Translation

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Consolidated Financial Results for the Six Months Ended September 30, 2026 (Under IFRS)

November 13, 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
Semi-annual statement filing date (as planned) November 16, 2026 Dividend payable date (as planned) November 30, 2026
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 six months ended September 30, 2026 (from April 1, 2026 to September 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	
Six months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2026	21,321	4.5	1,205	(19.5)	1,205	(19.2)	1,718	(13.0)	1,089	(12.3)	1,076	(12.4)
September 30, 2025	20,410	13.0	1,496	27.4	1,490	26.7	1,975	42.1	1,242	23.8	1,229	23.9

Note: 1. Total comprehensive income for the interim period September 30, 2026: 1,138Millions of yen (- 11.8%); September 30, 2025: 1,291Millions of yen (17.6%).
2. Business profit is calculated by excluding profits and losses incurred due to non-recurring factors from operating profit.

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2026	33.15	33.14
September 30, 2025	37.86	37.85

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	%
September 30, 2026	51,286	31,653	31,144	60.7
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	-	23.50			
Fiscal year ending March 31, 2027 (Forecast)			-	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 stock, 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. For the fiscal year ending March 31, 2027 (Forecast), the amounts after the stock split are 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
Fiscal year ending	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
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: None

2. The Company conducted a 3-for-1 stock split of its common stock, effective April 1, 2026.

With regard to basic earnings per share in the 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 September 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 September 30, 2026	2,386,545 shares	As of March 31, 2026	2,389,695 shares
③ Average number of shares	Six months ended September 30, 2026	32,457,615 shares	Six months ended September 30, 2025	32,461,602 shares

Note: The Company conducted a 3-for-1 stock split of its common stock, effective April 1, 2026. “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 six months ended September 30, 2026 (from April 1, 2026 to September 30, 2026)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2026	12,980	5.1	926	(24.3)	1,343	(16.3)	961	(32.7)
September 30, 2025	12,345	17.9	1,223	42.5	1,605	49.2	1,429	(22.9)

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
September 30, 2026	29.61	—
September 30, 2025	44.02	—

Note: The Company conducted a 3-for-1 stock split of its common stock, effective April 1, 2026. “Basic earnings per share” has been retrospectively adjusted to reflect the stock split, as if it had occurred at the beginning of the prior fiscal year.

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
September 30, 2026	24,543	16,033	65.3	493.96
March 31, 2026	24,916	15,864	63.7	488.77

Note: 1. The financial figures in the overview of non-consolidated financial results are based on Japanese GAAP.
2. The Company conducted a 3-for-1 stock split of its common stock, effective April 1, 2026. “Net assets per share” has been retrospectively adjusted to reflect the stock split, as if it had occurred at the beginning of the prior fiscal year.

* Semi-annual financial results reports are exempt from review 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 based on information currently available to the Company and certain assumptions that the Company judges to be reasonable, and are not intended to be a promise by the Company to achieve them. In addition, actual results may differ 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 the Group (2) Trends in demand for the services provided by the Group

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

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

November 16, 2026 (Monday)・・・・・Briefing for institutional investors and analysts (Online)

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1. Overview of operating results

(1) Overview of operating results for the six months ended September 30, 2026

During the consolidated six months ended September 30, 2026, the Japanese economy continued a gentle recovery, with corporate capital investment remaining firm centering on AI, digitalization, and power-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 were slightly below the same period of the previous year but remained at a level broadly in line with the previous year.

As a result, orders received during the consolidated six months ended September 30 totaled 20,688 million yen (down 1.7% year-on-year), and backlog of orders was 12,912 million yen (down 5.3% year-on-year).

Revenue was higher than the previous year in the consulting and system development business and the BPO & managed services business, and overall revenue rose by 4.5% year-on-year to 21,321 million yen.

Gross profit increased 3.4% year-on-year, even as subcontract expenses and personnel costs both increased, among other factors.

Selling, general and administrative expenses climbed by 14.7% year-on-year as a result of the active use of AI and aggressive research and development investment in the Company's next-generation solution, "ACT-Horizon."

As a result, for the consolidated six months ended September 30, BBS reported revenue of 21,321 million yen (up 4.5% year-on-year), operating profit of 1,205 million yen (down 19.2% year-on-year), interim profit before taxes of 1,718 million yen (down 13.0% year-on-year) and interim profit attributable to owners of the parent of 1,076 million yen (down 12.4% year-on-year).

Operating results by segment are as follows.

The results for the consulting and system development business for the consolidated interim period were revenue of 11,751 million yen (up 5.0% year-on-year) and segment profit of 1,318 million yen (up 44.9% year-on-year).

Segment profit for the business as a whole increased by 44.9%, driven by the increase in management accounting consulting and solutions mainly at the parent company.

The results for the SES co-creation business for the consolidated interim period were revenue of 4,574 million yen (down 0.7% year-on-year) and segment profit of 140 million yen (down 53.0% year-on-year).

In terms of segment profit, the SES co-creation business as a whole declined compared to the same period of the previous year due to a decrease in gross profit caused by increases in labor costs and subcontract expenses, among other factors.

The results for the BPO & managed services business for the consolidated interim period were revenue of 5,184 million yen (up 7.2% year-on-year) and segment profit of 279 million yen (down 32.4% 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, and the recording of relocation expenses for the Hamamatsu BPO Center.

(2) Overview of financial position for the six months ended September 30, 2026

Assets

Total consolidated assets at the end of the interim period were 51,286 million yen, up by 2,821 million yen from the end of the previous fiscal year.

Current assets totaled 20,585 million yen, an increase of 62 million yen from the end of the previous fiscal year. The main factors were a 737 million yen increase in contract assets and a 376 million yen increase in other financial assets, while trade and other receivables declined by 1,150 million yen due to debt collection.

Non-current assets totaled 30,700 million yen, an increase of 2,759 million yen compared to the end of the previous fiscal year. The main factors included a 2,465 million yen increase in right-of-use assets and a 414 million yen increase in

investments accounted for using equity method, while other financial assets decreased by 368 million yen.

Liabilities

Total consolidated liabilities at the end of the interim period were 19,632 million yen, an increase of 2,388 million yen from the end of the previous fiscal year.

Current liabilities totaled 8,850 million yen, an increase of 85 million yen from the end of the previous fiscal year. The main factors were an increase of 397 million yen in lease liabilities and a decrease of 371 million yen in income taxes payable.

Non-current liabilities totaled 10,783 million yen, an increase of 2,303 million yen from the end of the previous fiscal year. The main factors included a 2,078 million yen increase in lease liabilities, a 74 million yen increase in deferred tax liabilities, and a 56 million yen increase in retirement benefit liabilities.

Net assets

Total consolidated shareholders' equity at the end of the interim period totaled 31,653 million yen, an increase of 433 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 forecasts, there are no changes to the consolidated earnings forecasts for the full year which were published in the "Consolidated Financial Results for the Fiscal Year Ended March 31, 2026 (Under IFRS)" dated May 14, 2026.

2. Condensed interim consolidated financial statements and principal notes

(1) Condensed interim consolidated statement of financial position

(Thousands of yen)

	As of March 31, 2026	As of September 30, 2026
Assets		
Current assets		
Cash and cash equivalents	11,729,721	11,553,215
Trade and other receivables	5,619,906	4,469,677
Contract assets	1,725,375	2,462,086
Other financial assets	319,038	694,799
Inventories	127,252	123,357
Other current assets	1,001,966	1,282,100
Total current assets	20,523,258	20,585,234
Non-current assets		
Property, plant and equipment	783,039	1,033,755
Right-of-use assets	3,238,085	5,703,272
Goodwill	1,967,089	1,982,014
Intangible assets	1,059,019	1,034,733
Investments accounted for using equity method	17,502,820	17,916,960
Other financial assets	2,666,649	2,298,948
Deferred tax assets	615,841	642,266
Retirement benefit asset	70,416	60,578
Other non-current assets	37,980	27,820
Total non-current assets	27,940,938	30,700,346
Total assets	48,464,196	51,285,580

(Thousands of yen)

	As of March 31, 2026	As of September 30, 2026
Liabilities and equity		
Liabilities		
Current liabilities		
Lease liabilities	612,708	1,009,651
Trade and other payables	2,309,363	2,209,737
Other financial liabilities	351,442	405,091
Income taxes payable	1,017,215	646,126
Provisions	94,730	28,820
Contract liabilities	438,274	524,120
Other current liabilities	3,940,950	4,026,230
Total current liabilities	8,764,682	8,849,775
Non-current liabilities		
Lease liabilities	2,687,375	4,765,727
Other financial liabilities	18,430	1,414
Retirement benefit liability	380,246	436,720
Provisions	570,840	620,465
Non-Current liability for stock benefit	224,869	247,806
Deferred tax liabilities	4,206,754	4,280,778
Other non-current liabilities	391,160	429,599
Total non-current liabilities	8,479,674	10,782,509
Total liabilities	17,244,356	19,632,284
Equity		

Share capital	2,233,490	2,233,490
Capital surplus	2,785,920	2,845,338
Retained earnings	26,703,782	27,020,818
Treasury shares	(1,281,797)	(1,280,108)
Other components of equity	274,855	324,101
Total equity attributable to owners of parent	30,716,250	31,143,639
Non-controlling interests	503,590	509,656
Total equity	31,219,840	31,653,296
Total liabilities and equity	48,464,196	51,285,580

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

（Condensed interim consolidated statement of income）

(Thousands of yen)

	Six months ended September 30, 2025	Six months ended September 30, 2026
Revenue	20,409,818	21,320,518
Cost of sales	15,912,435	16,671,087
Gross profit	4,497,383	4,649,431
Selling, general and administrative expenses	3,055,764	3,504,077
Other income	69,855	110,336
Other expenses	21,354	50,963
Operating profit	1,490,120	1,204,727
Finance income	293,587	69,796
Finance costs	21,344	34,401
Share of profit (loss) of investments accounted for using equity method	250,076	544,732
Gain/loss on change in equity	(37,844)	(66,513)
Profit before tax	1,974,595	1,718,341
Income tax expense	733,051	629,761
Profit	1,241,544	1,088,580
Profit attributable to		
Owners of parent	1,228,855	1,075,920
Non-controlling interests	12,689	12,660
Profit	1,241,544	1,088,580
Earnings per share		
Basic earnings per share	37.86	33.15
Diluted earnings per share	37.85	33.14

(condensed interim consolidated statement of comprehensive income)

(Thousands of yen)

	Six months ended September 30, 2025	Six months ended September 30, 2026
Profit	1,241,544	1,088,580
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	(71,154)	11,552
Share of other comprehensive income of investments accounted for using equity method	121,204	31,138
Total of items that will not be reclassified to profit or loss	50,050	42,690
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	(646)	6,806
Total of items that may be reclassified to profit or loss	(646)	6,806
Other comprehensive income, net of tax	49,404	49,496
Comprehensive income	1,290,948	1,138,076
Comprehensive income attributable to		
Owners of parent	1,278,322	1,125,166
Non-controlling interests	12,626	12,910
Comprehensive income	1,290,948	1,138,076

（３）Condensed interim consolidated statement of changes in equity

Six months ended September 30, 2025 (from April 1, 2025 to September 30, 2025)

(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	4,487,356	24,602,841	(2,640,821)	8,756	396,003
Profit			1,228,855			
Other comprehensive income					(436)	(71,301)
Comprehensive income	－	－	1,228,855	－	(436)	(71,301)
Purchase of treasury shares				(542,791)		
Disposal of treasury shares						
Cancellation of treasury shares		(1,785,793)		1,785,793		
Dividends			(451,293)			
Share-based payment transactions		14,001		100,968		
Changes in ownership interest in subsidiaries						
Transfer to retained earnings			241,406			(241,406)
Other			26,756			
Total transactions with owners	－	(1,771,792)	(183,131)	1,343,970	－	(241,406)
Balance at end of period	2,233,490	2,715,564	25,648,565	(1,296,851)	8,320	83,295

	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	Total			
Balance at beginning of period	50,037	454,797	29,137,663	473,877	29,611,539
Profit		－	1,228,855	12,689	1,241,544
Other comprehensive income	121,204	49,467	49,467	(63)	49,404
Comprehensive income	121,204	49,467	1,278,322	12,626	1,290,948
Purchase of treasury shares		－	(542,791)		(542,791)
Disposal of treasury shares		－	－		－
Cancellation of treasury shares		－	－		－
Dividends		－	(451,293)	(14,474)	(465,767)
Share-based payment transactions		－	114,969		114,969
Changes in ownership interest in subsidiaries		－	－		－
Transfer to retained earnings		(241,406)	－		－
Other		－	26,756	(470)	26,286
Total transactions with owners	－	(241,406)	(852,359)	(14,944)	(867,303)
Balance at end of period	171,240	262,858	29,563,626	471,559	30,035,184

Six months ended September 30, 2026 (from April 1, 2026 to September 30, 2026)

(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	2,785,920	26,703,782	(1,281,797)	4,862	168,674
Profit			1,075,920			
Other comprehensive income					6,965	11,143
Comprehensive income	—	—	1,075,920	—	6,965	11,143
Purchase of treasury shares						
Disposal of treasury shares				1,721		
Cancellation of treasury shares						
Dividends			(758,884)			
Share-based payment transactions		65,328		(32)		
Changes in ownership interest in subsidiaries		(5,910)				
Transfer to retained earnings						
Other						
Total transactions with owners	—	59,418	(758,884)	1,689	—	—
Balance at end of period	2,233,490	2,845,338	27,020,818	(1,280,108)	11,827	179,817

	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	Total			
Balance at beginning of period	101,318	274,855	30,716,250	503,590	31,219,840
Profit		—	1,075,920	12,660	1,088,580
Other comprehensive income	31,138	49,246	49,246	250	49,496
Comprehensive income	31,138	49,246	1,125,166	12,910	1,138,076
Purchase of treasury shares		—	—		—
Disposal of treasury shares		—	1,721		1,721
Cancellation of treasury shares		—	—		—
Dividends		—	(758,884)	(12,771)	(771,655)
Share-based payment transactions		—	65,296		65,296
Changes in ownership interest in subsidiaries		—	(5,910)	5,910	—
Transfer to retained earnings		—	—		—
Other		—	—	17	17
Total transactions with owners	—	—	(697,777)	(6,844)	(704,621)
Balance at end of period	132,456	324,101	31,143,639	509,656	31,653,296

(4) Notes concerning condensed interim 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 interim 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 interim period 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 interim 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 interim period (from April 1, 2025 to September 30, 2025)

(Thousands of yen)

	Reportable segments					
	Consulting and system development	SES Co-Creation Business	BPO & managed services	Total	Reconciling items	Consolidated
Revenue						
Revenue from external customers	11,177,476	4,510,986	4,721,355	20,409,818	—	20,409,818
Intersegment revenue	12,274	97,617	112,864	222,754	(222,754)	—
Total	11,189,750	4,608,603	4,834,219	20,632,572	(222,754)	20,409,818
Business profit (Note 2)	909,483	298,285	412,312	1,620,080	(123,641)	1,496,439

(Note 1) Reconciling items are as follows:

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

(2) Reconciling items for segment profit of minus 123,641 thousand yen include inter-segment transaction eliminations of 4,855 thousand yen and costs not attributable to a specific segment of minus 128,496 thousand yen.

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

Current consolidated interim period (from April 1, 2026 to September 30, 2026)

(Thousands of yen)

	Reportable segments					
	Consulting and system development	SES Co-Creation Business	BPO & managed services	Total	Reconciling items	Consolidated
Revenue						
Revenue from external customers	11,743,857	4,492,192	5,084,469	21,320,518	—	21,320,518
Intersegment revenue	7,353	82,298	99,841	189,492	(189,492)	—
Total	11,751,210	4,574,490	5,184,310	21,510,010	(189,492)	21,320,518
Business profit (Note 2)	1,318,119	140,120	278,612	1,736,851	(532,059)	1,204,792

(Note 1) Reconciling items are as follows:

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

(2) Reconciling items for segment profit of minus 532,059 thousand yen include inter-segment transaction eliminations of 4,436 thousand yen and costs not attributable to a specific segment of minus 536,495 thousand yen.

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

Adjustments to interim period profit before tax are as follows:

(Thousands of yen)

	Previous consolidated interim period (from April 1, 2025 to September 30, 2025)	Current consolidated interim period (from April 1, 2026 to September 30, 2026)
Business profit	1,496,439	1,204,792
Other	(6,319)	(65)
Operating profit	1,490,120	1,204,727
Finance income	293,587	69,796
Finance costs	21,344	34,401
Share of profit (loss) of investments accounted for using equity method	250,076	544,732
Profit (loss) on change in equity	(37,844)	(66,513)
Interim period profit before tax	1,974,595	1,718,341

(Significant subsequent events)

1. Subscription for new shares issued through third-party allotment and addition of an equity-method affiliate through share acquisition

At a meeting of its Board of Directors held on September 25, 2026, the Company resolved to execute a capital alliance agreement (hereinafter the "Capital Alliance") with Nihon Knowledge Co., Ltd. (hereinafter "Nihon Knowledge"), to subscribe for new shares to be issued by Nihon Knowledge through a third-party allotment, and to acquire shares of common stock of Nihon Knowledge from its an existing shareholder. The Company completed the acquisition of these shares on November 2, 2026.

As a result of the completion of these acquisitions, Nihon Knowledge has become an equity-method affiliate of the Company.

(1) Purpose and reason for the Capital Alliance

The Company and Nihon Knowledge entered into a business alliance agreement dated May 15, 2026, with the aim of combining the Company's expertise in management accounting consulting, systems development and operation, and BPO with Nihon Knowledge's technologies and know-how in software testing, quality assurance, AI quality assurance, and AI governance, thereby creating new services and expanding business opportunities by leveraging the strengths of both companies.

The Company has determined that, in order to continuously advance the initiatives under the business alliance going forward and to make more active mutual use of the management resources of both companies with each other, it would be effective to build a more stable relationship not only in terms of business cooperation but also in terms of capital.

Furthermore, the Company has determined that by holding shares of Nihon Knowledge over the medium to long term and making Nihon Knowledge an equity-method affiliate, the two companies will be able to further strengthen their collaboration and enhance corporate value.

(2) Overview of the equity-method affiliate

(1) Name	Nihon Knowledge Co., Ltd.
(2) Location	3-19-5, Kotobuki, Taito-ku, Tokyo
(3) Business description	Software testing and quality assurance, system development, AI quality assurance-related services, etc.
(4) Capital stock	227,452 thousand yen

(3) Details of the Capital Alliance and share acquisition

The Company acquired 1,021,000 shares of common stock of Nihon Knowledge through a third-party allotment of new shares implemented by Nihon Knowledge, and acquired 35,000 shares of common stock of Nihon Knowledge through an off-market negotiated transaction from Wisteria Trust Co., Ltd., the largest shareholder and a major shareholder of Nihon Knowledge.

Method of acquisition	Number of shares acquired	Acquisition price	Voting rights ownership ratio
Subscription for third-party allotment	1,021,000 shares	936,257 thousand yen	19.69%
Acquisition of shares from existing shareholder	35,000 shares	32,095 thousand yen	0.67%
Total	1,056,000 shares	968,352 thousand yen	20.36%

(4) Date of share acquisition

November 2, 2026

(5) Future outlook

The impact of the Capital Alliance and Nihon Knowledge becoming an equity-method affiliate on the Company's consolidated financial results for the fiscal year ending March 31, 2027 is currently under review.

Should any matter requiring disclosure arise in the future, the Company will promptly announce it.

2. Transfer of shares of an equity-method affiliate and change in equity-method affiliate

At the Board of Directors meeting held on October 30, 2026, the Company resolved that, after the completion of the tender offer to be conducted by Accenture Japan Ltd (hereinafter "Accenture") for the shares of common stock (hereinafter the "GSX Shares") of Global Security Experts Inc. (hereinafter "GSX"), the Company will transfer all of the GSX Shares it holds to GSX.

As a result, GSX is expected to cease to be an equity-method affiliate of the Company.

(1) Reason for the transaction

With respect to GSX, the Company has determined that, because the cybersecurity-related industry to which GSX belongs has characteristics different from those of the Group's existing businesses and its business environment is changing rapidly, enhancing the independence of GSX's management and enabling more agile business operations will lead to an increase in GSX's corporate value and, in turn, an increase in the corporate value of the Group.

In addition, having comprehensively considered the policy for the use of the funds to be obtained through the transaction, among other factors, the Company has determined that transferring the GSX Shares it holds to GSX will contribute to enhancing the Company's corporate value and shareholder value over the medium to long term.

(2) Overview of the equity-method affiliate

Name	Global Security Experts Inc.
Location	1-16-1 Kaigan, Minato-ku, Tokyo
Business description	Cybersecurity Business, Security Education Business, Security Human Resources Business
Capital stock	546,553 thousand yen

(3) Overview of shares to be transferred

Number of shares held before the transfer	6,006,000 shares
Number of shares to be transferred	6,006,000 shares
Total expected transfer amount	35,045,010 thousand yen

(Note) The above total expected transfer amount is a reference amount calculated by multiplying the share repurchase price by the number of shares to be transferred.

(4) Schedule of the transaction

Tender offer period: From November 2, 2026 to December 15, 2026 (scheduled)
Date of share repurchase by GSX: During March 2027 (scheduled)

(5) Future outlook and impact on financial results

In connection with the share transfer, the Company expects to record a gain on sale of shares of investments accounted for using equity method of 17,054,430 thousand yen in the consolidated fiscal year ending March 31, 2027.

In addition, profit for the fiscal year attributable to owners of the parent on a consolidated basis is expected to increase by 22,255,139 thousand yen.