

Translation

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October 31, 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,
 Group Management Supervisor
 (Telephone: +81-3-3507-1302)

Notice Concerning Changes in Dividend Policy, Determination of Dividends on Retained Earnings (Interim Dividends), and Revision of Dividend Forecast for the Fiscal Year Ending March 2026

BUSINESS BRAIN SHOWA-OTA INC. (the “Company”) hereby announces that at the Board of Directors meeting held on October 31, 2025, it resolved to change, decide, and revise the Company's dividend policy, dividends on surplus earnings (interim dividends) with a record date of September 30, 2025, and dividend forecasts for the fiscal year ending March 2026. The details are described below.

1. Details of changes to dividend policy

The underlined part will be the change.

(Before the change)

Since our founding, we have consistently considered returning profits to shareholders as one of our important management issues. With regard to profit distribution, the Company will implement a consolidated dividend payout ratio of 40%, excluding temporary profit and loss, taking into account the return of profits to shareholders based on the current fiscal year results and retained reserves to strengthen the financial position.

(After the change)

Since our founding, we have consistently considered returning profits to shareholders as one of our important management issues. Regarding profit distribution, the Company will implement a basic dividend on equity (DOE) ratio of 5%, taking into account stable return of profits to shareholders and internal reserves for growth.

The DOE calculation method is as follows.

DOE = Annual Dividends ÷ (total equity attributable to owners of the parent - other components of equity)

2. Reasons for the change in dividend policy

Since the Company has traditionally believed that dividends are the distribution of profits for the

current fiscal year, the ratio of dividends to current profit, or dividend payout ratio, has been the standard for dividends. In addition, in order to reduce fluctuations in dividend amounts as a result of which extraordinary gains or losses not arising from ordinary business operations, such as the restructuring of group companies, we have adopted a policy based on the consolidated dividend payout ratio, excluding temporary profit and loss items.

Based on this policy, we have strengthened shareholder returns and reviewed the dividend payout ratio in a timely manner, resulting in a continuous increase in dividends for more than 10 years.

On the other hand, we also received requests for more stable dividends and feedback indicating difficulty of understanding "excluding temporary profit and loss items". Furthermore, with the listing of our affiliated company, Global Security Expert, we believe it is necessary to consider the size of our equity capital, as our equity capital has increased significantly.

In order to continue increasing dividends in line with the increase in profits while addressing these issues such as stable dividends, we have determined that the dividend on equity (DOE) is a more appropriate benchmark, and we will change our dividend policy to a dividend policy based on 5% of the DOE, taking into account the stable return of profits to shareholders and internal reserves for growth.

The amount of dividends is approximately 3.4% when converted into DOE, and according to the Tokyo Stock Exchange (Note), DOE for all industries and 3.26% for all industries in the fiscal year ended March 2025 is 3.26%, which is still above the average. However, in the revised policy, taking into account the opinions of shareholders and the Company's financial details, we have raised the percentage from the current level by about 1.6% to 5%.

The DOE's 5% is equivalent to 60% of the conventional consolidated dividend payout ratio, but we believe that the Company's financial position allows us to maintain dividends without hindering growth investments. In addition, we believe that this will result in a dividend yield of approximately 4.5% at the current stock price level (approximately 3,000 yen), and that a certain dividend yield can be secured for the immediate rise in stock prices. As a result of the review of the shareholder benefit system, the maximum yield including shareholder benefits will be about 5.5%.

Note: TSE materials : <https://www.jpx.co.jp/markets/statistics-equities/examination/index.html>

3. Details of dividends (interim dividends)

Based on the revised dividend policy, we have decided to increase the dividend (interim dividend) on surplus earnings with a record date of September 30, 2025 by 29.50 yen per share to 66.50 yen per share compared to the previous forecast.

	Determined amount	Most recent dividend Forecast (Announced on May 13, 2025)	(Reference) Dividends paid for the previous fiscal year (Interim for the fiscal year ending March, 2025)
Record date	September 30, 2025	September 30, 2025	September 30, 2024
Dividend per share	¥66.50	¥37.00	¥37.00
Total amount of dividends	¥772 million	—	¥447 million
Effective date	November 28, 2025	—	November 29, 2024
Source of dividends	Retained earnings	—	Retained earnings

4. Revision of dividend forecast for the fiscal year ending March 2026 (April 1, 2025 ~ March 31, 2026).Based on the revised dividend policy, we plan to increase the year-end dividend by 14.50 yen per share to 66.50 yen compared to the previous forecast. As a result, the annual dividend is expected to increase by 44 yen per share to 133 yen compared to the previous forecast.

	Dividend per share (Yen)		
	Second quarter-end	Fiscal-year end	Total
Previous dividend Forecast	¥37.00	¥52.00	¥89.00
Current dividend Forecast	—	¥66.50	¥133.00
Dividends paid for the current fiscal year	¥66.50	—	—
Dividends paid for the previous fiscal year (Fiscal year ended March 31, 2025)	¥37.00	¥41.00	¥78.00

END