Business Brain Showa-Ota Inc.

[TSE Prime Market Securities Code: 9658]

Business Brain Showa-Ota Inc.
2Q Financial Results Briefing for the Fiscal Year Ending March 2027

2026.11.13

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Company Introduction

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Company Profile

Name	**株式会社ビジネスブレイン太田昭和**
Name in English	**Business Brain Showa-Ota Inc.**
Headquarters	15F Hibiya Fort Tower, 1-1-1 Nishishimbashi, Minato-ku, Tokyo
Business locations	Tokyo, Osaka, Nagoya, Hamamatsu, Fukuoka, Sapporo, Niigata, Kumamoto, Kagoshima, Naha, Nago, Bangkok, Thailand; Ho Chi Minh City, Vietnam; Singapore
Representative	Kazuhiro Komiya, President
Founded	August 1967
Capital	2,233,490,000 yen
Number of issued shares	34,845,600
Listed market	TSE Prime (Securities Code: 9658)
Number of employees	1,066 (non-consolidated) 2,495 (consolidated)*

(As of the end of March 2026)
* Including 13 consolidated subsidiaries of BBS Group
BBS Group Network URL: https://www.bbs.co.jp/corporate/group/

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Business Model

-Aiming to Solve Back Office Challenges-

Expanding Back Office Challenges

Hiring difficulties　Aging workforce　Black-boxed operations

Preventing fraud/
Strengthening internal controls　BCP measures　Changing workstyles　etc...

BBS's Unique Integrated Consulting Services

Supporting mid-sized companies through the integrated provision of three core solutions



CONSULTING
Optimizing business processes

SYSTEM INTEGRATION
Automation through system implementations

MANAGEMENT SERVICE
Outsourcing via BPO

Advantages of Providing Services in a Cycle

- ✓ Can select and propose optimal solutions without being tied to a specific solution
- ✓ Realistic proposals with an eye on subsequent processes
- ✓ Seamless integration between solutions

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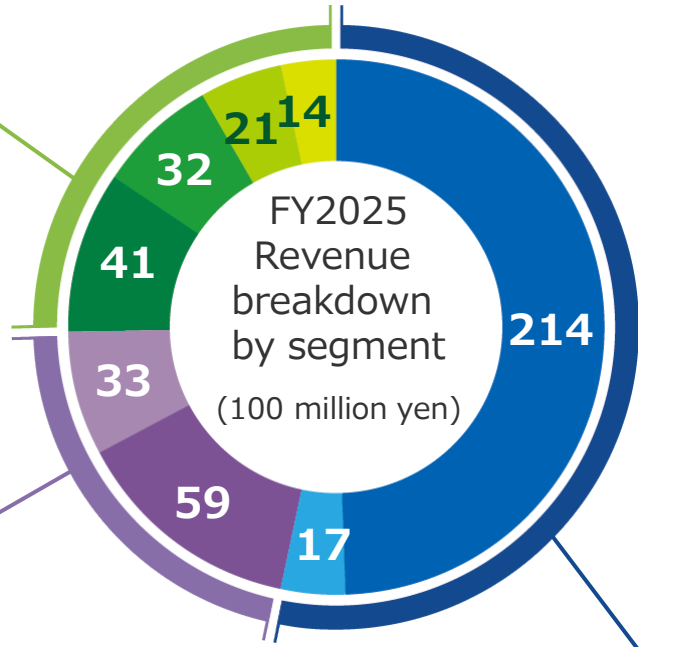
Business Details

102 BPO & Managed Services
- 41 HR & Payroll BPO
- 32 Accounting BPO
- 21 Onsite BPO
- 14 Managed Services



92 SES Co-Creation Business
- 59 Financial Business
- 33 Industrial Business

232 Consulting and System Development
- 214 Management Accounting Consulting & Solutions
- 17 PLM Solutions

Consulting and System Development

Management Accounting Consulting & Solutions
- Consulting for management accounting and related domains and system development, introduction support, and maintenance
- Some scratch development and package adoption, handled solutions include the ACT series (internal brand), Biz∫, mcframe, Rakuraku Framework, etc.

PLM Solutions
- CAD add-on development, BOM/PDM development, and maintenance
- Sales and adoption of our PLM console product

SES Co-Creation Business

Financial Business
- Contracted development for securities companies (quasi-mandate-based), SE dispatching
- Sales and adoption of internally developed fund wrap package

Industrial Business
- Contracted development (semi-commission), SE deployment

BPO & Managed Services

HR & Payroll BPO
- Center-based HR related outsourcing services, such as payroll calculation
- Contract calculation using our systems (Bulas, Win5)

Accounting BPO
- Consulting and center-based outsourcing services for accounting operations
- Handles highly specialized tasks such as preparing financial statements and consolidated financial statements

Onsite BPO
- Dispatch of call center operators, recruitment services, and call center operations

Managed Services
- Product maintenance and business outsourcing services for packaged product vendors and service providers

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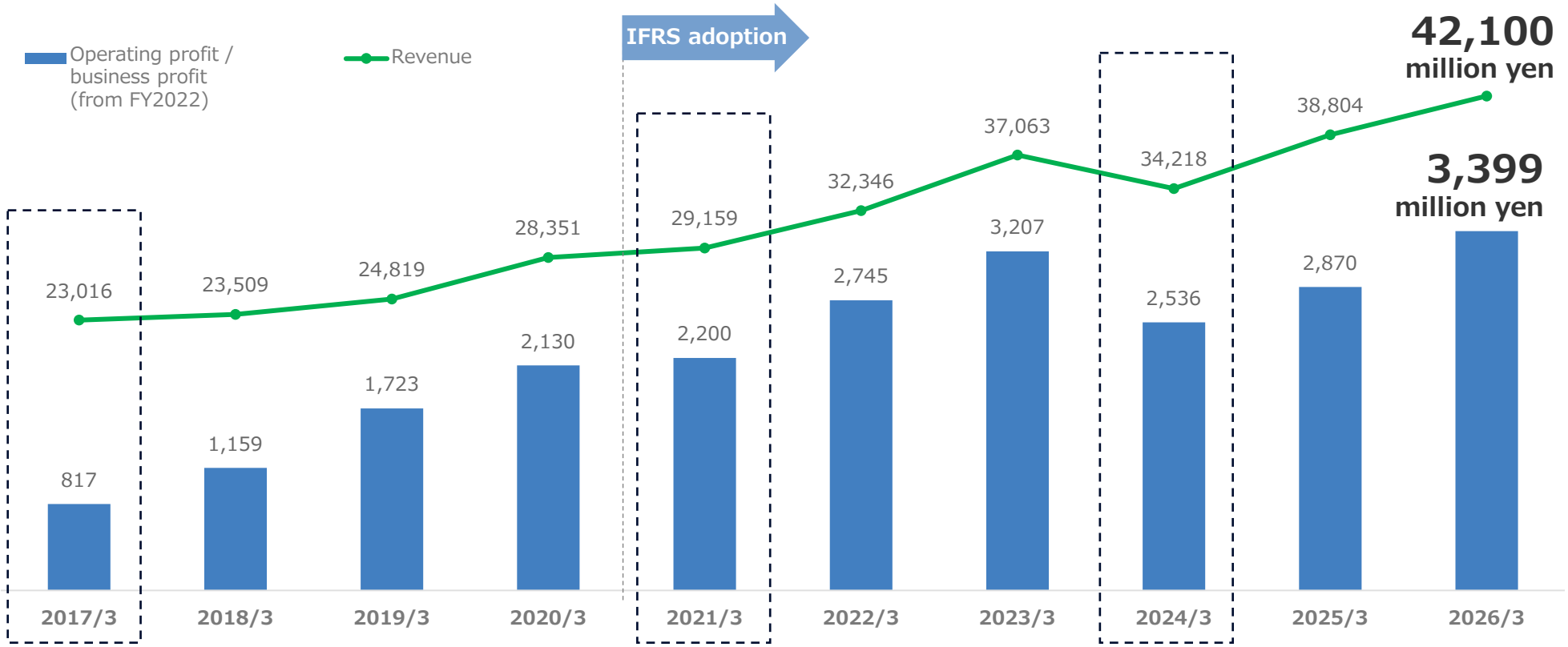
Profit / Loss Highlights

Sales revenue and operating/business profit over the past 10 years



10-year revenue CAGR **7.4%**

10-year business profit CAGR **14.3%**

* PMI costs recorded due to the acquisition of a BPO subsidiary

* Revenue stagnation due to COVID-19; increased costs related to IFRS adoption

* Decrease due to the deconsolidation of GSX and MICS

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Stock Price Trends

- Over the 10 years from April 2016 to March 2026 our stock price has increased by 5.8x
- We have significantly outpaced the broader TOPIX, which increased by 2.6x

■ Stock price over the past 10 years



5.8x increase over 10 years

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Financial Highlights for 1H FY2026

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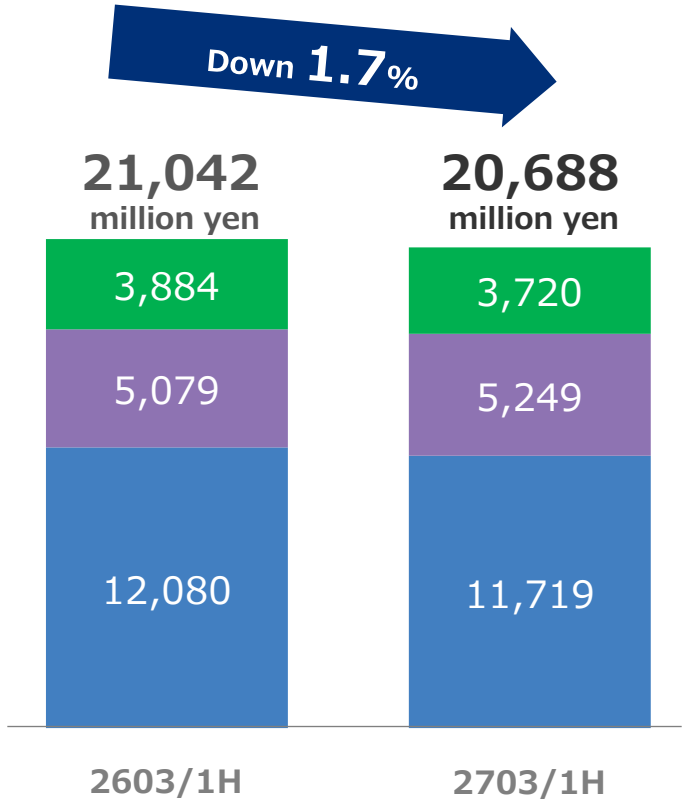
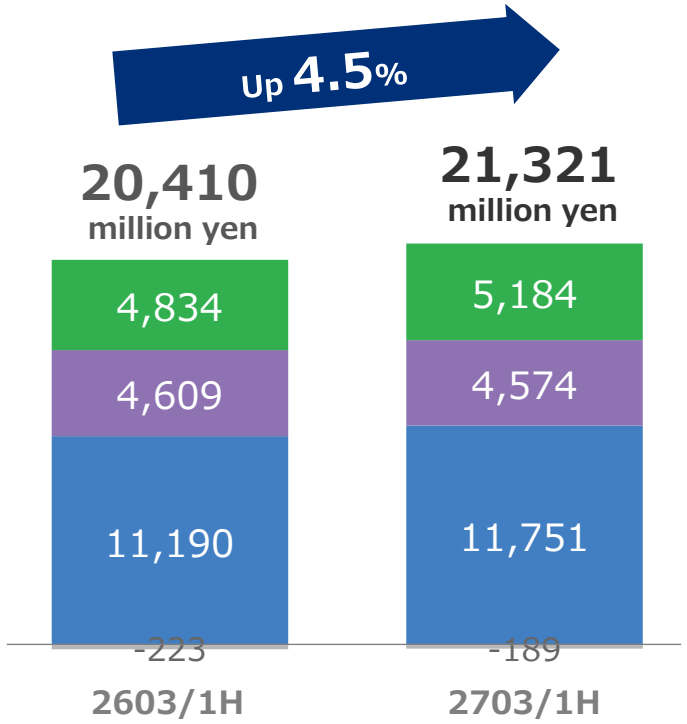
Highlights for 1H FY2026

- Orders received were slightly below the previous year due to a reactionary decline from large-scale projects recorded in the first half of the previous fiscal year. Revenue increased by 4.5%, driven by Consulting and System Development
- Business profit increased in the business divisions, but decreased by 19.5% overall due to higher expenses such as R&D investment (unable to recover from the decrease in profit in the first quarter)

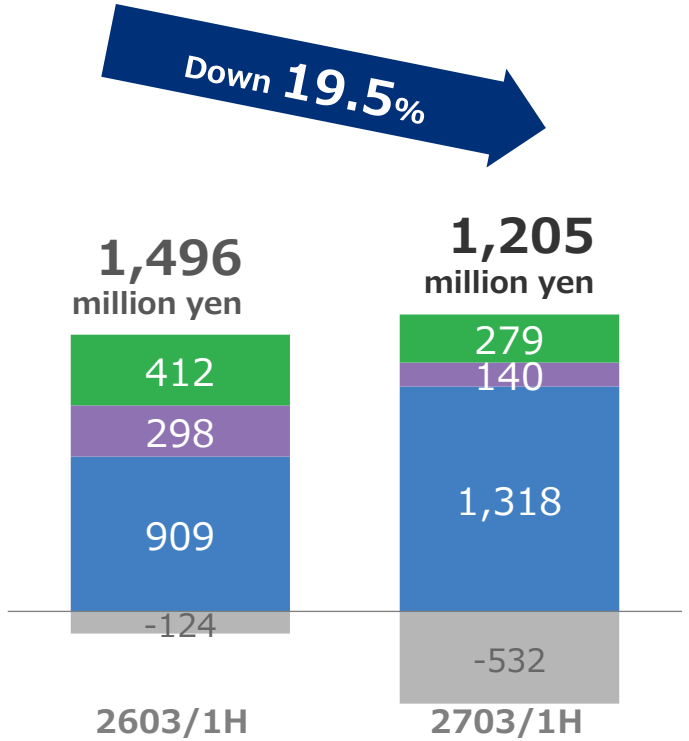
■ Orders received



■ Revenue



■ Business profit



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Highlights for 1H FY2026 - Comments

Orders received / Revenue

Consulting and System Development Business: Decreased orders (361 million yen) / increased revenues (561 million yen)

- Orders in the current first half decreased in reaction to the concentration of large-scale infrastructure-related orders in the first half of the previous fiscal year
- Sales of package systems grew among both new and existing customers

SES Co-Creation Business: Increased orders (170 million yen) / decreased revenues (35 million yen)

- The increase is a reactionary increase from the decline in orders in the first half of the previous fiscal year, and there has been no change in the order environment
- Revenue decreased in the Industrial Business due to an increase in resignations at the end of the previous fiscal year and responses to underperforming projects

BPO & Managed Services Business: Decreased orders (164 million yen) / increased revenues (350 million yen)

- Orders for HR & Payroll BPO and Accounting BPO remained sluggish due to the absence of large-scale project wins
- Revenue increased due to the contribution to sales from orders received in the previous fiscal year

Business profit*

Consulting and System Development Business: Increased profits (409 million yen)

- Profit increased due to progress in resolving unassigned personnel in the second quarter and an increase in revenue

SES Co-Creation Business: Decreased profits (158 million yen)

- Profit decreased due to the decrease in revenue in the Industrial Business and losses recorded for underperforming projects

BPO & Managed Services Business: Decreased profits (133 million yen)

- Impacted by delays in the launch of Accounting BPO and the recording of relocation costs for the Hamamatsu BPO Center (56 million yen)

* Business profit is calculated by excluding gains and losses arising from non-recurring factors from operating profit.

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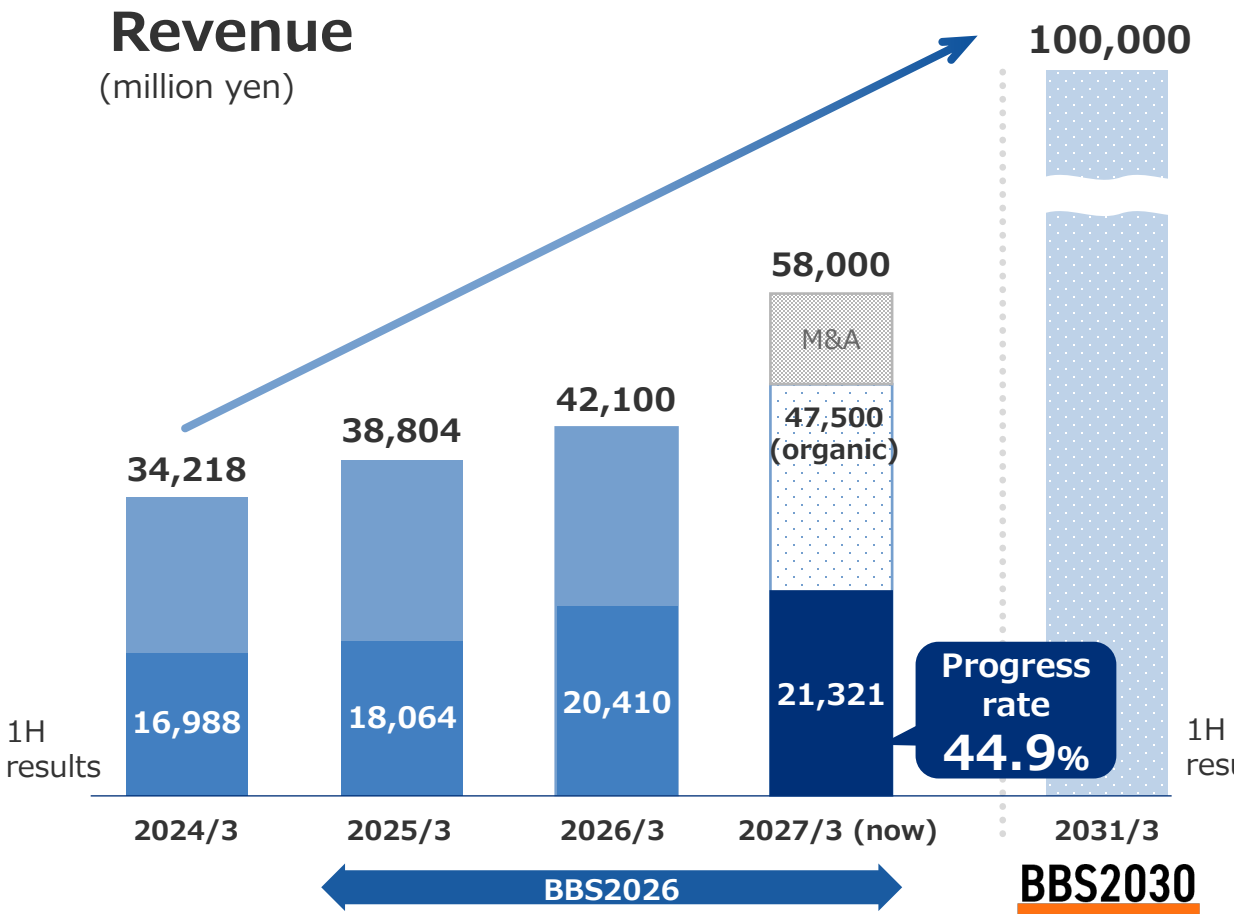
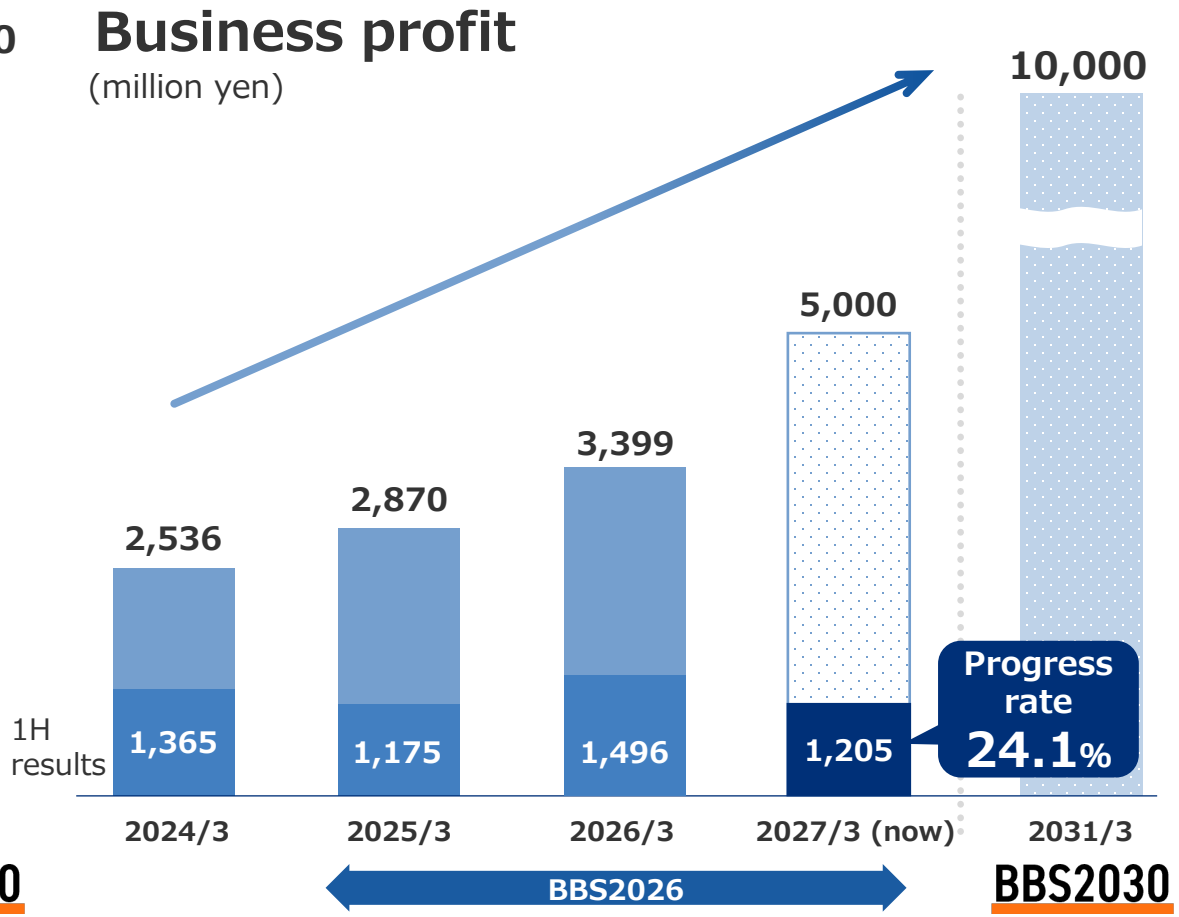
BBS2026 Business Progress





FY2026 is the final year (the third year) of the Medium-term Management Plan BBS2026, but BBS will revise its initial plan and make upfront investments in R&D.

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BBS2026 KPI Progress

【Growth】

Mid-term plan targets

Sales growth rate (including M&A)

4.5*% (YoY: 13.0%)

(Organic sales growth rate: 4.5%)

3 Year CAGR 20%

Business profit margin on sales

5.7% (YoY: 7.3%)

By FY2026 8.5%

BBS cycle rate

34%

(End of previous fiscal year: 35%)

By FY2026 40%

【Investment】

Mid-term plan targets

M&A investment

490 million yen

(Cumulative: 490 million yen)

(Progress vs. mid-term plan target: 4%)

Total for 3 years 13,000 million yen

R&D investment

280 million yen

(Cumulative: 580 million yen)

(Progress vs. mid-term plan target: 58%)

Total for 3 years 1,000 million yen or more

Human capital investment

240 million yen

(Cumulative: 1,090 million yen)

(Investment progress: 50%)

Total for 3 years 2,200 million yen or more

* Quarterly figures are shown in comparison with the same quarter of the previous year

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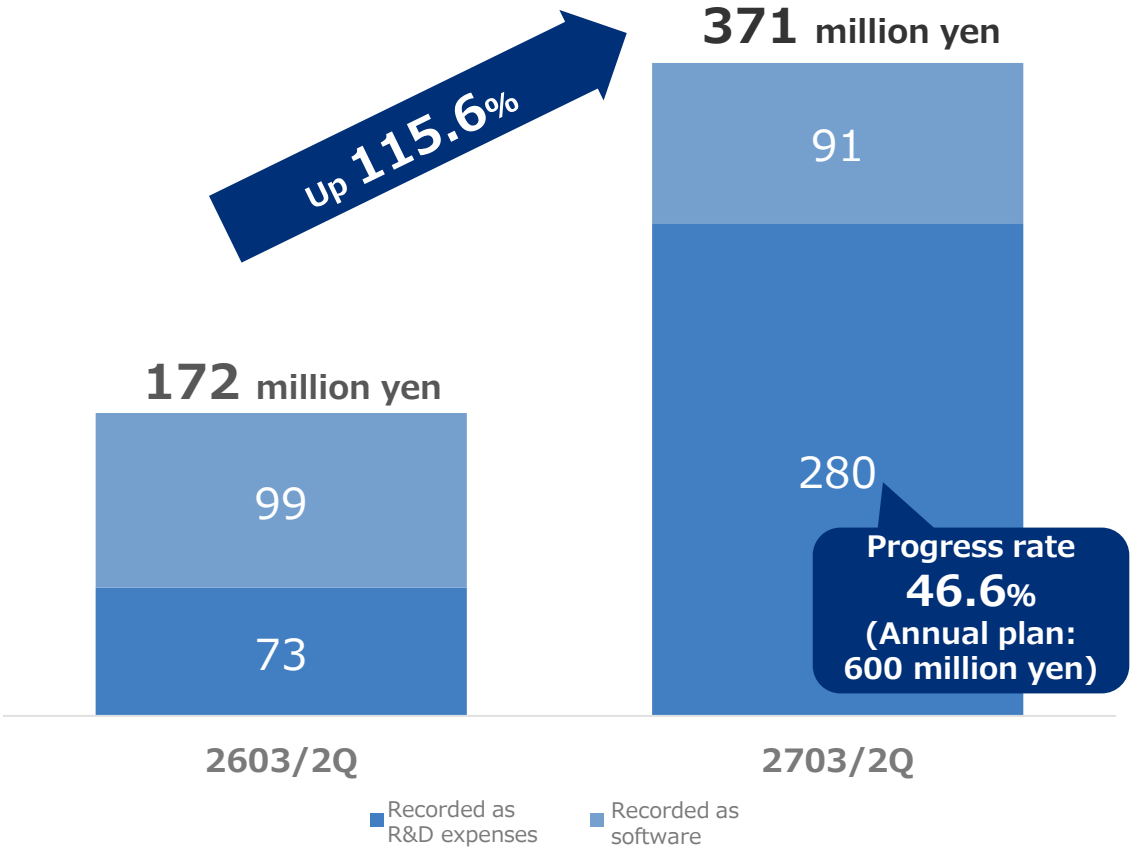
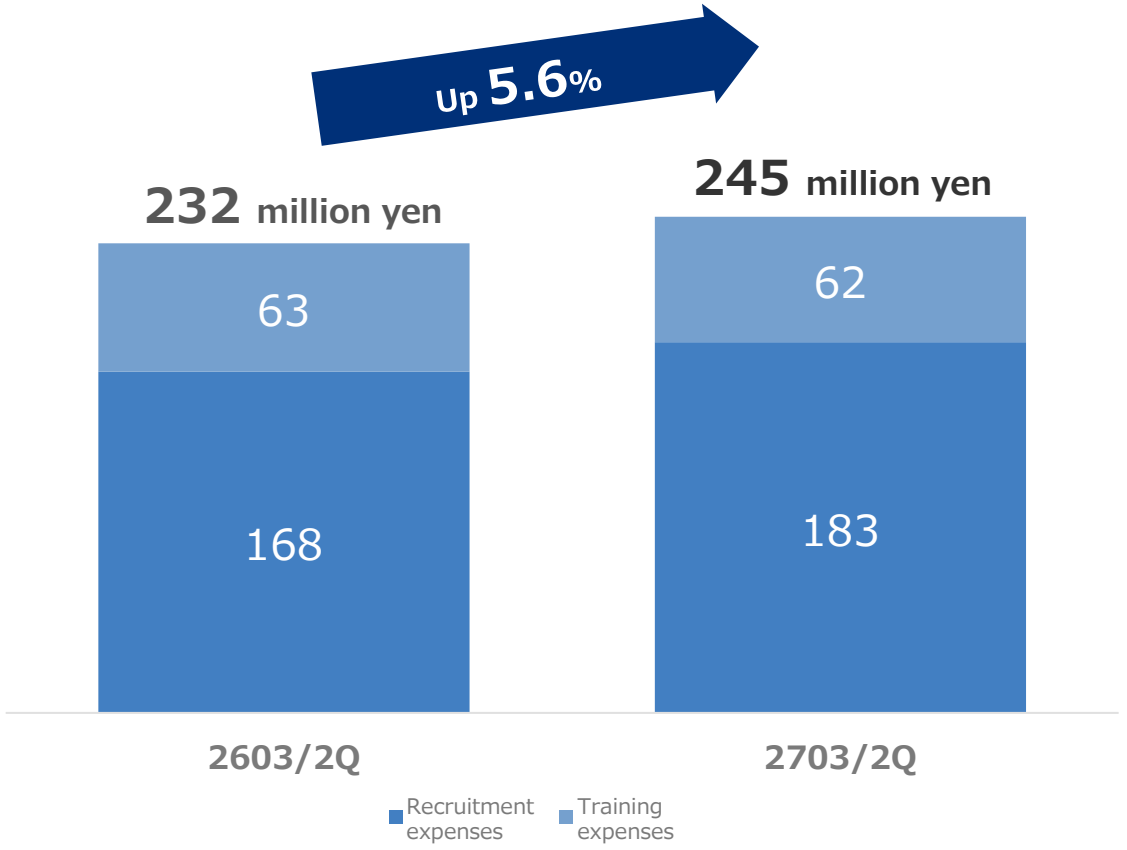
R&D Investment, Human Capital Investment

- Main R&D themes: [Key Priorities] AI utilization, renewal of the BBS standard methodology, and ACT-Horizon-related development
- Main human capital investment: Increase in fees paid to agents, etc., due to proactive recruitment of human resources

■ R&D investment



■ Human capital investment



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Topics for 2Q FY2026

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Sale of GSX Shares (Announced October 30, 2026)

Optimizing our business portfolio, with priority given to using the sale proceeds for growth investments

01 Background and BBS's View

Optimization of the business portfolio in line with "Goal2030"

Shareholding ratio gradually reduced, placing emphasis on GSX's independence and agility

Decided to sell all shares in light of enhancing corporate value and shareholder value over the medium to long term

02 Overview of the Transactions and Impact on Business Results

Not tendering directly in the tender offer; all shares to be sold in response to GSX's share repurchase after its completion

Total expected transfer amount (reference amount)	**35,000 million yen**
Gain on sale of investment (expected)*2	**17,100 million yen**
Impact on net income (expected)*1, *2	**+22,300 million yen**

03 Use of Funds and Shareholder Returns

Priority given to use for growth investments aimed at achieving step-change growth

Additional shareholder returns will also be considered in light of capital requirements, financial position, etc.

Dividend payments are based on a target DOE of 5% as the basic policy; specific measures will be announced once determined

04 Future Relationship and Schedule

Future relationship with Accenture: We have concluded an MOU with Accenture and begun discussions toward collaboration on marketing initiatives and other areas. These discussions do not involve a capital alliance.

TOB: November 2 – December 15 (scheduled)

Share Repurchase by GSX: During March 2027 (scheduled)

*1 The impact on net income includes the reversal of deferred tax liabilities (a decrease in tax expenses) recorded on the valuation gain from remeasuring the GSX shares held at fair value when GSX changed from a consolidated subsidiary to an equity-method affiliate following the partial sale of GSX shares in the fiscal year ended March 2024. As a result, this impact exceeds the gain on sale of investments.

*2 Assumes the completion of the tender offer and the transfer of the shares within the fiscal year. Upon completion of the transaction, GSX is expected to cease to be an equity-method affiliate. Earnings forecasts will be revised once the impact becomes foreseeable.

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Expansion of Shareholder Benefit Program

Eligibility expanded to shareholders holding 100 shares, with benefits provided twice a year (end of September and end of March)

Changed from QUO cards to digital gifts, with the aim of enhancing the investment appeal of our shares and encouraging more shareholders to hold them

Benefit details after the change

Record date	Number of shares held	Continuous holding requirement	Digital gift
End of September	100 shares or more	No holding period requirement	**Worth 500 yen**
End of March	100 shares or more (other than below)	No holding period requirement	**Worth 500 yen**
End of March	300 shares or more but less than 800 shares	Over 1 year; continuous holding requirement for number of shares applies*	**Worth 3,000 yen**
End of March	800 shares or more	Over 1 year; continuous holding requirement for number of shares applies*	**Worth 9,000 yen**

* Shareholders listed in the register of shareholders under the same shareholder number for three or more consecutive times, and continuously holding the required number of shares as of each record date

Effective from September 30, 2026 (record date). The new end-of-March program applies from March 31, 2027 (record date).

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FY2026 2Q Detailed Financial Results

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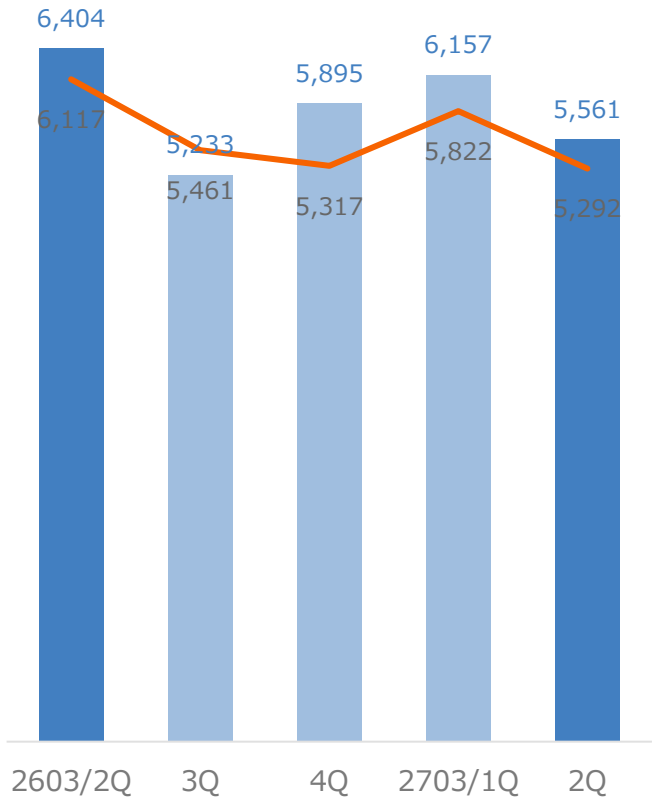
Orders Received and Backlog of Orders
Quarterly Change (Accounting Period)

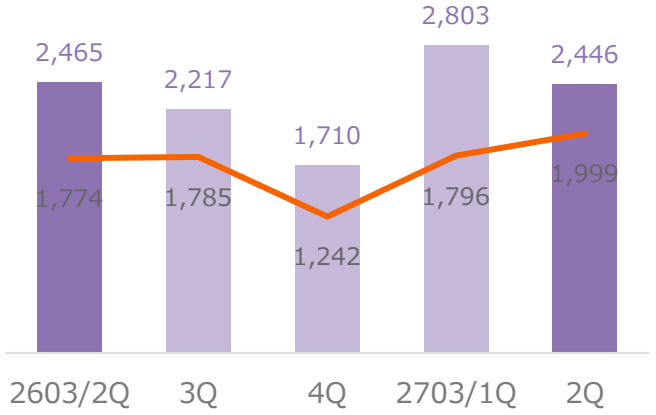
- Consulting and System Development decreased in the current second quarter due to a reactionary decline from the second quarter of the previous fiscal year
- SES Co-Creation Business and BPO & Managed Services were on par with the second quarter of the previous fiscal year

Orders Received
Backlog of Orders
Unit: million yen

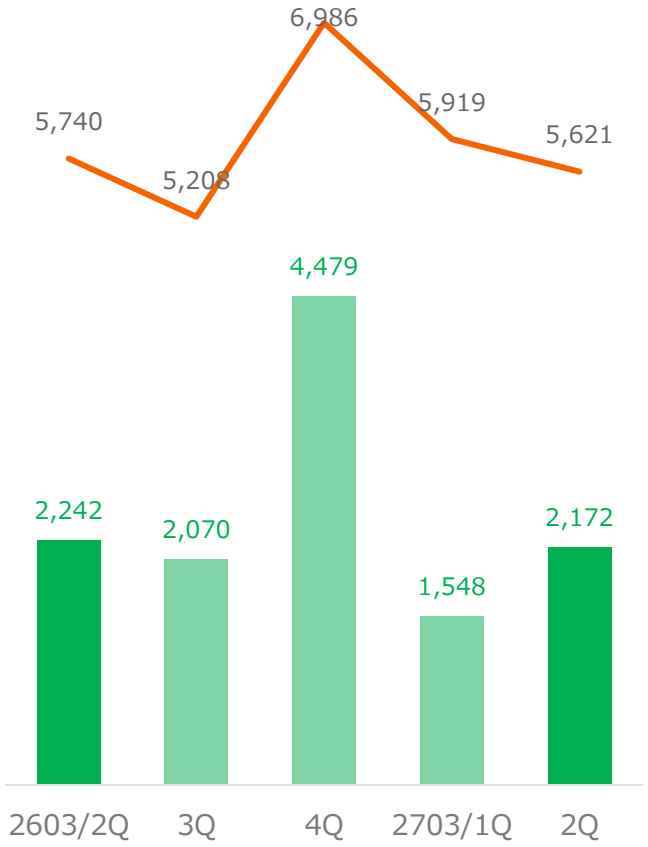
Consulting and System Development



SES Co-Creation Business



BPO & Managed Services



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Orders Received and Backlog of Orders

Segments	Order Trends	Year-on-Year Comparison Commentary
■ Consulting and System Development	• Because orders are often placed once customer budgets are finalized, the fourth quarter used to be the peak; however, with the increasing proportion of relatively large projects and constraints on our side in terms of response (production capacity), orders are tending to be dispersed across the second and third quarters	• Decreased in reaction to the increase in orders in the first quarter. On a six-month cumulative basis, the decrease was limited to 3%, and the impact was limited • Orders for large-scale development projects decreased, as several large-scale projects carried over from the previous fiscal year are expected to be completed at the end of the current fiscal year • Focused on sales activities to win projects for the next fiscal year and beyond
■ SES Co-Creation Business	• In principle, most orders are for periods of one to several months, making it a business that secures stable orders throughout the year	• Amid intensifying competition in the online securities market, limited demand for new regulatory compliance, and projects trending downward, orders were maintained on par with the second quarter of the previous fiscal year as a result of strengthened proposals to existing customers and price negotiations • The order environment has not changed since the first quarter
■ BPO & Managed Services	• Many contracts are for one-year terms with renewals in March, which concentrates orders in the fourth quarter. In addition, large orders are often multi-year contracts, which can cause a surge in orders in the period when such orders are received. As such, quarterly order value is not stable	• The core HR & Payroll BPO and Accounting BPO businesses were sluggish due to the absence of large-scale project wins, while orders for Onsite BPO and Managed Services expanded from existing customers • The absence of large-scale project wins has continued since the first quarter

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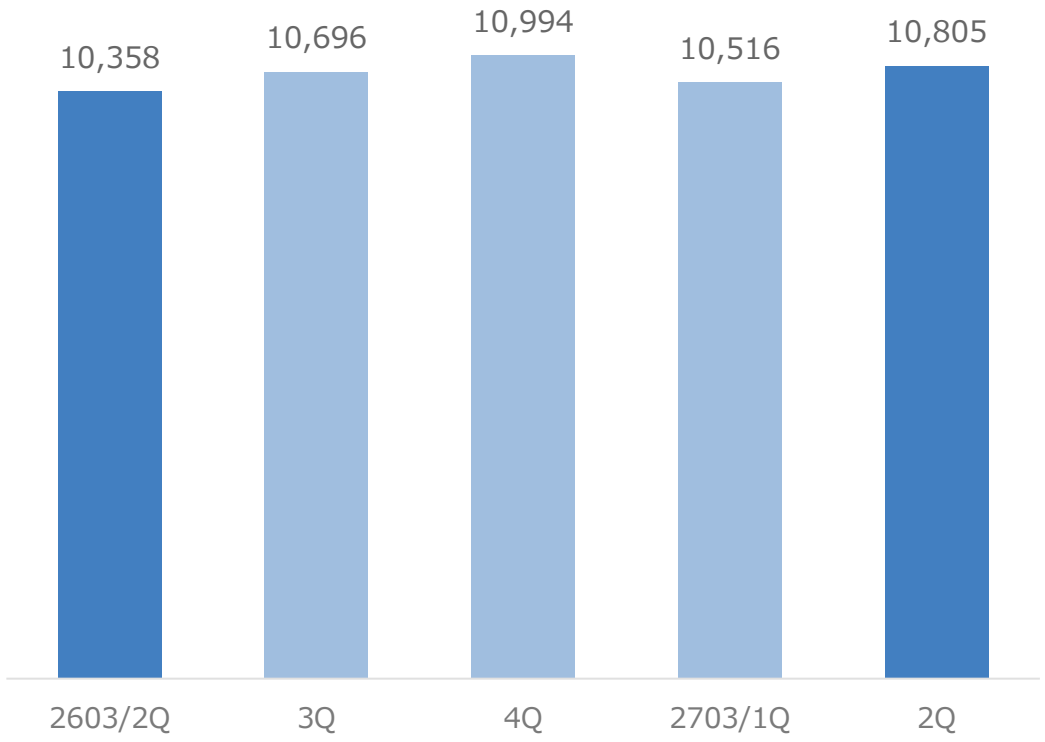
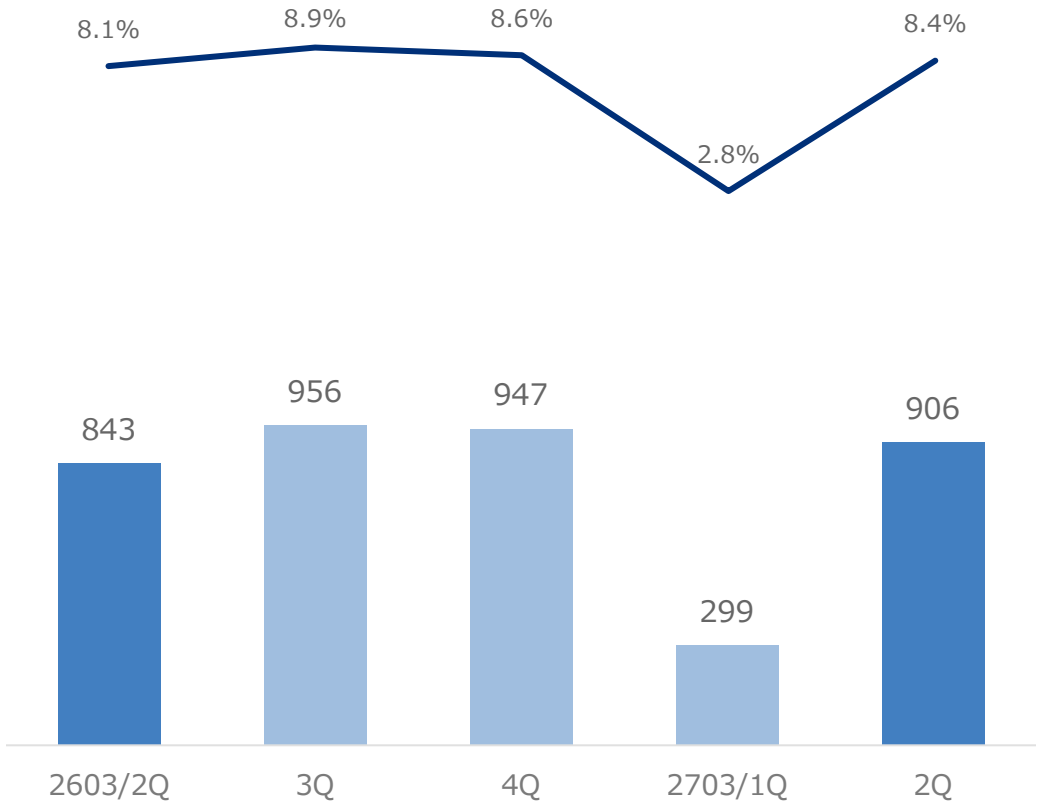
Revenue and Business Profit
Quarterly Change (Accounting Period)

Revenue grew steadily, and business profit remained on par with the second quarter of the previous fiscal year, absorbing intensive investment in R&D

Revenue (Unit: million yen)



Business Profit (Unit: million yen) and Business Profit Margin



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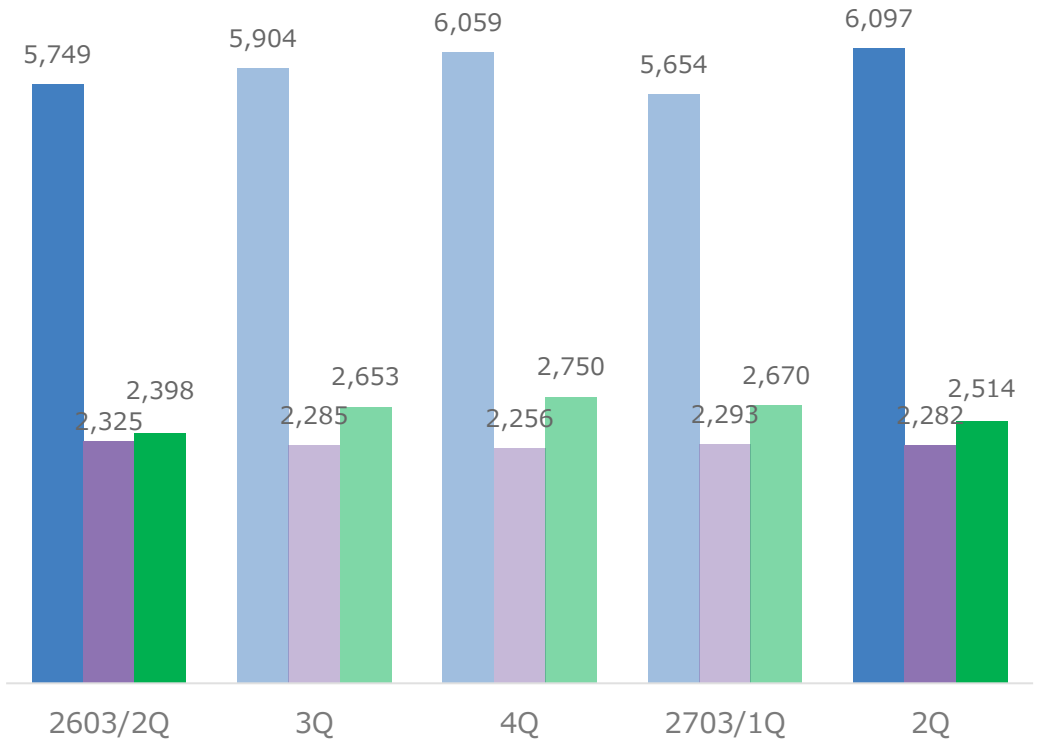
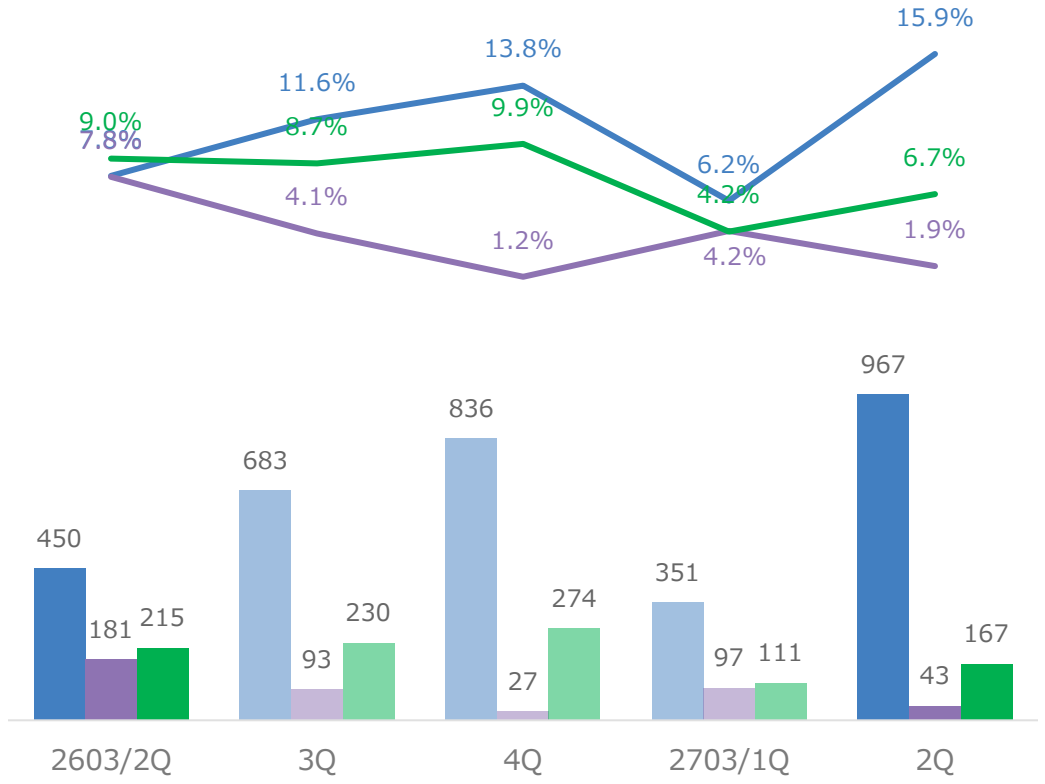
Segment Revenue and Profit
Quarterly Change (Accounting Period)

Consulting and System Development
SES Co-Creation Business
BPO & Managed Services

Segment Revenue (Unit: million yen)



Segment Profit (Unit: million yen)



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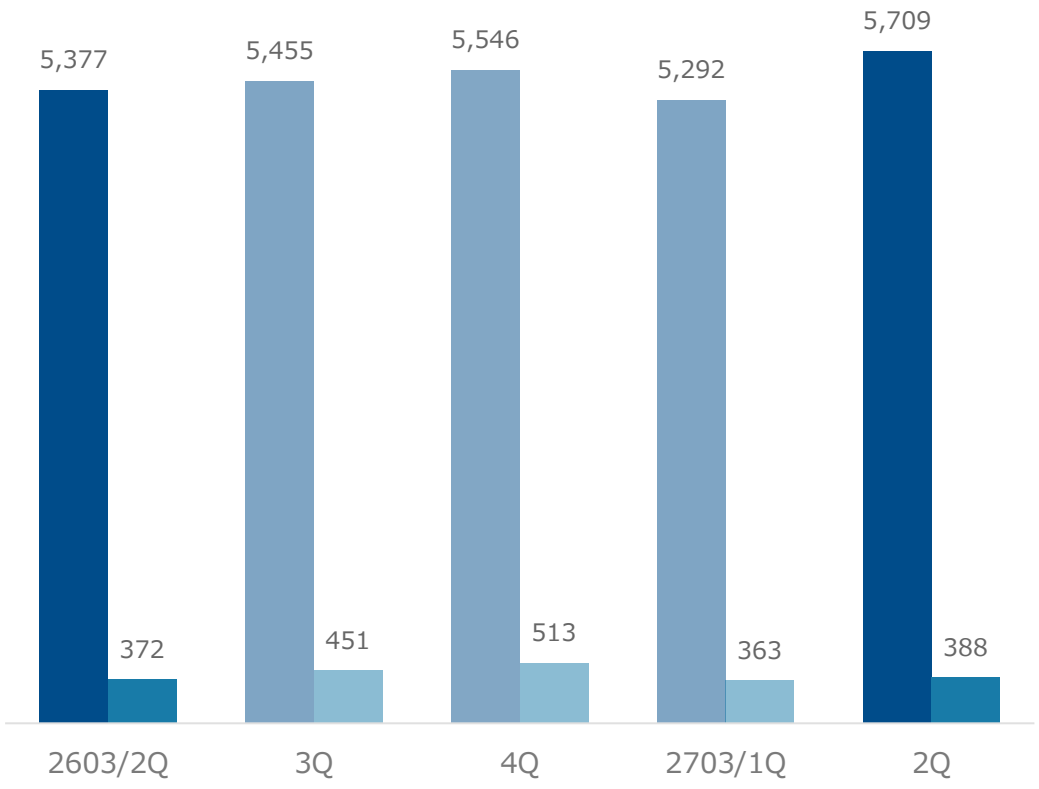
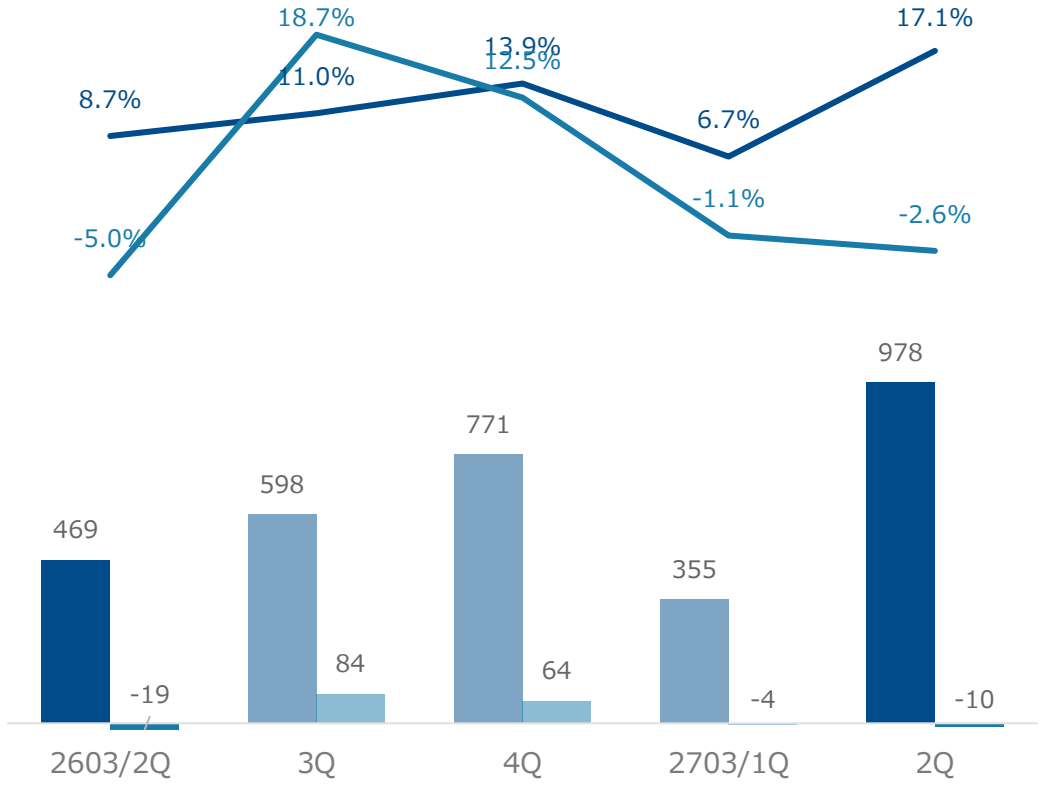
Consulting and System Development
Quarterly Change (Accounting Period)

■ Management Accounting Consulting & Solutions
■ PLM Solutions

Segment Revenue (Unit: million yen)



Segment Profit (Unit: million yen)



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Consulting and System Development Overview

Subsegments	Year-on-Year Comparison Commentary
■ Management Accounting Consulting & Solutions	• Revenue increased year on year, driven by steady performance in projects for existing customers, mainly in infrastructure-related areas. • Profit increased significantly year on year. In addition to the increase in revenue, the issue of unassigned personnel (personnel not engaged in project work) that had arisen in the first quarter was resolved, and operations remained stable with no new projects whose profitability deteriorated, which improved the profit margin. • These figures include revenue of 59 million yen and profit of -2 million yen from newly acquired System-One.
■ PLM Solutions	• Although revenue increased slightly year on year, it remained below the break-even point, and an operating loss was recorded. • Customers tend to take longer to make ordering decisions (due to conducting PoCs, etc.), so measures such as increasing the number of leads are being implemented. • The operating loss was recorded temporarily due to the revenue level as well as the impact of upfront investment to strengthen the internal structure.

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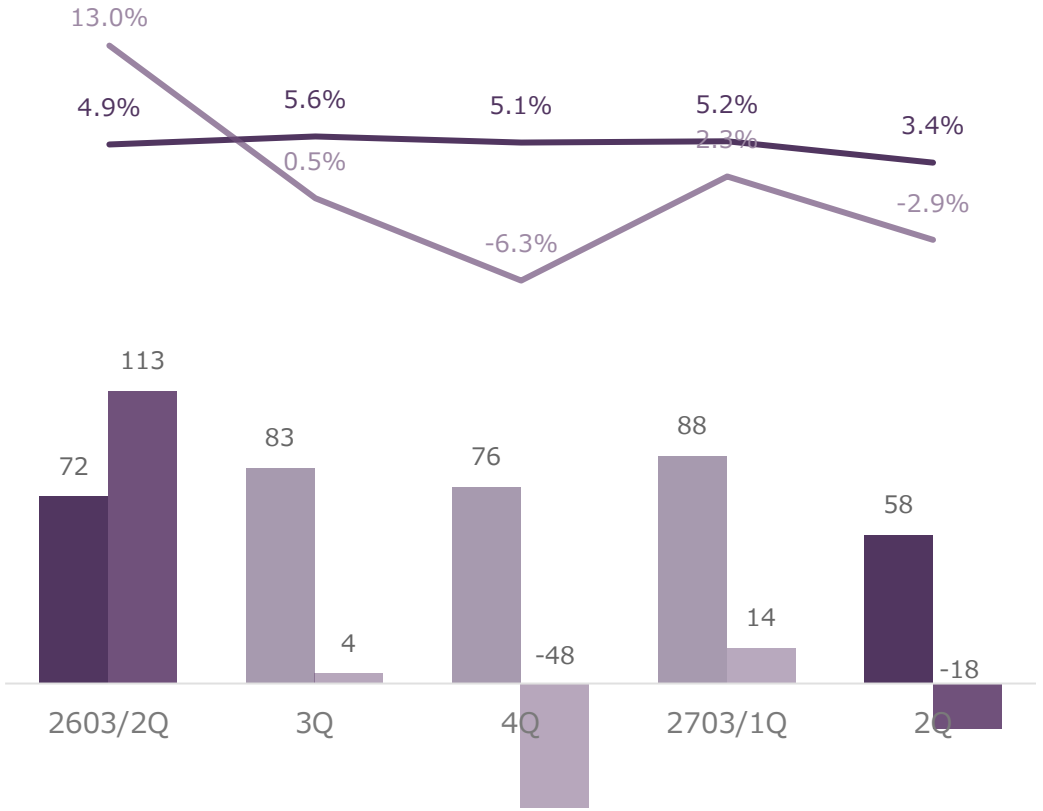
SES Co-Creation Business
Quarterly Change (Accounting Period)

Financial Business
Industrial Business

Segment Revenue (Unit: million yen)



Segment Profit (Unit: million yen)



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SES Co-Creation Business Overview

Subsegments	Year-on-Year Comparison Commentary
■ Financial Business	• Financial Brain Systems, a subsidiary belonging to this subsegment, absorbed joyworks, a subsidiary previously aggregated under the Industrial Business, through a merger in July. Accordingly, joyworks' revenue and profit have been aggregated in this subsegment retroactively from the first quarter. joyworks' revenue and profit in the first quarter were 159 million yen and -9 million yen, respectively. • On a basis comparable to the former segment classification, excluding the above impact and gains and losses associated with IFRS adjustments, revenue of this subsegment increased by 54 million yen and profit increased by 10 million yen. • Revenue increased due to the expansion of projects for existing customers, including online securities firms, combined with the success of strengthened price negotiations. • Profit improved due to the effect of the measures above.
■ Industrial Business	• On a basis comparable to the former segment classification, excluding the impact of joyworks described above, revenue of this subsegment decreased by 106 million yen and profit decreased by 130 million yen. • Of the 130 million yen decrease in profit, 47 million yen is attributable to temporary profit recorded in the same quarter last year, so the actual decrease was 87 million yen. The main factors were the decrease in revenue, a decline in the utilization rate due to unassigned personnel, and losses, etc. (37 million yen) related to a call center project whose profitability deteriorated.

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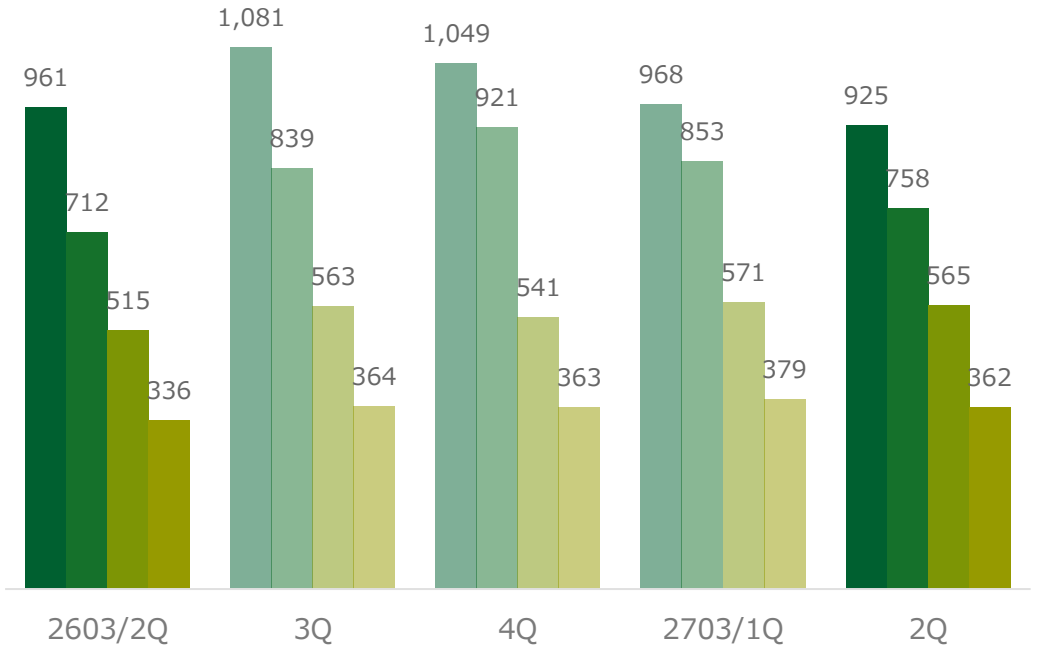
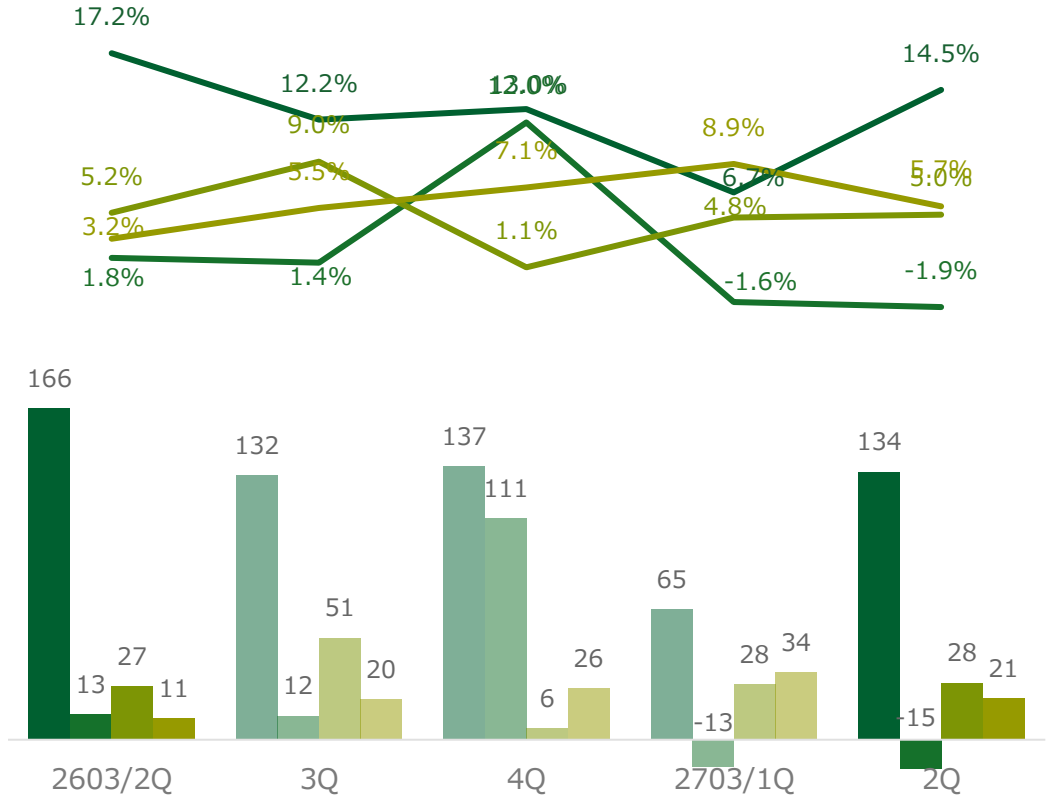
BPO & Managed Services
Quarterly Change (Accounting Period)

HR & Payroll BPO
Accounting BPO
Onsite BPO
Managed Services

Segment Revenue (Unit: million yen)



Segment Profit (Unit: million yen)



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BPO & Managed Services Overview

Subsegments	Year-on-Year Comparison Commentary
■ HR & Payroll BPO	• Revenue was generally on par with the same quarter of the previous year, despite the cancellation of some contracts. • In terms of profit, in addition to the impact of the cancellation, profit decreased due to an increase in recruitment expenses and the recording of 23 million yen in expenses associated with the relocation of the Hamamatsu BPO Center (including the double rent burden, etc.).
■ Accounting BPO	• Revenue was generally on par with the same quarter of the previous year. • On the other hand, as the launch of projects was delayed relative to the plan, an operating loss was recorded, continuing from the first quarter. The issues have been resolved and the projects have stabilized, but they are requiring more man-hours than initially estimated. Man-hours are expected to normalize in the second half.
■ Onsite BPO	• Revenue expanded due to an increase in call center staff in response to client requests • Profit increased due to the increase in revenue and the improvement in profit margin resulting from expanded utilization.
■ Managed Services	• Revenue expanded through collaboration with NTT DATA Corporation • Profit increased due to the increase in revenue and the improvement in profit margin resulting from improved productivity.

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Appendix

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四半期セグメント売上/Quarterly Segment Revenue

(単位:百万円)	(unit: million yen)	2026/3				2027/3			
		1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
コンサルティング・システム開発	**Consulting and System Development**								
経営会計コンサルティング＆ソリューション	Management Accounting Consulting & Solutions	5,031	5,377	5,455	5,546	5,292	5,709	0	0
PLMソリューション	PLM Solutions	409	372	451	513	363	388	0	0
調整	Adjustments	0	0	-1	-0	-2	0	0	0
セグメント計	Segment Total	5,441	5,749	5,904	6,059	5,654	6,097	0	0
SES共創ビジネス	**SES Co-Creation Business**								
金融ビジネス	Financial Business	1,484	1,471	1,499	1,505	1,702	1,684	0	0
産業ビジネス	Industrial Business	821	869	807	765	606	604	0	0
調整	Adjustments	-22	-15	-21	-14	-16	-6	0	0
セグメント計	Segment Total	2,283	2,325	2,285	2,256	2,293	2,282	0	0
BPO&マネージドサービス	**BPO & Managed Services**								
人事給与BPO	HR & Payroll BPO	979	961	1,081	1,049	968	925	0	0
経理BPO	Accounting BPO	749	712	839	921	853	758	0	0
オンサイトBPO	Onsite BPO	506	515	563	541	571	565	0	0
マネージドサービス	Managed Services	356	336	364	363	379	362	0	0
調整	Adjustments	-154	-126	-194	-124	-101	-96	0	0
セグメント計	Segment Total	2,436	2,398	2,653	2,750	2,670	2,514	0	0
合計	**Total**	**10,160**	**10,473**	**10,842**	**11,065**	**10,617**	**10,893**	**0**	**0**
本社/調整額	Company-wide expenses and Adjustments	-108	-115	-146	-71	-101	-89	0	0
連結	**Consolidated**	**10,052**	**10,358**	**10,696**	**10,994**	**10,516**	**10,805**	**0**	**0**

- During the second quarter of the fiscal year ended March 2026, we finalized the provisional accounting treatment related to the business combination, and the figures for the first quarter of the fiscal year ended March 2026 have been adjusted to reflect the finalized provisional accounting treatment.
- In the second quarter of the fiscal year ending March 2027, joyworks, a subsidiary previously aggregated under the Industrial Business, was absorbed through a merger into Financial Brain Systems in the Financial Business. Accordingly, joyworks' figures have been reclassified and re-aggregated under the Financial Business retroactively from the first quarter of the fiscal year ending March 2027.

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四半期セグメント事業利益/ Quarterly Segment Business Profit

（単位:百万円）	（unit: million yen）	2026/3				2027/3			
		1Q*	2Q	3Q	4Q	1Q	2Q	3Q	4Q
コンサルティング・システム開発	**Consulting and System Development**								
経営会計コンサルティング＆ソリューション	Management Accounting Consulting & Solutions	430	469	598	771	355	978	0	0
PLMソリューション	PLM Solutions	29	-19	84	64	-4	-10	0	0
調整	Adjustments	0	0	0	0	0	0	0	0
セグメント計	Segment Total	459	450	683	836	351	967	0	0
SES共創ビジネス	**SES Co-Creation Business**								
金融ビジネス	Financial Business	76	72	83	76	88	58	0	0
産業ビジネス	Industrial Business	44	113	4	-48	14	-18	0	0
調整	Adjustments	-3	-5	5	-1	-5	3	0	0
セグメント計	Segment Total	117	181	93	27	97	43	0	0
BPO&マネージドサービス	**BPO & Managed Services**								
人事給与BPO	HR & Payroll BPO	142	166	132	137	65	134	0	0
経理BPO	Accounting BPO	22	13	12	111	-13	-15	0	0
オンサイトBPO	Onsite BPO	16	27	51	6	28	28	0	0
マネージドサービス	Managed Services	16	11	20	26	34	21	0	0
調整	Adjustments	0	-1	15	-5	-2	-1	0	0
セグメント計	Segment Total	197	215	230	274	111	167	0	0
合計	**Total**	**773**	**847**	**1,005**	**1,136**	**559**	**1,178**	**0**	**0**
本社/調整額	Company-wide expenses and Adjustments	-121	-3	-49	-189	-260	-272	0	0
連結	**Consolidated**	**653**	**843**	**956**	**947**	**299**	**906**	**0**	**0**

- During the second quarter of the fiscal year ended March 2026, we finalized the provisional accounting treatment related to the business combination, and the figures for the first quarter of the fiscal year ended March 2026 have been adjusted to reflect the finalized provisional accounting treatment.
- In the second quarter of the fiscal year ending March 2027, joyworks, a subsidiary previously aggregated under the Industrial Business, was absorbed through a merger into Financial Brain Systems in the Financial Business. Accordingly, joyworks' figures have been reclassified and re-aggregated under the Financial Business retroactively from the first quarter of the fiscal year ending March 2027.

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About BBS
BBS is listed on the Prime Market of the Tokyo Stock Exchange. Since its founding in 1967, BBS has been working closely with Japanese companies to support the management and accounting of our customers.

BBS provides consulting, system integration, and management services (business process outsourcing) with regards to management accounting, and has stipulated that the BBS cycle is the foundation of these three services. The BBS cycle enables effective and continuous support in a variety of stages from the strategies and plan formulation of our customers to operation and consolidation.

As experts in management accounting transcending the accounting field, we are a Back Office Comprehensive Supporter providing support to our customers.

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