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 Fiscal Year Ended March 31, 2026 (Under IFRS)

May 14, 2026

Company name	Business Brain Showa-Ota Inc.			Stock exchange listings: Tokyo Prime
Securities code	9658	URL https://www.bbs.co.jp		
Representative	(Title)	President	(Name)Kazuhiro Komiya	
Inquiries	(Title)	Senior Executive Officer Group Management Supervisor	(Name)Hitoshi Uehara	Tel 03-3507-1302
Date of general shareholders' meeting (as planned)		June 23, 2026	Dividend payable date (as planned)	June 24, 2026
Annual securities report filing date (as planned)		June 22, 2026		

Supplemental material of annual results : Yes

Convening briefing of annual results : Yes for institutional investors and analysts

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

1. Consolidated financial results for the fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

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

	Sales		Business profit		Operating profit		Profit before tax		Profit		Profit attributable to owners of parent	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2026	42,100	8.5	3,399	18.4	3,262	13.6	4,156	24.0	3,030	20.7	2,987	21.0
March 31, 2025	38,804	13.4	2,870	13.2	2,871	△86.1	3,350	△83.7	2,509	△82.3	2,468	△82.5

Note:1. Total Comprehensive Income for the Fiscal Year March 31, 2026 3,151Millions of yen(19.1%) March 31, 2025 2,646Millions of yen(△81.6%)

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

3. As of March 31, 2026, we have finalized the provisional accounting treatment for the business combination, and the figures for March 31, 2025 reflect the details of the preliminary accounting treatment.

	Basic earnings per share	Diluted earnings per share	Profit to equity attributable to owners of parent ratio	Profit before tax to total assets ratio	Operating profit to sales ratio
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2026	92.02	92.02	10.0	8.9	7.7
March 31, 2025	71.48	71.46	8.5	7.4	7.4

Reference : Investments accounted for using equity method For the fiscal year ended March 31, 2026 636 Millions of yen For the fiscal year ended March 31, 2025 460 Millions of yen

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	Equity attributable to owners of parent per share
As of	Millions of yen	Millions of yen	Millions of yen	%	Yen
March 31, 2026	48,464	31,220	30,716	63.4	946.40
March 31, 2025	45,322	29,612	29,138	64.3	887.34

Note:1. As of March 31, 2026, we have finalized the provisional accounting treatment for the business combination, and the figures for March 31, 2025 reflect the details of the preliminary accounting treatment.

2. The Company conducted a 3-for-1 stock split of its common stock, effective April 1, 2026. "Equity attributable to owners of parent per share" has been retrospectively adjusted to reflect the stock split, as if it had occurred at the beginning of the prior fiscal year.

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2026	4,489	104	△2,772	11,730
March 31, 2025	2,841	457	△3,295	9,908

Note: As of March 31, 2026, we have finalized the provisional accounting treatment for the business combination, and the figures for March 31, 2025 reflect the details of the preliminary accounting treatment.

2. Cash dividends

	Dividend per share					Total dividend paid	Payout ratio (consolidated)	Ratio of total amount of dividends to equity attributable to owner of parent (consolidated)
	First quarter	Second quarter	Third quarter	Year end	Annual			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2025	-	37.00	-	41.00	78.00	917	36.4	3.0
Fiscal year ended March 31, 2026	-	66.50	-	68.50	135.00	1,568	48.9	4.9
Fiscal year ending March 31, 2027 (Forecast)	-	23.50	-	23.50	47.00		53.6	

Note: 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, 2025 and 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	1,550	3.6	1,550	4.0	2,010	1.8	1,304	5.0	1,293	5.2	39.85
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: 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 end of fiscal year (including treasury stock)	As of March 31, 2026	34,845,600 shares	As of March 31, 2025	38,175,000 shares
② Number of treasury stock at the end of fiscal year	As of March 31, 2026	2,389,695 shares	As of March 31, 2025	5,337,747 shares
③ Average number of shares	Fiscal year ended March 31, 2026	32,456,749 shares	Fiscal year ended March 31, 2025	34,534,613 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.

[Reference] Overview of non-consolidated financial results

Non-consolidated financial results for the fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2026	25,789	11.5	2,686	22.8	3,178	27.1	2,811	△11.1
March 31, 2025	23,139	24.7	2,187	36.8	2,500	26.5	3,161	6.0

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
March 31, 2026	86.59	－
March 31, 2025	91.53	－

Note: The Company conducted a 3-for-1 stock split of its common stock, effective April 1, " Basic earnings per share " has been adjusted to reflect the stock split, as if it had occurred at the beginning of the previous fiscal year.

(2) Non-consolidated financial position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2026	24,916	15,864	63.7	488.77
March 31, 2025	22,522	14,956	66.4	455.46

Note:1. Japan GAAP is applied to financial figures in the summary of individual business results.

2. The Company conducted a 3-for-1 stock split of its common stock, effective April 1, "Net assets per share" has been adjusted to reflect the stock split, as if it had occurred at the beginning of the previous fiscal year.

* Financial results reports are exempt from audit conducted by certified public accountants or an audit firm.

* 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. For details on the conditions on which earnings forecasts are based and precautions for using earnings forecasts, please refer to Appendix P.2 "1. Overview of Operating Results".

(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.

May 15, 2026(Friday)・・・・・・Briefing for institutional investors and analysts (Online)

May 21, 2026(Thursday)・・・・・・Briefing for institutional investors and analysts

○Table of Contents of Attached Documents

1. Overview of operating results …… 2
(1) Overview of operating results for the fiscal year ended March 2026 …… 2
(2) Overview of financial position for the fiscal year ended March 2026 …… 3
(3)Overview of cash flow for the fiscal year ended March 2026 …… 3
(4) Future outlook …… 4
2. Fundamental considerations regarding the selection of accounting standards …… 4
3. Consolidated financial statements and principal notes …… 5
(1) Consolidated statement of financial position …… 5
(2) Consolidated statement of income and consolidated statement of comprehensive income …… 7
(3) Consolidated statement of changes in equity …… 9
(4) Consolidated statement of cash flow …… 11
(5) Notes concerning consolidated financial statements …… 12
(Notes relating to going concern assumption) …… 12
(Changes in accounting policies) …… 12
(Segment information) …… 12
(Per share information) …… 15
(Significant subsequent events) …… 17

1. Overview of operating results

The following is the understanding, analysis and considerations of the Group's operating results, etc. from the management's perspective. Note that forward-looking statements were determined as of the end of the consolidated fiscal year ended March 2026.

(1) Overview of operating results for the fiscal year ended March 2026

During the consolidated fiscal year ended March 2026, the Japanese economy showed signs of a gentle recovery against a backdrop of improvements in the employment and income environment and growth in inbound consumption, while the economic outlook remains uncertain due to ongoing price increases and the Russia-Ukraine situation, the situation in Iran, and other issues.

Amid this economic environment, the overall orders received by the Group continued to be favorable.

Orders received by the Group in the consolidated fiscal year ended March 2026 totaled 42,646 million yen (up 5.6% from the previous consolidated fiscal year), and backlog of orders was 13,545 million yen (up 4.2% from the previous consolidated fiscal year).

Overall revenue rose by 8.5% year-on-year as a result of growth in the consulting and system development business and the BPO & managed services business.

Gross profit increased by 10.5% year-on-year, exceeding the rate of growth in revenue.

Selling, general and administrative expenses climbed by 7.6% compared to the previous consolidated fiscal year as a result of increases in personnel costs, real estate rent expenses, and depreciation expenses, among other factors.

As a result, for the consolidated fiscal year ended March 2026, BBS reported revenue of 42,100 million yen (up 8.5% compared to the previous consolidated fiscal year), business profit of 3,399 million yen (up 18.4% compared to the previous consolidated fiscal year), operating profit of 3,262 million yen (up 13.6% compared to the previous consolidated fiscal year), profit before taxes of 4,156 million yen (up 24.0% compared to the previous consolidated fiscal year) and profit attributable to owners of the parent of 2,987 million yen (up 21.0% compared to the previous consolidated fiscal year).

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

Operating results by segment are as follows.

Regarding the segment information, previously the Company used the two business demarcations of the "consulting and system development business" and the "management services (BPO) business" but from the consolidated fiscal year ended March 2026 we have changed to the three business demarcations of "consulting and system development," the "SES co-creation business" and the "BPO & managed services."

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

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

The figures for the previous fiscal year have been stated with comments regarding increases or decreases after the necessary reclassifications have been made.

The results for the consulting and system development business for the consolidated fiscal year ended March 31, 2026 were revenue of 23,153 million yen (up 11.6% compared to the previous consolidated fiscal year) and segment profit of 2,428 million yen (up 25.5% compared to the previous consolidated fiscal year).

The revenue and business profit for the consolidated fiscal year ended March 31, 2026 were driven by significant growth in management accounting consulting and solutions.

The results for the SES co-creation business for the consolidated fiscal year ended March 31, 2026 were revenue of 9,150

million yen (down 1.9% compared to the previous consolidated fiscal year) and business profit of 418 million yen (up 17.2% compared to the previous consolidated fiscal year).
While revenue for the consolidated fiscal year ended March 2026 decreased due to struggles in the finance-oriented business, a steady increase in business profit was still achieved.

The results for the BPO & managed services business for the consolidated fiscal year ended March 31, 2026 were revenue of 10,238 million yen (up 11.1% compared to the previous consolidated fiscal year) and business profit of 916 million yen (up 1.5% compared to the previous consolidated fiscal year).
Revenue trends for the consolidated fiscal year ended March 2026 were favorable except for managed services. In terms of business profit, accounting BPO and onsite BPO performed well, but human resources payroll BPO and managed services struggled, leading to a slight increase in profit overall.

(2) Overview of financial position for the fiscal year ended March 2026

Assets

Total consolidated assets at the end of the fiscal year were 48,464 million yen, up by 3,142 million yen from the end of the previous consolidated fiscal year.

Current assets totaled 20,523 million yen, an increase of 2,272 million yen from the end of the previous fiscal year.

The main factors were an increase of 1,822 million yen in cash and cash equivalents, an increase of 527 million yen in trade and other receivables, an increase of 82 million yen in other current assets, and a decrease of 186 million yen in contract assets.

Non-current assets totaled 27,941 million yen, an increase of 870 million yen compared to the end of the previous fiscal year.

The main factors included an increase of 610 million yen in right-of-use assets, an increase of 430 million yen in investments accounted for using equity method, a decrease of 131 million yen due to goodwill impairment, and a decrease of 242 million yen in other financial assets.

Liabilities

Total consolidated liabilities at the end of the fiscal year were 17,244 million yen, an increase of 1,534 million yen compared to the end of the previous consolidated fiscal year.

Current liabilities totaled 8,765 million yen, an increase of 824 million yen compared to the end of the previous consolidated fiscal year.

The main factors were an increase of 685 million yen in income taxes payable, an increase of 194 million yen in trade and other payables, an increase of 134 million yen in other current liabilities, and a decrease of 195 million yen in lease liabilities.

Non-current liabilities totaled 8,480 million yen, an increase of 709 million yen compared to the end of the previous consolidated fiscal year.

The main factors included an increase of 804 million yen in lease liabilities and a decrease of 66 million yen in retirement benefit liabilities.

Net assets

Total consolidated shareholders' equity at the end of the consolidated fiscal year ended March 2026 was 31,220 million yen, an increase of 1,608 million yen from the end of the previous consolidated fiscal year.

The main factor was an increase of 2,101 million yen in retained earnings.

(3) Overview of cash flows for the fiscal year ended March 2026

Cash and cash equivalents (hereinafter referred to as "funds") at the end of the consolidated fiscal year ended March 2026 increased by 1,822 million yen from the end of the previous consolidated fiscal year to 11,730 million yen.

The status of each cash flow and its main factors for the consolidated fiscal year ended March 2026 are as follows.

Cash flow from operating activities

Funds obtained as a result of operating activities amounted to 4,489 million yen (income of 2,841 million yen in the previous consolidated fiscal year). The main factors were profit before tax of 4,156 million yen, along with a 1,551 million yen increase in funds due to adjustment of depreciation and amortization expenses and a 233 million yen increase in funds due to interest and dividends received, as well as a 762 million yen decrease in funds due to payment of income taxes and a 527 million yen decrease in funds due to an increase in Trade and other receivables.

Cash flow from investment activities

Funds obtained as a result of investment activities amounted to 104 million yen (income of 457 million yen in the previous consolidated fiscal year). The main factors were 703 million yen in income from the sale and redemption of securities and 310 million yen in income from withdrawals from time deposits, 220 million yen of expenditures due to repayment of Purchase of property, plant and equipment, as well as 311 million yen in expenditure from payments into time deposits.

Cash flow from financing activities

Funds used as a result of financing activities amounted to 2,772 million yen (expenditures of 3,295 million yen in the previous consolidated fiscal year). The main factors were 543 million yen for the purchase of treasury shares, 1,186 million yen in dividend payments, 1,028 million yen of expenditures due to repayment of lease liabilities.

(4) Future outlook

The forecast for the next fiscal year is revenue of 43,600 million yen, business profit of 3,430 million yen, operating profit of 3,430 million yen, profit before taxes of 4,290 million yen, net profit of 2,893 million yen, and profit attributable to owners of the parent of 2,848 million yen.

2. Fundamental considerations regarding the selection of accounting standards

The Group voluntarily adopted International Financial Reporting Standards (IFRS) from its financial results for the end of the year ended March 2021 with the goal of enhancing the international comparability of its financial information in the capital markets.

3. Consolidated financial statements and principal notes

(1) Consolidated statement of financial position

(Thousands of yen)

	As of March 31, 2025	As of March 31, 2026
Assets		
Current assets		
Cash and cash equivalents	9,907,750	11,729,721
Trade and other receivables	5,092,915	5,619,906
Contract assets	1,911,182	1,725,375
Other financial assets	315,548	319,038
Inventories	103,533	127,252
Other current assets	920,032	1,001,966
Total current assets	18,250,960	20,523,258
Non-current assets		
Property, plant and equipment	624,949	783,039
Right-of-use assets	2,628,077	3,238,085
Goodwill	2,097,965	1,967,089
Intangible assets	1,090,645	1,059,019
Investments accounted for using equity method	17,073,004	17,502,820
Other financial assets	2,908,888	2,666,649
Deferred tax assets	557,533	615,841
Retirement benefit asset	52,523	70,416
Other non-current assets	37,754	37,980
Total non-current assets	27,071,338	27,940,938
Total assets	45,322,298	48,464,196

(Thousands of yen)

	As of March 31, 2025	As of March 31, 2026
Liabilities and equity		
Liabilities		
Current liabilities		
Lease liabilities	807,825	612,708
Trade and other payables	2,115,788	2,309,363
Other financial liabilities	276,069	351,442
Income taxes payable	332,424	1,017,215
Provisions	156,093	94,730
Contract liabilities	444,883	438,274
Other current liabilities	3,807,241	3,940,950
Total current liabilities	7,940,323	8,764,682
Non-current liabilities		
Lease liabilities	1,883,508	2,687,375
Other financial liabilities	40,912	18,430
Retirement benefit liability	446,156	380,246
Provisions	513,188	570,840
Non-Current liability for stock benefit	277,694	224,869
Deferred tax liabilities	4,224,234	4,206,754
Other non-current liabilities	384,744	391,160
Total non-current liabilities	7,770,436	8,479,674
Total liabilities	15,710,759	17,244,356

Equity		
Share capital	2,233,490	2,233,490
Capital surplus	4,487,356	2,785,920
Retained earnings	24,602,841	26,703,782
Treasury shares	△2,640,821	△1,281,797
Other components of equity	454,797	274,855
Total equity attributable to owners of parent	29,137,663	30,716,250
Non-controlling interests	473,877	503,590
Total equity	29,611,539	31,219,840
Total liabilities and equity	45,322,298	48,464,196

（２）Consolidated statement of income and consolidated statement of comprehensive income

（Consolidated statement of income）

(Thousands of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Revenue	38,803,632	42,099,520
Cost of sales	30,213,419	32,606,598
Gross profit	8,590,213	9,492,922
Selling, general and administrative expenses	5,744,116	6,179,790
Other income	54,920	102,253
Other expenses	29,863	153,037
Operating profit	2,871,154	3,262,348
Finance income	113,146	335,632
Finance costs	45,922	34,300
Share of profit (loss) of investments accounted for using equity method	459,791	635,625
Loss (profit) on change in equity	△47,884	△43,708
Profit before tax	3,350,285	4,155,597
Income tax expense	840,905	1,125,683
Profit	2,509,380	3,029,914
Profit attributable to		
Owners of parent	2,468,494	2,986,667
Non-controlling interests	40,886	43,247
Profit	2,509,380	3,029,914
Earnings per share		
Basic earnings per share	71.48	92.02
Diluted earnings per share	71.46	92.02

(consolidated statement of comprehensive income)

(Thousands of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Profit	2,509,380	3,029,914
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	117,013	14,137
Remeasurements of defined benefit plans	△37,543	60,279
Share of other comprehensive income of investments accounted for using equity method	59,447	51,281
Total of items that will not be reclassified to profit or loss	138,917	125,697
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	△2,011	△4,390
Total of items that may be reclassified to profit or loss	△2,011	△4,390
Other comprehensive income, net of tax	136,906	121,307
Comprehensive income	2,646,286	3,151,221
Comprehensive income attributable to		
Owners of parent	2,607,286	3,106,907
Non-controlling interests	39,000	44,314
Comprehensive income	2,646,286	3,151,221

（３）Consolidated statement of changes in equity

(Thousands of yen)

	Equity attributable to owners of parent					
					Other components of equity	
	Share capital	Capital surplus	Retained earnings	Treasury shares	Exchange differences on translation of foreign operations	Financial assets measured at fair value through other comprehensive income
Balance at beginning of period	2,233,490	4,480,606	23,049,377	△1,082,122	10,208	279,523
Profit			2,468,494			
Other comprehensive income					△1,451	116,481
Total	－	－	2,468,494	－	△1,451	116,481
Purchase of treasury shares				△1,601,361		
Cancellation of treasury shares						
Dividends			△881,691			
Share-based payment transactions		8,877		42,662		
Changes in ownership interest in subsidiaries		△2,127				
Transfer to retained earnings			△35,685			
Other			2,346			
Total transactions with owners	－	6,750	△915,030	△1,558,699	－	－
Balance at end of period	2,233,490	4,487,356	24,602,841	△2,640,821	8,756	396,003
Profit			2,986,667			
Other comprehensive income					△3,894	14,077
Total	－	－	2,986,667	－	△3,894	14,077
Purchase of treasury shares				△542,791		
Cancellation of treasury shares		△1,785,793		1,785,793		
Dividends			△1,187,409			
Share-based payment transactions		84,357		116,022		
Changes in ownership interest in subsidiaries						
Transfer to retained earnings			300,182			△241,406
Other			1,501			
Total transactions with owners	－	△1,701,436	△885,726	1,359,024	－	△241,406
Balance at end of period	2,233,490	2,785,920	26,703,782	△1,281,797	4,862	168,674

	Equity attributable to owners of parent				Non-controlling interests	Total
	Other components of equity			Total		
	Share of other comprehensive income of investments accounted for using equity method	Remeasurements of defined benefit plans	Total			
Balance at beginning of period	△9,409	－	280,320	28,961,671	436,619	29,398,291
Profit			－	2,468,494	40,886	2,509,380
Other comprehensive income	59,447	△35,685	138,792	138,792	△1,886	136,906
Total	59,447	△35,685	138,792	2,607,286	39,000	2,646,286
Purchase of treasury shares			－	△1,601,361		△1,601,361
Cancellation of treasury shares			－	－		－
Dividends			－	△881,691	△9,337	△891,028
Share-based payment transactions			－	51,539	△158	51,381
Changes in ownership interest in subsidiaries			－	△2,127	7,127	5,000
Transfer to retained earnings		35,685	35,685	－		－
Other			－	2,346	626	2,971
Total transactions with owners	－	35,685	35,685	△2,431,294	△1,742	△2,433,038
Balance at end of period	50,037	－	454,797	29,137,663	473,877	29,611,539
Profit			－	2,986,667	43,247	3,029,914
Other comprehensive income	51,281	58,776	120,240	120,240	1,067	121,307

Total	51,281	58,776	120,240	3,106,907	44,314	3,151,221
Purchase of treasury shares			－	△542,791		△542,791
Cancellation of treasury shares			－	－		－
Dividends			－	△1,187,409	△14,474	△1,201,883
Share-based payment transactions			－	200,379		200,379
Changes in ownership interest in subsidiaries			－	－		－
Transfer to retained earnings		△58,776	△300,182	－		－
Other			－	1,501	△127	1,375
Total transactions with owners	－	△58,776	△300,182	△1,528,320	△14,601	△1,542,920
Balance at end of period	101,318	－	274,855	30,716,250	503,590	31,219,840

（4）Consolidated statement of cash flow

(Thousands of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Cash flows from operating activities		
Profit before tax	3,350,285	4,155,597
Depreciation and amortization	1,371,073	1,550,711
Impairment losses	—	130,876
Share of loss (profit) of investments accounted for using equity method	△459,791	△635,625
Loss (gain) on change in equity	47,884	43,708
Finance income	△113,146	△335,632
Finance costs	45,922	34,300
Decrease (increase) in inventories	△6,998	△23,720
Decrease (increase) in trade and other receivables	146,076	△526,771
Increase (decrease) in trade and other payables	△280,978	△32,485
Decrease (increase) in contract assets	△933,028	185,807
Increase (decrease) in contract liabilities	134,863	△6,609
Other	300,314	291,341
Subtotal	3,602,476	4,831,498
Interest and dividends received	207,586	233,043
Interest paid	△2,350	△3,358
Income taxes paid	△974,045	△761,807
Income taxes refund	6,959	189,196
Net cash provided by (used in) operating activities	2,840,626	4,488,572
Cash flows from investing activities		
Payments into time deposits	△310,000	△311,006
Proceeds from withdrawal of time deposits	400,000	310,000
Purchase of property, plant and equipment	△41,237	△219,942
Proceeds from sale of property, plant and equipment	1,010	—
Purchase of intangible assets	△169,001	△188,451
Purchase of investments	△138,182	△192,041
Proceeds from sale and redemption of investments	714,647	703,057
Proceeds from sale of investments accounted for using equity method	—	2,500
Net cash provided by (used in) investing activities	457,237	104,117
Cash flows from financing activities		
Repayments of long-term borrowings	△15,034	—
Repayments of lease liabilities	△817,672	△1,028,285
Proceeds from sale of treasury shares	24,995	—
Purchase of treasury shares	△1,601,361	△542,791
Dividends paid	△881,167	△1,186,355
Capital contribution from non-controlling interests	5,000	—
Dividends paid to non-controlling interests	△9,337	△14,474
Net cash provided by (used in) financing activities	△3,294,576	△2,771,905
Net increase (decrease) in cash and cash equivalents	3,287	1,820,784
Cash and cash equivalents at beginning of period	9,906,142	9,907,750
Effect of exchange rate changes on cash and cash equivalents	△1,679	1,187
Cash and cash equivalents at end of period	9,907,750	11,729,721

(5) Notes concerning consolidated financial statements

(Notes relating to going concern assumption)

There are no relevant items.

(Changes in accounting policies)

The Group is applying the following standards from the consolidated fiscal year ended March 2026.

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

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

(Segment information)

(1) Summary of reporting segments

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

Regarding the segment information, previously the Company used the two business demarcations of the "consulting and system development business" and the "management services (BPO) business" but from the consolidated fiscal year ended March 2026 we have changed to the three business demarcations of "consulting and system development," the "SES co-creation business" and the "BPO & managed services."

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

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

Consulting and system development:

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

SES co-creation business:

Mainly quasi-mandate-based system development, SE dispatching

BPO & managed services:

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

The figures for the previous consolidated fiscal year have been stated after the necessary reclassifications have been made.

(2) Segment revenue and financial results

The Group's reporting segment profit is "business profit."

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

Previous consolidated fiscal year (from April 1, 2024 to March 31, 2025)

	Reporting Segment					
	Consulting and system development	SES co-creation business	BPO & managed services	Total	Adjustments (Note 1)	Consolidated
	Thousands of yen	Thousands of yen	Thousands of yen	Thousands of yen	Thousands of yen	Thousands of yen
Revenue						
(1) External customers	20,737,805	9,176,242	8,889,585	38,803,632	—	38,803,632
(2) Inter-segment value	17,316	146,698	326,235	490,249	(490,249)	—
Total	20,755,121	9,322,940	9,215,820	39,293,881	(490,249)	38,803,632
Business profit (Note 2)	1,933,927	356,801	901,852	3,192,580	(322,586)	2,869,994
Segment assets	29,920,508	9,296,320	9,597,583	48,814,411	(3,492,113)	45,322,298
Investments accounted for using equity method	16,853,421	—	—	16,853,421	219,583	17,073,004
Depreciation and amortization expenses (Note 3)	939,312	135,896	306,556	1,381,764	(10,691)	1,371,073

(Note 1) Adjustments are as follows:

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

(2) The segment profit adjustments of minus 322,586 thousand yen include inter-segment transaction eliminations of 12,099 thousand yen and costs not attributable to a specific segment of minus 334,685 thousand yen.

(3) Segment asset adjustments include the offsetting of segment liabilities, and assets of companies that submit consolidated financial statements not allocated to reporting segments.

(4) Adjustments of investments accounted for using equity method are investments accounted for using equity method of companies that submit consolidated financial statements not allocated to reporting segments.

(5) Adjustments of depreciation and amortization expenses are adjustments of unrealized profits pertaining to inter-segment transactions and settlement adjustments not allocated to segments.

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

(Note 3) Depreciation and amortization expenses include amounts pertaining to right of use assets.

(Note 4) The Company has changed its segment business demarcations from the consolidated fiscal year ended March 2026 and the necessary reclassifications have been made for each of the figures for the previous fiscal year.

(Note 5) In the consolidated fiscal year ended March 2026, the determination of a provisional accounting method pertaining to business combinations was carried out, and the content of the determination of the provisional accounting method is reflected in the figures for the previous fiscal year.

Current consolidated fiscal year (from April 1, 2025 to March 31, 2026)

	Reporting Segment					
	Consulting and system development	SES co-creation business	BPO & managed services	Total	Adjustments (Note 1)	Consolidated
	Thousands of yen	Thousands of yen	Thousands of yen	Thousands of yen	Thousands of yen	Thousands of yen
Revenue						
(1) External customers	23,105,176	8,968,817	10,025,527	42,099,520	—	42,099,520
(2) Inter-segment value	47,687	180,832	211,973	440,492	(440,492)	—
Total	23,152,863	9,149,649	10,237,500	42,540,012	(440,492)	42,099,520
Business profit (Note 2)	2,427,591	418,060	915,611	3,761,262	(362,061)	3,399,201
Segment assets	32,107,937	10,207,743	10,102,802	52,418,482	(3,954,286)	48,464,196
Investments accounted for using equity method	17,314,099	—	—	17,314,099	188,721	17,502,820
Depreciation and amortization expenses (Note 3)	1,125,756	153,259	283,878	1,562,893	(12,182)	1,550,711

(Note 1) Adjustments are as follows:

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

(2) The segment profit adjustments of minus 362,061 thousand yen include inter-segment transaction eliminations of minus 19,459 thousand yen and costs not attributable to a specific segment of minus 342,602 thousand yen.

(3) Segment asset adjustments include the offsetting of segment liabilities, and assets of companies that submit consolidated financial statements not allocated to reporting segments.

(4) Adjustments of investments accounted for using equity method are investments accounted for using equity method of companies that submit consolidated financial statements not allocated to reporting segments.

(5) Adjustments of depreciation and amortization expenses are adjustments of unrealized profits pertaining to inter-segment transactions and settlement adjustments not allocated to segments.

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

(Note 3) Depreciation and amortization expenses include amounts pertaining to right of use assets.

Adjustments to profit before tax are as follows:

(Thousands of yen)

	Previous consolidated fiscal year (from April 1, 2024 to March 31, 2025)	Current consolidated fiscal year (from April 1, 2025 to March 31, 2026)
Business profit	2,869,994	3,399,201
Other	1,160	(136,853)
Operating profit	2,871,154	3,262,348
Finance income	113,146	335,632
Finance costs	45,922	34,300
Share of profit (loss) of investments accounted for using equity method	459,791	635,625
Profit (loss) on change in equity	(47,884)	(43,708)
Profit before tax	3,350,285	4,155,597

(3) Information concerning products and services

Because the demarcation of products and services is the same as reporting segments, the information has been omitted.

(4) By-region information

Revenue to external customers

Because revenue to Japan's external customers exceeds 90% of the consolidated profit and loss statement's revenue, the information has been omitted.

Non-current assets

Because the amount of non-current assets located in Japan exceeds 90% of the non-current assets amount presented in the consolidated statement of financial position, mention has been omitted.

(5) Information relating to major customers

Of the revenue to external customers, there are no parties that account for 10% or more of the revenue in the consolidated profit and loss statement, and consequently mention has been omitted.

(Per share information)

The basis for the calculation of basic earnings per share and diluted earnings per share is as follows:

	Previous consolidated fiscal year (from April 1, 2024 to March 31, 2025)	Current consolidated fiscal year (from April 1, 2025 to March 31, 2026)
Profit attributable to owners of parent (thousands of yen)	2,468,494	2,986,667
Adjustments to profit		
Adjustments relating to dilutive shares issued by subsidiaries (thousands of yen)	(630)	(138)
Profit used in the calculation of diluted earnings per share (thousands of yen)	2,467,864	2,986,529
Weighted average number of ordinary shares (thousands of shares)	34,535	32,457
Increase in number of ordinary shares		
Share acquisition rights (thousands of shares)	—	—
Weighted average number of ordinary shares following dilution (thousands of shares)	34,535	32,457
Basic earnings per share (yen)	71.48	92.02
Diluted earnings per share (yen)	71.46	92.02

(Note) 1. Shares of the Company owned by the Stock-granting ESOP Trust, the Board Incentive Plan (BIP) Trust and the E-Ship employees' shareholding association are included in the treasury shares excluded when working out the average number of shares during the period, for the purposes of calculating "basic earnings per share" and "diluted earnings per share" (1,426,000

shares at the end of the previous consolidated fiscal year, 2,178,000 shares at the end of the current consolidated fiscal year).

2. 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” and “diluted earnings per share” are calculated on the assumption that the stock split took place at the beginning of the previous fiscal year.

(Significant subsequent events)

1. Stock split

(1) Aims of the stock split

By reducing the unit price of investments, the stock split aims to increase the liquidity of the Group's shares and broaden our investor base.

(2) Method of the stock split

With March 31, 2026 as the record date, we split our common stock held by shareholders listed or recorded in the final shareholders' registry that day at a ratio of 1:3.

(3) Increase in number of shares due to the stock split

Total number of issued shares before the split	11,615,200 shares
Increase in number of shares due to this split	23,230,400 shares
Total number of issued shares after the split	34,845,600 shares
Total number of authorized shares after the split	106,800,000 shares

(4) Schedule for the stock split

Public notice date of record date	March 2, 2026
Record date	March 31, 2026
Effective date	April 1, 2026

(5) Other

No change to the stated capital occurred in connection with this stock split.

2. Partial revision to the Articles of Incorporation consequent to the stock split

(1) Reason for revision to the Articles of Incorporation

Consequent to the stock split, and in accordance with the provisions of Article 184, Paragraph 2 of the Companies Act, at the Board of Directors meeting held on February 27, 2026, the total number of authorized shares in Article 6 of our Articles of Incorporation was changed as of April 1, 2026 to reflect the split ratio.

(2) Details of the revision to the Articles of Incorporation

The details of the revision are as follows:

(Underlines indicate the portions which have been changed)

Previous Articles of Incorporation	After the revision
(Total number of authorized shares) Article 6 The total number of authorized shares in the Company shall be <u>35,600,000</u> shares.	(Total number of authorized shares) Article 6 The total number of authorized shares in the Company shall be <u>106,800,000</u> shares.

(3) Date of the revision to the Articles of Incorporation

Board of Directors resolution date	February 27, 2026
Effective date	April 1, 2026