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.

May 15, 2026

Company name: BUSINESS BRAIN SHOWA-OTA INC.
Name of representative: Kazuhiro Komiya, President
(Securities code: 9658; TSE Prime Market)
Inquiries: Hitoshi Uehara,
Senior Executive Officer,
Group Management Supervisor
(Telephone: +81-3-3507-1302)

Notice Concerning Business Alliance with Nihon Knowledge Co., Ltd.

BUSINESS BRAIN SHOWA-OTA INC. (the "Company") hereby announces that at the Board of Directors meeting held on May 14, 2026, it resolved to enter into a business alliance agreement (hereinafter the "Business Alliance") with Nihon Knowledge Co., Ltd. (hereinafter "Nihon Knowledge"), primarily for the purpose of expanding its business utilizing generative AI technology, and that the agreement was executed with Nihon Knowledge on May 15, 2026, as described below.

1. Purpose of the Business Alliance

Nihon Knowledge's core business is providing consistent services covering all processes of the development lifecycle, including software development, verification, and maintenance. Generative AI is actively utilized in the services it provides, and, in particular for system verification services, it supports the automation and one-stop handling of all verification processes, from test planning and design through to execution, results analysis, and improvement, drawing on years of expertise and an extensive track record. The Company, meanwhile, is pursuing its vision of becoming a "Back Office Comprehensive Supporter," developing its "BBS Cycle" that is centered around three businesses: consulting anchored in accounting consulting and management accounting services, system integration and operations, and business process outsourcing (BPO). Through this Business Alliance, the Company will leverage Nihon Knowledge's generative AI capabilities and automated system testing to deliver high-precision, high-quality systems to clients in a shorter timeframe than before. Both companies also aim to jointly create and develop new businesses by leveraging the technologies and know-how of both parties.

2. Overview of value provided through the Business Alliance

(1) Enhanced value of system integration services

By incorporating Nihon Knowledge's software testing, AI quality assurance, and AI governance capabilities into the Company's client-partnered end-to-end SI services, both companies will evolve the existing one-stop service offering into a "high quality assurance × high reliability" model.

(2) Provision of high-quality AI-driven business efficiency solutions

Combining the Company's industry knowledge and operational expertise with Nihon Knowledge's

software quality improvement technologies, both companies will work to provide system integration services that support business efficiency improvement and operational advancement through AI technology.

Through consistent support spanning planning and requirements definition to design, development, and operations and maintenance, they will assist in the implementation and adoption of AI-driven systems with an emphasis on quality and reliability.

(3) AI governance framework development and risk management support

Both companies will jointly provide the following services to help enterprises utilize AI safely and appropriately:

- Support for establishing AI governance frameworks
- Risk assessment and management support for AI implementation
- Development of internal regulations and provision of education and training programs
- Support for AIMS (ISO 42001) implementation

(4) Human resource development and social value creation initiatives

1. Developing AI governance human resources
   By leveraging Nihon Knowledge's specialized expertise, training programs will be provided to the Company's clients to support the development of human resources capable of appropriately managing and utilizing AI.
2. Promoting the spread of a trustworthy AI utilization environment
   Both companies will work to develop a social environment in which enterprises can utilize AI with confidence, as well as awareness activities regarding the importance of AI governance.

(5) Future outlook

Through this alliance, both companies will strengthen their role as partners supporting sustainable corporate growth in the AI era, achieving both the widespread adoption of high-quality IT and AI utilization and the simultaneous enhancement of corporate value and social trust.

3. Overview of Nihon Knowledge

(1) Name	Nihon Knowledge Co., Ltd. (Securities code: 5252; TSE Growth Market)
(2) Location	3-19-5, Kotobuki, Taito-ku, Tokyo
(3) Title and name of representative	Yoichi Fujii, President and Representative Director
(4) Business description	Software system verification services; Contracted system development, development and sales of business package software
(5) Capital stock	¥222,150,000
(6) Date of incorporation	October 22, 1985
(7) Major shareholders and shareholding ratios	Wisteria Trust Co., Ltd.: 43.06%; Otsuka Corporation: 9.68%; Hikari Tsushin KK Investment Limited Partnership: 6.63%

(8) Relationship between the parties	Capital relationship	None
	Personnel relationship	None
	Business relationship	There is a business relationship between the Company and Nihon Knowledge with respect to system development services.

(9) Operating results and financial position of Nihon Knowledge for the most recent three fiscal years

Fiscal year ended	March 2024	March 2025	March 2026
Net assets	¥1,083,748,000	¥1,139,202,000	¥1,207,017,000
Total assets	¥2,121,973,000	¥2,124,151,000	¥2,255,380,000
Net sales	¥4,076,409,000	¥4,154,113,000	¥4,558,620,000
Operating income	¥250,867,000	¥99,369,000	¥65,408,000
Net income	¥202,149,000	¥82,904,000	¥86,501,000
Net income per share	¥115.27	¥60.25	¥20.88

(Note) Since Nihon Knowledge has prepared consolidated financial statements from the fiscal year ending March 31 2026, the basis of preparation differs for each period. Additionally, Nihon Knowledge conducted a 3-for-1 share split of its common stock, with an effective date of October 1, 2025. "Profit per share" are calculated assuming that the share split had occurred at the beginning of the fiscal year ending March 31, 2026.

4. Schedule

(1) Date of Board of Directors meeting resolution	May 14, 2026
(2) Date of agreement execution	May 15, 2026
(3) Business alliance commencement date	May 15, 2026

5. Future outlook

While the Business Alliance is expected to have a minimal impact on the Company’s financial results for the fiscal year ending March 2027, we believe it will contribute to the improvement of its business performance and corporate value going forward. Should any matters requiring disclosure arise in the future, the Company will promptly make the necessary announcements.