



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.

February 17, 2025

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, General Manager,
Administration Division
(Telephone: +81-3-3507-1302)

(Adjustments) Partial Adjustments to Supplementary Materials for the Consolidated Financial Results for the Nine Months Ended December31, 2024

BUSINESS BRAIN SHOWA-OTA INC. ("the Company") hereby announces that there has been a Adjustment to Supplementary Materials for the Consolidated Financial Results for the Nine Months Ended December31, 2024 published on February 13,2025, as described below.

1. Reason for Adjustment

The acquisition of treasury shares through the off-auction own share repurchase trading system (ToSTNeT-3) was completed on February 14, 2025, and the company will adjust the relevant details stated in the " Supplementary Materials for the Consolidated Financial Results for the Nine Months Ended December31, 2024" published on February 13, 2025, to reflect the confirmed figures.

2. Adjusted Portions

The adjusted portions are highlighted with underlines.

3. Adjustment Details

Document page 6 , Purchase of Treasury Shares

【Before Adjustment】



Purchase of Treasury Shares (February 13,2025)



Purchase of treasury shares up to 2.95 billion yen

1. Purchase of Treasury Shares Through the Off-auction Own Share Repurchase Trading System (ToSTNeT-3)

- ① Class of shares to be acquired : The Company's ordinary shares
- ② Total number of shares to be acquired : 900,000 shares (maximum)
- ③ Total acquisition cost of shares : 2.25 billion yen (maximum)
- ④ Acquisition period : February 14,2025
- ⑤ Method of acquisition : a consigned purchase order on the Tokyo Stock Exchange's off-auction own share repurchase trading system (ToSTNeT-3)

2. Acquisition of Treasury Shares associated with the Introduction of Stock-granting ESOP Trust

- ① Class of shares to be acquired : The Company's ordinary shares
- ② Total acquisition cost of shares : 700 million yen
- ③ Timing of share acquisition : February 25, 2025(planned) to August 31, 2025(planned)
- ④ Method of acquisition : Shares will be acquired on the stock market

© Business Brain Showa-Ota Inc.



【After Adjustment】



Purchase of Treasury Shares (February 13,2025)



Purchase of treasury shares of 2.14 billion yen

1. Purchase of Treasury Shares Through the Off-auction Own Share Repurchase Trading System (ToSTNeT-3)

- ① Class of shares to be acquired : The Company's ordinary shares
- ② Total number of shares acquired : 620,000 shares
- ③ Total acquisition cost of shares : 1,444 million yen
- ④ Acquisition period : February 14,2025
- ⑤ Method of acquisition : a consigned purchase order on the Tokyo Stock Exchange's off-auction own share repurchase trading system (ToSTNeT-3)

2. Acquisition of Treasury Shares associated with the Introduction of Stock-granting ESOP Trust

- ① Class of shares to be acquired : The Company's ordinary shares
- ② Total acquisition cost of shares : 700 million yen
- ③ Timing of share acquisition : February 25, 2025(planned) to August 31, 2025(planned)
- ④ Method of acquisition : Shares will be acquired on the stock market

© Business Brain Showa-Ota Inc.





Business Brain Showa-Ota Inc.

**Supplementary Materials for the Consolidated Financial Results
for the Nine Months Ended December 31, 2024**





Table of Contents

- 1. Highlights for the Nine Months of FY2024**
- 2. Topics**
 - Purchase of Treasury Shares
 - Revisions of the full-year earnings forecast
- 3. Detailed Information for the Third Quarter of FY2024**

A decorative graphic on the left side of the slide, consisting of four parallel, slanted blue bars of varying lengths, creating a sense of movement and depth.

Highlights for the Nine Months of FY2024

1. Highlights for the Nine Months of FY2024

Revenue and business profit significantly exceeded the results from the same period of the previous year

Revenue	Business profit	Profit attributable to owners of parent
28,291 million yen	2,197 million yen	1,958 million yen
Year-on-year 12.8% ↑	Year-on-year 21.1% ↑	Year-on-year 85.5% ↓
Progression rate 72.9%	Progression rate 71.8%	Progression rate 73.1%

A decorative graphic on the left side of the slide, consisting of four thick, parallel blue diagonal bars slanted upwards from left to right.

2. Topics

- Purchase of Treasury Shares
- Revisions of the full-year earnings forecast

Purchase of Treasury Shares (February 13,2025)

Purchase of treasury shares of 2.14 billion yen

1. Purchase of Treasury Shares Through the Off-auction Own Share Repurchase Trading System (ToSTNeT-3)

- ① Class of shares to be acquired : The Company's ordinary shares
- ② Total number of shares acquired : 620,000 shares
- ③ Total acquisition cost of shares : 1,444 million yen
- ④ Acquisition period : February 14,2025
- ⑤ Method of acquisition : a consigned purchase order on the Tokyo Stock Exchange's off-auction own share repurchase trading system (ToSTNeT-3)

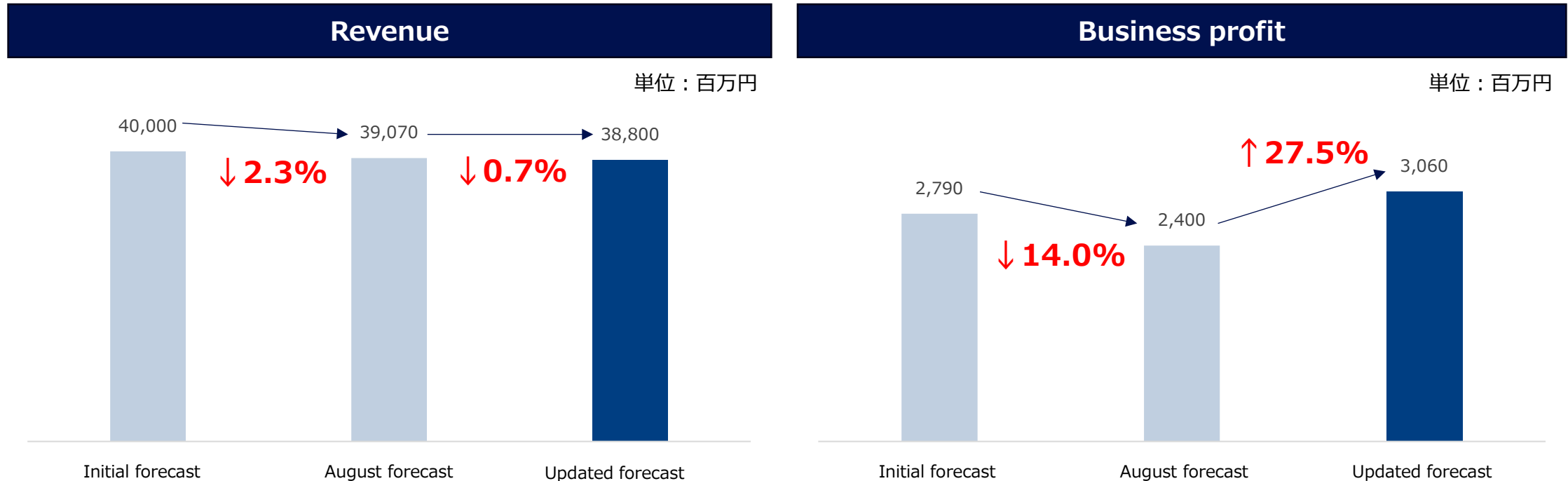
2. Acquisition of Treasury Shares associated with the Introduction of Stock-granting ESOP Trust

- ① Class of shares to be acquired : The Company's ordinary shares
- ② Total acquisition cost of shares : 700 million yen
- ③ Timing of share acquisition : February 25, 2025(planned) to August 31, 2025(planned)
- ④ Method of acquisition : Shares will be acquired on the stock market

Revisions of the full-year earnings forecast

(January 31, 2025) **1**

Business profit significantly exceeded the initial forecast



- While revenue is trending toward recovery, it was unable to cover the shortfall in the first quarter
- Business profit significantly exceeded the initial forecast due to reduced quality improvement costs, progress in reflecting increased personnel costs in sales prices, and improved profitability through higher utilization rates resulting from increased sales

Revisions of the full-year earnings forecast

(January 31, 2025) 2

Unit: million yen

		Revenue	Business Profit	Operating Profit	Profit before tax	Profit	Profit attributable to owners of Parent
full-year	Previously announced forecasts (A)	39,070	2,400	2,400	2,800	2,370	2,340
	Revised forecasts (B)	38,800	3,060	3,060	3,500	2,720	2,680
	C h a n g e (B - A)	△270	660	660	700	350	340
	C h a n g e (%)	△0.7	27.5	27.5	25.0	14.8	14.5

A decorative graphic on the left side of the slide, consisting of four parallel, slanted blue bars of increasing height from left to right.

3. Detailed Information for the Third Quarter of FY2024

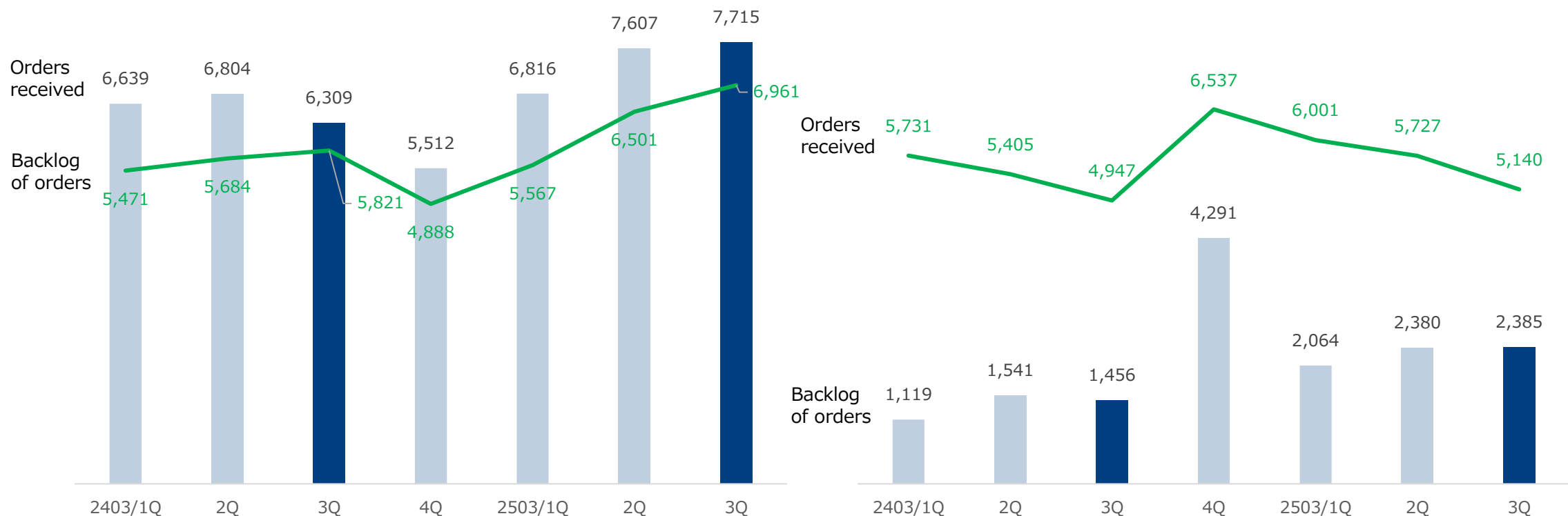
Orders Received and Backlog of Orders

Quarterly Change (Accounting Period)

Order receipt activities remained strong during this third quarter

Consulting and system development (unit: million yen)

Management services (BPO) (unit: million yen)



* For the fiscal year ended March 2024, amounts related to the divested subsidiaries (MICS, GSX) have been excluded.

Orders Received and Backlog of Orders

Overview of the situation for each business

Consulting and system development business (a 1,406 million yen increase, +22.3%, compared to the same quarter in the previous year)

- The third quarter normally shows a decline compared to the second quarter. There was a particularly large increase for this second quarter due to temporary factors, but orders in the third quarter exceeded that level, reaching the highest level for any third quarter in the past several years
- Significant increase for the IT Consulting and System Development divisions in eastern Japan
- Strong performance in large orders for infrastructure and industry related business management systems
- Approx. 200 million yen increase in orders from the newly added Fresco, Inc. and BBS Managed Services Inc.

Management services (BPO) business (a 929 million yen increase, +63.9%, compared to the same quarter in the previous year)

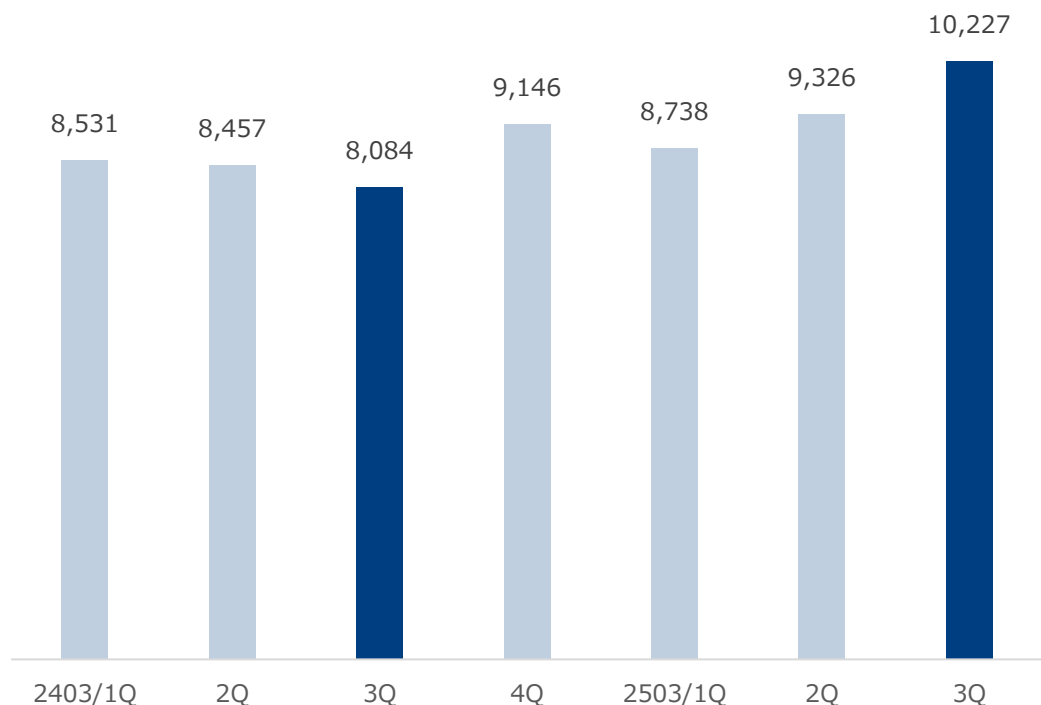
- Approx. 600 million yen increase in orders from the newly added Twinkle Co., Ltd.

Revenue and Business Profit

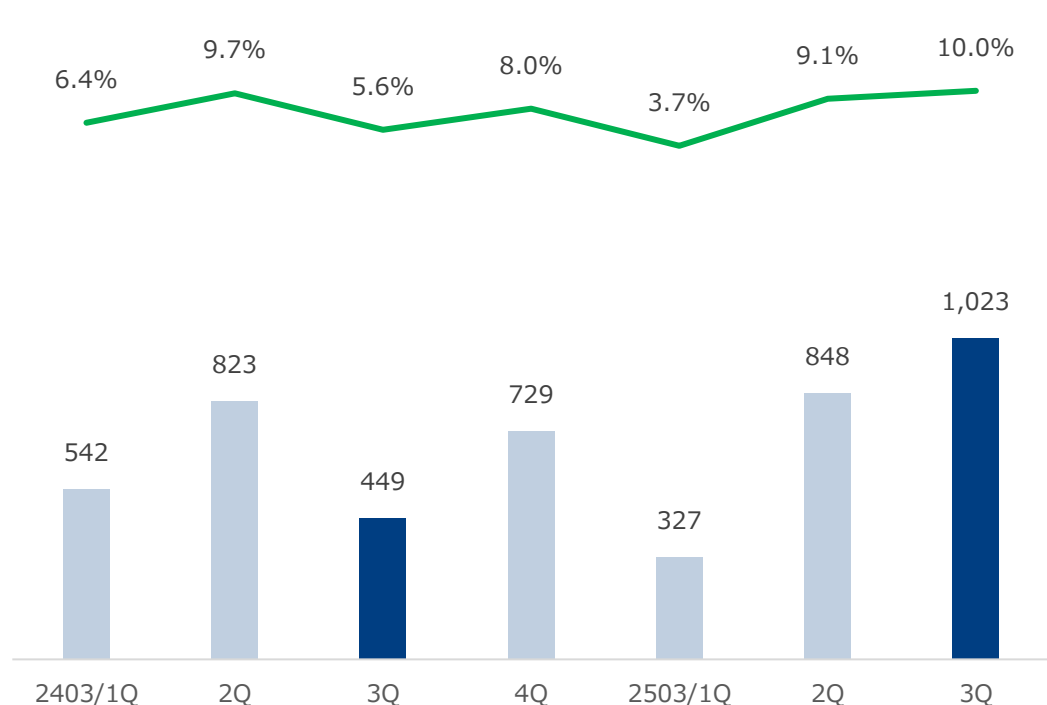
Quarterly Change (Accounting Period)

Due to strong order performance, the third quarter showed further growth from the second quarter, achieving a business profit margin of 10%

Revenue (unit: million yen)



Business profit (unit: million yen) / Profit margin



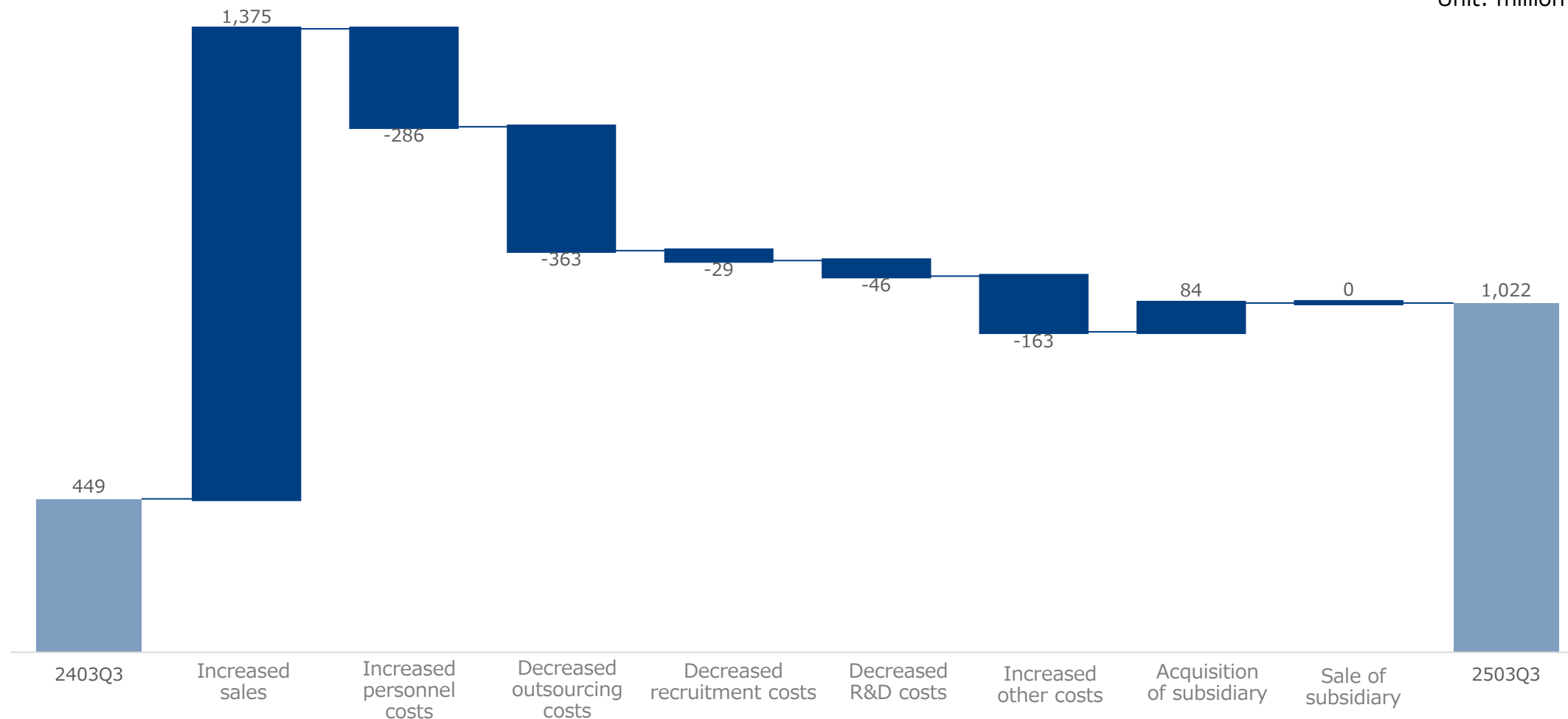
Business Profit

Comparison with Same Quarter of the Previous Fiscal Year

Sales growth significantly contributed to increased business profit

Increased sales were handled through greater outsourcing due to full utilization of internal personnel

Unit: million yen

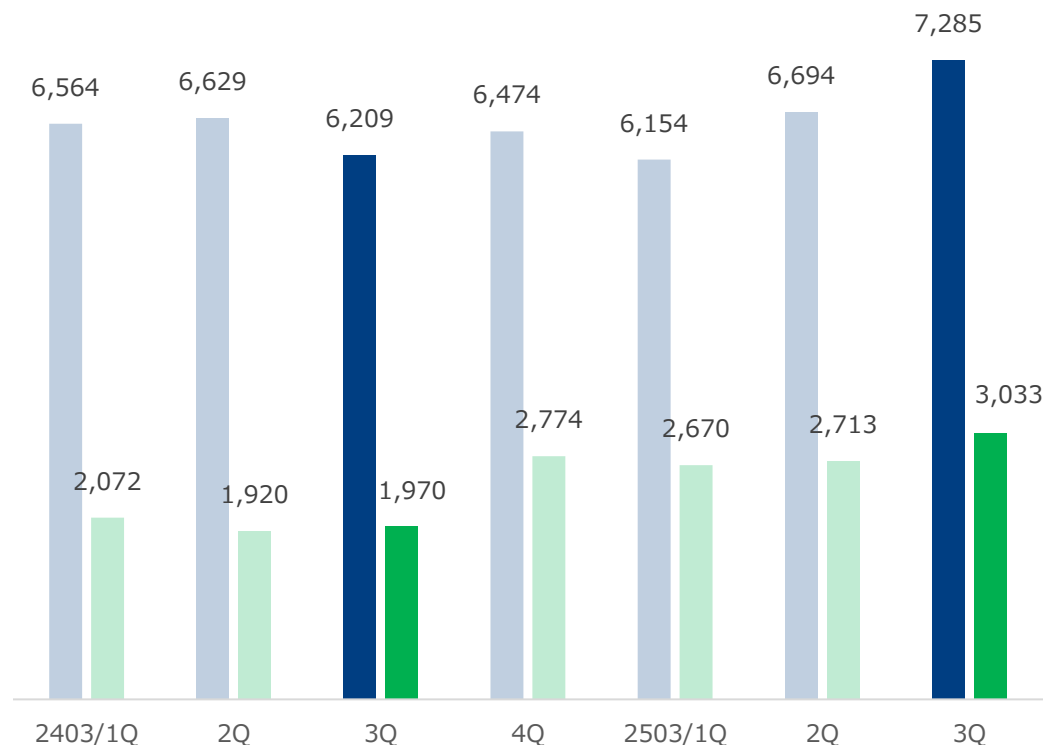


Segment Net Sales and Profit

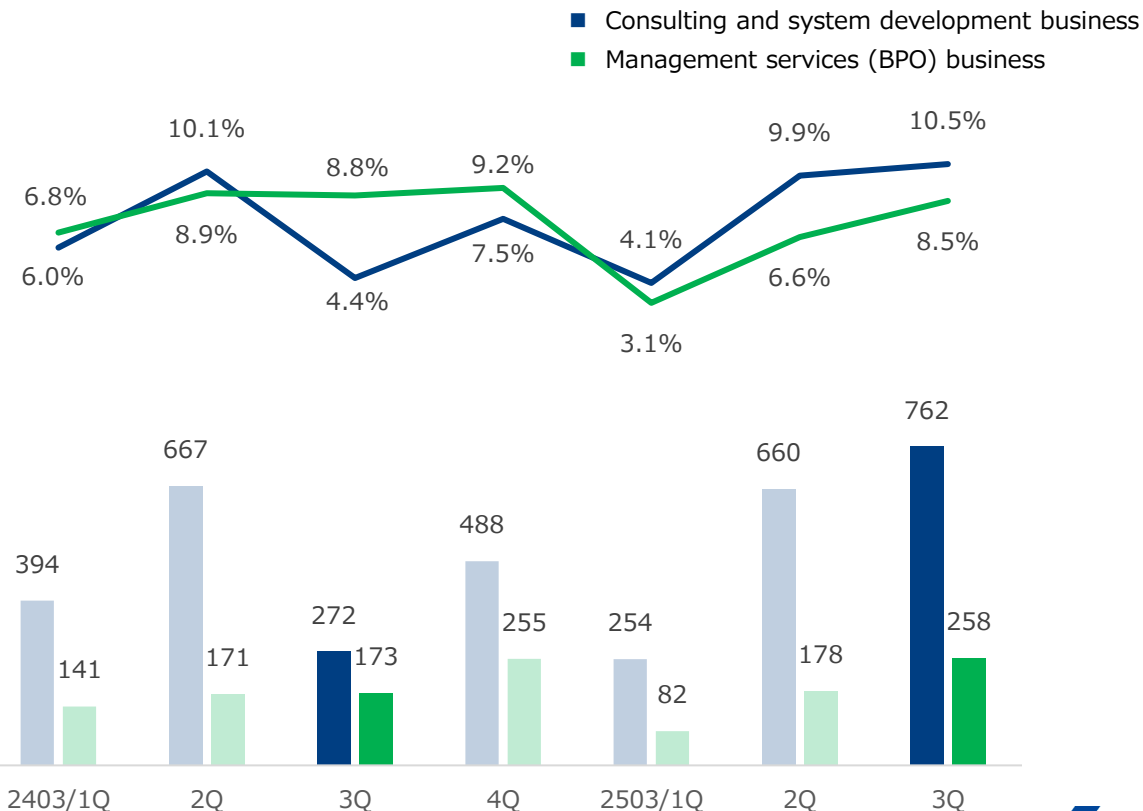
Quarterly Change (Accounting Period)

Consulting and system development continues positive trend with steady growth
 Profitability for managed services recovered due to improved efficiency, such as higher utilization rates of the new BPO center

Segment net sales (unit: million yen)



Segment profit (unit: million yen)



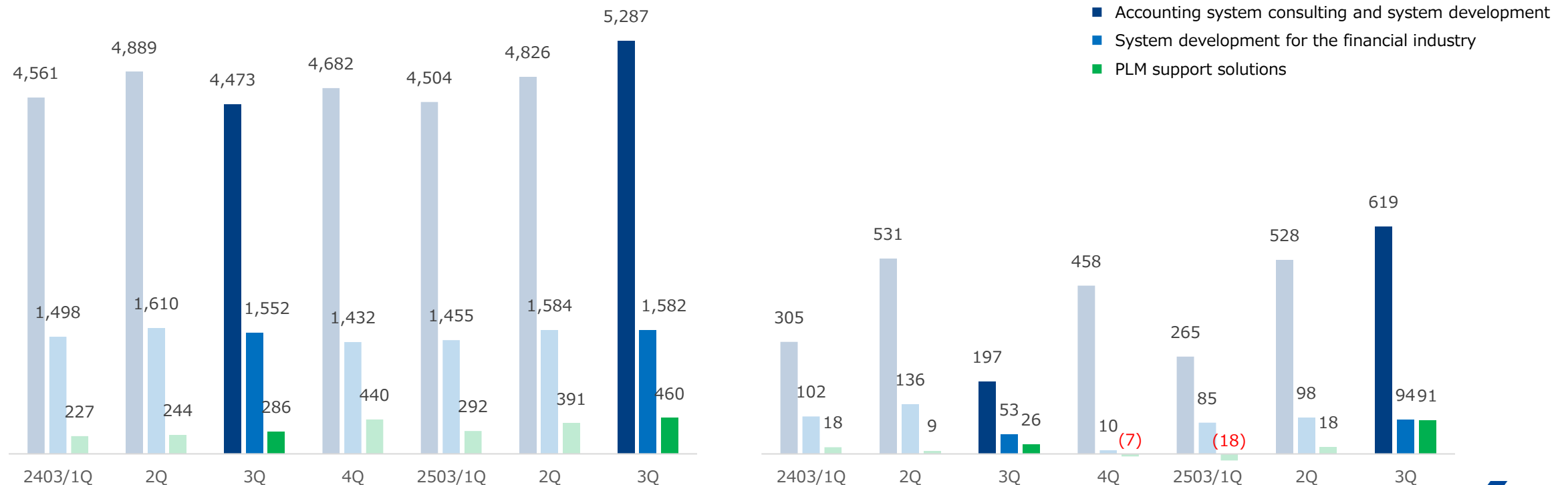
Consulting and System Development Business

Quarterly Change (Accounting Period)

Our main strength of accounting system consulting and system development continues to expand
 PLM support solutions recovered steadily

Segment net sales (unit: million yen)

Segment profit (unit: million yen)



Consulting and System Development Business

Overview

<ul style="list-style-type: none">■ Accounting system consulting and system development	<ul style="list-style-type: none">• Significant increase in sales due to the increased orders during the second quarter. Growth was particularly large in the eastern Japan region• Profitability improved significantly due to increased utilization rates and recovery of fixed costs resulting from higher sales• Another factor in improved profitability is the rise in relatively large orders
<ul style="list-style-type: none">■ System development for the financial industry	<ul style="list-style-type: none">• The business environment is challenging due to a decrease in temporary demand following regulatory revisions in the previous fiscal year, and the plateauing of high-margin fund wrap. Given that significant growth cannot be expected, we are focusing on maintaining performance• We are implementing measures for our next growth by expanding fund wrap functions and deploying to customers other than securities firms
<ul style="list-style-type: none">■ PLM support solutions	<ul style="list-style-type: none">• Significant improvement seen due to the completion of handling underperforming projects in the previous quarter• The environment for orders is also improving, leading to conditions for stable growth. The key to further expansion is securing personnel• Due to the significant improvement in utilization, profitability recovered

Management Services (BPO) Business

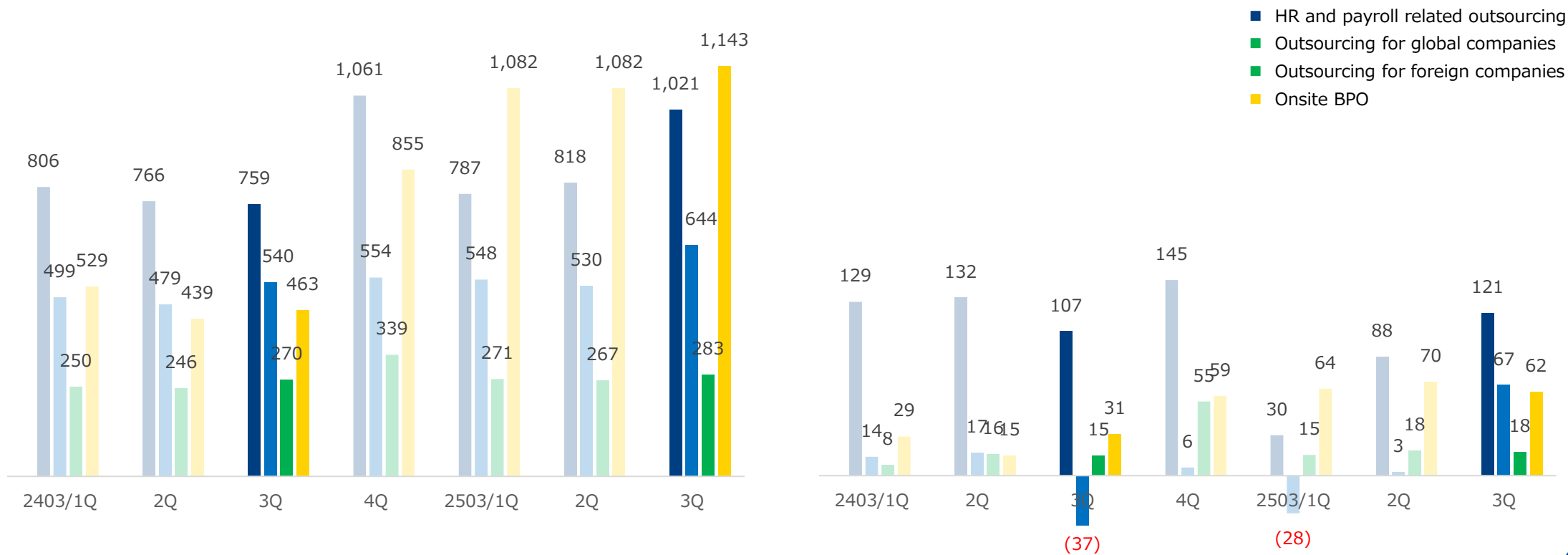
Quarterly Change (Accounting Period)

HR and payroll related outsourcing is recovering, with a significant improvement in outsourcing for global companies

Increased revenue and profitability were seen for onsite BPOs due to the acquisition of business from Twinkle

Segment net sales (unit: million yen)

Segment profit (unit: million yen)



Management Services (BPO) Business Overview

<ul style="list-style-type: none">■ HR and payroll related outsourcing	<ul style="list-style-type: none">• Increased sales from year-end tax adjustment operations etc.• Despite increased expenses due to the reassessment of internal cost burden ratio following organizational restructuring, profits increased due to a combination of factors such as higher utilization rates from the steady launch of year-end tax adjustment operations and new projects, improved profitability through contract revisions, and progress in operational reorganization following the merger
<ul style="list-style-type: none">■ Outsourcing for global companies	<ul style="list-style-type: none">• For large enterprises, efforts are underway to gradually expand the scale of contracts from small orders, which will lead to sales growth• Profits increased due to higher utilization rates of the Sapporo BPO Center and improved profitability through contract revisions• The third quarter showed a significant year-on-year profit growth, as the previous year's third quarter had recorded a deficit due to temporary factors including development cost burdens
<ul style="list-style-type: none">■ Outsourcing for foreign companies	<ul style="list-style-type: none">• There were no large changes to the environment. Showing steady performance
<ul style="list-style-type: none">■ Onsite BPO	<ul style="list-style-type: none">• Twinkle contributed approx. 630 million yen in sales and 25 million yen in profit

(Reference) Revenue and Business Profit by Sub-segment

(Unit: million yen)	Three months ended June 30, 2024		Three months ended September 30, 2024		Three months ended December 31, 2024	
	Revenue	Business profit	Revenue	Business profit	Revenue	Business profit
Consulting and system development business						
Accounting system consulting and system development	4,504	265	4,826	528	5,287	619
System development for the financial industry	1,455	85	1,584	98	1,582	94
PLM support solutions	292	-18	391	18	460	91
Adjustment	-97	-78	-107	16	-44	-42
Segment total	6,154	254	6,694	660	7,285	762
Management services (BPO) business						
HR and payroll related outsourcing	787	30	818	88	1,021	121
Outsourcing for global companies	548	-28	530	3	644	67
Outsourcing for foreign companies	271	15	267	18	283	18
Onsite BPO	1,082	64	1,082	70	1,143	62
Adjustment	-18	0	16	0	-58	-10
Segment total	2,670	82	2,713	178	3,033	258
Total	8,824	336	9,407	838	10,318	1,020
Adjustment amount	-87	-9	-81	10	-91	3
Consolidated	8,737	327	9,326	848	10,227	1,023

About BBS

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.

Together for Value



Business Brain Showa-Ota Inc.