



# Financial Results Briefing for the fiscal year ended March 2022

Securities code: 9658



**May 20, 2022**  
**Business Brain Showa-Ota Inc.**



# BBS 2023

## - Make Hybrid Innovations -

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Digital and analog, HR and technology, cloud and on-site  
Developing a hybrid near future with customers

Business Brain Showa-Ota Medium-term Management Plan 2021-2023 Progress Report



# Goal 2030 (repost)

## Goals and Values of the BBS Group

**B** Back Office Comprehensive Supporter

**B** Become a new management partner

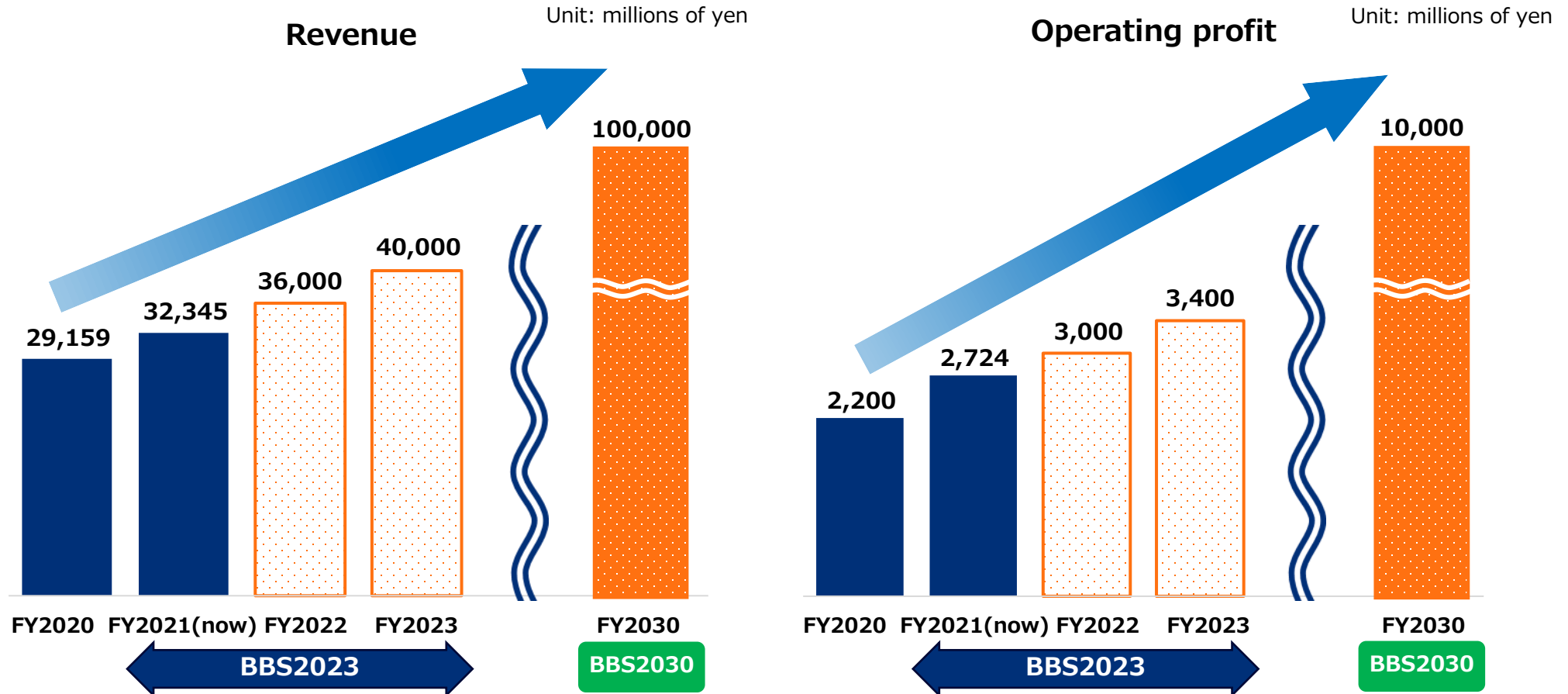
**S** Sustainability Management · **S**trengthening human resources

**BBS 2023 Sales: 40 billion yen Profit: 3.4 billion yen**

**BBS 2030 Sales: 100 billion yen Profit: 10 billion yen**

\*Maintain 70% of consulting/SI business and 30% of BPO business

# Business Progress



In the first year after the renewal of the medium-term management plan, and for the full year ended March 2022, both revenue and operating income exceeded the same period of the previous year and the initial forecast (announced on June 28, 2021), and remained firm. It was a good start toward achieving “BBS 2023.”

# BBS 2023 Progress Summary



## Business Progress

Revenue

**104.3%**

Operating profit

**130.7%**

Profit attributable to owners of parent

**130.7%**

\*Compared to initial forecast

## Company-wide strategy

### Strengthen group synergies

Strengthen group synergies centered on sales

### Strengthen M&As/Alliances

Made joyworks and BSC subsidiaries

### Strengthen branding

New company logo, relocation of head office, strengthening of PR  
(More videos and press releases)

## Business Strategy

### "R" CN2 strategy

Expand transaction share among existing customers and expand customers in industries in which we specialize

### No.1 Strategy

Strengthen the West Japan area (Make BSC a subsidiary) and expand the number of customers

### BPO business strategy

Expand BPO transactions by promoting High Value BPO and technology strategy

## Corporate Strategy

### Promote digital transformation of Back Office

METI



Acquisition

### Sustainability management

Released Scope3 results (2020)



2022  
健康経営優良法人  
Health and productivity

Certification

# Company-wide Strategy 2023

# Company-wide Strategy ① (repost)

## Strengthen group synergies

Leverage the BBS cycle to deliver the solutions owned by the BBS Group to our customers as a one-stop shop and innovate through group synergies.

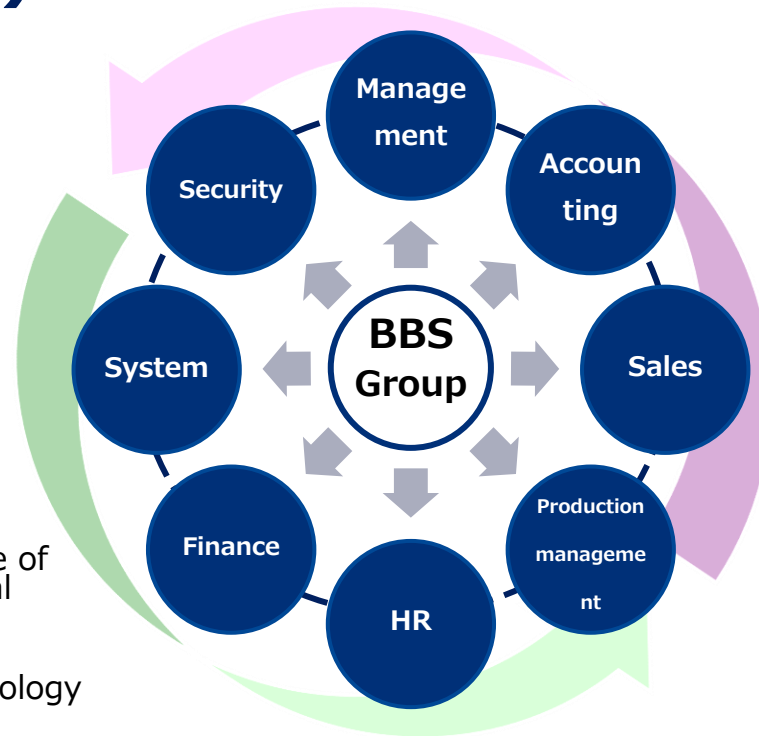
## Strengthen M&As /Alliances

**Back office** Strengthen human resources and solutions that can support corporate back office operations in addition to accounting solutions

**(C + D) X** Always think about our customers, pick up requests and issues, add ease of use and design of solutions, and create a system that can promote digital transformation

Advanced technology and information

Include the latest technologies such as cloud, RPA and AI, develop technology according to customer's requests and strengthen the organization



## BBS Quality (strengthen in advance)

Strengthen our retroactive and system quality efforts, enhance the quality of all BBS Group solutions, and ensure quality from the preliminary stage such as the planning and design stages.



# Company-wide Strategy ② (repost)

## Strengthen branding

Establish BBS branding through the penetration of “management accounting” and the fusion of history and the near future

### Management accounting

- Including institutional accounting and management accounting -

#### A company that supports management accounting in Japan

- Instill in society that BBS is responsible for corporate management accounting (including institutional accounting, management accounting, etc.).
- Especially for mid-sized companies. Cloud services are lacking and need to especially reach out to those who want their own customizations.

### BBS

- Established business + image of near future -

#### History and established business

Providing a sense of security and relief as an established business by disseminating our history of involvement in corporate management and accounting for over 50 years to the outside world.

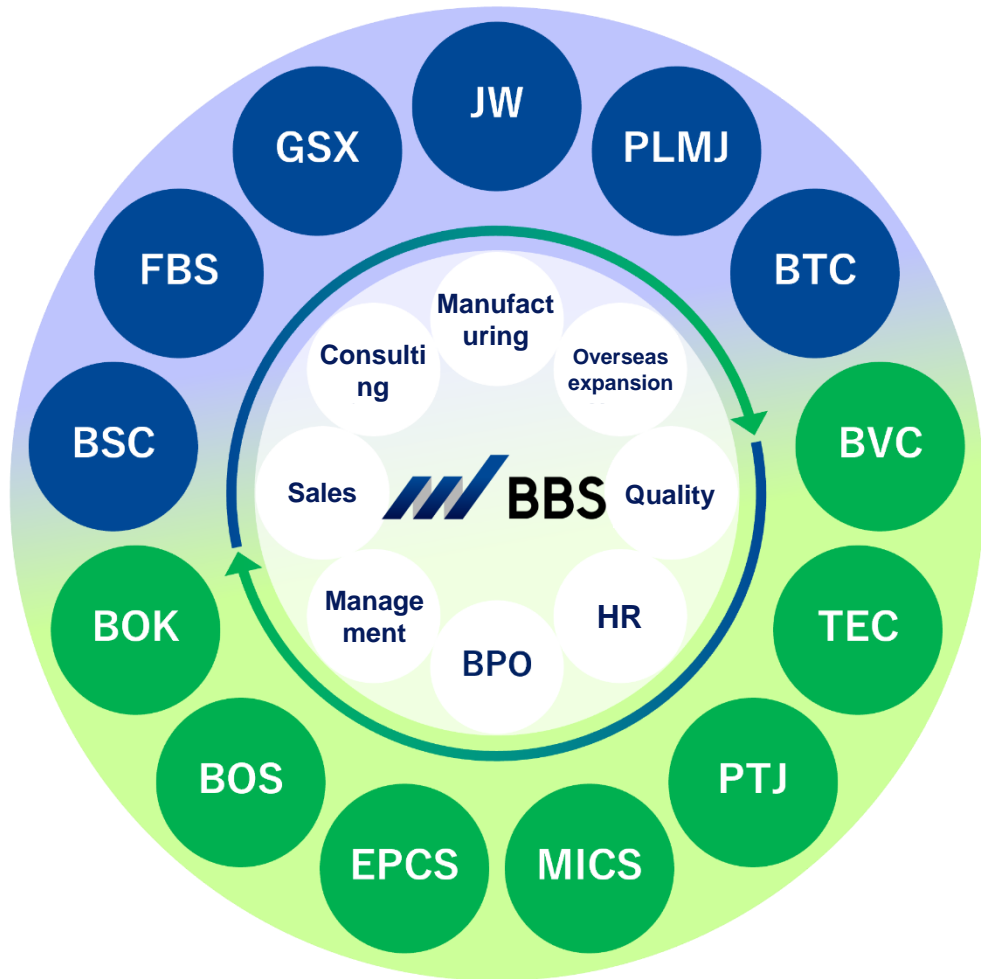
#### Near future

At the same time, implement branding that highlights the company's advanced nature and technological capabilities as a company that promotes digital transformation.



# Company-wide Strategy ①

Strengthen group synergies



## Group synergies in sales strategy

- ✓ Continue to share information and introduce customers between group companies at monthly group sales meetings
- ✓ Realize comprehensive solution proposals for solving customers' management issues

### Results

No. of customer referrals between group companies

**162**  
companies

Orders

**93**

# Company-wide Strategy ①

## M&As -- Acquired two subsidiaries

### joyworks inc.

#### Background and Purpose

1. Strengthen IT services such as system development and AI
2. Strengthen synergies as a comprehensive back office supporter
  - Strengths in IT support and IT-related businesses for education and training



### BSC Co., Ltd.

#### Background and Purpose

1. Promote digital transformation (DX)
  - Strengths in designing and building mission-critical business systems
  - Strong expertise in low-code development, essential for DX
2. Expand offices and scale in western Japan



# Company-wide Strategy ②

## Strengthen branding

**Forward-looking management and current accounting** In these uncertain times, an accurate and quick understanding of the current situation is essential for making better business decisions.

all in one.

For more than 50 years since our founding, we have been helping various companies transform themselves based on our unique concept of management accounting that seeks to unify management and accounting.

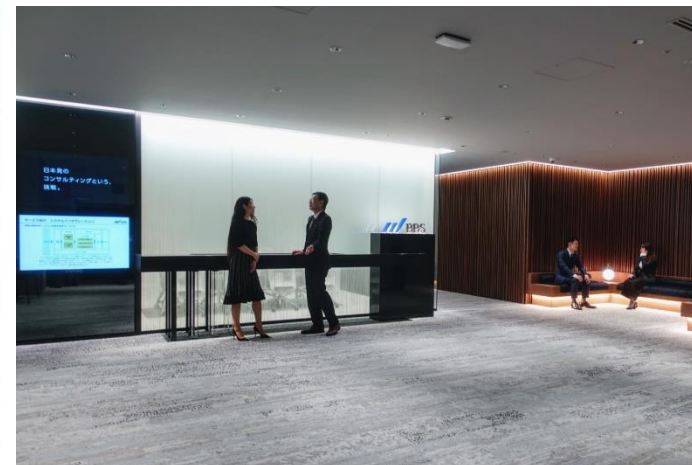
A track record of consulting that has continued to be at the side of management of Japanese companies.  
 Deep expertise in accounting and back office operations.  
 And with the technical know-how to support everything from system development to establishment on-site, we can achieve true digital transformation that supports the continuous improvement of corporate value.

That is the digital transformation of management accounting. 

▲ Renewal and unification of corporate logo, tagline, etc.



▲ Create and publish branding videos, strengthen press releases, and strengthen support for DX certification



Realization of concept through head office relocation and new office ►

# Company-wide Strategy ②

## Strengthen branding -- Strengthen CSR activities



▲Held BBS painting contest



▲ Japan Volleyball Association “V. Mirai Project”

JVL Approved VLSP-2021-007



◀ Japan Para-Ski Federation



第86回 日本オープンゴルフ選手権  
▲Support for professional golf players



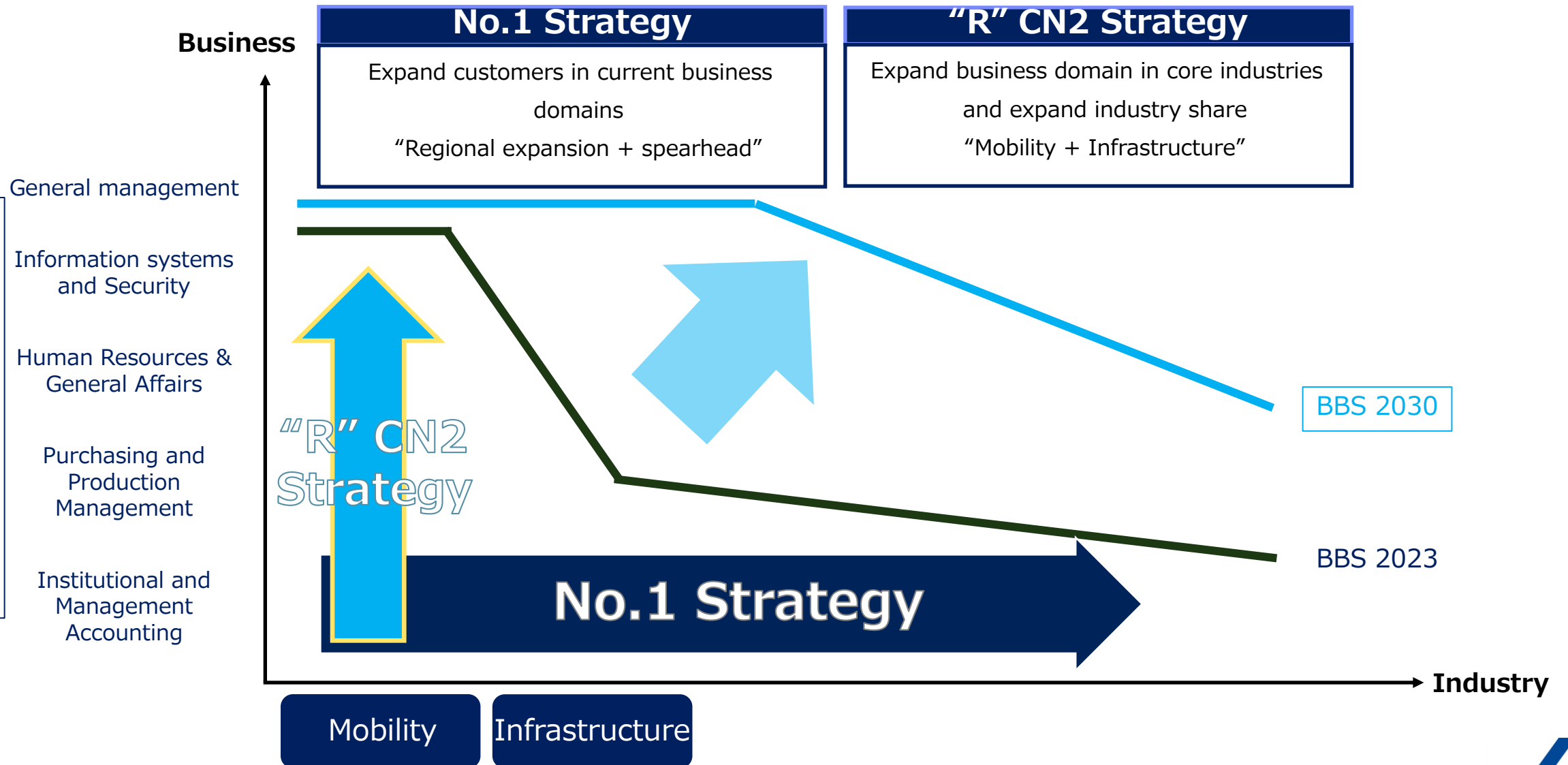
▲Japan Baseball Promotion Association (Japan Professional Baseball Alumni Club) kids baseball camp



# Business Strategy

- Consulting/SI/management services (BPO) operations -

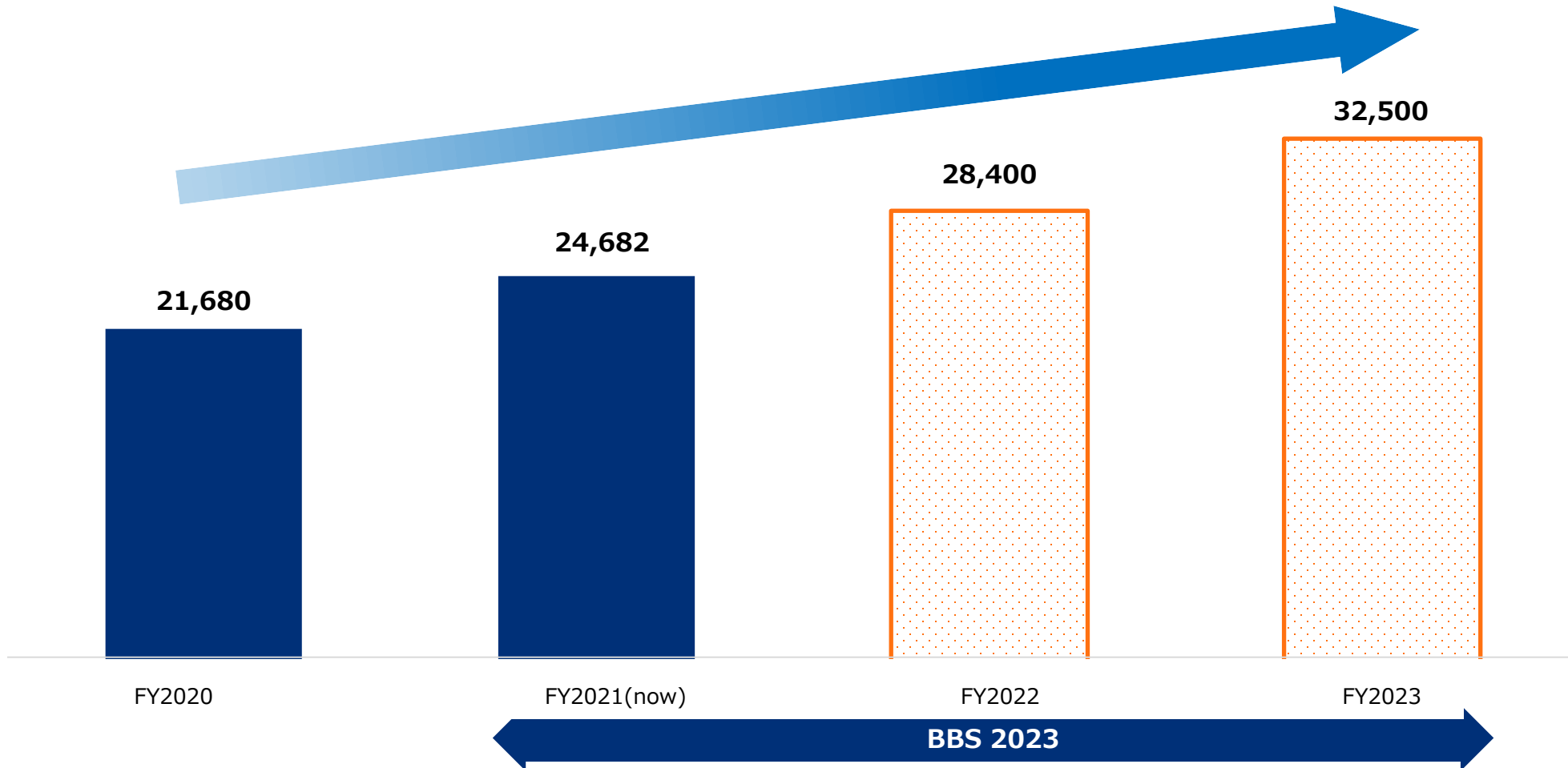
# Consulting/SI Business Strategy Overview (Repost)



# Consulting/SI Business Progress

Unit: millions of yen

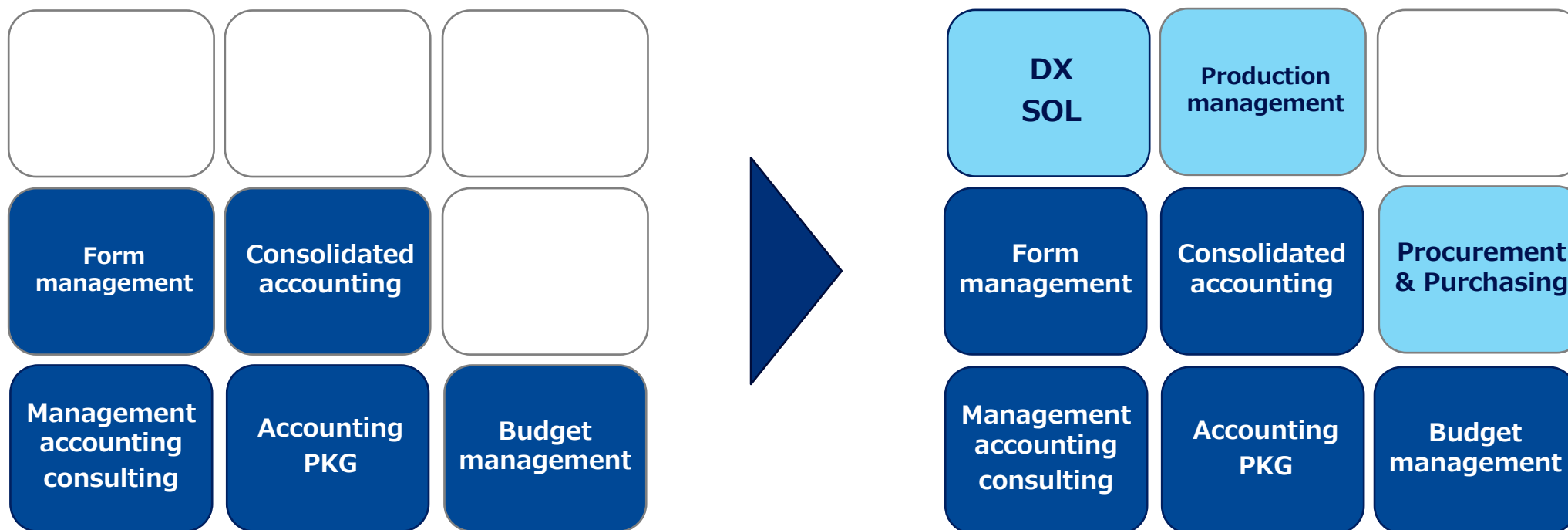
## Consulting/SI Business Revenue



# "R" CN2 Strategy

Create a strategic map within clients and select target (business) areas

[Image of business domain expansion] Expand BBS's business domain to increase customer confidence





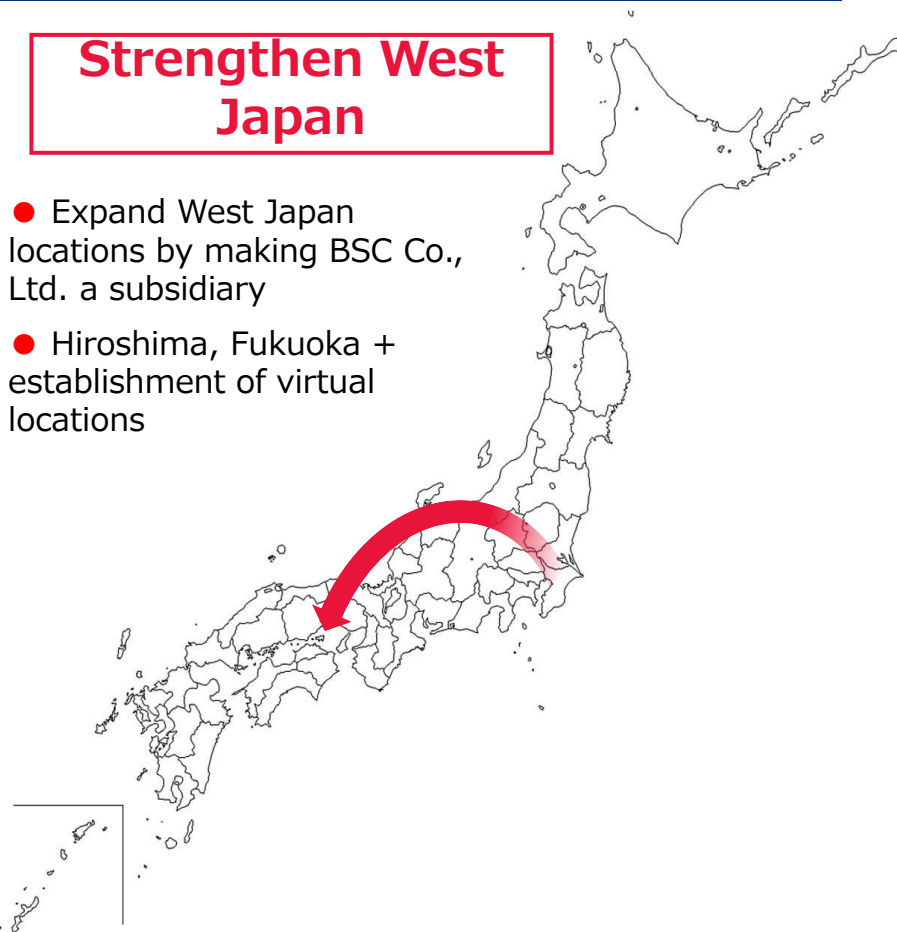
# No.1 Strategy

Develop and expand management accounting nationwide

Aim to be No. 1 in business accounting systems

## Strengthen West Japan

- Expand West Japan locations by making BSC Co., Ltd. a subsidiary
- Hiroshima, Fukuoka + establishment of virtual locations

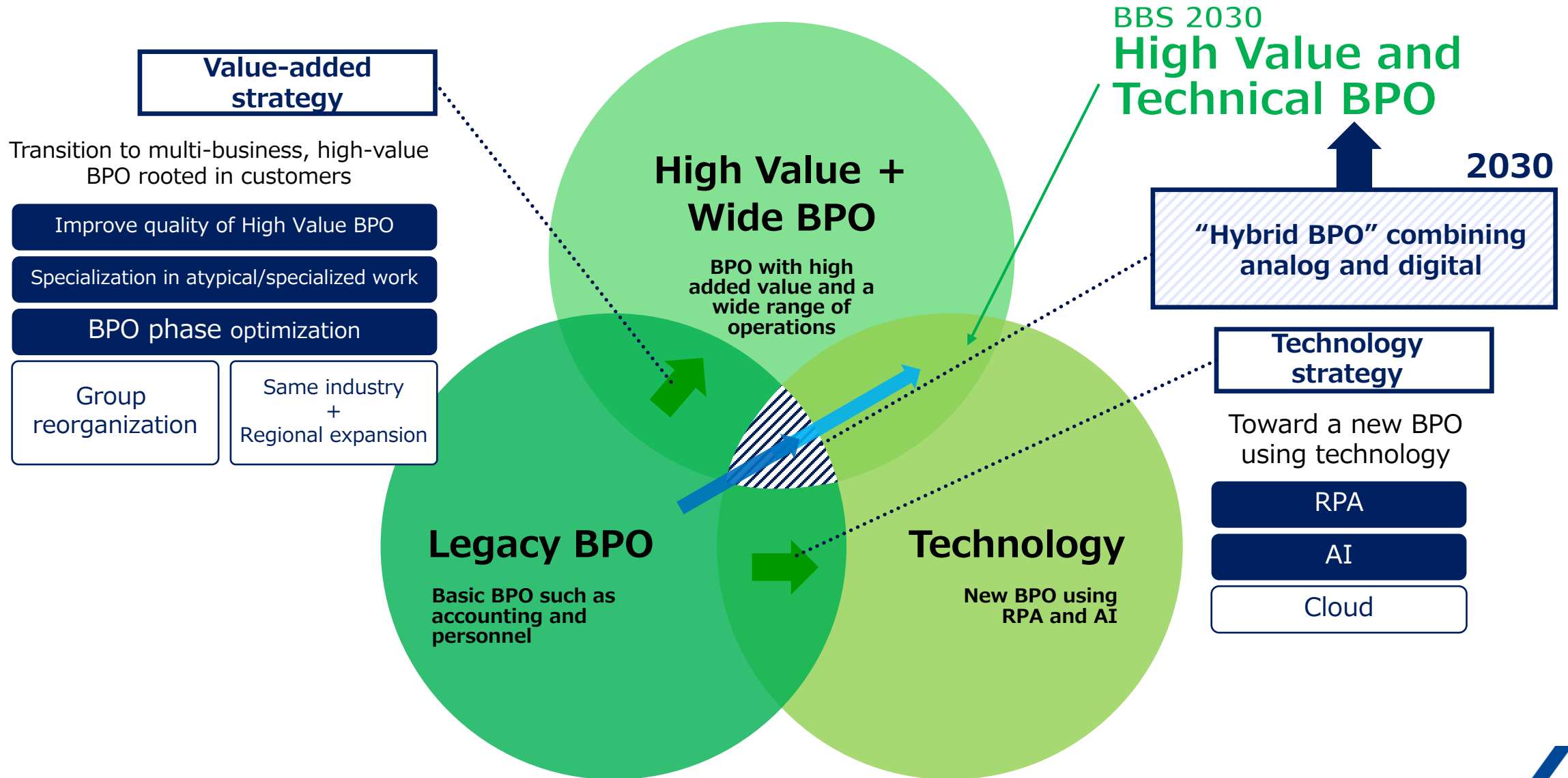


Strengthen West Japan (Regional expansion)	Orders	Compared to previous year
Chugoku / Kyushu	11 companies / 42 million yen	127%
[Reference data]		
Target area	No. of companies	
		Listed companies
Chugoku / Kyushu	582,000 companies	200 companies

\* The number of companies is based on the "Economic Census for Business Activity" (Economic Statistics Division, Statistics Bureau, Ministry of Internal Affairs and Communications), as of June 2016.

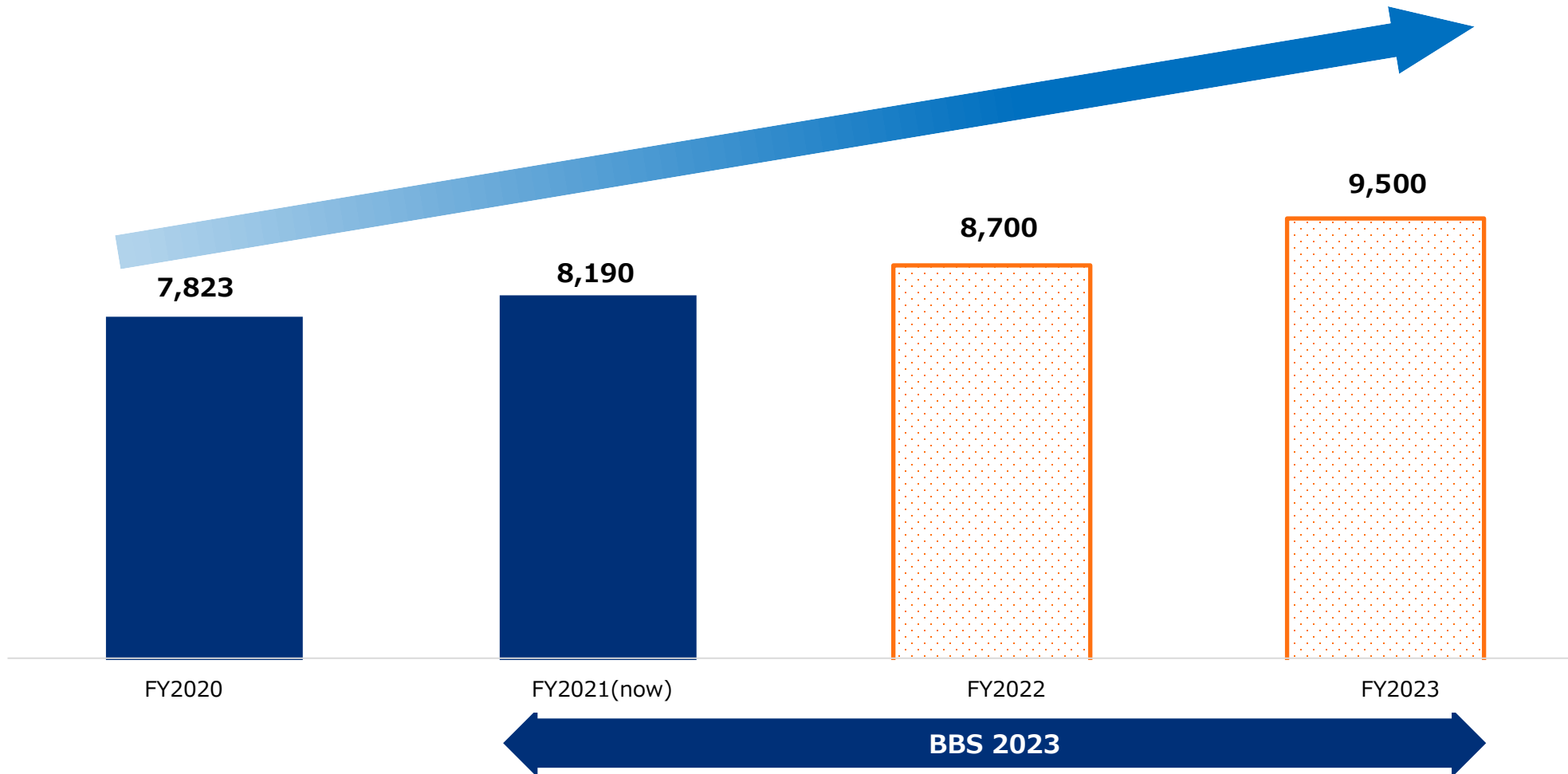
Listed companies are from the head office addresses published in "Kaisha Shikiho" 2021 Vol. 1 (New Year issue)

# BPO Business Strategy Overview (repost)

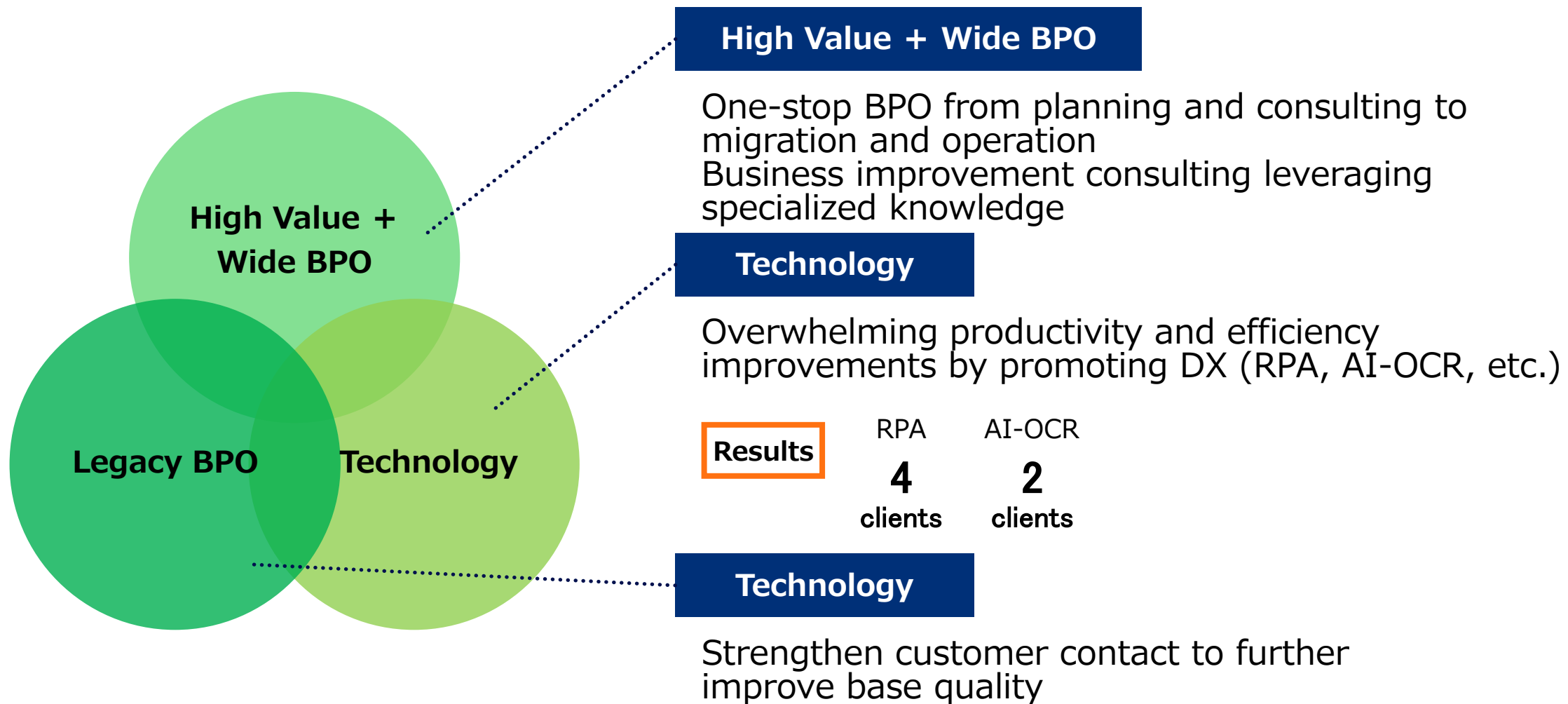


Unit: millions of yen

## BPO Business Revenue



# BPO Business Activity Results



# Corporate Strategy

# Major DX promotion activities of BBS 2023

Category	FY2022		FY2023	
	1st half	2nd half	1st half	2nd half
In-house (Back Office) digital transformation of business	Promote operational efficiency through RPA			
	Study the next internal system			
Digital transformation of BPO operations	Promote improved productivity and quality through digital transformation			
	Grow sales of High Value BPO			
Development of digital transformation solutions	Review and expand digital transformation-related products and menus			
	Grow sales of digital transformation-related products and menus			
Digital transformation of group companies			Increase value provided by digital transformation	
			Study the next internal system	


# Promote digital transformation of Back Office

Obtain “Certified digital transformation business” certification

Promote digital transformation and management accounting that are half a step ahead together with customers, and contribute broadly to digital transformation and business accounting in Japan.



Acquisition  
Purpose

- 
- Become a greater promoter of digital transformation for our customers
  - Further accelerate the digital transformation of BBS

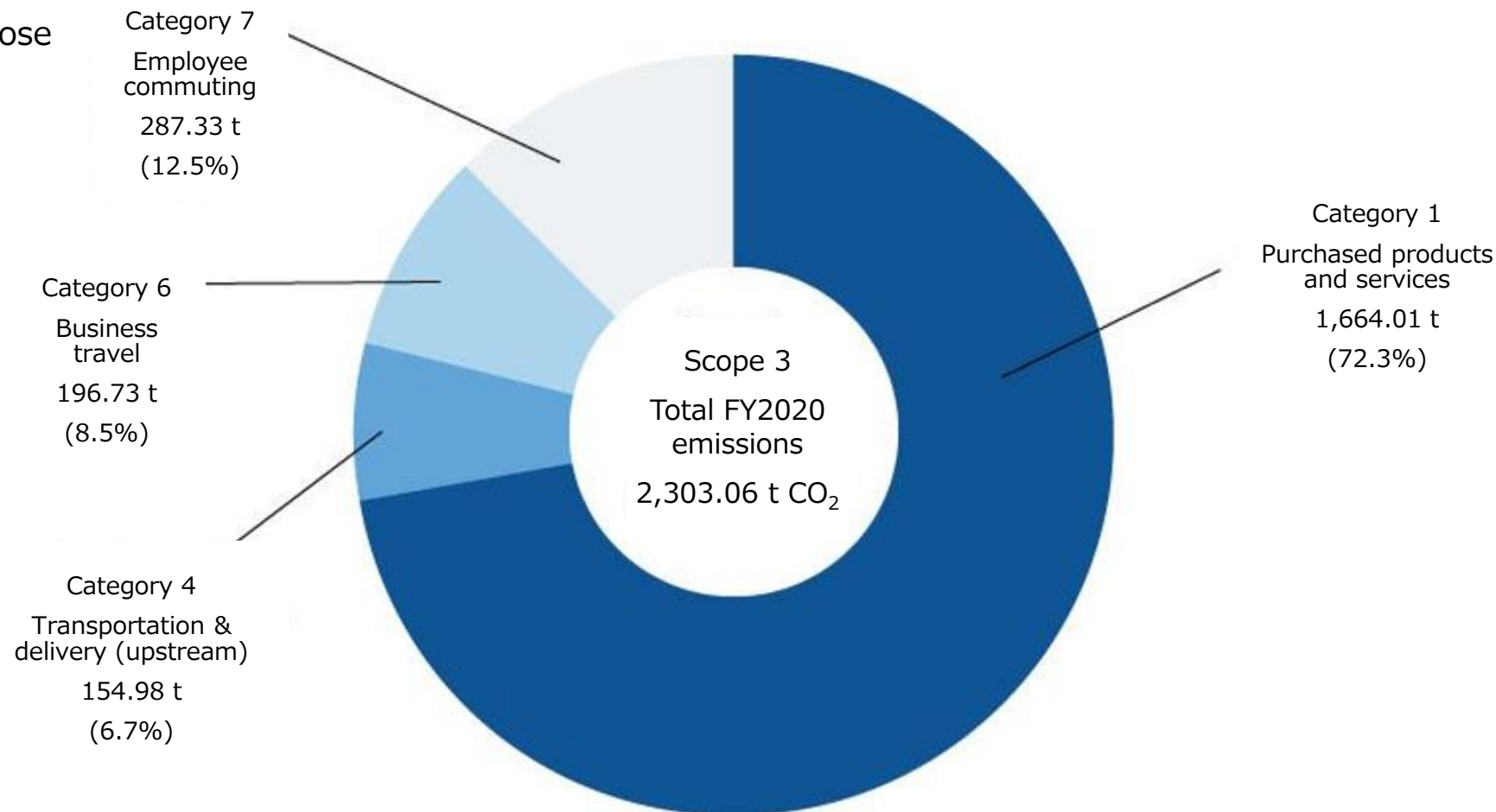
In addition to digitalization to go paperless, advance digital transformation in consideration of safety that takes into account data utilization within the company and group companies.

# Sustainability Management - Environment / Diversity & Inclusion

## Greenhouse Gas Emissions Results

In addition to Scope1 + 2 disclose

**Scope 3 achievements**



BBS HP URL: <https://www.bbs.co.jp/corporate/sustainability/environment/data.html>



# Sustainability Management - Environment / Diversity & Inclusion

Progress outside the environmental sector

## Opening of "BBS Smile Farm"



▲Cultivation inside plastic greenhouses

## Certified Health and Productivity Management Outstanding Organization



## Sustainability & Employee Initiatives -- Best Practice Award



▲Urban area cleanup activity that won the Gold Award.

# Topics

# Consolidated Subsidiary (Global Security Experts, Inc.) Listed on Stock Exchange



Consolidated subsidiary Global Security Experts, Inc. was listed on TSE Mothers (currently TSE Growth) on December 20, 2021.



Ceremony to commemorate listing on the Tokyo Stock Exchange

# Kagoshima Center Opened

BBS Outsourcing Kumamoto Inc. newly opened as Kagoshima Center (scheduled to open on June 2)

## Business

1. BBS back office shared functions
2. New BPO operations
3. Development center function scheduled to start in October



▲ View of Kagoshima Center



▲ March 29 Signing of location agreement with Kagoshima City

# Financial Highlights

**Hitoshi Uehara**  
**Senior Executive Officer and General Manager,**  
**Administration Division**

# [Financial Highlights] Consolidated Operating Results

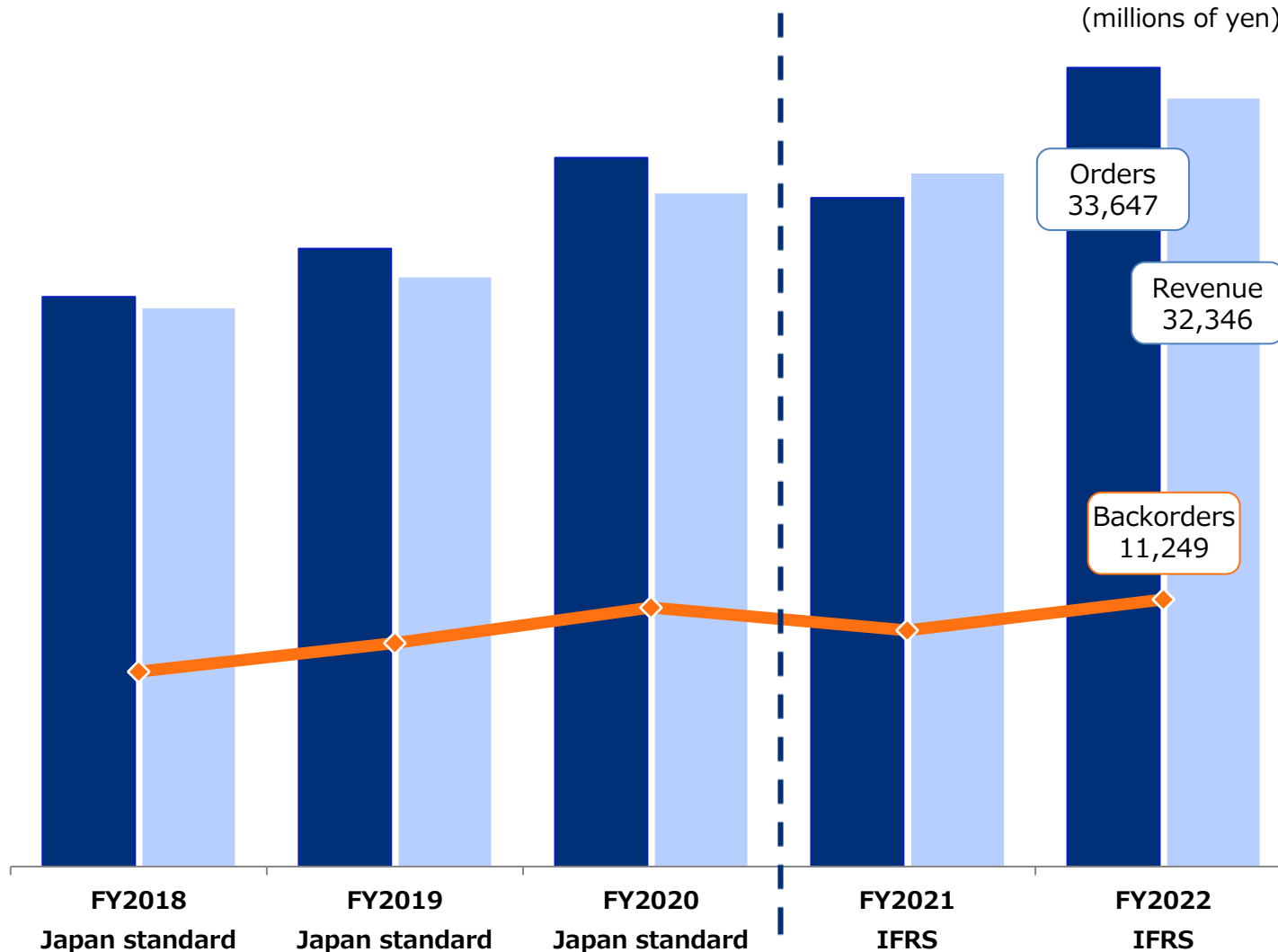
**Achieved revenue growth for 12 consecutive fiscal years**

(millions of yen)

	Year ended March 31, 2021	Year ended March 31, 2022	Change from previous year	Earnings forecast*	Ratio to expected value
Orders received	28,163	33,647	5,484	-	-
Revenue	29,159	32,346	3,187	32,000	101.1%
Operating profit	2,200	2,745	545	2,500	109.8%
Ratio of Operating profit	7.5%	8.5%	+1.0 point	-	-
Profit before tax	2,312	2,792	480	2,500	111.7%
Profit	1,600	1,810	210	1,660	109.0%
Profit attributable to owners of parent	1,554	1,764	210	1,600	110.3%
Return on equity attributable to owners of parent	5.3%	5.5%	+0.2 points	-	-
Diluted earnings per share	131.58 yen	146.05 yen	14.47 yen	-	-
ROE	15.6%	15.0%	-0.6 points	-	-

\* Values announced on October 28, 2021

# [Financial Highlights] Orders Received, Backlog of Orders, and Revenue



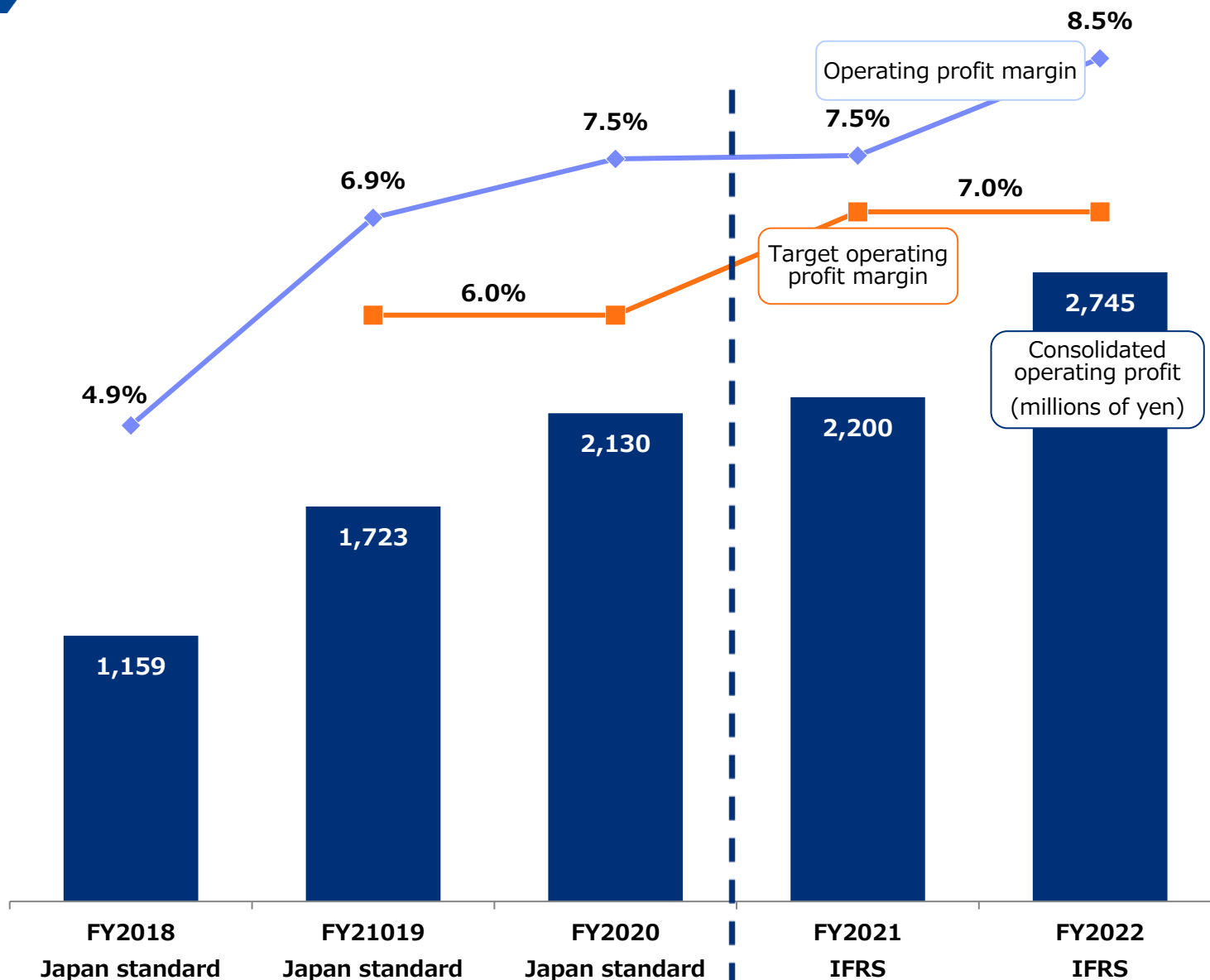
## Orders recovered and backlog increased

- Orders increased by 19.5% YoY, and backlog of orders also increased, surpassing FY2020.
- Revenue increased for 12 consecutive fiscal years
- In particular, growth in the information security field has contributed significantly.
- System development for accounting systems field and financial industry also recovered steadily.
- Management services are also generally firm

\* BBS changed to IFRS from the fiscal year ended March 2021, and the scope of consolidation has changed. Since the impact of this change is minor, the figures before the fiscal year ended March 2020 are not retroactively processed, and use the figures based on Japanese standards.

# [Financial Highlights] Consolidated Operating Profit

Continued growth



## 1. Expanded sales and improved gross profit margin

- Significant increase in information security sales and sales growth
- Improved gross profit margin in the accounting system field

## 2. Improved unprofitable business

- Outsourcing for global companies has turned profitable due to improvements in unprofitable businesses.

## 3. Decrease in IFRS cost adjustments

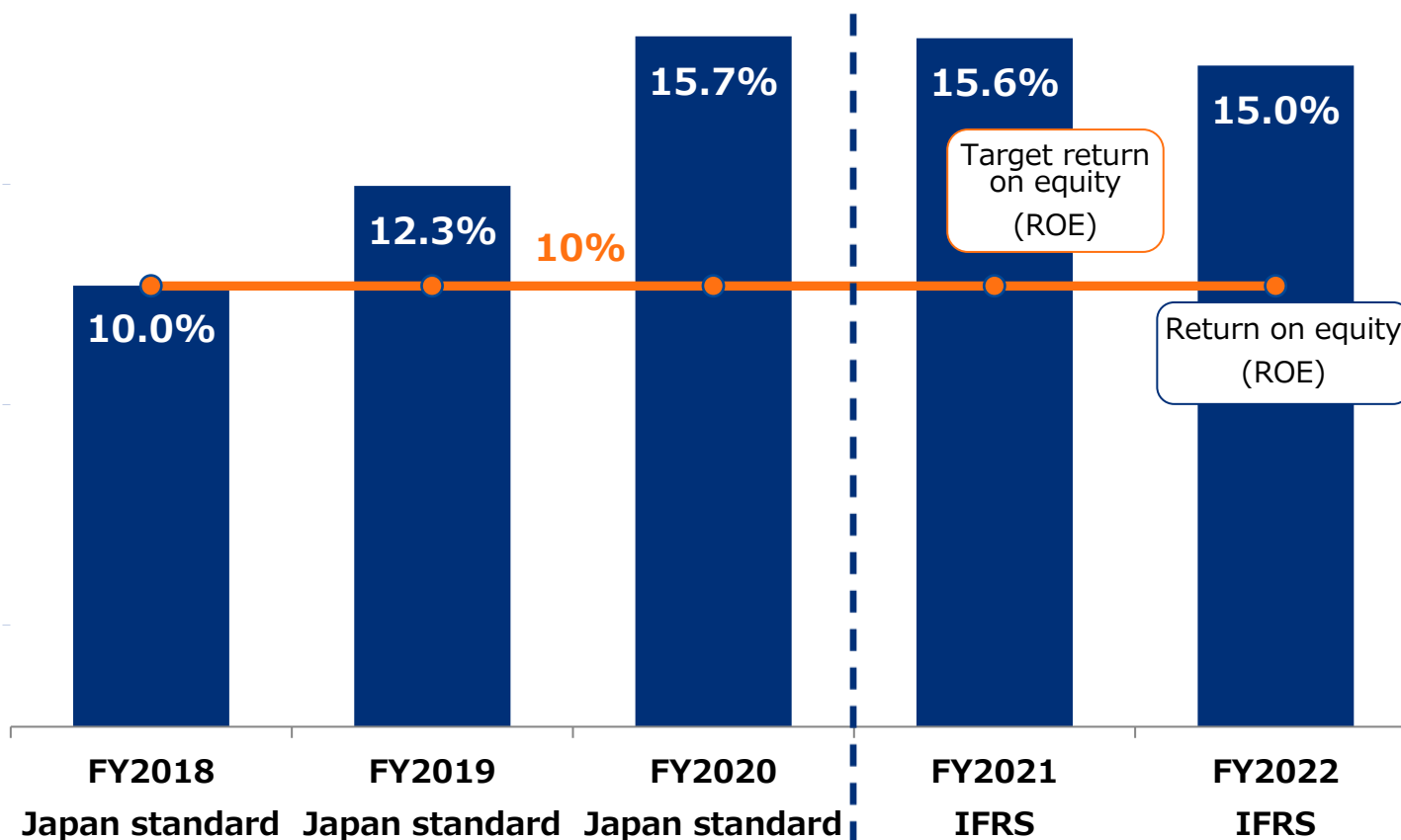
- Adjustment amount of 60 million yen (down 244 million yen from the previous fiscal year)
- Decrease in costs linked to stock price due to the decline in the stock price of the Company, etc.

## 4. Lower head office relocation costs

- Actual cost 392 million yen (down 58 million yen vs budget)
- Lower restoration costs



# [Financial Highlights] Return on Equity (ROE)



## Continuing to achieve the goal

### Profit margin on net sales (5.3% → 5.5%)

Continued improvement due to quality improvement measures that are an important part of the medium-term management plan.

### Total asset turnover (1.4 → 1.3)

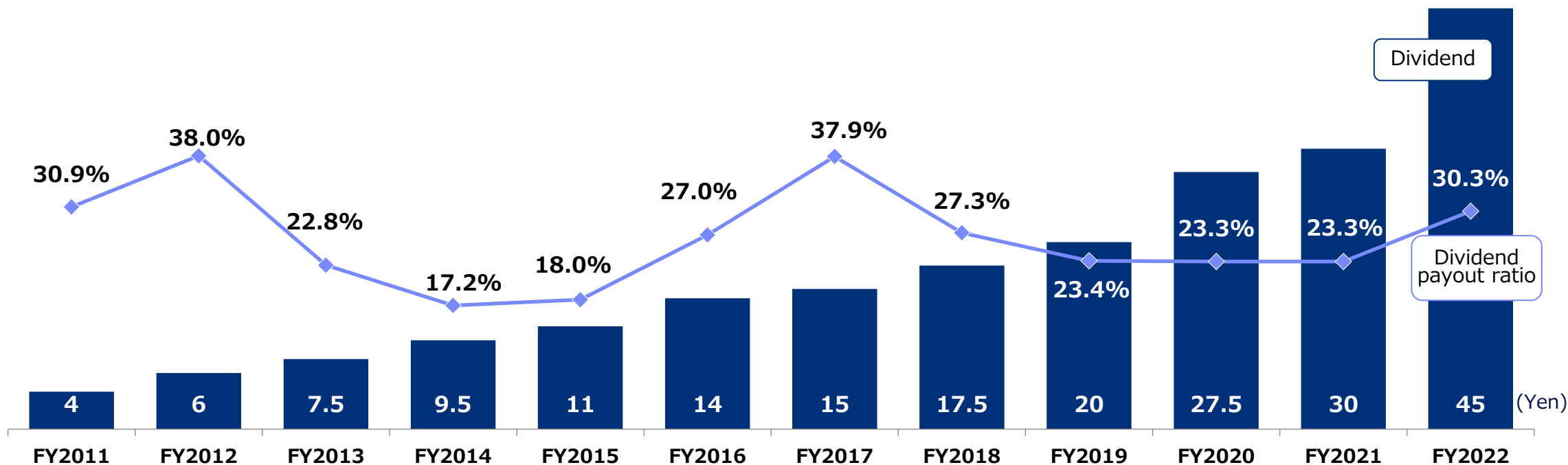
Slight decrease due to increase in right-of-use assets due to trade receivables and relocation of head office.

### Financial leverage (2.2 → 2.2)

No change from the situation of virtually debt-free management.

# [Financial Highlights] Annual Dividend

Decided on a basic policy of a dividend payout ratio of 30% and increased the annual dividend by 15 yen



\*The Company conducted a 2-for-1 stock split of common stock, effective July 1, 2020.

Accordingly, the annual dividend per share for the fiscal year ended March 31, 2020 and prior is shown after taking into account the stock split.

# [Financial Highlights] Income (Loss) by Segment

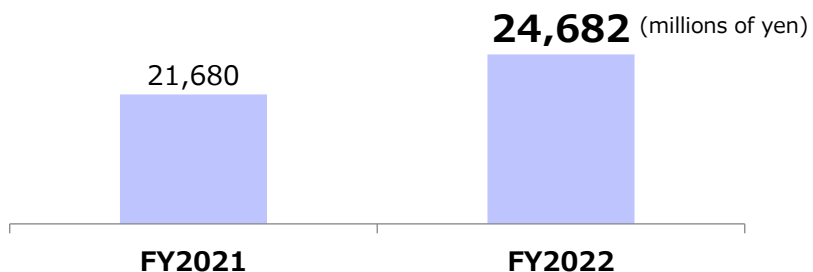
Significant increase in sales and profit in the consulting and system development businesses

## Consulting and system development business

## Management services (BPO) business

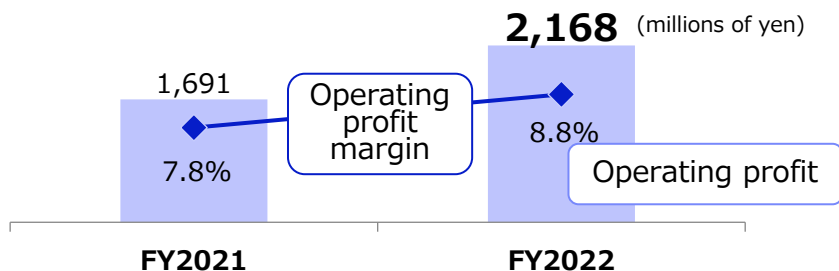
### Revenue

■ YoY: 3,002 million yen (+14%)



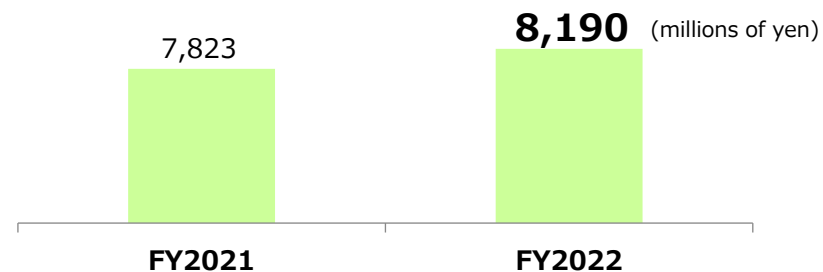
### Segment income

■ YoY: 477 million yen (+28%)



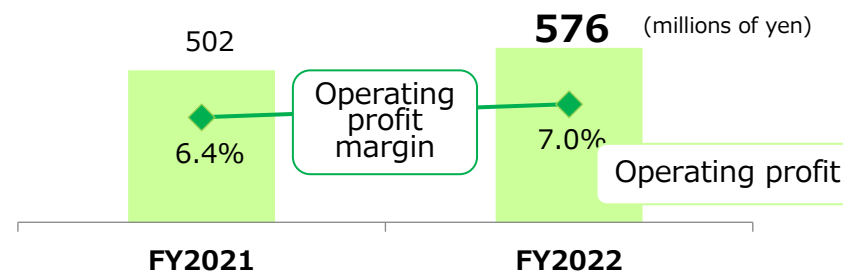
### Revenue

■ YoY: 367 million yen (+5%)



### Segment income

■ YoY: 74 million yen (+15%)



# [Financial Highlights] Consulting and System Development Business Details

(millions of yen)

	Revenue				Segment income			
	Year ended March 31, 2021	Year ended March 31, 2022	YoY Increase (decrease)		Year ended March 31, 2021	Year ended March 31, 2022	YoY Increase (decrease)	
Accounting system consulting and system development	13,329	14,811	1,482	↑	1,224	1,541	317	↑
System development for the financial industry	4,824	5,259	435	↑	119	298	179	↑
Information security consulting	2,916	4,366	1,450	↑	231	318	87	↑
PLM support solutions	875	766	-109	↓	118	80	-38	↓
(Adjustment)	-264	-520	-256		-1	-69	-68	
<b>Segment total</b>	<b>21,680</b>	<b>24,682</b>	<b>3,002</b>	<b>↑</b>	<b>1,691</b>	<b>2,168</b>	<b>477</b>	<b>↑</b>

■ **Accounting system consulting and system development**

Sales increased due to recovery in orders since 2Q. JW, acquired in August, also contributed in the 2nd half (approx. 400 million yen).

Profit increased due to increased sales, stable quality, and improved profit margins resulting from high capacity utilization despite the cost of relocating head office.

■ **System development for the financial industry**

Sales increased (returned to FY2020 level), partly due to the rebound from the investment restraint during the COVID-19 pandemic in the previous fiscal year, and profits increased due to an increase in high-profit projects and profit recovery.

■ **Information security consulting**

Sales increased significantly due to the increase in information security measures promoted through digital transformation, and profits increased due to the effect of increased sales. GSX was listed on TSE Mothers in December 2021.

■ **PLM support solutions**

Sales decreased mainly due to investment restraint by major customers in the mobility field, while profits were secured due to the effect of collaboration within group companies.

# [Financial Highlights] Management Services (BPO) Business Details

(millions of yen)

	Revenue			Segment income		
	Year ended March 31, 2021	Year ended March 31, 2022	YoY Increase (decrease)	Year ended March 31, 2021	Year ended March 31, 2022	YoY Increase (decrease)
HR and payroll related outsourcing	3,272	3,243	-29 →	410	307	-103 →
Outsourcing for global companies	1,421	1,918	497 ↗	-62	143	205 ↗
Outsourcing for foreign companies	875	898	23 ↗	64	66	2 →
Onsite BPO	2,301	2,236	-65 →	102	116	14 →
(Adjustment)	-46	-105	-59	-12	-56	-44
<b>Segment total</b>	<b>7,823</b>	<b>8,190</b>	<b>367 ↗</b>	<b>502</b>	<b>576</b>	<b>74 ↗</b>

■ **HR and payroll related outsourcing**

Profit declined due to some unprofitable projects. Sales remained flat due to the inability to expand sales by responding to unprofitable projects.

■ **Outsourcing for global companies (supporting BPO for highly specialized business operations, etc.)**

Sales increased due to an increase in sales from under performing subsidiaries, full-year contributions and scale expansion of projects acquired in the previous fiscal year, and other sales activities steadily increased, and profits also increased significantly due to unprofitable PJ processing in the previous fiscal year and improvement of under performing subsidiaries.

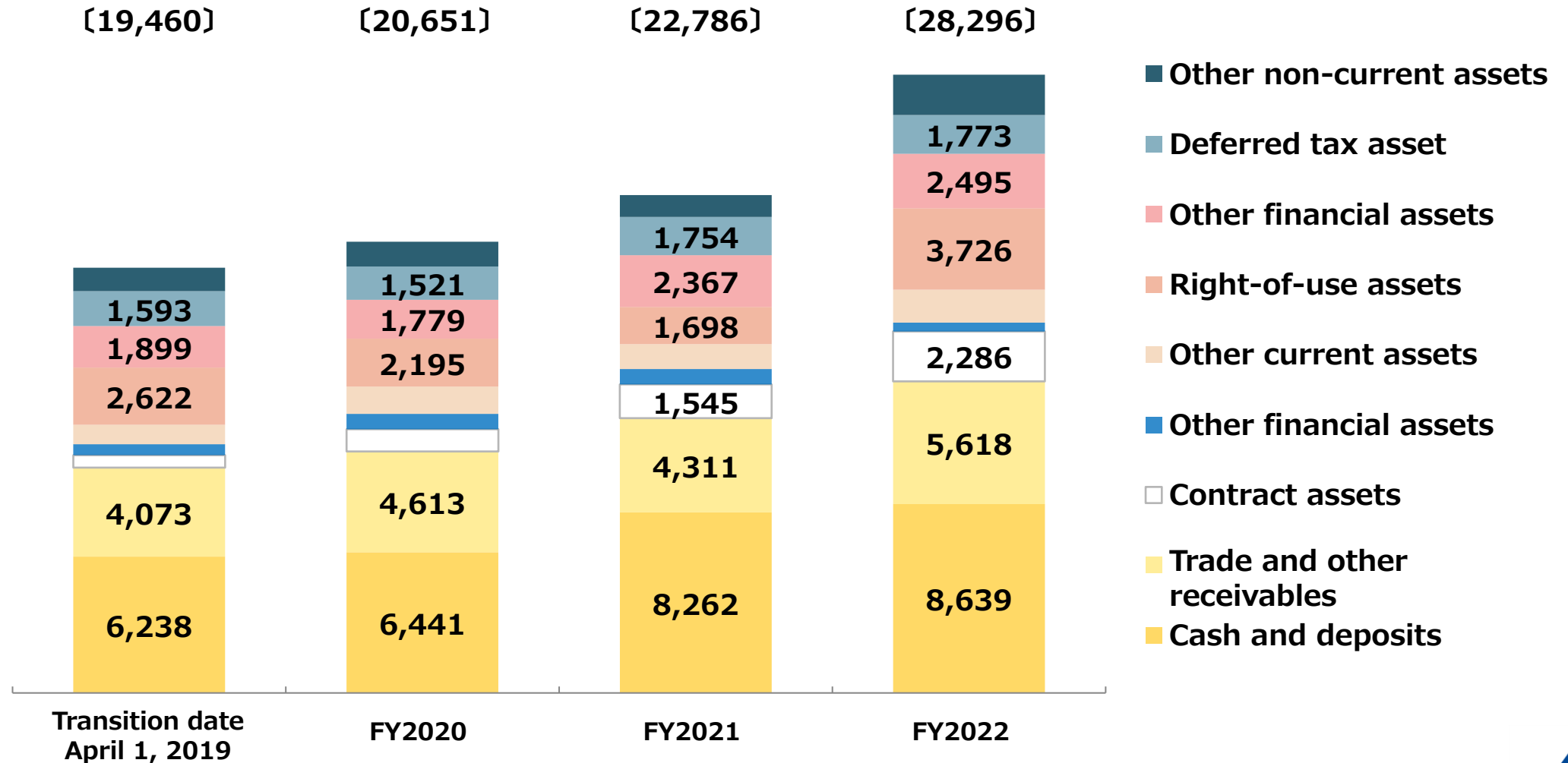
■ **On-site BPO**

Although the special demand from major clients in the previous fiscal year ran its course, the sales contraction was controlled by strengthened sales efforts, and profits remained mostly flat due to cost containment such as encouraging telework.

# [Financial Highlights] Consolidated B/S [Assets] (IFRS)

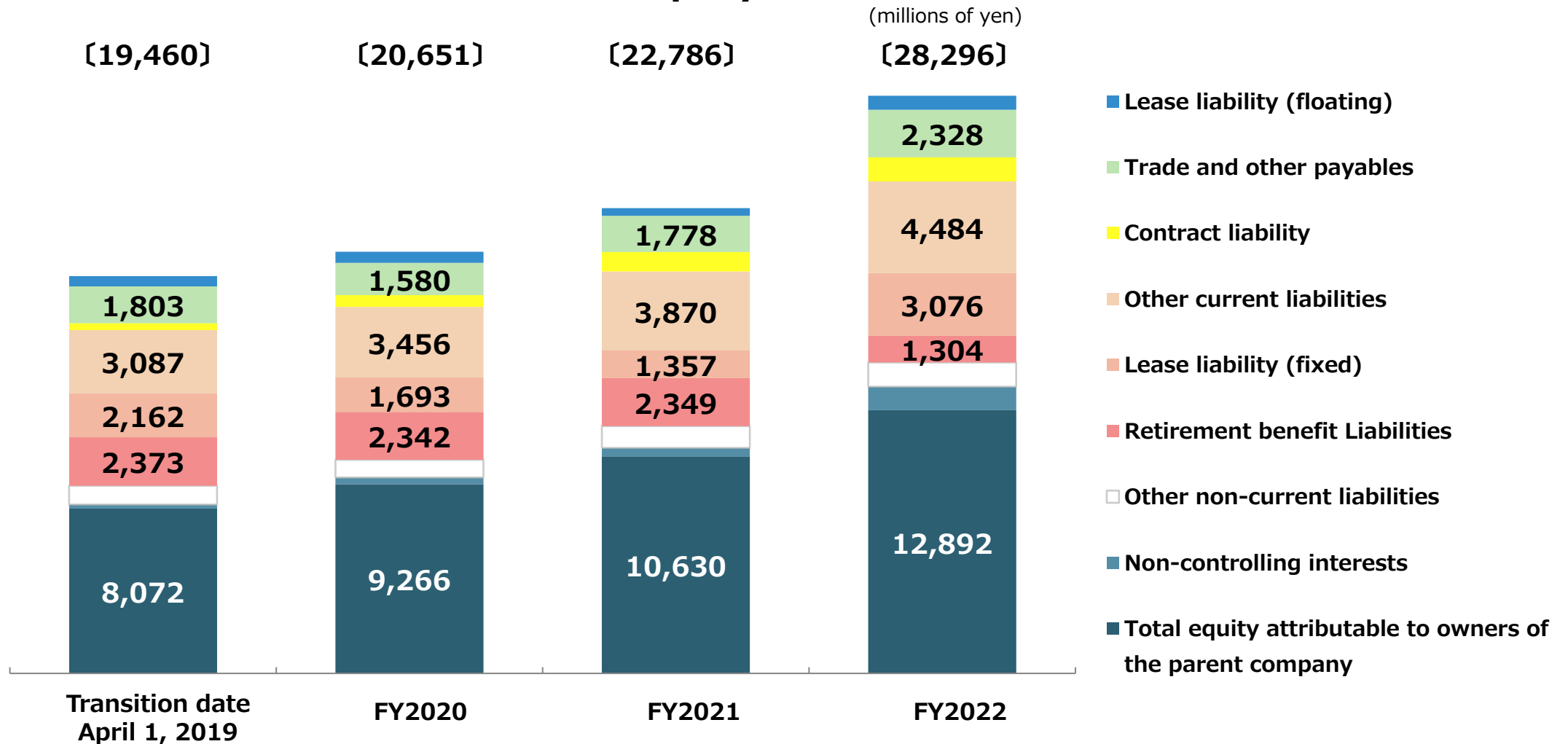
## Assets

(millions of yen)



# [Financial Highlights] Consolidated B/S [Liabilities and Equity] (IFRS)

## Liabilities and Equity



# Earnings Forecast



# [Financial Highlights] Consolidated Operating Results



Steady increase in sales and profit is forecast to realize the medium-term management plan, reflecting the recovery of the order environment.

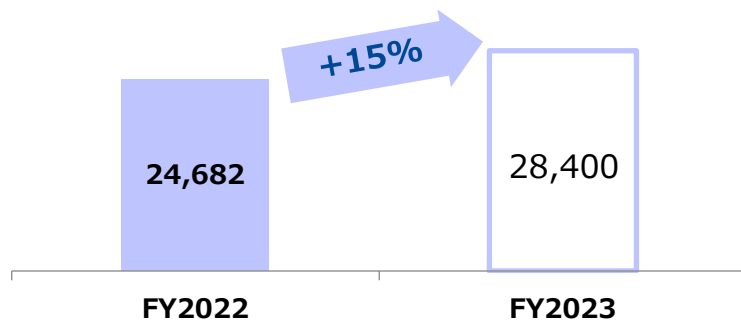
(millions of yen)

	Fiscal year ended March 2022 (actual)	Fiscal year ending March 2023 (forecast)	Difference	YoY change
Orders received	33,647	40,000	6,353	+18.9%
Revenue	32,346	36,000	3,654	+11.3%
Operating profit	2,745	3,000	255	+9.3%
Ratio of Operating profit	8.5%	8.3%	-0.2%	-
Profit before tax	2,792	3,000	208	+7.4%
Ratio of Profit before tax	8.6%	8.3%	-0.3%	-
Profit	1,810	2,000	190	+10.5%
Profit attributable to owners of parent	1,764	1,800	36	+2.0%
Dividends per share	45 yen	45 yen	-	-

# [Earnings Forecast]

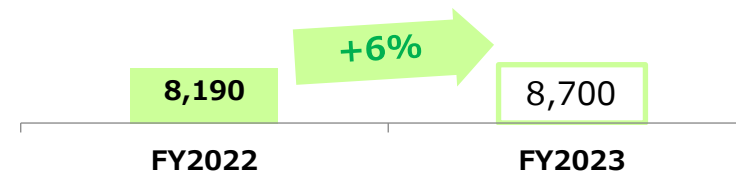
## 1. Increase in revenue 11.3%

### Consulting and system development business



- Continued expansion of information security is expected.
- Accounting systems is also expected to grow steadily, and JW and BSC will contribute to the full year.
- PLM solutions to recover

### Management services (BPO) business



- Expansion is expected in the future with the prospect of handling unprofitable HR payroll outsourcing projects in sight.
- Increased capacity for outsourcing to global companies with the opening of the new Kagoshima Center.
- Basically, a stock-type business that is stable

## 2. Strategic investments 300 million yen

- Secure core human resources - Actively recruit PMs and other mid-level employees, strengthen digital transformation training
- Quality improvement - Establish a quality control system with emphasis on quality in advance
- New Kagoshima BPO Center opened

# Thank you for joining us today.

## NOTE

The earnings forecasts in this document are based on management's assumptions and beliefs in light of the information available to it at the time of writing. Actual results may differ from these forecasts due to various factors and risks, and no assurances or guarantees are given.

**Inquiries about this material**

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Corporate Planning Division, Administration Division

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# APPENDIX

# FBS Fund Wrap Package Adoption Booming

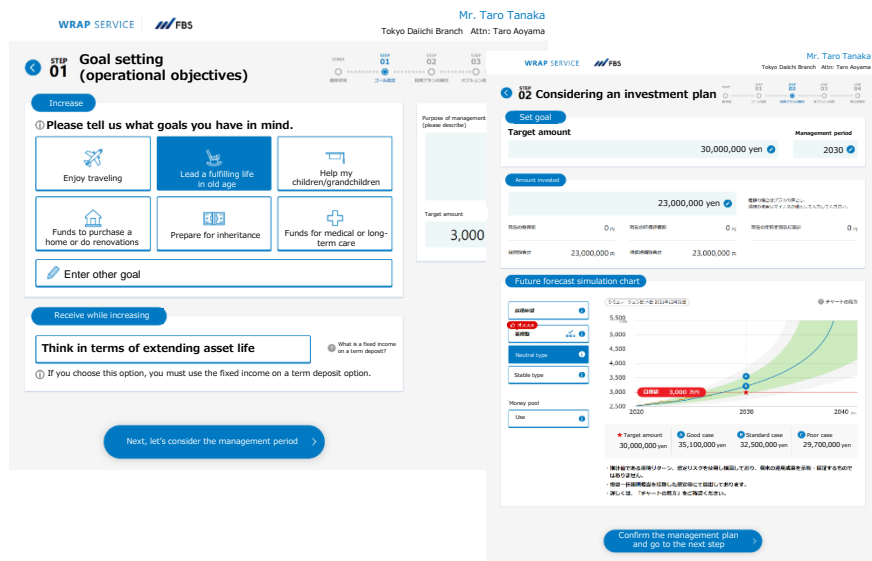
Establishment of Asset Management Consulting Division and efforts to develop new solutions

- (1) Developed a new asset management advice support tool, GBA\*, and released it to financial institutions in the system in April 2022
- (2) Plan to expand package to balance fee business to get out of commission business

\*GBA: Goal-based approach. An asset management approach to achieve personal financial goals

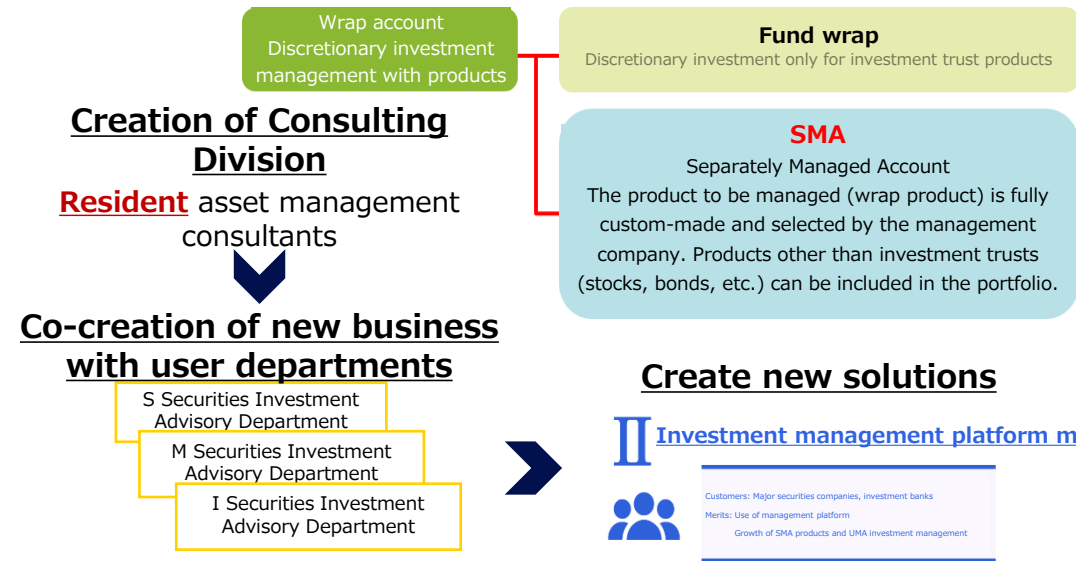
## (1) "New wrap package function" Installed at 4 companies

- New**
  - Completed model III for banks
  - Equipped with new GBA functions



## (2) "Fund Wrap Package Expansion" SMA / balance fee engine

- Create**
  - Creation of new solutions
  - Created Consulting Division



# PTJ Business-to-Business (B2B) Payment Solutions

## The best solutions for retaining corporate customers and ongoing transactions

- Upgraded the old system for Cat Financial using remote agile development, a first for the BBS Group. Development was accomplished in a short time frame of approximately one year.
- In the B2B market, settlement using house credit, etc., is flourishing, especially in the United States. It is estimated that B2B payments in Japan have reached a scale of approximately 700 to 950 trillion yen, exceeding the B2C market, and further expansion is expected. We will continue to add optional functions and cloud products so that more companies can use this solution.



### ★ Key points of this project ★

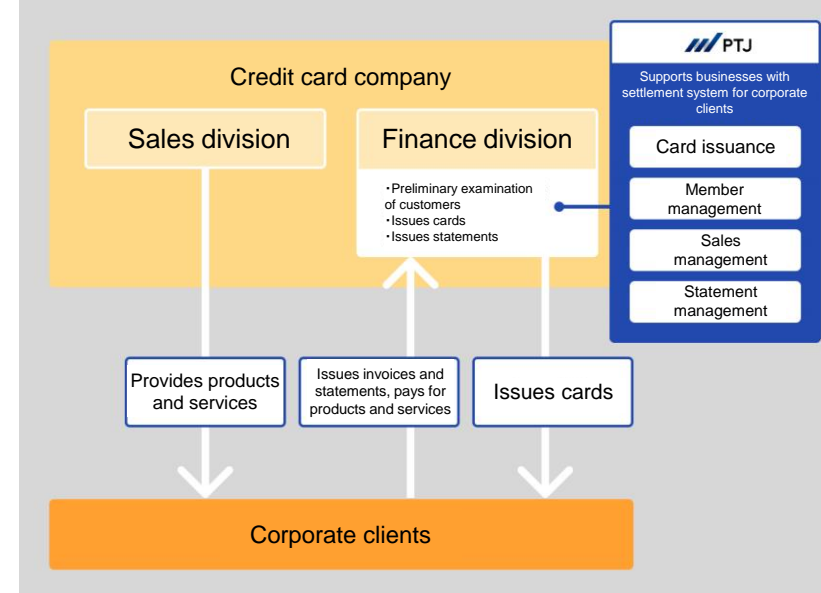
Remote agile development

Fully remote development system

Python programming language

Uses AWS

### Overview of B2B payment solution system



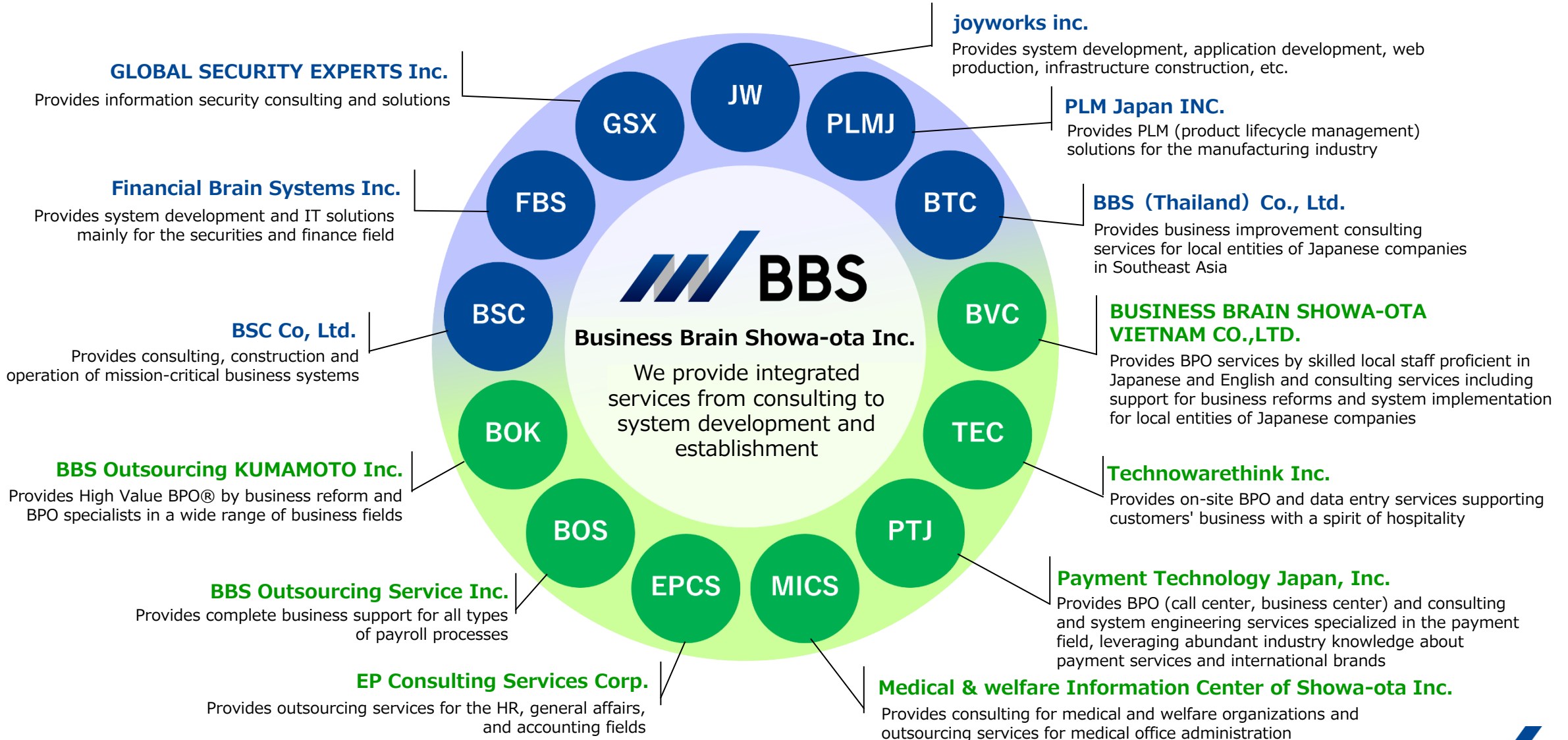
# Company Profile

<b>Name</b>	株式会社ビジネスブレイン太田昭和
<b>Name in English</b>	Business Brain Showa-Ota Inc.
<b>Headquarters</b>	15F Hibiya Fort Tower, 1-1-1 Nishishimbashi, Minato-ku, Tokyo
<b>Offices</b>	Headquarters, Osaka Branch, Nagoya Branch, Shizuoka Branch, Shizuoka Office (Outsourcing Services Division)
<b>Representative</b>	Kazuhiro Komiya, President
<b>Founded</b>	August 1967
<b>Capital</b>	2,233,490,000 yen
<b>Number of issued shares</b>	12,725,000
<b>Listed market</b>	TSE Prime (Securities Code: 9658)
<b>Number of Employees</b>	627 (non-consolidated) 1,679 (consolidated)*

\*Including 13 consolidated subsidiaries of BBS Group  
BBS Group Network URL: <https://www.bbs.co.jp/corporate/group/>

(As of the end of March 2022)

# Company Profile BBS Group Network





**END**