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Consolidated Financial Results for the First Quarter Ended June 30, 2026
(Under Japanese GAAP)

November 14, 2025

Company name: BrainPad Inc.
Listing: Tokyo Stock Exchange
Securities code: 3655
URL: https://www.brainpad.co.jp/english/
Representative: Tomohiro Sekiguchi, Representative Director, President and CEO
Inquiries: Natsuki Shinki, Chief Financilal Officer
Telephone: +81-3-6721-7001
Scheduled date to commence dividend payments: -
Preparation of supplementary material on quarterly financial results: Yes
Holding of financial results briefing: Yes (for institutional investors and analysts)

(Millions of yen, rounded down to the nearest million)

1. Consolidated financial results for the first quarter ended September 30, 2025 (July 1, 2025 - September 30, 2026)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributed to owners of parent	
First quarter ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2026	2,808	△0.0	107	△77.1	119	△76.5	73	△78.2
September 30, 2025	2,808	10.8	469	66.2	511	63.3	336	70.1

Note: Comprehensive income For the first quarter ended September 30, 2026: ¥68 million [△80.1%]
For the first quarter ended September 30, 2025: ¥342 million [71.4%]

	Basic earnings per share	Diluted earnings per share
First quarter ended	Yen	Yen
September 30, 2026	3.51	―
September 30, 2025	15.74	―

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
As of	Millions of yen	Millions of yen	%
September 30, 2025	7,002	5,630	80.4
June 30, 2024	7,518	5,765	76.7

Reference: Equity As of September 30, 2026: ¥5,630 million As of September 30, 2025: ¥5,765 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended June 30, 2025	-	0.00	-	8.00	8.00
Fiscal year ending June 30, 2026	-	0.00			
Fiscal year ending June30,2026(forecast)			-	0.00	0.00

Note: Revisions to the forecast of cash dividends most recently announced: None

3.Forecast of Consolidated Financial Results for the Fiscal Year Ending June 30, 2025 (July 1, 2025 - June 30, 2026)

(Percentage figures are changes from the previous year)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
full year	13,500	14.7	1,750	11.1	1,750	7.6	1,150	8.1	54.57

Note: Revisions to the forecast of financial results most recently announced: No

* Notes

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): Yes

Newly included: - 1 company (Company name) BrainPad AAA Inc.

Excluded: - companies

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None

(3) Changes in accounting policies, changes in accounting estimates, and restatements

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: None

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(4) Number of shares issued shares (common stock)

(i) Total number of issued shares at the end of the period (including Treasury Stocks)

As of September 30, 2026	22,300,596 shares
As of September 30, 2025	22,300,596 shares

(ii) Number of Treasury Stocks at the end of the period

As of September 30, 2026	1,412,005 shares
As of September 30, 2025	1,409,037 shares

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Three months ended September 30, 2026	20,888,766 shares
Three months ended September 30, 2025	21,401,176 shares

* Review of Quarterly Consolidated Financial Statements by Certified Public Accountant or Audit Firm: None

* Explanation on the appropriate use of earnings forecasts and other special notes

1. The forward-looking statements such as earnings forecasts stated in this document are based on the information currently available to the Company and certain assumptions that the Company judges as rational. These statements are not guarantees of future performance. Actual performance may significantly differ from these forecasts due to various factors in the future. For the conditions on which financial results forecasts are based and the notes on the use of these forecasts, please refer to "(3) Explanation of Consolidated Earnings Forecasts and Other Forward-looking Information" on page 3.
2. Supplementary material on quarterly financial results are disclosed on TDnet on the same day.

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1. Qualitative Information for Financial Results for the First Quarter of the Fiscal Year Ending June 30, 2026

(1) Explanation of Operating Results

During the first quarter consolidated cumulative period under review, the Japanese economy continued to lack vigor. Exports were notably sluggish due to the impact of the U.S. administration's tariff policies, and the pace of recovery in personal consumption also showed signs of deceleration. Meanwhile, the domestic ICT services market continued its solid growth. Demand was robust, driven by steady corporate appetite for capital investment, the modernization of existing systems across various industrial sectors, and expanding system investments for DX (Digital Transformation).

Under these circumstances, the Group fundamentally overhauled its management policy and structure on July 1, 2023, and commenced operations based on its new medium-term management plan (for the period ending June 30, 2024, to June 30, 2026). The Group positioned this three-year period as a "**structural reform period**." In the first year of the plan, the previous consolidated fiscal year (ending June 30, 2024), we were able to recover the **profit margin**—the top priority—faster than initially anticipated. Subsequently, in the second year of the plan, the previous consolidated fiscal year (ending June 30, 2025), we switched the top priority to **expansion of business scale and sales growth**, achieving both over 10% sales growth and the maintenance of the improved profit margin. Based on this steady progress, in the final year, the current consolidated fiscal year, we aim to complete the structural reform accompanied by the acceleration of sales growth through bold investments, including M&A.

In the current consolidated fiscal year, the Group has adopted a policy of investing not only in mid-career hiring activities but also in securing subcontracting partners to enhance human resources, with a view to future sales expansion. The sales growth rate during the first quarter consolidated cumulative period under review remained at the same level as the prior year's corresponding quarter. While the Product business performed strongly, exceeding the initial plan, this was offset by the continuing impact of delays in new orders in the Professional Services Business, which occurred in the fourth quarter of the previous consolidated fiscal year.

On the profit front, the decrease in net sales (remaining flat year-on-year), coupled with increased expenses due to the consolidation of BrainPad AAA, Inc. (a consolidated subsidiary specializing in AI agent business) from this first quarter cumulative period and the ramping up of subcontracting partners, resulted in a decrease in both the profit amount and profit margin compared to the prior year's corresponding quarter. This profit trend, however, is within the scope of the initial plan's assumptions.

As a result, the consolidated business results for the first quarter consolidated cumulative period were as follows: net sales of 2,808,272 thousand yen (down 0.0% year-on-year), operating profit of 107,259 thousand yen (down 77.1% year-on-year), ordinary profit of 119,957 thousand yen (down 76.5% year-on-year), and quarterly net profit attributable to parent company shareholders of 73,368 thousand yen (down 78.2% year-on-year).

The summary of the results by reportable segment for the first quarter consolidated cumulative period under review is as follows:

(Professional Services Business)

The Professional Services Business assists client companies with data utilization through consulting, including data analysis and system development, and human support. The target for this business in the current consolidated fiscal year is to raise the sales growth rate to around 17%-18%. Key challenges for achieving this goal include internal productivity reform utilizing AI and the refinement and sophistication of the in-house development support model.

During the first quarter consolidated cumulative period under review, sales fell below the prior year's corresponding quarter, as the impact of the new order delay that occurred in the fourth quarter of the previous consolidated fiscal year continued. On the profit front, the increase in personnel expenses due to the placement of new graduates, along with the rise in outsourcing costs from the strengthening of subcontracting partners, became a downward factor. Consequently, both segment profit amount and profit margin fell below the prior year's corresponding quarter.

As a result, **net sales** amounted to 1,918,690 thousand yen (down 4.7% year-on-year) and **segment profit** amounted to 677,708 thousand yen (down 25.1% year-on-year).

(Product Business)

The Product Business assists client companies with data utilization through the provision of in-house and third-party products. The planned sales growth rate for this business in the current consolidated fiscal year is around 5%. The key challenge is to achieve early monetization of new products and the AI agent business to lead to sales expansion in the subsequent consolidated fiscal years.

The **net sales** for the first quarter consolidated cumulative period under review significantly exceeded the prior year's corresponding quarter, driven by the high growth rate of "Ligla," a product developed and offered by the consolidated subsidiary Time Technologies, Inc. On the profit front, both the segment profit amount and segment profit margin fell below the prior year's corresponding quarter. This was primarily due to increased outsourcing costs from the strengthening of subcontracting partners, in addition to the consolidation of BrainPad AAA, Inc., which is in a phase of aggressive up-front investment.

As a result, **net sales** amounted to 891,981 thousand yen (up 12.3% year-on-year) and **segment profit** amounted to 117,192 thousand yen (down 44.3% year-on-year).

(2) Explanation of Financial Condition

(i) Analysis of Financial Condition

(Assets)

The balance of Current assets at the end of the first quarter consolidated fiscal period amounted to 4,986,141thousand yen, a decrease of 265,401 thousand yen from the end of the previous consolidated fiscal year. This was mainly due to a decrease in Cash and deposits of 207,251 thousand yen and a decrease in Notes and accounts receivable - trade of 56,122 thousand yen. The balance of Non-current assets totaled 2,016,401 thousand yen, a decrease of 250,839 thousand yen from the end of the previous consolidated fiscal year. This was mainly due to a decrease in Investments and other assets of 186,527 thousand yen and a decrease in Goodwill of 32,769 thousand yen .As a result, Total assets decreased by 516,240 thousand yen from the end of the previous fiscal year to 7,002,542 thousand yen.

(Liabilities) The balance of Current liabilities at the end of the first quarter consolidated fiscal period amounted to 1,180,449 thousand yen, a decrease of 376,223 thousand yen from the end of the previous consolidated fiscal year. This was mainly due to a decrease in Income taxes payable of 320,747 thousand yen and a decrease in Provision for bonuses of 76,919 thousand yen, while there was an increase in Contract liabilities of 56,252 thousand yen.The balance of Non-current liabilities totaled 191,142 thousand yen, a decrease of 5,239 thousand yen from the end of the previous consolidated fiscal year. This was primarily due to a decrease in Other non-current liabilities of 5,313 thousand yen.As a result, Total liabilities decreased by 381,463 thousand yen from the end of the previous fiscal year to 1,371,591 thousand yen.

(Net assets) Total net assets at the end of the first quarter consolidated fiscal period amounted to 5,630,951 thousand yen, a decrease of 134,777 thousand yen from the end of the previous consolidated fiscal year. This was mainly due to a decrease in Retained earnings of 129,692 thousand yen.As a result, the equity ratio was 80.4%.

(iii) Explanation of consolidated earnings forecasts and other forward-looking information

The "Basic Policy for Economic and Fiscal Management and Reform 2025" and the "Grand Design and Action Plan for a New Form of Capitalism 2025 Revision," presented by the Japanese government in June 2025, advocate for promoting innovation such as AI and advancing strategic data policies by considering systems to promote data utilization for the growth of the Japanese economy. Concurrently, the shortage of domestic IT human resources to drive DX and data/AI utilization continues to be serious. Therefore, the Group's medium-term management plan (for the period ending June 30, 2024, to June 30, 2026) outlines a growth strategy that perceives the two-pronged management challenges—corporate investment in DX and data/AI utilization (demand side) and solving the IT human resource shortage supporting that promotion (supply side)—as business opportunities.

The Group aims to complete the structural reform accompanied by the acceleration of sales growth through bold investments, including M&A, in the current consolidated fiscal year, which is the final year of the plan. Accordingly, the full-year consolidated earnings forecast is net sales of 13,500 million yen, operating profit of 1,750 million yen, ordinary profit of 1,750 million yen, and net profit attributable to owners of parent of 1,150 million yen. Although the sales progress in the first quarter consolidated cumulative period was slightly below plan, the sales pipeline for the second quarter and beyond is ample, and the profit trend is within the scope of the initial plan's assumptions. Therefore, there is no change to the full-year consolidated earnings forecast.

(The forecasts are based on information currently available to the Company and include potential risks and uncertainties. Therefore, actual results may differ from these forecasts due to changes in various factors, including the economic environment.)

2. Quarterly consolidated financial statements and major notes

(1) Quarterly Consolidated Balance Sheets

(Unit: thousand yen)

	As of June 30, 2025	As of September 30, 2025
Assets		
Current assets		
Cash and deposits	3,395,540	3,188,288
Accounts receivable - trade (注1)	1,316,528	1,260,405
Electronically recorded monetary claims	40,810	30,800
Work in process	16,657	21,762
Prepaid expenses	459,515	473,116
Other	22,491	11,768
Total current assets	5,251,542	4,986,141
Non-current assets		
Property, plant and equipment	406,197	381,712
Intangible assets		
Software	137,236	141,571
Goodwill	294,924	262,155
Other	171,470	160,077
Total intangible assets	603,631	563,804
Investments and other assets	1,257,411	1,070,884
Total non-current assets	2,267,241	2,016,401
Total assets	7,518,783	7,002,542

(Unit: thousand yen)

	As of June 30, 2025	As of September 30, 2025
Liabilities		
Current liabilities		
Accounts payable - trade	131,790	119,866
Accounts payable - other	279,123	262,923
Accrued expenses	152,181	139,300
Income taxes payable	365,108	44,361
Contract liabilities	243,135	299,388
Provision for bonuses	161,681	84,762
Provision for bonuses for directors (and other officers)	9,992	4,141
Provision for loss on order received (注1)	6,130	1,275
Other	207,529	224,430
Total current liabilities	1,556,672	1,180,449
Non-current liabilities		
Asset retirement obligations2	148,558	148,632
Other4	47,823	42,509
Total non-current liabilities6	196,382	191,142
Total liabilities8	1,753,054	1,371,591
Net assets10		
Shareholders' equity12		
Share capital14	597,809	597,809
Capital surplus16	574,509	574,509
Retained earnings18	6,362,645	6,232,952
Treasury S20tocks	△1,776,699	△1,776,699
Total shareholders' equity	5,758,265	5,628,572
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	7,462	2,378
Total accumulated other comprehensive income	7,462	2,378
Total net assets	5,765,728	5,630,951
Total liabilities and net assets	7,518,783	7,002,542

(2) Quarterly Consolidated Statements of Income and Quarterly Consolidated Statements of Comprehensive Income

（Quarterly Consolidated Statements of Income (Cumulative Consolidated Period for the First Quarter)

(Unit: thousand yen)

	As of September 30, 2025	As of September 30, 2025
Net sales	2,808,299	2,808,272
Cost of sales	1,457,801	1,620,092
Gross profit	1,350,497	1,188,180
Selling, general and administrative expenses	881,402	1,080,921
Operating profit	469,095	107,259
Non-operating income		
Interest and dividend income	197	2,475
Sales incentives received	8,329	2,501
Foreign exchange gains	588	―
Subsidy income	28,181	―
Share of profit of entities accounted for using equity method	5,124	13,675
Other	6,124	4,048
Total non-operating income	48,545	22,702
Non-operating expenses		
Foreign exchange losses	―	447
Loss on investments in investment partnerships	6,568	6,778
Commission expenses		
Other	5	107
Total non-operating expenses	6,574	10,003
Ordinary profit	511,066	119,957
Profit before income taxes	511,066	119,957
Income taxes - current	157,067	27,895
Income taxes - deferred	17,180	18,693
Total income taxes	174,248	46,589
Profit (or Quarterly net income)	336,818	73,368
Profit attributable to noncontrolling interests	―	―
Profit attributable to owners of parent	336,818	73,368

(Quarterly Consolidated Statement of Comprehensive Income (Cumulative Consolidated Period for the First Quarter)

(Unit: thousand yen)

	Three months ended September 30,2025	Three months ended September 30,2026
Quarterly net Income	336,818	73,368
Other comprehensive income		
Net unrealized gains (losses) on available-for-sale securities, net of taxes	5,865	△5,084
Total other comprehensive income	5,865	△5,084
Quarterly comprehensive income	342,683	68,283
(Breakdown)		
Comprehensive income attributable to owners of the parent	342,683	68,283
Comprehensive income attributable to noncontrolling interests	―	―

(3) Notes to Quarterly Consolidated Financial Statements

(Notes Regarding Changes in the Scope of Consolidation or Application of the Equity Method Changes in the Scope of Consolidation)

From the first quarter consolidated fiscal period under review, BrainPad AAA, Inc. has been included in the scope of consolidation, as its increasing importance in the corporate group is anticipated.

(Notes to Segment Information, etc.)

Segment information

I The Previous First Quarter Consolidated Cumulative Period (From July 1, 2024 To September 30, 2024)

1. Information on net sales and profit or loss by reportable segment

(Unit: thousand yen)

	Reportable Segment			Adjustment (Note 1)	Amount recorded in quarterly consolidated statement of income (Note 2)
	Professional Services Business	Product Business	Total		
Net sales					
Sales to external customers	2,014,170	794,129	2,808,299	—	2,808,299
Intersegment sales and transfers	—	—	—	—	—
Total	2,014,170	794,129	2,808,299	—	2,808,299
Segment profit	905,226	210,472	1,115,699	△646,603	469,095

Notes: 1. The adjustment of segment profit includes corporate expenses of 646,603 thousand yen that are not allocated to each reportable segments. Corporate expenses mainly consist of selling, general and administrative expenses of the Group's sales and administrative departments, etc., which do not belong to any reportable segment.

2. Segment profit is adjusted with operating profit in the semi-annual consolidated statements of income.

2. Information on impairment loss on fixed assets and goodwill by reportable segment

(Significant impairment losses on non-current assets)

Not applicable.

(Significant changes in amount of goodwill)

Not applicable.

(Significant gain on negative goodwill)

Not applicable.

II. First Quarter period ended September 30, 2025 (July 1, 2025 through September 30, 2025)

1. Information on net sales and profit or loss by reportable segment

(Unit: thousand yen)

	Reportable Segment			Adjustment (Note1)	Amount recorded in quarterly Consolidated statement of income (Note 2)
	Professional Services Business	Product Business	Total		
Net sales					
Sales to external customers	1,916,290	891,981	2,808,272	―	2,808,272
Intersegment sales and transfers	2,400	―	2,400	△2,400	―
Total	1,918,690	891,981	2,810,672	△2,400	2,808,272
Segment profit	677,708	117,192	794,901	△687,642	107,259

Notes: 1. Adjustment of segment profit includes corporate expenses of 687,642 thousand yen that are not previously allocated to each reportable segments. Corporate expenses mainly consist of selling, general and administrative expenses of the Group's sales and administrative departments, etc., which are not attributable to any reportable segment.

2 . Segment income is adjusted with operating income in the Quarter consolidated statements of income.

2. Information on Impairment Loss on Fixed Assets and Goodwill by Reportable Segment

(Significant impairment losses on fixed assets)

Not applicable.

(Significant changes in the amount of goodwill)

Not applicable.

(Significant gain on negative goodwill)

Not applicable.

(Notes in the event of significant changes in shareholders' equity)

Not applicable.

(Notes on going concern assumption)

Not applicable.

(Notes on First Quarter Consolidated Statements of Cash Flows)

The consolidated statement of cash flows for the three months of the fiscal year ending June 30,2026 has not been prepared. The depreciation (including amortization of intangible fixed assets excluding goodwill) and amortization of goodwill for the three months of the fiscal year ending June 30,2026 are as follows.

(Unit: thousand yen)

	First Quarter ended September 30,2024	First quarter ended September 301,2025
Depreciation	60,535	59,193
Amortization of goodwill	32,769	32,769

(Change in presentation method)

Not applicable.

(Significant subsequent events)

(Acquisition of a Company through Share Acquisition)

Our company resolved at the Board of Directors meeting held on August 8, 2025, to acquire all shares of activecore, Inc , Ltd. and make it a subsidiary.

1. Purpose of the Share Acquisition

Purpose of the Share Acquisition In our current medium-term management plan (for the three-year period ending June 30, 2024, to June 30, 2026), we have positioned non-continuous growth through business alliances and M&A with technology companies, in addition to the organic growth of existing businesses leveraging our own management resources, as an important strategic measure. The reason for this share acquisition is to integrate activecore, Inc.'s BPaaS (Business Process as a Service) service model with the MarTech (Marketing Technology) expertise and professional services honed by our group since the 2000s. This integration will enable the Group to offer data-driven "marketing execution capability through co-creation with AI," with activecore, Inc. joining the Group.

2. Name of the Counterparties to the Share Acquisition

Hidehiko Hashiba

G.K. Luclos

3. Name, Business Description, and Scale of the Acquired Company

(1) Name of the Acquired Company	activecore, Inc.
(2) Business Description	Provision of IT services in the marketing domain
(3) Amount of Share Capital	10,000 thousand yen

4. Date of Share Acquisition

October 1, 2025

5. Number of Shares to be Acquired, Acquisition Price, and Ownership Percentage After Acquisition

(1) Number of Shares to be Acquired	20,000 shares
(2) Acquisition Price	520,000 thousand yen
(3) Ownership Percentage After Acquisition	100%

(Tender Offer for Our Company Shares, etc. by Fujitsu Limited)

Our company resolved at the Board of Directors meeting held on October 30, 2025, to express an opinion in support of the tender offer (hereinafter, the "Tender Offer") by Fujitsu Limited for our common shares (hereinafter, the "Company Shares") and to **recommend that our shareholders tender their shares** in the Tender Offer.

This resolution by the Board of Directors was made on the premise that the Company Shares would be delisted following the Tender Offer and subsequent series of procedures.

For details, please refer to the "Notice Regarding the Opinion in Support of the Tender Offer for the Shares of the Company by Fujitsu Limited, Recommendation to Tender the Shares, and Execution of the Business Integration Agreement" announced on October 30, 2025.