

To our valued shareholders and investors

Financial Results for the the Fiscal Year Ending June 30, 2025

August 8, 2025



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.

Executive Summary: Achievements of the Current Fiscal Year (FY25) and Positioning for the Next Fiscal Year (FY26)

- In the second year (FY25) of our medium-term management plan (FY24-FY26), titled "Structural Reform," we achieved the targeted sales growth rate of over 10%, marking the 21st consecutive year of revenue growth and the second consecutive year of record-high profits.
- In the next fiscal year (FY26), we aim to build on the achievements accumulated over the past two years to steadily accomplish the initial goals of our medium-term management plan. Additionally, we will venture into developing new business models that are not confined by our past successes.

	FY24 Transformation into profitable structure	FY25 Regrowth	FY26 Complete structural reforms
Business policy	Sharp turnaround of sluggish profit margin due to transformation into highly profitable structure	Shift to growth trajectory due to business scale (=net sales) expansion	Accelerate growth through bold investment and break away from the existing IT industry framework
Key indicators (consolidated)	EBITDA margin (Initial plan) 13.6% → (actual) 16.7%	Sales growth rate above 10% Aim to achieve record high profits and to maintain profit margin at FY24 level	Net sales: 14.0-15.0 billion yen (including M&A effect = over 500 million yen) EBITDA margin: Higher than 16%
Priority measures	<ul style="list-style-type: none"> Improved paid utilization rates at PF Business Review of SaaS cost structure Strengthened business tactics through matrix organization 	<ul style="list-style-type: none"> Strengthen operating base/structure Strengthen the trinity value proposition Develop new solutions including Gen AI Lay the foundation for discontinuous growth (M&A) 	<ul style="list-style-type: none"> Establish trinity business model Execute discontinuous growth (M&A) Develop/ expand into a business with impact on industry beyond the framework of conventional IT corporations
Results	<ul style="list-style-type: none"> Achieved profit margins that outperform the plans Highest profits since the company was founded Achieved sales growth for 20 consecutive fiscal periods 	<p>[Annual results]: <u>Double-digit growth for both sales and profits</u></p> <ul style="list-style-type: none"> Revenue: YoY +11.5% = <u>21st consecutive year of revenue growth</u> Operating Profit: YoY +16.8% = <u>Record-high profit</u> Large-scale Share Buyback: <u>Total shareholder return ratio of approximately 70%</u> 	<p>Shareholder Return Policy for FY26</p> <p>We will continue the basic policy, aiming for a total shareholder return ratio of 40% or more.</p> <ul style="list-style-type: none"> We plan to repurchase our own shares based on cash position Maintain a stable dividend, with 8 yen per share expected.

Executive Summary:

Record High Sales and Profits in FY25, Accelerating Growth in FY26

- In FY25, we achieved both the revenue target (mandatory revenue growth of 10% or more) and the profit target (maintaining the profit margin) set at the beginning of the fiscal year.
- For FY26, we aim to achieve the following performance forecasts with the existing three companies (*1) and further realize a revenue of 14 billion yen through the effect of M&A.

Unit: million yen	a FY24	b FY25	b/a-1 Percentage increase/ decrease	c FY26 Forecast (Excluding M&A effects)	c/b-1 Percentage increase/ decrease
Net Sales	10,561	Record high 11,772	11.5%	13,500	14.7%
PF business	7,378	Record high 8,337	13.0%	Targeting 17-18% growth	—
PD business	3,183	Record high 3,436	7.9%	Targeting over 5% growth	—
EBITDA Margin	16.7%	16.7%	—	Over 16%	—
Operating profit	1,349	Record high 1,576	16.8%	1,750	11.1%
[Operating profit ratio]	[12.8%]	[13.4%]	—	[13.0%]	—
PF business	2,911	3,566	22.5%	—	—
PD business	769	870	13.2%	—	—
Adjustments *2	-2,331	-2,861	—	—	—
Ordinary profit	1,358	Record high 1,626	19.7%	1,750	7.6%
Net income	909	Record high 1,064	17.0%	1,150	8.1%

Top Priority Goals

Sales of 13.5 Billion Yen

- Achieve through the expansion of business scale centered on the current services of the existing three companies (BP, TT, AAA).

Stretch Goals

Sales of 14 billion yen or more

- In addition to achieving the above mandatory targets, we aim to achieve the goals of the medium-term plan by anticipating the effects of M&A.
- M&A Effects:
 - Consolidated contribution from the newly announced subsidiary today
 - Consolidated contribution from additional M&A

*1 Existing three companies ... BrainPad Inc., TimeTechnologies Ltd., and BrainPad AAA Inc.

*2 Adjusted amount ... Company-wide expenses not allocated to each segment (mainly, SGA expenses at sales and admin departments that do not belong to any reportable segment)

Executive Summary: Review of FY25 and Challenges to Address in FY26

FY25 Review:

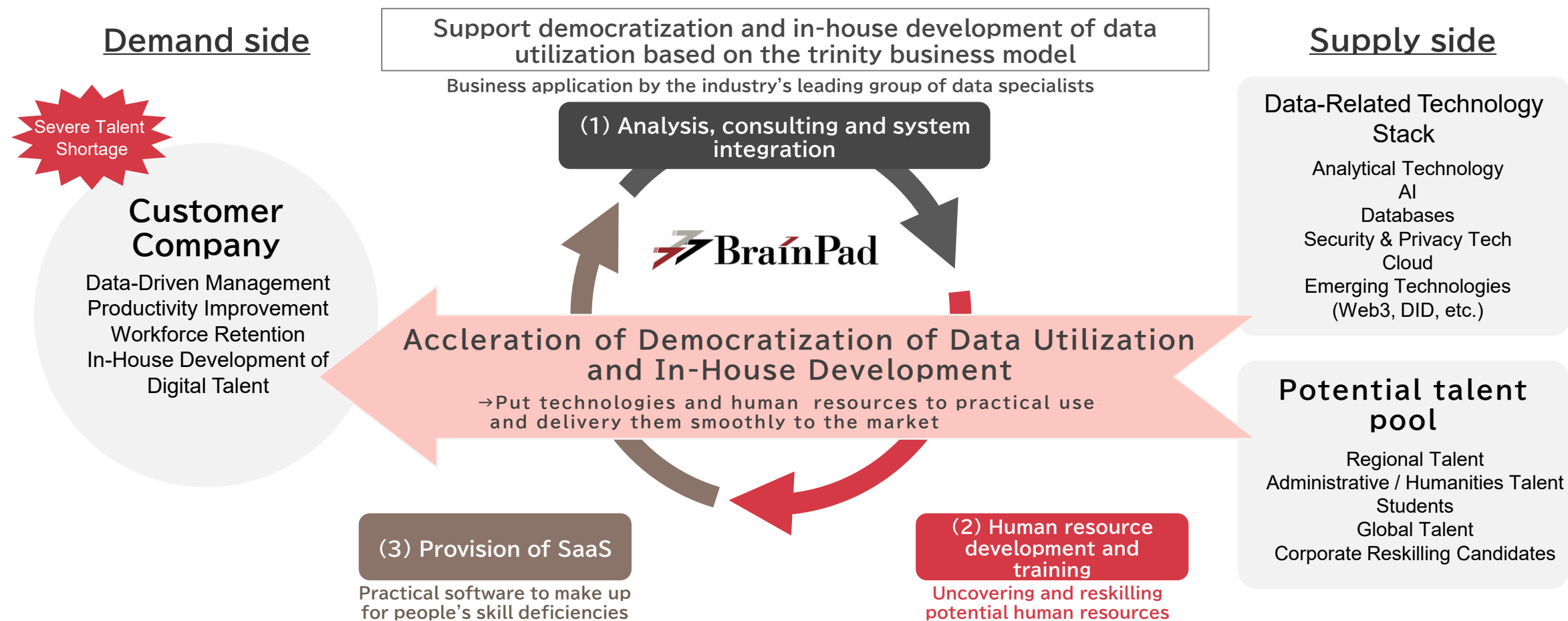
- Although sales and profits grew more than expected in the first half, the growth rate could not be maintained throughout the year.
- Strengthen sales activities with a focus on monetizing the areas invested in FY25, aiming for growth throughout the year.

Review of FY25

	Acievements	Pending issues		key initiatives for FY26
PF Business	<ul style="list-style-type: none">• Double-digit sales growth• Maintaining a high level of profitability	<ul style="list-style-type: none">• Increase in outsourcing costs to compensate for delays in hiring• Market competitiveness of talent development services	➔	<ul style="list-style-type: none">• Internal productivity reform utilizing AI• Diversification of talent acquisition methods (local/overseas)• Refinement and evolution of the "in-house production support model"• Regrowth of talent development services
PD Business	<ul style="list-style-type: none">• Continued growth of Ligla• Ongoing improvement in profit margins• Launch of new products and acceleration of the product development cycle	<ul style="list-style-type: none">• Double-digit sales growth not achieved• Quality issues in some services	➔	<ul style="list-style-type: none">• Continued investment in Ligla• Early monetization of new products• Early launch of BPaaS model (strategic investment leveraging today's announced M&A)
Common	<ul style="list-style-type: none">• Strengthening the customer base in the manufacturing/distribution and financial industries• Launch of the AI agent business (Establishment of BrainPad AAA)	<ul style="list-style-type: none">• Speed of business scale expansion• Delay in realizing M&A	➔	<ul style="list-style-type: none">• Acquisition of new customers and expansion of transaction scale through the reinforcement of sales processes/structure• Further promotion of M&A

(Reference) Initiatives for FY25: Differentiation through a unique “Trinity” business model

- To address the challenge of the shortage of data and digital talent, we provide a holistic three-pronged approach: in addition to (1) support from specialized talent, (2) talent development and education to bridge skill gaps, and (3) SaaS (PD business), which will compensate for lack of skills. Through this integrated approach, we strongly support the democratization and in-house development of data utilization for enterprises.
- Our unique business model, which emphasizes “in-house development” as the core of our value proposition, differentiates us from major DX support companies.

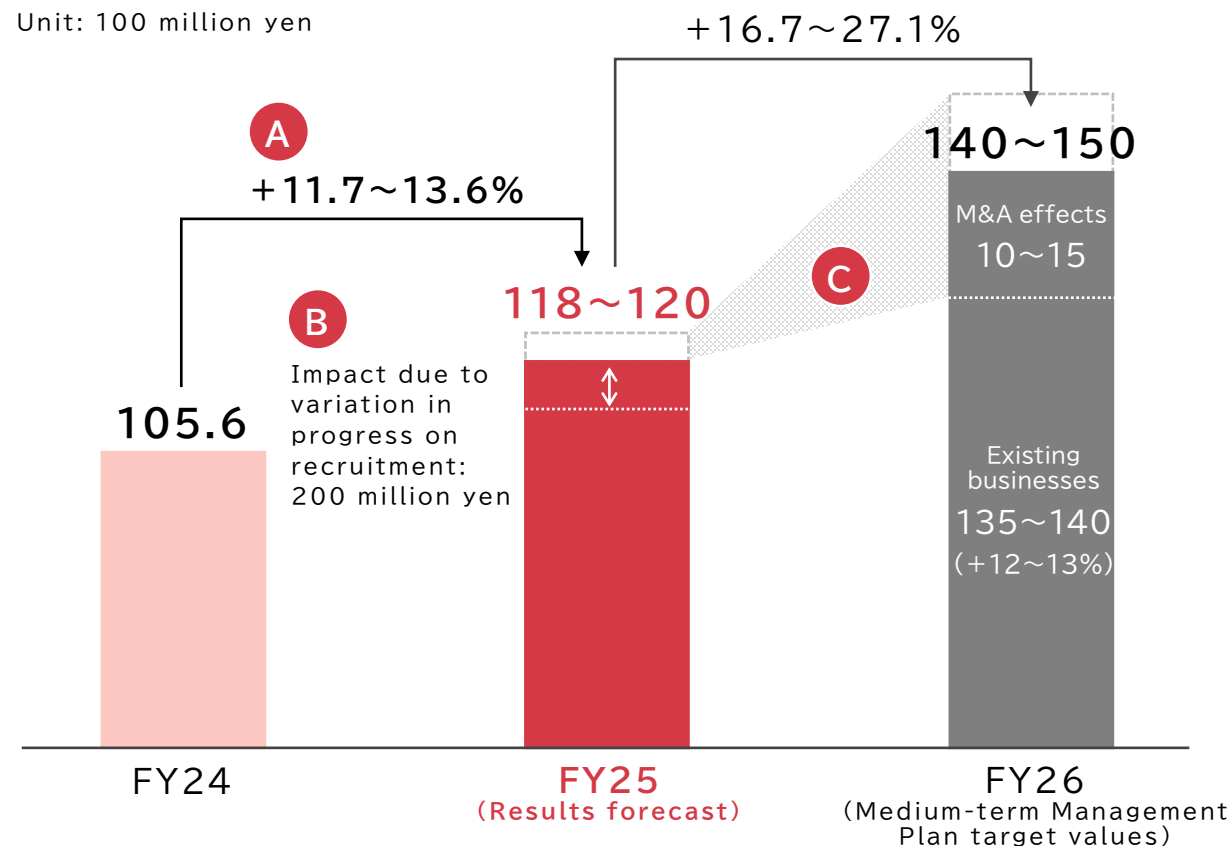


(Reference) FY25 Initiatives: Approach to Sales Growth Aimed at Achieving the Medium-term Management Plan

- As we shift course to scaling up our business, we will steadily implement growth-oriented investments with the aim of achieving double-digit growth in sales
- We have set growth targets that exceed the growth of existing businesses in our FY26 targets, and during FY25 we will lay the groundwork for expanded size through M&A activities

FY25 Sales Forecast and Sales Targets

Unit: 100 million yen



Approach to FY25 Sales Forecast

A) Restore double-digit growth

- Heading toward FY26, we will steadily restore the growth rate into the double digits
- We will create an advantageous situation for BrainPad: advances in generative AI and ongoing shortages of human resources skilled in data utilization and AI

B) Consider the impact on variation in progress on recruitment (= 200 million yen)

- We will work to strengthen mid-career hiring, but progress is susceptible to the environment in the recruitment market, which continues to heat up
- If progress is underwhelming, sales growth will be limited, particularly in the platform business

C) M&A activities * Not factored into the results forecast

- For organic growth from existing businesses, a growth rate of 12-13% is reasonable to strike a balance between recruitment and the quality maintenance
- In the current Medium-term Management Plan, we have factored in inorganic growth due to M&A activities, and will aim to achieve at least one such acquisition in FY25
- We will actively pursue M&A to make up for the uncertainty in recruitment

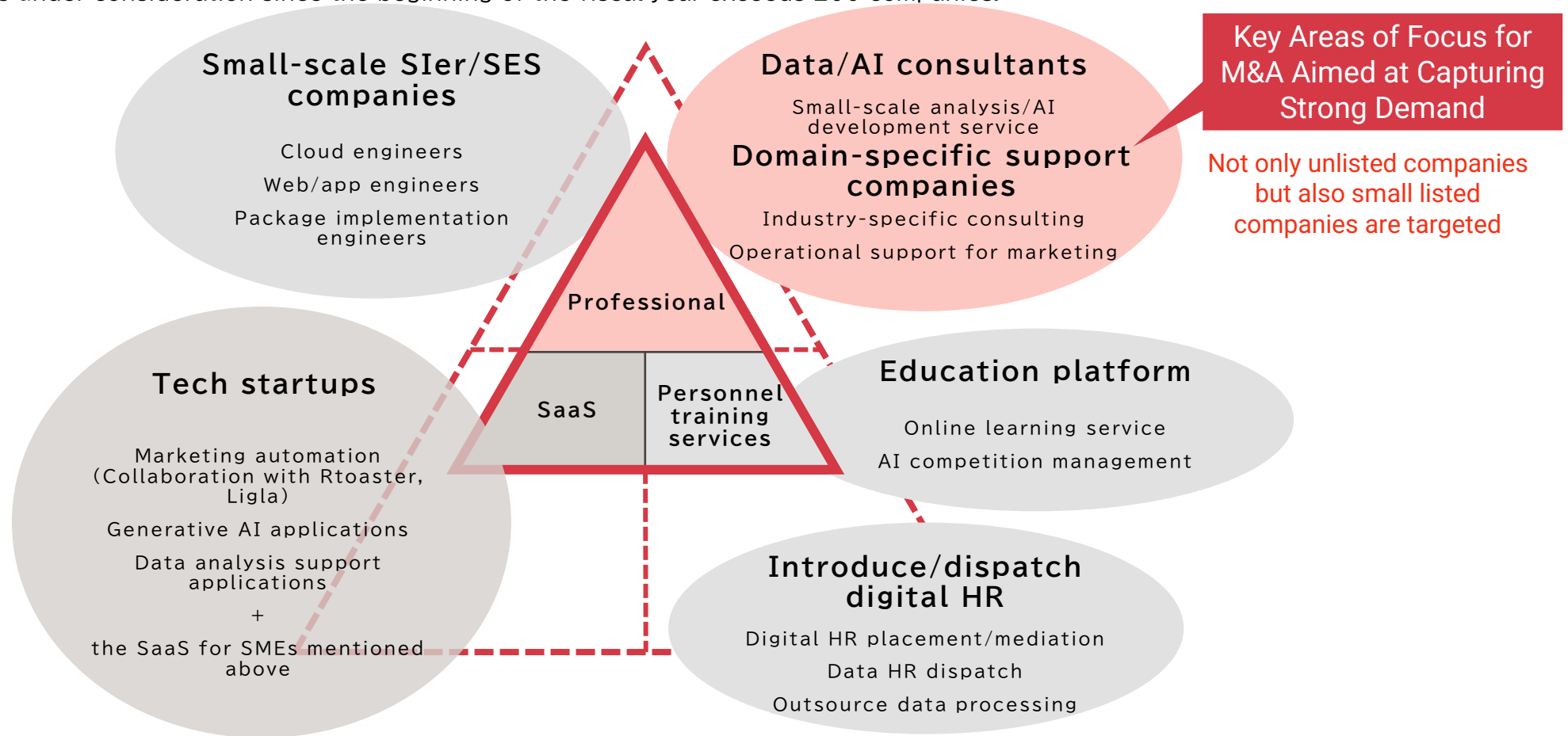
(Reference) Promising M&A Activities and Capital Alliances

- The main targets for M&A and capital alliances are related to the trinity business model. They are similar high-priced services and peripheral services aimed at major corporations which already constitute our main area of business
- The recent key focus areas are companies, whether unlisted or listed, that possess specialized personnel contributing to the expansion of our PF service business.
- From FY25, we have established a specialized organization to deepen collaboration with financial institutions and specialized services, and the number of projects under consideration since the beginning of the fiscal year exceeds 200 companies.”

High unit price
for large
companies



Low prices for
SMEs





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