Translation

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May 22, 2026

Company name: BUSINESS BRAIN SHOWA-OTA INC.
Name of representative: Kazuhiro Komiya, President
(Securities code: 9658; TSE Prime Market)
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Notice Concerning Absorption-Type Merger between Consolidated Subsidiaries

BUSINESS BRAIN SHOWA-OTA INC. (the "Company") hereby announces that Financial Brain Systems Inc. ("FBS") and joy works inc. ("JW"), both consolidated subsidiaries of the Company, have resolved to carry out an absorption-type merger (the "Merger") in which FBS will be the surviving company and JW will be the dissolving company, and that a merger agreement has been executed between the two companies today, as described below.

1. Purpose of the Merger

FBS primarily operates an SES business serving the financial industry, while JW also engages in SES business operations serving companies including those in the financial industry.

Through merging the two companies, the Merger aims to further strengthen the SES co-creation business and to make effective use of the management resources of the Group as a whole.

2. Overview of the Merger

(1) Schedule

General meeting of shareholders to approve the Merger FBS: Monday, June 22, 2026
JW: Friday, June 19, 2026

Effective date of the Merger Wednesday, July 1, 2026

(2) Method of the Merger

The Merger will be carried out as an absorption-type merger with FBS as the surviving company and JW as the dissolving company.

(3) Merger ratio

Shareholders of JW, the dissolving company, will receive 0.1667 shares of JW for every 1 share of FBS.

3. Overview of the companies involved in the Merger

(1) Company Name	Financial Brain Systems Inc.	joyworks inc.
(2) Location	1-1-1 Nishi-Shimbashi, Minato-ku, Tokyo	Premier Dogenzaka Building 2F, 1-18-3 Dogenzaka, Shibuya-ku, Tokyo
(3) Title and name of representative	Michio Tsukui, President and Representative Director	Yuji Nakamura, President and Representative Director
(4) Business description	System development and related services for securities companies, banks, insurance companies, investment trusts, and investment advisory firms	Web system development; web site planning, production, maintenance, and operation; server and network infrastructure support; help desk, project management, and SE support services
(5) Capital stock	¥100,000,000	¥30,000,000
(6) Date of incorporation	September 10, 1982	March 3, 2011
(7) Major shareholders and shareholding ratios	Business Brain Showa-Ota Inc.: 90.60% Japan Research Institute, Limited: 4.92% Mitsubishi UFJ eSmart Securities Co., Ltd.: 4.48%	Business Brain Showa-Ota Inc.: 100%

4. Post-Merger status

Following the Merger, there will be no changes to FBS's trade name, location, title and name of representative, business description, capital stock, or fiscal year end. However, its major shareholders and shareholding ratios will change as follows:

Major shareholders and shareholding ratios: Business Brain Showa-Ota Inc. (91.10%)

5. Impact of the Merger on financial results

As the Merger is an absorption-type merger between consolidated subsidiaries of the Company, the impact on the consolidated financial results is expected to be minor. Should any matters requiring disclosure arise, the Company will promptly make the necessary announcements.