To our valued shareholders and investors

Financial Results for the First Three Months of the Fiscal Year Ending June 30, 2026

November 14, 2025
BrainPad Inc.
(Securities Code: 3655, Tokyo Stock Exchange Prime Market)

BrainPad

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.

Announced on October 30, 2025: Commencement of Tender Offer by Fujitsu and Conclusion of Business Integration Agreement

- We hereby announce the resolution by our Board of Directors to express an opinion in support of the tender offer for the common shares of BrainPad Inc. (hereinafter, the ”Company Shares”) by Fujitsu Limited (Securities Code: 6702), recommend that our shareholders tender their shares in the Tender Offer, and conclude a ”Business Integration Agreement” with Fujitsu.

- <u>Reasons for Expressing the Opinion in Support</u>
  - In addition to the synergy creation described below, the decision is based on the assumption that BrainPad's brand, experience as a pioneer in Data & AI utilization support in Japan, and the talent and culture of our employees will be respected, and the operational independence and brand of BrainPad will be maintained for the time being after the completion of this transaction.
    - The BrainPad brand is expected to be positioned as one of Fujitsu 's core brands in the Data & AI domain.

➡ <u>Refer to the latter half of the document for an overview of the “Business Integration Agreement” based on conditions that respect BrainPad's independence.</u>

- <u>Key Synergies Expected from This Transaction</u>
  - Significant acceleration of BrainPad's growth by leveraging Fujitsu's robust business foundation, one of the largest in Japan.
  - Improvement of management flexibility through the privatization of BrainPad shares and **bold investment** toward medium- to long-term growth.
  - Promotion of the utilization of Fujitsu's unique cutting-edge technologies.

- <u>To Our Shareholders</u>
  - Documents regarding the application procedures for the Tender Offer will be sequentially mailed to shareholders listed or recorded in the shareholder register as of the end of June 2025.
  - The same documents have also been posted on our website. Please check them for details on the application process and procedures.

Executive Summary: Positioning of the Current Fiscal Year (FY26), the Final Year of the Mid-Term Management Plan

- The previous fiscal year (FY25), the second year of our mid-term management plan titled "Structural Reform" (FY24-FY26), achieved our target of 10% or more sales growth. We accomplished our **21st consecutive year of revenue growth** and **renewed our highest profit on record for the second consecutive year.**
- For the current fiscal year (FY26), building on the foundation of success accumulated over the past two years, we aim not only for **the steady achievement of the initially established mid-term management plan** but also to step forward into pioneering new business models, refusing to be constrained by 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	• Improved paid utilization rates at PF Business • Review of SaaS cost structure • Strengthened business tactics through matrix organization	• Strengthen operating base/structure • Strengthen the trinity value proposition • Develop new solutions including Gen AI • Lay the foundation for discontinuous growth (M&A)	• 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	• Achieved profit margins that outperform the plans • Highest profits since the company was founded • Achieved sales growth for 20 consecutive fiscal periods	[Annual results]: Double-digit growth for both sales and profits • **Revenue**: YoY +11.5% = 21st consecutive year of revenue growth • **Operating Profit**: YoY +16.8% = Record-high profit • **Large-scale Share Buyback**: Total shareholder return ratio of approximately 70%	Shareholder Return Policy for FY26 •The previously planned ordinary dividend of 8 yen per share is subject to a revision to no dividend (zero), conditional upon the successful completion of the tender offer by Fujitsu.

Executive Summary: Q1 Start Within Expectations, Gradual Revenue Recovery Aimed at Full-Year Achievement

- FY26 will have a slow start due to the temporary slowdown in new orders in the previous Q4, resulting in a plan where both net sales and profit are heavily weighted toward the second half.
- Although net sales for the first quarter were slightly below plan, the sales pipeline for the second quarter and beyond is ample. Since the profit trend remains within the scope of our initial assumptions, there is no change to the full-year consolidated earnings forecast.

Unit: million yen

	a FY25-1Q	b FY26-1Q	b/a-1 Percentage increase/ decrease	c FY26 Forecast (Excluding M&A effects)	b/c Percentage increase/ decrease
Net Sales	2,808	2,808	-0.0%	13,500	20.8%
PF business	2,014	1,919	-4.7%	Targeting 17-18% growth	—
PD business	794	892	12.3%	Targeting over 5% growth	—
EBITDA Margin	20.0%	7.1%	—	Over 16%	—
Operating profit	469	107	-77.1%	1,750	6.1%
[Operating profit ratio]	[16.7%]	[3.8%]	—	[13.0%]	—
PF business	905	678	-25.1%	—	—
PD business	210	117	-44.3%	—	—
Adjusments *2	-647	-688	—	—	—
Ordinary profit	511	120	-76.5%	1,750	6.9%
Net income	337	73	-78.2%	1,150	6.4%

Top Priority Goal

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 Goal

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)

BrainPad

Analytics Innovation Company

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