Translation

Note : This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

Consolidated Financial Results for the Three Months Ended June 30, 2026 (Under IFRS)

August 13, 2026

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 : Yes for institutional investors and analysts

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

1. Consolidated financial results for the three months ended June 30, 2026 (from April 1, 2026 to June 30, 2026)

(1) Consolidated operating results (cumulative) (Percentages indicate year-on-year changes.)

	Sales		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, 2026	10,516	4.6	299	(54.2)	299	(54.2)	488	(49.8)	220	(60.7)	213	(61.3)
June 30, 2025	10,052	15.0	653	88.3	653	98.8	972	116.5	559	179.5	550	178.2

Note:1. Total comprehensive income for the quarter June 30, 2026 268Millions of yen(- 52.0%) June 30, 2025 560Millions of yen(107.0%)

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

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

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
June 30, 2026	6.56	6.56
June 30, 2025	16.93	16.93

Note:BUSINESS BRAIN SHOWA-OTA INC. (the “Company”) conducted a 3-for-1 stock split of its common stock, effective April 1, 2026. "Basic earnings per share" and "Diluted earnings per share" have been retrospectively adjusted to reflect the stock split, as if it had occurred at the beginning of the prior fiscal year.

(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, 2026	48,418	30,747	30,250	62.5
March 31, 2026	48,464	31,220	30,716	63.4

2. Cash dividends

	Annual dividend				
	First quarter	Second quarter	Third quarter	Year end	Annual
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2026	-	66.50	-	68.50	135.00
Fiscal year ending March 31, 2027	-				
Fiscal year ending March 31, 2027 (Forecast)		23.50	-	23.50	47.00

Note:1.Revisions to the forecast of cash dividends most recently announced：None
2.The Company conducted a 3-for-1 stock split of its common share, effective April 1, 2026.The dividends for the fiscal year ended March 31, 2026 are stated at the actual amounts prior to the stock split. With regard to dividend per share for the fiscal year ended March 31, 2027, the amount after the stock split is stated.

3. Consolidated financial forecast for the fiscal year ending March 31, 2027 (from April 1, 2026 to March 31, 2027)

(Percentages indicate year-on-year changes.)

	Sales		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, 2026	20,900	2.4	1,300	(13.1)	1,300	(12.8)	1,760	(10.9)	1,207	(2.8)	1,197	(2.6)	36.88
Fiscal year ending March 31, 2027	43,600	3.6	3,430	0.9	3,430	5.2	4,290	3.2	2,893	(4.5)	2,848	(4.6)	87.76

Note:1.Revisions to the earnings forecasts most recently announced：Yes
2.The Company conducted a 3-for-1 stock split of its common share, effective April 1, 2026.With regard to Basic earnings per share for Consolidated financial forecast, the amount after the stock split is stated.

* 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)	As of June 30, 2026	34,845,600	shares	As of March 31, 2026	34,845,600	shares
② Number of treasury stock at the period end	As of June 30, 2026	2,387,918	shares	As of March 31, 2026	2,389,695	shares
③ Average number of shares (quarterly period-YTD)	Three months ended June 30, 2026	32,456,778	shares	Three months ended June 30, 2025	32,487,918	shares

Note:The Company conducted a 3-for-1 stock split of its common share, effective April 1, "Number of issued shares (ordinary shares) " has been retrospectively adjusted to reflect the stock split, as if it had occurred at the beginning of the prior fiscal year.

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm：None

* Proper use of earnings forecasts, and other special matters

(Caution regarding forward-looking statements, etc.)

Forward-looking statements, such as earnings forecasts, contained in this material are reasonable based on information currently available to the Company. It is based on a certain premise, and is not intended to be a promise by the Company to achieve it. In addition, actual results may differ significantly due to various factors. 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

(How to obtain supplementary financial results briefing materials and financial results briefing contents)

The Company plans to hold investor briefings as follows. The materials used in this briefing will be posted on our website as soon as possible after the event.

August 14, 2026(Friday)……Briefing for institutional investors and analysts (Online)

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1. Overview of operating results

(1) Overview of operating results for the three months ended June 30, 2026

During the consolidated three months ended June 30, 2026, the Japanese economy continued a gentle recovery, with corporate capital investment remaining firm centering on AI, digitalization, and labor-saving-related investment, and the employment and income environment also improving against a backdrop of continued wage increases. On the other hand, in addition to the prolonged invasion of Ukraine by Russia, there are concerns over the risk of an economic downturn due to rising crude oil and energy prices stemming from growing instability in the Middle East, uncertainty surrounding the United States' trade policies, price increases, and labor shortages, among other factors, and the future outlook remains uncertain.

Amid this economic environment, orders received by the Group continued to be favorable, following on from the previous period.

Note that the finalization of the provisional accounting treatment pertaining to business combinations was carried out in the second quarter of the previous consolidated fiscal year, and the comparison with the same quarter of the previous year has been analyzed using figures reflecting the revisions resulting from that finalization.

As a result, orders received during the consolidated three months ended June 30 totaled 10,508 million yen (up 5.8% year-on-year), and backlog of orders was 13,537 million yen (up 5.1% year-on-year).

Revenue was higher than the previous year in all reporting segments, resulting in overall revenue being 4.6% higher year-on-year.

Where gross profit was concerned, subcontract expenses and personnel costs both increased along with the growth in revenue, resulting in a 0.9% decrease compared to the same quarter of the previous year.

Selling, general and administrative expenses climbed by 23.1% year-on-year as a result of the Group's active use of AI and its aggressive research and development investment in its next-generation solution "ACT-Horizon," among other factors.

As a result, for the consolidated three months ended June 30, BBS reported revenue of 10,516 million yen (up 4.6% year-on-year), operating profit of 299 million yen (down 54.2% year-on-year), quarterly profit before taxes of 488 million yen (down 49.8% year-on-year) and quarterly profit attributable to owners of the parent of 213 million yen (down 61.3% year-on-year).

Operating results by segment are as follows.

The results for the consulting and system development business for the consolidated three months ended June 30 were revenue of 5,654 million yen (up 3.9% year-on-year) and segment profit of 351 million yen (down 23.6% year-on-year).

Revenue for the consolidated three months ended June 30 increased by 3.9% across the overall business due to the increase in management accounting consulting and solutions mainly at the parent company.

In terms of segment profit, it declined compared to the same quarter of the previous year in all businesses within the segment due to an increase in subcontract expenses, among other factors.

The results for the SES co-creation business for the consolidated three months ended June 30 were revenue of 2,293 million yen (up 0.4% year-on-year) and segment profit of 97 million yen (down 17.6% year-on-year).

Where segment profit was concerned, segment profit 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 increases in costs such as labor costs and subcontract expenses.

The results for the BPO & managed services business for the consolidated three months ended June 30 were revenue of 2,670 million yen (up 9.6% year-on-year) and segment profit of 111 million yen (down 43.5% year-on-year).

In terms of segment profit, the BPO & managed services business as a whole recorded a decline in profit due to increases in personnel costs at the human resources payroll BPO and accounting BPO operations, delays in the launch of certain projects, and the recording of relocation expenses for the Hamamatsu BPO Center.

(2) Overview of financial position for the three months ended June 30, 2026

Assets

Total consolidated assets at the end of the first quarter were 48,418 million yen, down by 46 million yen from the end of the previous fiscal year.

Current assets totaled 20,239 million yen, a decrease of 285 million yen from the end of the previous fiscal year. The main factors were a 1,381 million yen decrease in trade and other receivables due to debt collection, an 866 million yen increase in contract assets, and a 356 million yen increase in other financial assets.

Non-current assets totaled 28,180 million yen, an increase of 239 million yen compared to the end of the previous fiscal year. The main factors included a 182 million yen increase in property, plant and equipment and a 107 million yen increase in investments accounted for using equity method.

Liabilities

Total consolidated liabilities at the end of the first quarter were 17,671 million yen, an increase of 427 million yen from the end of the previous fiscal year.

Current liabilities totaled 8,720 million yen, a decrease of 45 million yen from the end of the previous fiscal year. The main factors were a 733 million yen increase in other financial liabilities, a 93 million yen decrease in lease liabilities, and a 679 million yen decrease in income taxes payable.

Non-current liabilities totaled 8,952 million yen, an increase of 472 million yen from the end of the previous fiscal year. The main factors included a 396 million yen increase in lease liabilities and a 30 million yen increase in retirement benefit liabilities.

Net assets

Total consolidated shareholders' equity at the end of the first quarter totaled 30,747 million yen, a decrease of 473 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 forecast, the Board of Directors meeting held on August 13, 2026 (today), it resolved to revise as described below the earnings forecast for the six months ending September 30, 2026, which was announced on May 14, 2026.

① Revision of the consolidated earnings forecast for the six months ending September 30, 2026
(April 1,2026 – September 30,2026)

	Revenue	Business profit	Operating profit	Profit before tax	Interim profit	Interim profit attributable to owners of parent	Basic earnings per share for the interim period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Yen
Previous forecast (A)	20,900	1,550	1,550	2,010	1,304	1,293	39.85
Revised forecast (B)	20,900	1,300	1,300	1,760	1,207	1,197	36.88
Change (B − A)	—	- 250	- 250	- 250	- 97	- 96	—
Rate of change (%)	—	- 16.1	- 16.1	- 12.4	- 7.4	- 7.4	—
(Reference) Actual results for the same period of the previous fiscal year (six months ended September 30, 2025)	20,410	1,496	1,490	1,975	1,242	1,229	37.86

(Note) The Company conducted a stock split on April 1, 2026, at a ratio of 3 shares for every 1 ordinary share. "Basic earnings per share for the interim period" for the same period of the previous fiscal year (six months ended September 30, 2025) is calculated on the assumption that the stock split took place at the beginning of the previous fiscal year.

② Reason for revision

With respect to the consolidated financial results for the three months ended June 30, 2026, revenue exceeded that of the same period of the previous fiscal year; however, profit at each level from business profit downward fell short of initial

expectations. The main factors were a decline in the utilization rate due to uneven allocation of personnel, delays in the launch of new projects, and expenses incurred in connection with the relocation of business offices. On the other hand, orders received have remained solid, and since some of these factors are considered temporary, profitability is expected to improve gradually from the second quarter onward.

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

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

2. Condensed quarterly consolidated financial statements and principal notes

(1) Condensed quarterly consolidated statement of financial position

(Thousands of yen)

	As of March 31, 2026	As of June 30, 2026
Assets		
Current assets		
Cash and cash equivalents	11,729,721	11,397,039
Trade and other receivables	5,619,906	4,238,462
Contract assets	1,725,375	2,591,017
Other financial assets	319,038	675,272
Inventories	127,252	136,845
Other current assets	1,001,966	1,199,918
Total current assets	20,523,258	20,238,553
Non-current assets		
Property, plant and equipment	783,039	964,885
Right-of-use assets	3,238,085	3,538,589
Goodwill	1,967,089	1,982,014
Intangible assets	1,059,019	1,018,253
Investments accounted for using equity method	17,502,820	17,610,015
Other financial assets	2,666,649	2,319,876
Deferred tax assets	615,841	629,883
Retirement benefit asset	70,416	61,095
Other non-current assets	37,980	55,140
Total non-current assets	27,940,938	28,179,750
Total assets	48,464,196	48,418,303

(Thousands of yen)

	As of March 31, 2026	As of June 30, 2026
Liabilities and equity		
Liabilities		
Current liabilities		
Lease liabilities	612,708	519,264
Trade and other payables	2,309,363	2,290,045
Other financial liabilities	351,442	1,084,741
Income taxes payable	1,017,215	337,948
Provisions	94,730	49,245
Contract liabilities	438,274	1,088,615
Other current liabilities	3,940,950	3,349,655
Total current liabilities	8,764,682	8,719,513
Non-current liabilities		
Lease liabilities	2,687,375	3,083,808
Other financial liabilities	18,430	13,511
Retirement benefit liability	380,246	410,581
Provisions	570,840	582,117
Non-Current liability for stock benefit	224,869	236,995
Deferred tax liabilities	4,206,754	4,202,533
Other non-current liabilities	391,160	422,359
Total non-current liabilities	8,479,674	8,951,904
Total liabilities	17,244,356	17,671,417
Equity		

Share capital	2,233,490	2,233,490
Capital surplus	2,785,920	2,815,208
Retained earnings	26,703,782	26,157,938
Treasury shares	(1,281,797)	(1,280,844)
Other components of equity	274,855	323,805
Total equity attributable to owners of parent	30,716,250	30,249,597
Non-controlling interests	503,590	497,290
Total equity	31,219,840	30,746,886
Total liabilities and equity	48,464,196	48,418,303

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

(Condensed quarterly consolidated statement of income)

(Thousands of yen)

	Three months ended June 30, 2025	Three months ended June 30, 2026
Revenue	10,051,769	10,515,904
Cost of sales	7,859,393	8,343,594
Gross profit	2,192,376	2,172,310
Selling, general and administrative expenses	1,541,502	1,897,587
Other income	8,430	24,378
Other expenses	6,374	180
Operating profit	652,930	298,921
Finance income	269,296	63,307
Finance costs	31,060	13,739
Share of profit (loss) of investments accounted for using equity method	89,201	142,051
Loss (profit) on change in equity	(8,511)	(2,718)
Profit before tax	971,856	487,822
Income tax expense	412,838	268,115
Profit	559,018	219,707
Profit attributable to		
Owners of parent	550,081	213,039
Non-controlling interests	8,937	6,668
Profit	559,018	219,707
Earnings per share		
Basic earnings per share	16.93	6.56
Diluted earnings per share	16.93	6.56

(Condensed quarterly consolidated statement of comprehensive income)

(Thousands of yen)

	Three months ended June 30, 2025	Three months ended June 30, 2026
Profit	559,018	219,707
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	(82,533)	(11,145)
Share of other comprehensive income of investments accounted for using equity method	84,199	53,011
Total of items that will not be reclassified to profit or loss	1,666	41,866
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	(1,056)	6,841
Total of items that may be reclassified to profit or loss	(1,056)	6,841
Other comprehensive income, net of tax	610	48,707
Comprehensive income	559,628	268,414
Comprehensive income attributable to		
Owners of parent	551,057	261,990
Non-controlling interests	8,571	6,424
Comprehensive income	559,628	268,414

(3) Notes concerning condensed quarterly consolidated financial statements

(Notes relating to going concern assumption)

There are no applicable 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, 2026 is calculated based on the estimated annual effective tax rate.

IFRS Accounting Standards		Summary of New and Amended Standards
IFRS No. 9 IFRS No. 7	Amendments to the Classification and Measurement of Financial Instruments	Clarification of the classification of financial assets, addition of derecognition requirements for financial liabilities, and revision of the disclosure requirements relating to financial assets measured at fair value through other comprehensive income
IFRS No. 9 IFRS No. 7	Contracts Referencing Nature-dependent Electricity	Amendments to more appropriately reflect contracts for nature-dependent electricity in the financial statements

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.

The main business content of each segment 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

(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.

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

(Thousands of yen)

	Reportable segments					
	Consulting/System Development, Reportable segment	SES Co-Creation Business	BPO Services, Reportable segment	Total	Reconciling items	Consolidated
Revenue						
Revenue from external customers	5,439,789	2,239,169	2,372,811	10,051,769	—	10,051,769
Intersegment 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
Segment profit (loss)	459,011	117,414	197,024	773,449	(120,519)	652,930

(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 971 thousand yen and costs not attributable to a specific segment 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.

(Note 3) In the second quarter of the consolidated fiscal year ended March 31, 2026, the provisional accounting treatment pertaining to business combinations was finalized, and the figures for the consolidated three months ended June 30, 2026 reflect that finalization.

Current consolidated three months ended June 30, 2026 (from April 1, 2026 to June 30, 2026)

(Thousands of yen)

	Reportable segments					
	Consulting/System Development, Reportable segment	SES Co-Creation Business	BPO Services, Reportable segment	Total	Reconciling items	Consolidated
Revenue						
Revenue from external customers	5,652,391	2,249,308	2,614,205	10,515,904	—	10,515,904
Intersegment revenue	1,567	43,457	55,966	100,990	(100,990)	—
Total	5,653,958	2,292,766	2,670,171	10,616,894	(100,990)	10,515,904
Segment profit (loss)	350,721	96,731	111,396	558,848	(259,927)	298,921

(Note 1) Adjustments are as follows:

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

(2) The segment profit adjustments of minus 259,927 thousand yen include inter-segment transaction eliminations of 3,456 thousand yen and costs not attributable to a specific segment of minus 263,383 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, 2025 (from April 1, 2025 to June 30, 2025)	Current consolidated three months ended June 30, 2026 (from April 1, 2026 to June 30, 2026)
Business profit	652,930	298,921
Other	—	—
Operating profit	652,930	298,921
Finance income	269,296	63,307
Finance costs	31,060	13,739
Share of profit (loss) of investments accounted for using equity method	89,201	142,051
Profit (loss) on change in equity	−8,511	−2,718
Quarterly profit before taxes	971,856	487,822

(Notes in the event of significant changes in the amount of equity attributable to owners of the parent)

There are no applicable items.

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

The condensed quarterly consolidated statement of cash flows for the consolidated three months ended June 30 of the fiscal year ending March 31, 2027 has not been prepared. Note that the depreciation and amortization for the consolidated three months ended June 30, 2026 are as follows.

(Thousands of yen)

	Previous consolidated three months ended June 30, 2025 (from April 1, 2025 to June 30, 2025)	Current consolidated three months ended June 30, 2026 (from April 1, 2026 to June 30, 2026)
Depreciation and amortization	347,160	431,785

(Significant subsequent events)

There are no applicable items.