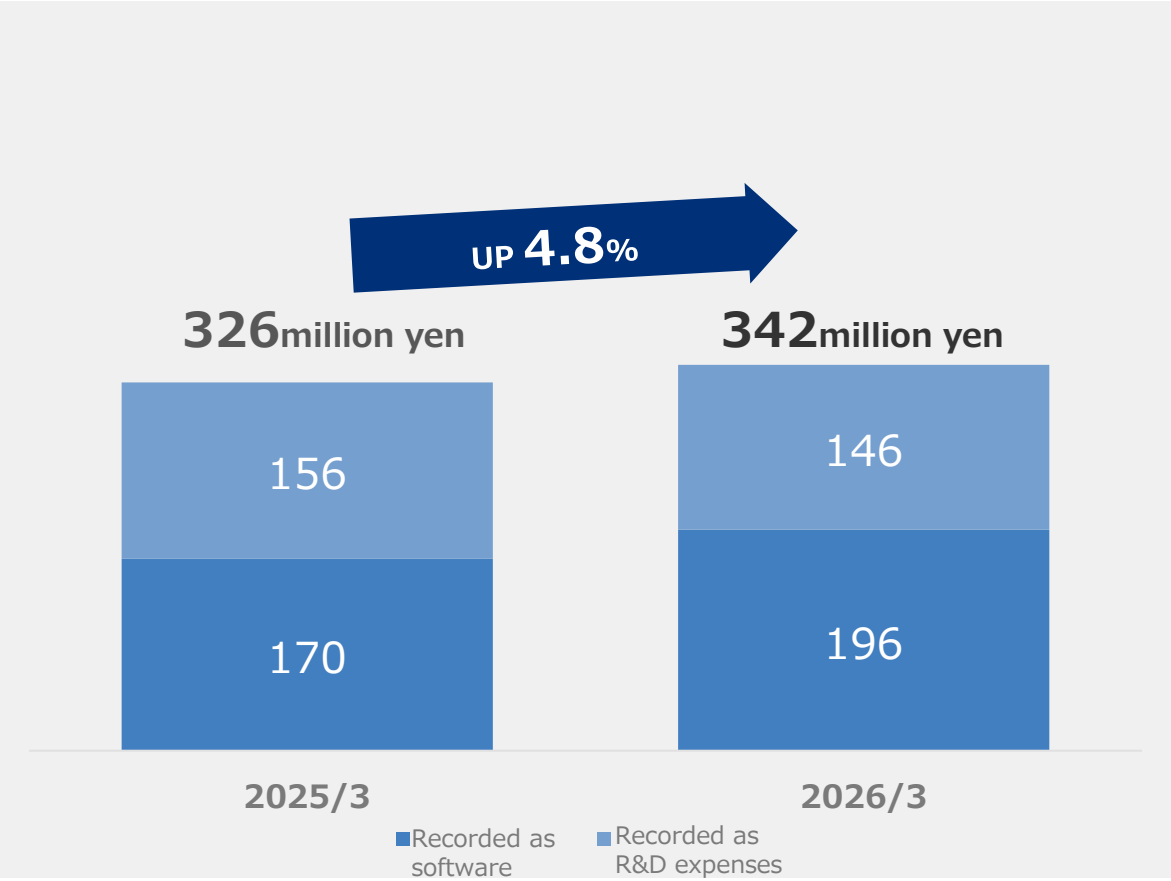

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# R&D Investment, Human Capital Investment

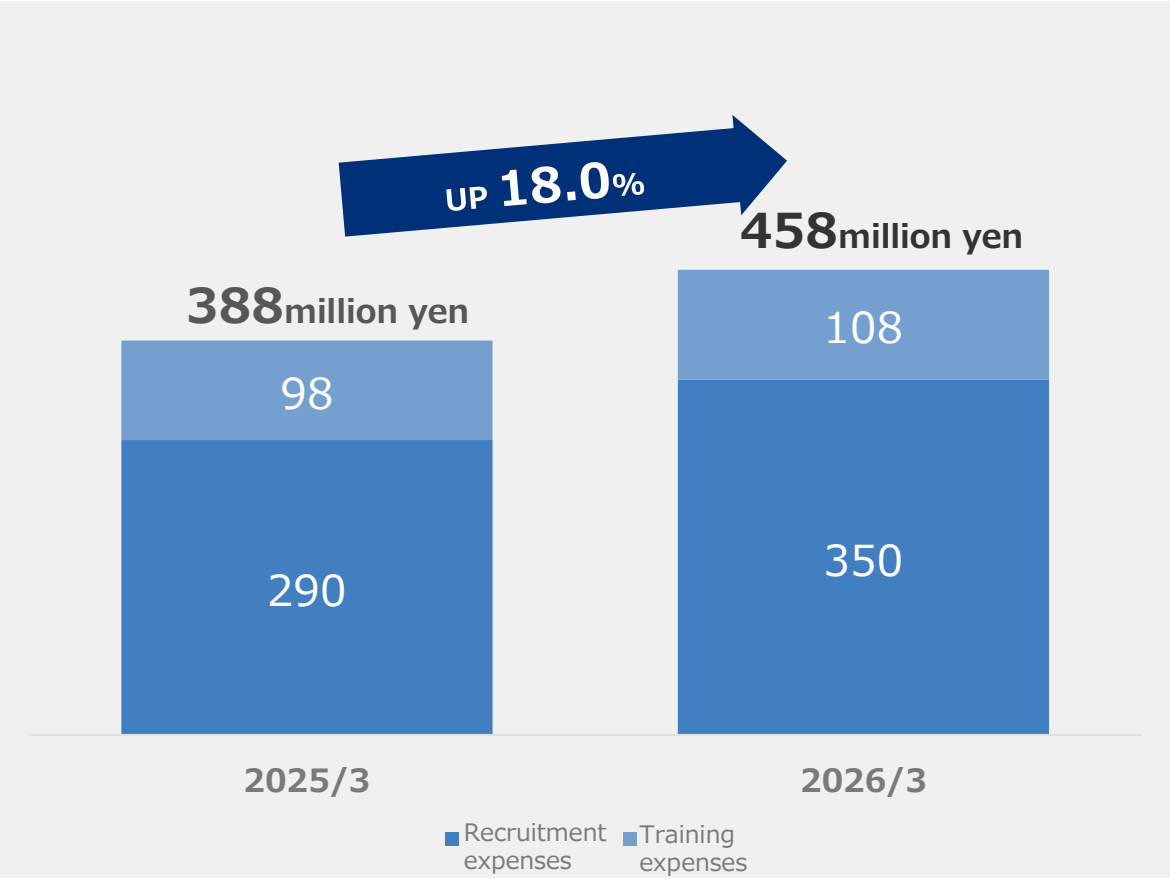
Main R&D themes: R&D for AI utilization, development expenses related to ACT-Horizon

Main human capital investment: Fees paid to agents, etc. increased in connection with proactive recruitment of human resources

## ■ R&D investment




## ■ Human capital investment

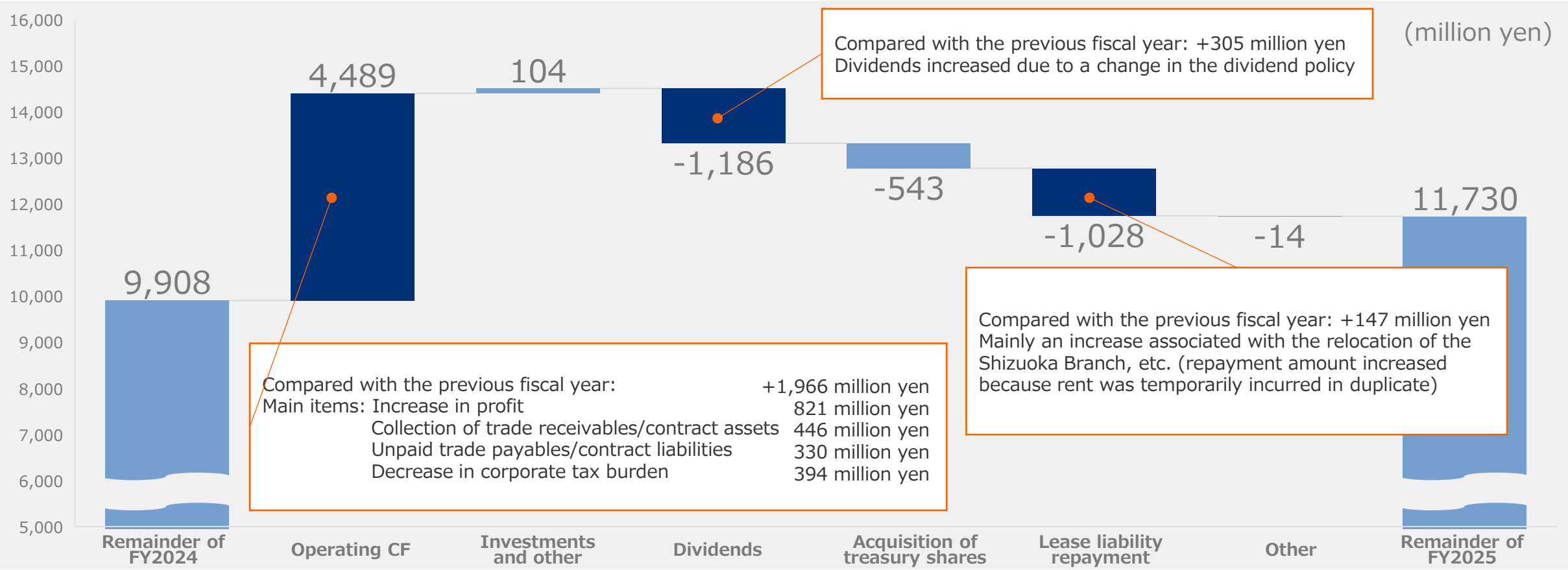



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# Cash Flow Situation

Due to a substantial increase in operating cash flow, the year-end cash balance increased by 1,800 million yen
Shareholder returns of 1,700 million yen were implemented through dividends and acquisition of treasury shares

## ■ Cash flow




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# Balance Sheet Assets

(million yen)

| Item | 2025/3 | 2026/3 | Change | % Change | Comments on Major Changes |
|---|---|---|---|---|---|
| Current assets | 18,251 | 20,523 | 2,272 | 12.4% | |
| Cash and cash equivalents | 9,908 | 11,730 | 1,822 | 18.4% | |
| Trade and other receivables | 5,093 | 5,620 | 527 | 10.3% | |
| Contract assets | 1,911 | 1,725 | -186 | -9.7% | |
| Other financial assets | 316 | 319 | 3 | 0.9% | |
| Other current assets | 1,023 | 1,129 | 106 | 10.4% | |
| Non-current assets | 27,071 | 27,941 | 870 | 3.2% | |
| Property, plant and equipment | 625 | 783 | 158 | 25.3% | |
| Right-of-use assets | 2,628 | 3,238 | (1) 610 | 23.2% | (1) Increase due to concluding new lease agreements accompanying the relocation of the Shizuoka Branch, OS Business Dept., Kanda iC, and BSC Head Office |
| Goodwill | 2,098 | 1,967 | (2)-131 | -6.2% | (2) Recording of impairment of goodwill for three subsidiaries |
| Intangible assets | 1,091 | 1,059 | -32 | -2.9% | |
| Equity method investments | 17,073 | 17,503 | 430 | 2.5% | |
| Other financial assets | 2,909 | 2,667 | (3)-242 | -8.3% | (3) Sale and other items of investment securities (shares held for pure investment purposes, etc.) |
| Other non-current assets | 647 | 724 | 77 | 11.9% | |
| Total assets | 45,322 | 48,464 | 3,142 | 6.9% | |

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# Balance Sheet Liabilities and Equity

(million yen)

| Item | 2025/3 | 2026/3 | Change | % Change | Comments on Major Changes |
|---|---|---|---|---|---|
| Current liabilities | 7,940 | 8,765 | 825 | 10.4% | (1) Increase due to concluding new lease agreements accompanying the relocation of the Shizuoka Branch, OS Business Dept., Kanda iC, and BSC Head Office |
| Lease liabilities | 808 | 613 | -195 | -24.1% | |
| Trade and other payables | 2,116 | 2,309 | 193 | 9.1% | |
| Other current liabilities | 5,016 | 5,843 | 827 | 16.5% | |
| Non-current liabilities | 7,771 | 8,479 | 708 | 9.1% | |
| Lease liabilities | 1,884 | 2,687 | (1) 803 | 42.6% | |
| Provisions | 513 | 571 | 58 | 11.3% | |
| Deferred tax liabilities | 4,224 | 4,207 | -17 | -0.4% | |
| Other non-current liabilities | 1,150 | 1,014 | -136 | -11.8% | |
| Total liabilities | 15,711 | 17,244 | 1,533 | 9.8% | |
| Equity attributable to owners of parent | 29,138 | 30,716 | 1,578 | 5.4% | |
| Noncontrolling interests | 474 | 504 | 30 | 6.3% | |
| Total equity | 29,612 | 31,220 | 1,608 | 5.4% | |
| Total liabilities and equity | 45,322 | 48,464 | 3,142 | 6.9% | |

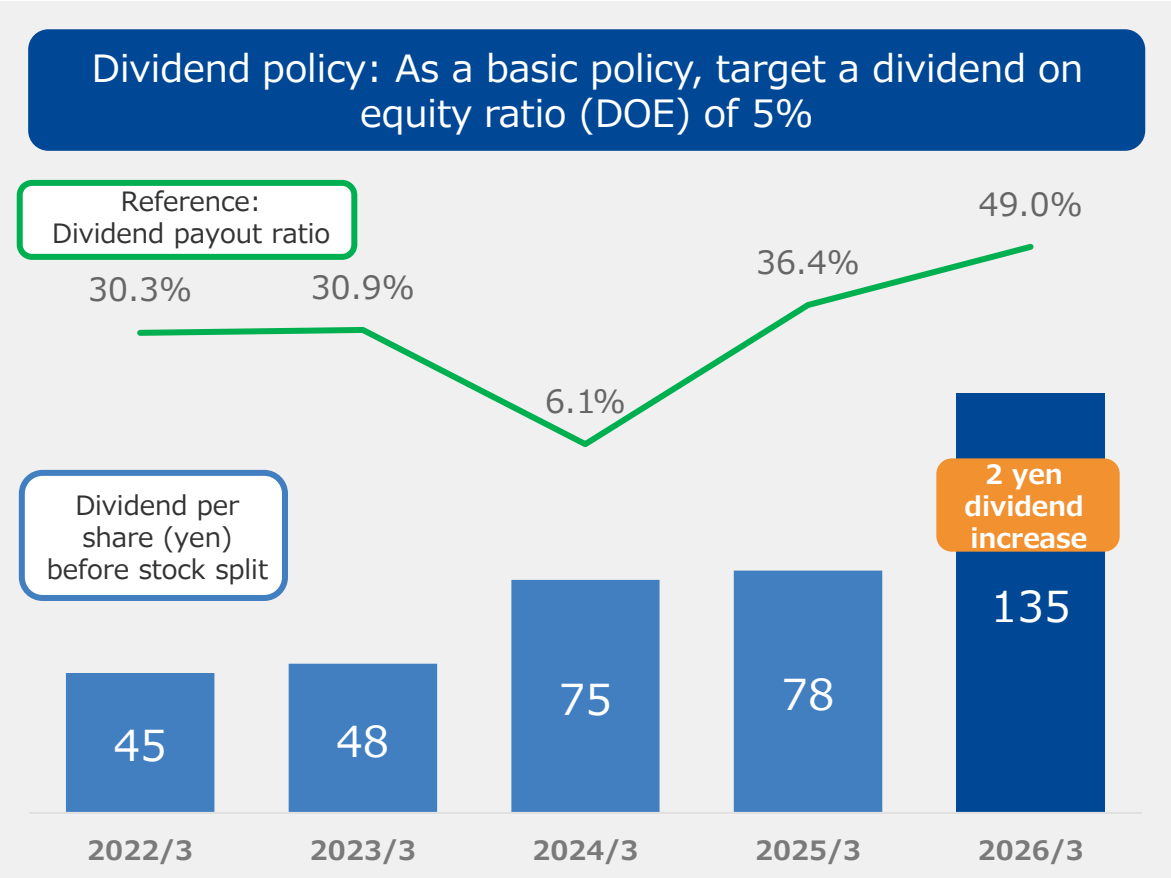
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# Shareholder Return

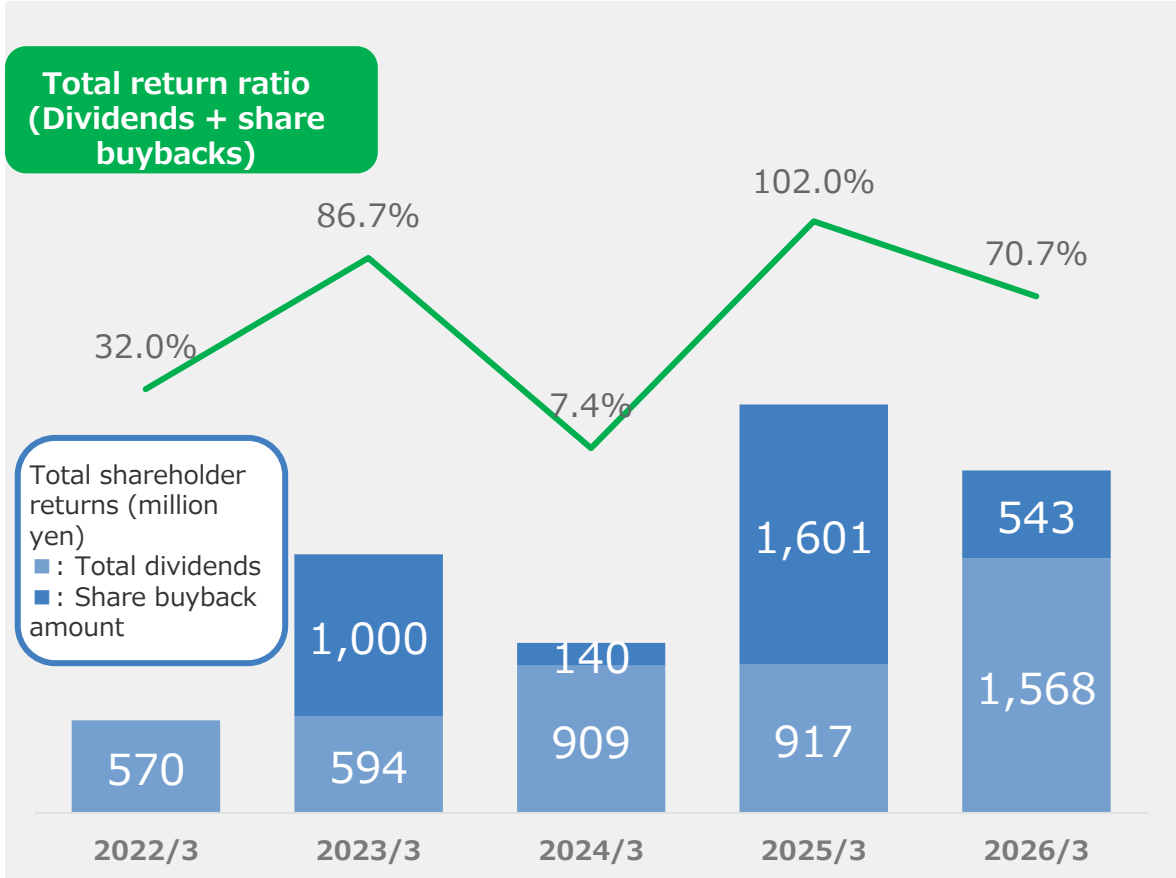
A dividend of 2 yen more than the amount announced in October 2025 was paid, resulting in a full-year dividend of 135 yen (before stock split). This represents a dividend increase of 57 yen (before stock split) compared with the previous fiscal year

Revision of shareholder benefits: Present of a 3,000 yen QUO card for 100 shares or more (before stock split) and of a 5,000 yen QUO card for 300 shares or more (before stock split)

## ■ Dividend trend




## ■ Total return ratio




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# Earnings Forecast FY2026

4

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# Earnings Forecast

As a result of setting a plan that prioritizes upfront investment, the gap from the Medium-term Management Plan target will widen

Due to the reallocation of human resources accompanying this investment, the rate of increase in revenue will slow, and the business profit margin will decline due to the increased burden of investment costs, but dividends are forecast to increase by 2 yen to an annual dividend of 47 yen

(million yen)

| Item | FY2025 | FY2026 Forecast | Change | % Change | Medium-term Management Plan Organic Growth Target (FY2026) | Change vs. Medium-term Management Plan |
|---|---|---|---|---|---|---|
| Orders received | 42,646 | 45,600 | 2,954 | 6.9% | – | – |
| Revenue | 42,100 | 43,600 | 1,500 | 3.6% | 47,500 | -3,900 |
| Business profit | 3,399 | 3,430 | 31 | 0.9% | 4,095 | -665 |
| Business profit margin | 8.1% | 7.9% | -0.2% | – | 8.6% | -0.8% |
| Profit before tax | 4,156 | 4,290 | 134 | 3.2% | – | – |
| Profit | 3,030 | 2,893 | -137 | -4.5% | – | – |
| Profit attributable to owners of parent | 2,987 | 2,848 | -139 | -4.6% | – | – |
| Annual dividend | 45 yen (prior to the stock split 135 yen) | 47 yen (prior to the stock split 141 yen) | 2円 (prior to the stock split 6 yen) | – | – | – |

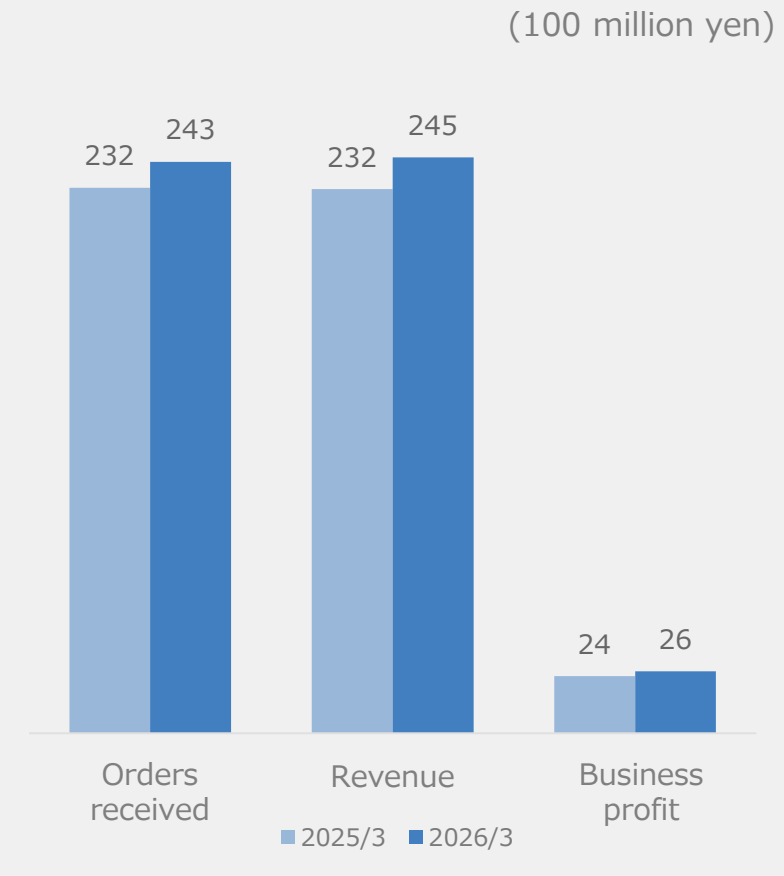
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# Earnings Forecast by Segment

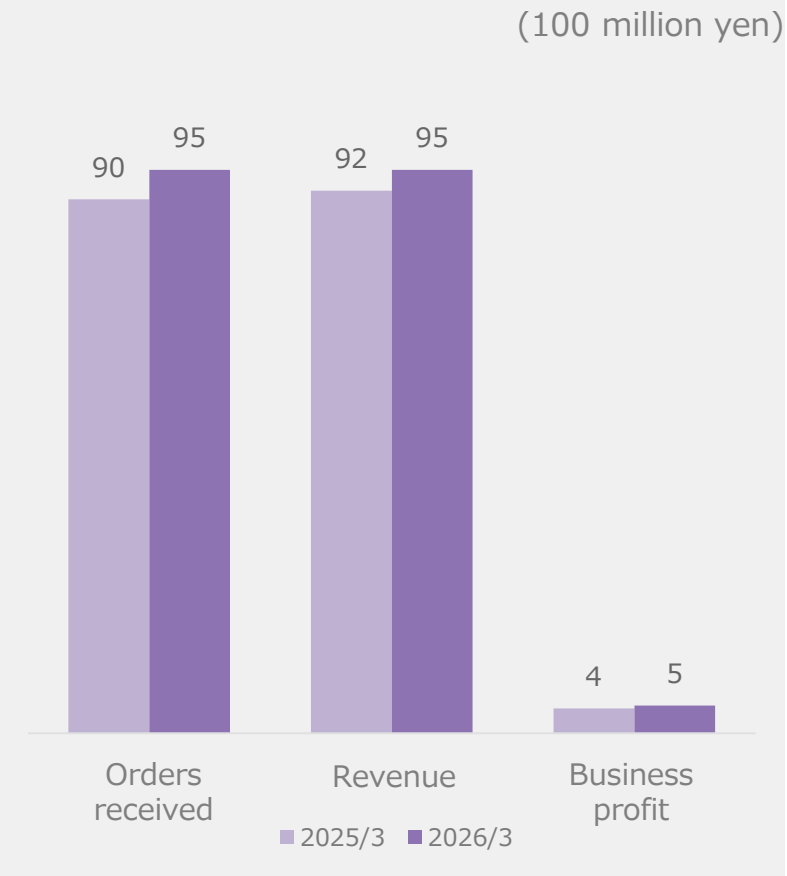
In Consulting and System Development, we will reallocate human resources and strengthen the research division, resulting in a slowdown in the rate of increase in revenue and a decline in the profit margin due to increased costs

In BPO & Managed Services, revenue will increase through collaboration with the NTT DATA Group, etc., but profit will decline due to increased costs resulting from increased investment

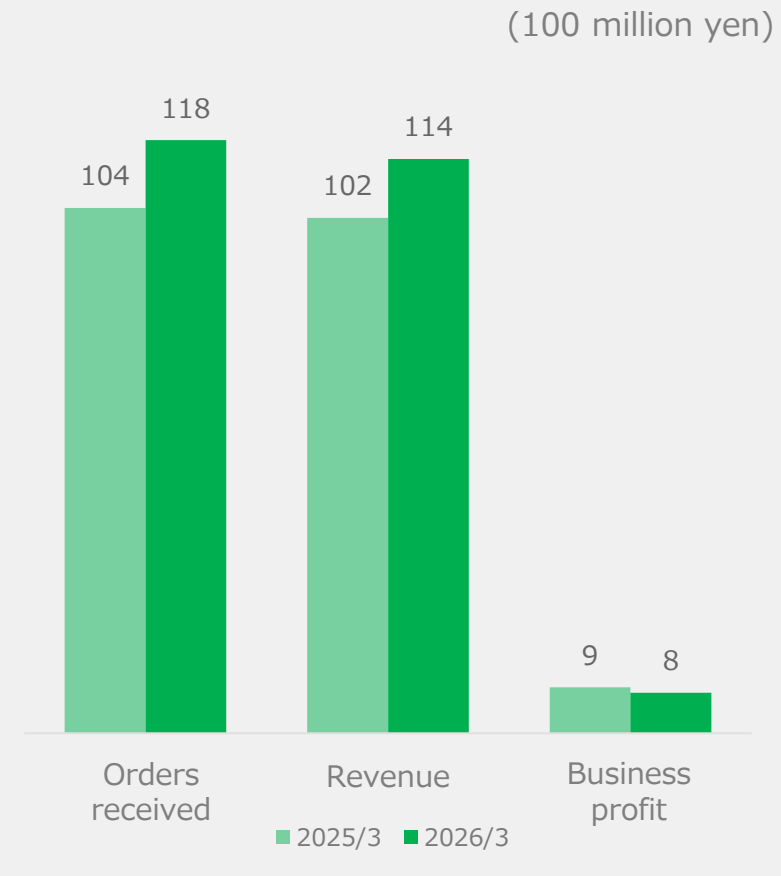
## ■ Consulting and System Development




## ■ SES Co-Creation Business




## ■ BPO & Managed Services




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# Appendix

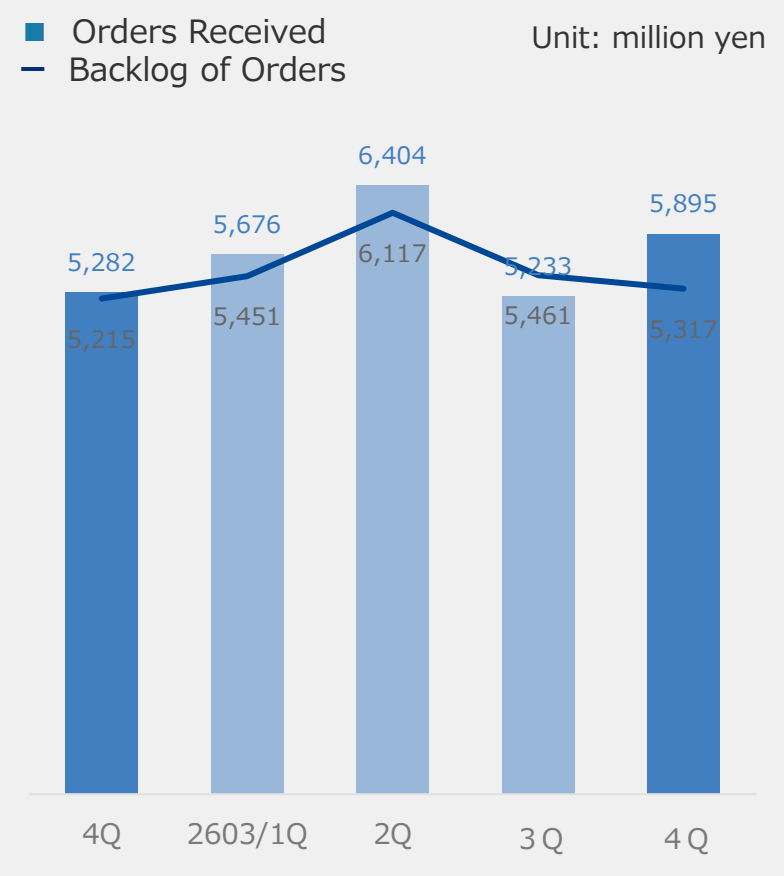
*Strictly Confidential*

# Quarterly Results

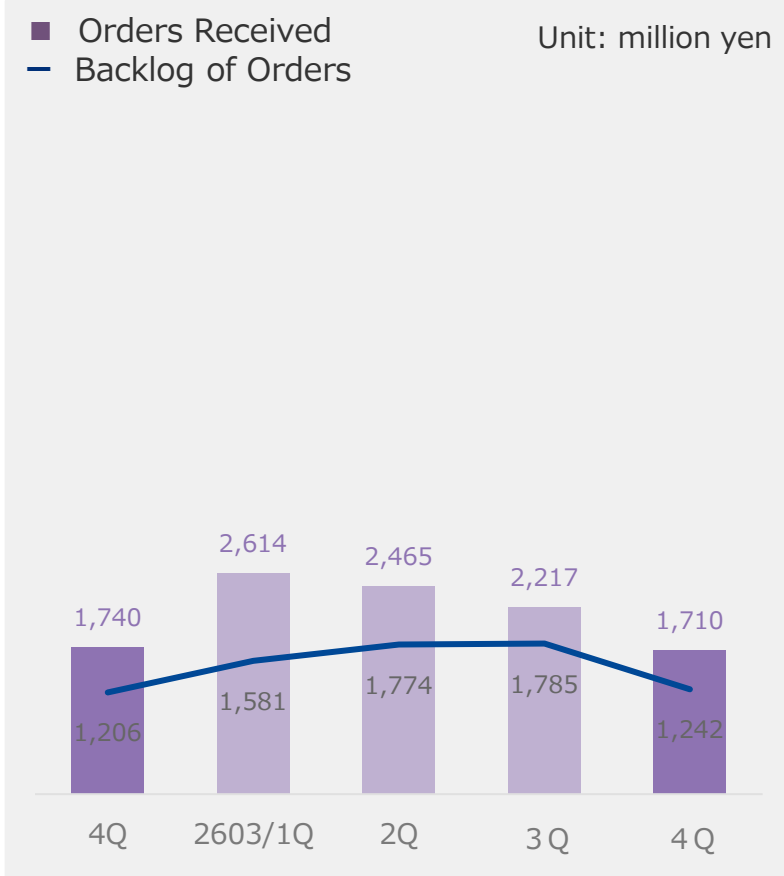
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# Orders Received and Backlog of Orders
## Quarterly Change (Accounting Period)

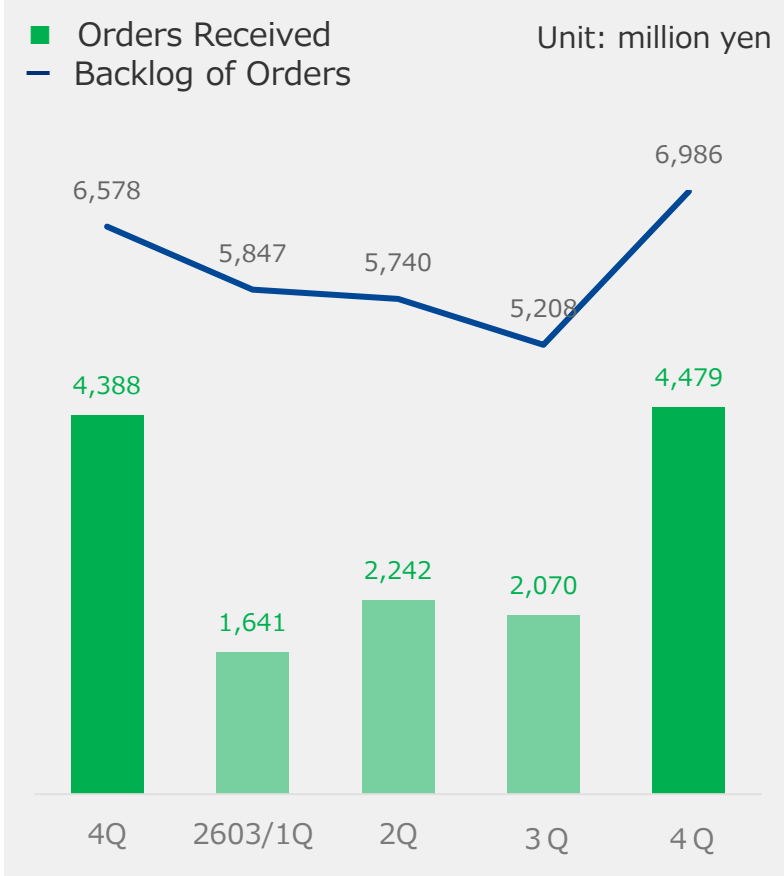
### ■ Consulting and System Development




### ■ SES Co-Creation Business




### ■ BPO & Managed Services




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# Orders Received and Backlog of Orders
## Quarterly (Accounting Period) Comments

| 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 | • Growth in accounting systems for existing and new infrastructure-related customers and mobility-related business systems<br>• PLM solutions decreased due to a reactionary decline from large orders in the previous fiscal year |
| ■ 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 | • The Financial Business struggled due to the severe business environment in the securities industry (particularly online securities)<br>• The Industrial Business struggled to acquire human resources, resulting in a decrease in orders |
| ■ 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 | • Onsite BPO (call centers) increased due to higher demand from existing customers, including support for customers' system migration |

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# 四半期セグメント売上/Quarterly Segment Revenue

| (単位:百万円) | (unit: million yen) | 2025/3 | | | | 2026/3 | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | 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 | 4,211 | 4,532 | 5,003 | 5,329 | 5,031 | 5,377 | 5,455 | 5,546 |
| PLMソリューション | PLM Solutions | 292 | 391 | 460 | 537 | 409 | 372 | 451 | 513 |
| 調整 | Adjustments | 0 | 0 | 0 | 0 | 0 | 0 | -1 | -0 |
| セグメント計 | Segment Total | 4,503 | 4,924 | 5,462 | 5,866 | 5,441 | 5,749 | 5,904 | 6,059 |
| **SES共創ビジネス** | **SES Co-Creation Business** | | | | | | | | |
| 金融ビジネス | Financial Business | 1,455 | 1,583 | 1,582 | 1,527 | 1,484 | 1,471 | 1,499 | 1,505 |
| 産業ビジネス | Industrial Business | 805 | 785 | 796 | 803 | 821 | 869 | 807 | 765 |
| 調整 | Adjustments | -5 | -1 | -5 | -3 | -22 | -15 | -21 | -14 |
| セグメント計 | Segment Total | 2,255 | 2,368 | 2,373 | 2,327 | 2,283 | 2,325 | 2,285 | 2,256 |
| **BPO&マネージドサービス** | **BPO & Managed Services** | | | | | | | | |
| 人事給与BPO | HR & Payroll BPO | 860 | 923 | 1,123 | 961 | 979 | 961 | 1,081 | 1,049 |
| 経理BPO | Accounting BPO | 685 | 658 | 771 | 884 | 749 | 712 | 839 | 921 |
| オンサイトBPO | Onsite BPO | 453 | 463 | 511 | 490 | 506 | 515 | 563 | 541 |
| マネージドサービス | Managed Services | 349 | 343 | 377 | 363 | 356 | 336 | 364 | 363 |
| 調整 | Adjustments | -245 | -228 | -289 | -236 | -154 | -126 | -194 | -124 |
| セグメント計 | Segment Total | 2,102 | 2,159 | 2,494 | 2,461 | 2,436 | 2,398 | 2,653 | 2,750 |
| **合計** | **Total** | **8,859** | **9,450** | **10,330** | **10,655** | **10,160** | **10,473** | **10,842** | **11,065** |
| 本社/調整額 | Company-wide expenses and Adjustments | -122 | -124 | -102 | -142 | -108 | -115 | -146 | -71 |
| **連結** | **Consolidated** | **8,737** | **9,326** | **10,227** | **10,513** | **10,052** | **10,358** | **10,696** | **10,994** |

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

| (単位:百万円) | (unit: million yen) | 2025/3 | | | | 2026/3 | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | 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 | 228 | 511 | 568 | 471 | 430 | 469 | 598 | 771 |
| PLMソリューション | PLM Solutions | -19 | 19 | 87 | 70 | 29 | -19 | 84 | 64 |
| 調整 | Adjustments | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| セグメント計 | Segment Total | 209 | 530 | 655 | 540 | 459 | 450 | 683 | 836 |
| **SES共創ビジネス** | **SES Co-Creation Business** | | | | | | | | |
| 金融ビジネス | Financial Business | 85 | 100 | 97 | -7 | 76 | 72 | 83 | 76 |
| 産業ビジネス | Industrial Business | 46 | 46 | -19 | 15 | 44 | 113 | 4 | -48 |
| 調整 | Adjustments | 0 | -1 | -3 | 0 | -3 | -5 | 5 | -1 |
| セグメント計 | Segment Total | 131 | 144 | 74 | 7 | 117 | 181 | 93 | 27 |
| **BPO&マネージドサービス** | **BPO & Managed Services** | | | | | | | | |
| 人事給与BPO | HR & Payroll BPO | 80 | 168 | 202 | 136 | 144 | 164 | 132 | 137 |
| 経理BPO | Accounting BPO | -16 | -26 | 54 | 95 | 22 | 13 | 12 | 111 |
| オンサイトBPO | Onsite BPO | 15 | 17 | 25 | 26 | 16 | 27 | 51 | 6 |
| マネージドサービス | Managed Services | 42 | 31 | 36 | 20 | 16 | 11 | 20 | 26 |
| 調整 | Adjustments | 0 | 0 | 1 | -1 | 0 | -1 | 15 | -5 |
| セグメント計 | Segment Total | 119 | 190 | 318 | 275 | 199 | 213 | 230 | 274 |
| **合計** | **Total** | **460** | **864** | **1,047** | **823** | **775** | **845** | **1,005** | **1,136** |
| 本社/調整額 | Company-wide expenses and Adjustments | -142 | -7 | -24 | -149 | -121 | -3 | -49 | -189 |
| **連結** | **Consolidated** | **318** | **857** | **1,023** | **674** | **655** | **842** | **956** | **947** |

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# Consulting and System Development
## Quarterly (Accounting Period) Comments

| Subsegments | Year-on-Year Comparison Commentary |
|---|---|
| ■ Management Accounting Consulting & Solutions | • A reactionary increase due to the decline in the profit margin in the fourth quarter of the previous year, which was affected by underperforming projects<br>• Growth in accounting systems for existing infrastructure-related customers and mobility-related business systems |
| ■ PLM Solutions | • This was a reactionary decline from strong performance in the fourth quarter of the previous year, but, due in part to the resulting occurrence of underperforming projects in the first half of the current year, operations were reduced overall in the fourth quarter of the current year, and, because the internal management structure is being strengthened, both revenue and segment profit decreased |

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# SES Co-Creation Business Quarterly (Accounting Period) Comments

| Subsegments | Year-on-Year Comparison Commentary |
|---|---|
| ■ Financial Business | • The overall decreasing trend due to the deterioration of the business environment remains unchanged<br>• Segment profit increased in reaction to the decrease in profit caused by underperforming projects in the fourth quarter of the previous year |
| ■ Industrial Business | • Revenue decreased due to an increase in resignations accompanying the completion of large-scale projects, etc., and segment profit decreased due to a decline in the utilization rate<br>• Temporary expenses associated with the restructuring of subsidiaries were recorded |

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# BPO & Managed Services Quarterly (Accounting Period) Comments

| Subsegments | Year-on-Year Comparison Commentary |
|---|---|
| ■ HR & Payroll BPO | • Increase due to the impact of the timing difference in year-end adjustment-related sales (in the previous fiscal year, sales were concentrated in the third quarter, but in the current fiscal year, they are distributed across the third and fourth quarters)<br>• Although there was an increase in revenue due to an increase in new orders, there was also a decrease in sales from the high-profit-margin ASP model, and segment profit remained flat |
| ■ Accounting BPO | • The Sapporo BPO Center was launched, increasing revenue and segment profit |
| ■ Onsite BPO | • Revenue increased due to higher demand from existing customers, including support for customers' system migration<br>• Segment profit decreased due to payment of settlement bonuses |
| ■ Managed Services | • No major increases or decreases |

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# Company Introduction

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# Company Profile

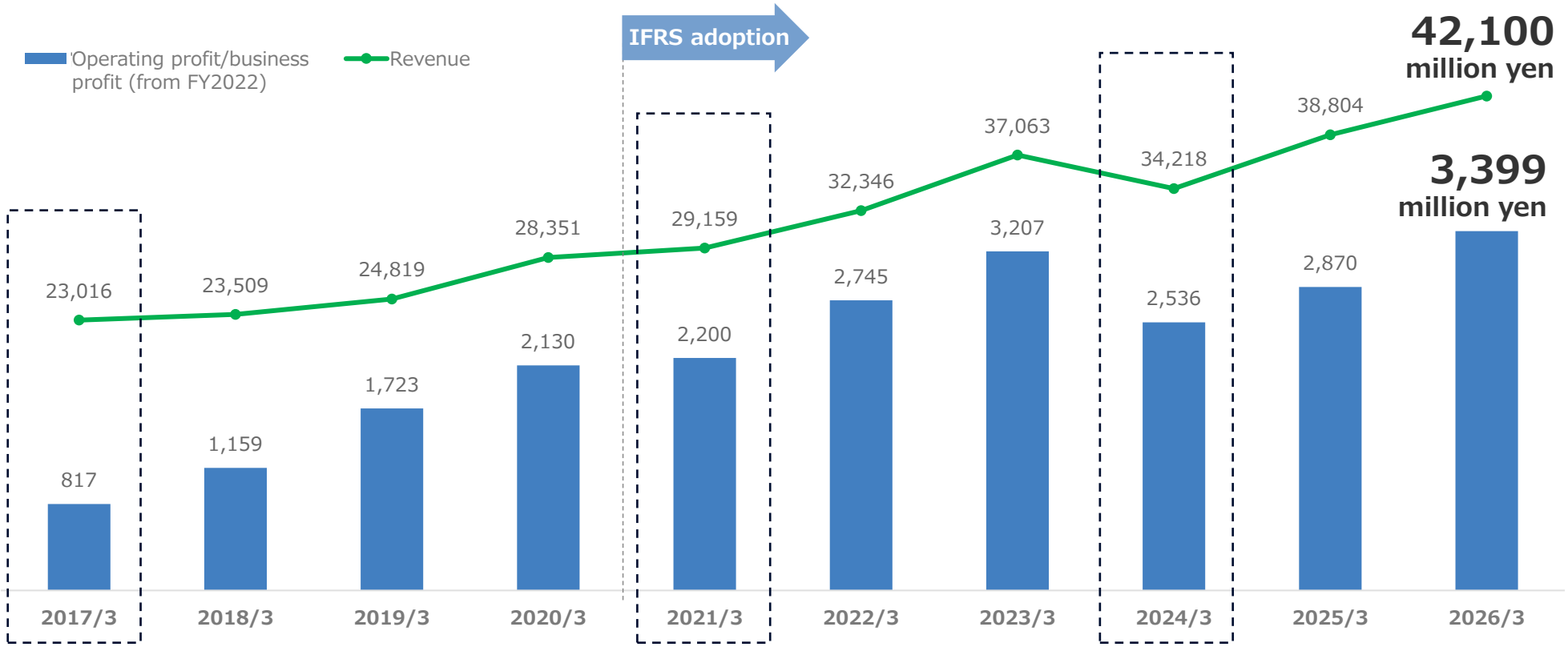
| | |
|---|---|
| Name | **株式会社ビジネスブレイン太田昭和** |
| Name in English | **Business Brain Showa-Ota Inc.** |
| Headquarters | 15F Hibiya Fort Tower, 1-1-1 Nishishimbashi, Minato-ku, Tokyo |
| Business locations | Tokyo, Osaka, Nagoya, Hamamatsu, Fukuoka, Sapporo, Niigata, Kumamoto, Kagoshima, Naha, Nago, 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 | 11,615,200 |
| 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/

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# Profit/Loss Highlights

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

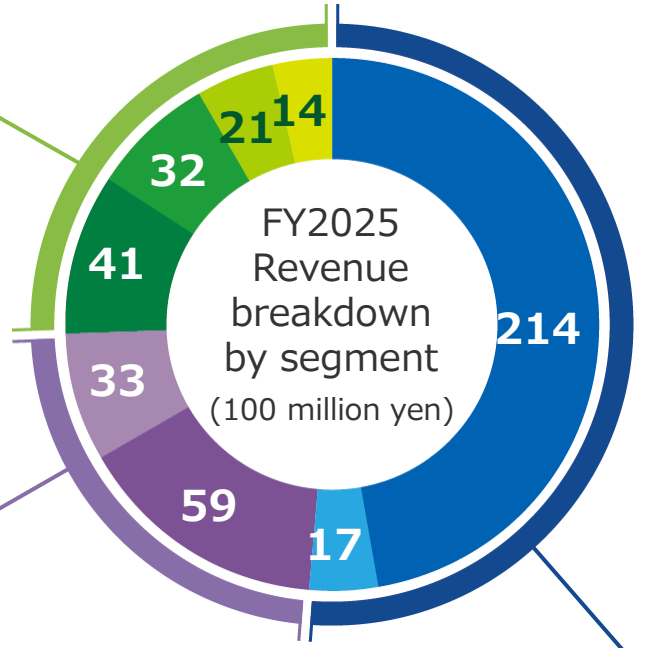
* Revenue stagnation due to COVID-19; increased costs related to IFRS adoption

* Decrease due to the deconsolidation of GSX and MICS

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# 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

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# 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

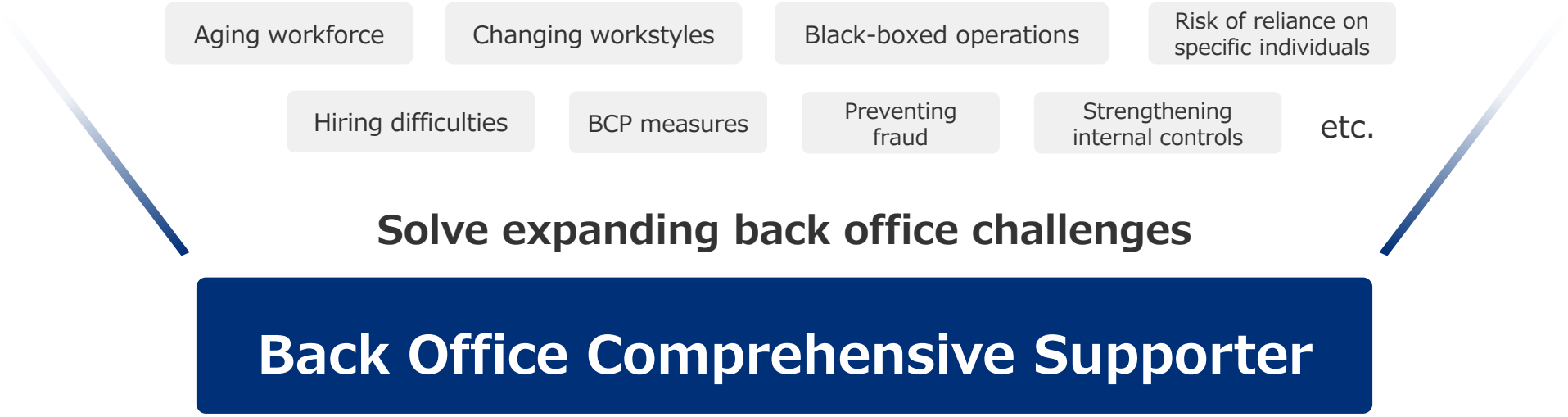



**5.8x increase over 10 years**

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# BBS's Role

A "Back Office Comprehensive Supporter" aiming to solve companies' back office challenges




## ? WHY - Purpose

In order for companies to achieve sustainable growth, it is essential for them to focus limited resources on their "core business." BBS exists to create an environment in which companies can focus on their inherent value creation.

## ! HOW - Solution Approach

By providing the three core solutions of Consulting, System Development, and BPO in an integrated manner, we optimize back office operations by working alongside customers from process design through implementation and operations.

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# Mechanisms for Solving Challenges

Through three mechanisms by back office specialists, we convert challenge resolution into a “results-driven” form.

**Seamless provision of our three core solutions**




**A group of specialists with accounting knowledge and experience**



**Creating results through hands-on, side-by-side support**



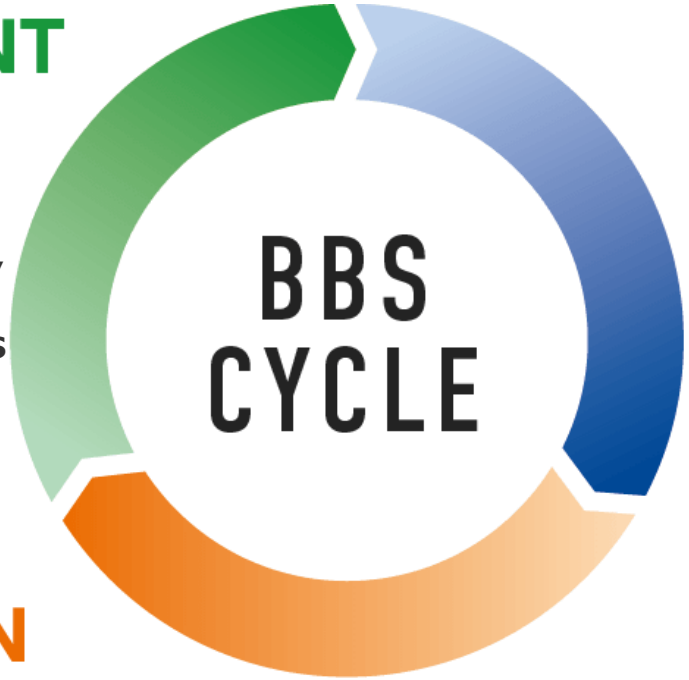
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# Mechanism for Solving Challenges (1): Seamless Provision of Our Three Core Solutions

For a wide range of back office operations, we provide our three core solutions in an integrated manner so that we can collectively optimize them

**MANAGEMENT SERVICE (BPO)**

**Operational adoption/establishment, expert-led BPO, and monitoring of operations**




**CONSULTING**

**Understanding customer challenges and presenting solutions**

**SYSTEM INTEGRATION**

**Making solutions concrete**

**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

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# Mechanism for Solving Challenges (2): A Group of Specialists with Accounting Knowledge and Experience

Centered around accounting knowledge and experience, provide integrated consulting that looks beyond accounting and takes management into consideration



## Bringing together forward-looking management and accounting that understands the present.

- ✓ **Founded by a certified public accountant specializing in accounting**
- ✓ **Providing “integrated consulting services” to solve companies’ back office challenges**
- ✓ **Many qualified professionals, including certified public accountants, are part of BBS**

**Number of qualified professionals within BBS** (As of the end of March 2026)

| | | | | | |
|---|---|---|---|---|---|
| Certified Public Accountants * | 28 | Tax Accountants | 6 | Social Insurance and Labor Consultants | 3 |
| Fundamental Information Technology Engineer (FE) | 282 | Applied Information Technology Engineer (AP) | 81 | | |

* Including USCPA

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# Mechanism for Solving Challenges (3): Creating Results through Hands-on, Side-by-Side Support

Through hands-on, side-by-side support that understands the realities of Japanese companies, we connect challenge resolution to results



- **Japan-origin consulting, providing hands-on, side-by-side support tailored to Japanese society and companies**

ACT-Horizon　Biz∫ ビズインテグラル　mcframe

ACT-iAP　STRAVIS　BizForecast

- **Over 50 years of track record and a strong customer base**
- **Targeting mid-sized companies with around 500 billion yen in sales = differentiation from large companies**

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# Let the combined strengths of our group solve your management needs

The BBS Group provides three core solutions

BBS Business Brain Showa-Ota Inc.

## Consulting and System Development

**BSC Co., Ltd.**
Provides consulting, construction and operation of mission-critical business systems

**Fresco Inc.**
Provides engineering CAD/PDM system development

**Global Security Experts, Inc.**
Provides information security consulting and solutions

**PLM Japan Inc.**
Provides PLM (product lifecycle management) solutions for the manufacturing industry

**BBS (Thailand) Co., Ltd.**
Provides business improvement consulting services for local entities of Japanese companies in Southeast Asia

## SES Co-Creation Business

**Financial Brain Systems Inc.**
Provides system development and IT solutions mainly for the securities and finance field

**joyworks inc.**
Provides system development, application development, web production, infrastructure construction, etc.

**Twinkle Co., Ltd.**
Provides services such as human support (human resources support for companies) and system support (helpdesk), call support (BPO call center)

## BPO & Managed Services

**BBS Managed Service Inc.**
Provides managed services and IT software development

**BBS Outsourcing KUMAMOTO Inc.**
Provides High Value BPO® by business reform and BPO specialists in a wide range of business fields

**EP Consulting Services Corp.**
Provides outsourcing services for the accounting, HR, and general affairs fields.
The Group includes specialized professional firms such as Tax Consulting Firm EOS, Social Insurance Consulting Firm EOS, and Administrative Scrivener Consulting Firm EOS

**Technowarethink Inc.**
Provides services such as human support (human resources support for companies) and system support (helpdesk), call support (BPO call center)

**BUSINESS BRAIN SHOWA-OTA VIETNAM CO., LTD.**
Provides BPO services by skilled local staff proficient in Japanese and English and consulting services including support for business reforms and system implementation for local entities of Japanese companies

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# Major Domestic and Global Networks Supporting Customers

We have established a stable support structure through locations and human resources deployed both in Japan and overseas

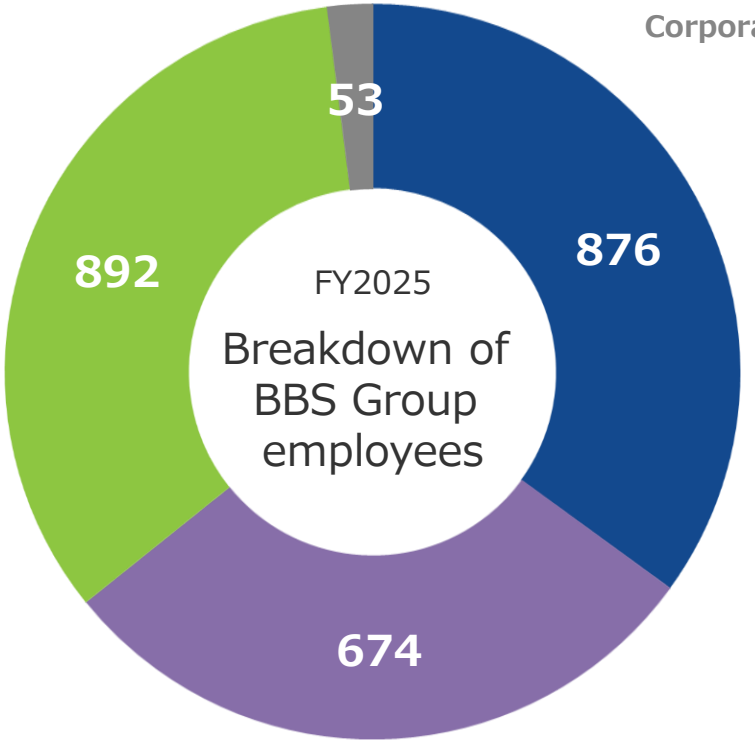
■ **Business locations** Tokyo, Osaka, Nagoya, Hamamatsu, Fukuoka, Sapporo, Niigata, Kumamoto, Kagoshima, Naha, Nago, Bangkok, Thailand; Ho Chi Minh City, Vietnam; Singapore




■ **Number of BBS Group employees**

Consulting and System Development: 876
SES Co-Creation Business: 674
BPO & Managed Services: 892
Corporate Division: 53

**2,495** *




(As of the end of March 2026)
* Including 13 consolidated subsidiaries of BBS Group

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# Management Philosophy

The starting point for all of BBS's businesses and support

**1** **Contribute to society by improving the corporate value of our customers**

**2** **Becoming a driving force for our customers' development**

**3** **Contributing to increased customer profits**

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# Management Policy

The words of founder Kineo Yamazaki

## Practicing “Yatsugatake Management”



If you only sell a single product and it stops selling, then your outlook becomes bleak. But if you have multiple businesses like the Yatsugatake mountain range, then even if one business performs poorly, you can minimize the adverse impact on overall management through other businesses.

Additionally, it is important that each business division strives to improve performance on an independent profit basis while also generating synergies through mutual collaboration. Our founder explained that Yatsugatake Management was necessary because business performance could worsen due to fluctuations in the economy.

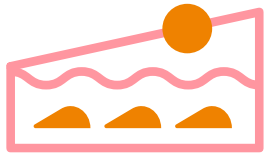
## Staying a half-step ahead through wave-riding management



The key to expertly riding a wave is to start riding slightly behind the crest of the wave. If you are at the very front of the wave crest then you will fall, and if you are too far behind then you will not be able to ride it.

The same is true in management. To beat the competition, you must always be at the cutting edge of the times, but if you go too far ahead, then society and customers will not accept you. Thus, our founder explained that you must consider the social environment and the other party’s situation, and stay a half-step ahead.

## Selling Cake



The main ingredients of cake are flour and sugar. You mix flour, made from wheat, and sugar, made from sugarcane, bake it, and then finish the cake by decorating it with cream and fruit. The price of the cake far exceeds the total cost of its ingredients.

This is because value is added in the cake-making process, value which the customer recognizes when they buy it. This idea expresses BBS Group’s intention to combine diverse services and provide high value-added services that cannot be imitated by other companies.

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# Origin of the BBS Group Logo

The values the BBS Group has cherished and its intentions toward the future




## 1 An up-and-to-the-right, half-step-ahead spiral

Both up to now and going forward, we will help customers achieve their goals of “enhancing corporate value” and “corporate growth”

## 2 The three lines of the spiral

Represent the “BBS cycle” of
“Consulting,” “System integration,” and “BPO”

## 3 The embedded “MI” and “WIN”

“MI = Management Innovation”: Supporting customers’ management accounting and driving further innovation;
“WIN”: leading customers to success and victory

## 4 A gradient toward deep blue

Toward becoming a company that endures for 100 years, building on more than 50 years of history, and deepening relationships with an even greater number of customers

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**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

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