

Business Engineering Corporation

Integrated Report 2024



**B-EN-G**

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**Integrated Report  
2024**

 **B-EN-G** Business Engineering Corporation

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# Be the one and only company offering products and services supporting the transformation of manufacturers' businesses.

With business engineering in our company name, we have provided IT services supporting manufacturing for 25 years. We have refined our knowledge and skills throughout our history of cooperation with Japanese manufacturers. We support customers' transformation through products and services that solve customers' problems.

In 2022, the B-EN-G Group formulated a new brand statement, "Business Engineering for Growth," and a purpose, "Engineering value-creating businesses."

Our purpose is to develop systems that enable our clients to concentrate on their creative endeavors. To work hand in hand with them to engineer greater value. We are committed to growing the number of value-creating businesses around the world, working together to build a happy and fulfilling society.

## Corporate Philosophy

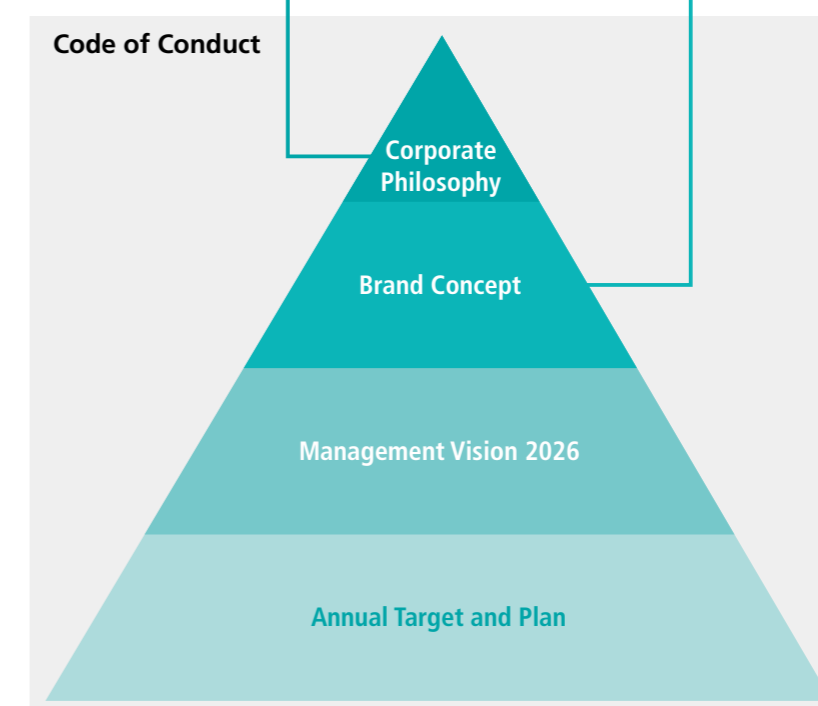
As a professional group that puts customer satisfaction first, we contribute to society through the creation of new value.

## • Brand Statement (Our Promise)

Business Engineering for Growth

## • Purpose (Meaning of our existence)

Engineering value-creating businesses



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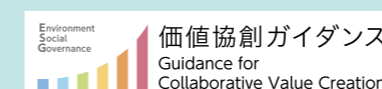
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### Editorial Policy

In 2024, Business Engineering Corporation (hereinafter "the Company") issued its first integrated report. In all of our business activities, we value active dialogue with stakeholders. The goal of this integrated report is to comprehensively increase your understanding of the social and economic value created by the B-EN-G Group through reports on our management strategies, business operations and sustainability-related activities. For further information, please visit the Company's website.

### Reference Guidelines

- IFRS Foundation, International Integrated Reporting Framework
- Ministry of Economy, Trade and Industry, Guidance for Collaborative Value Creation 2.0



### Scope of Reporting

Organizations covered: Business Engineering Corporation and the Business Engineering Group (two consolidated subsidiaries and five non-consolidated subsidiaries)

▶ P48 Group Companies

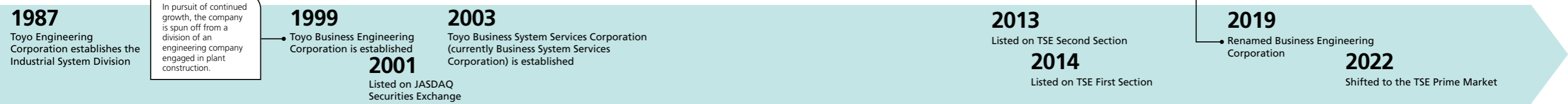
Period: April 2023 to March 2024 (including some activities that began in or after April 2024)

### Notes Concerning Forward-looking Statements

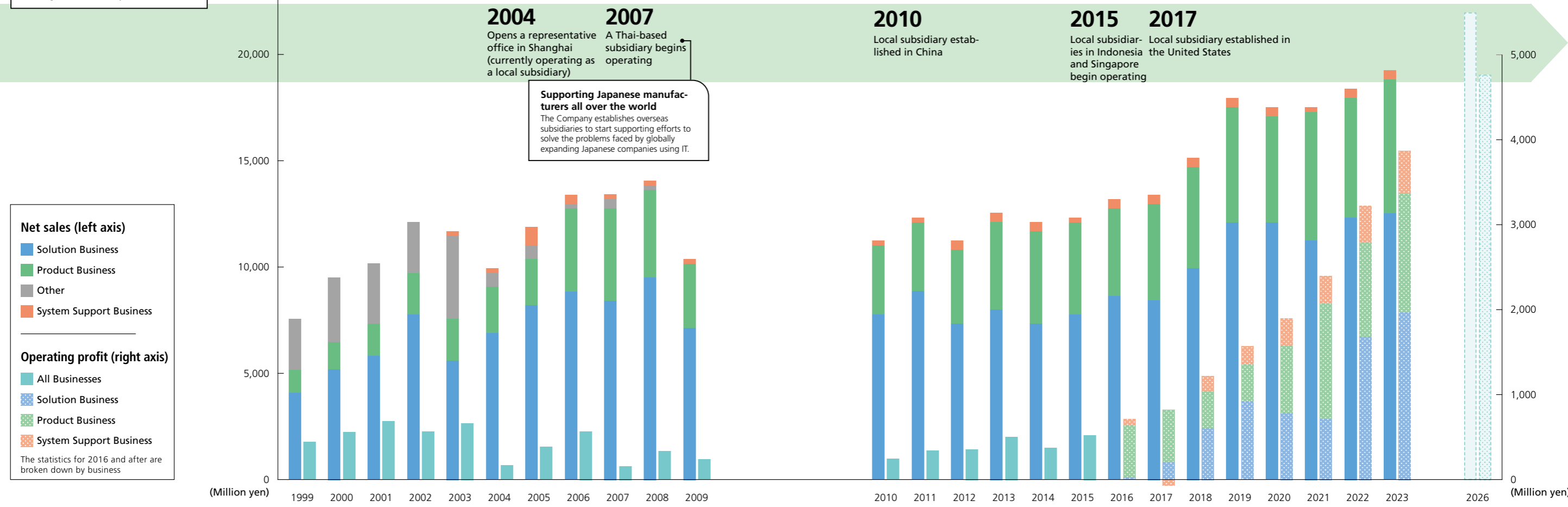
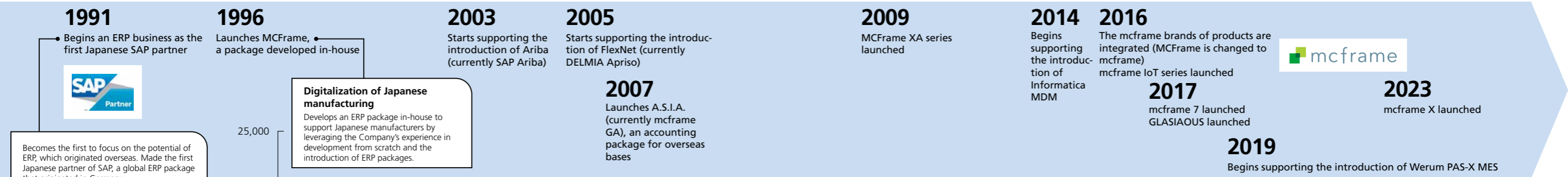
The performance forecast written in this report is based on information currently available to the Company and certain assumptions that are deemed reasonable. Actual results may differ from the forecast. The reasons for this include but are not limited to the fluctuation of the economic and competitive environments of major markets, product supply and demand, exchange and interest rates and the conditions of the raw materials and fuel markets and changes to laws and regulations.

# Our Value Creation Story

The Business Engineering (B-EN-G) Group started in 1987 as a system building division of Toyo Engineering Corporation, a company that was engaged in plant construction. Identifying changes in the business environment, we have always looked a half step ahead of customers to promote customers' operational improvements and their digital transformation (DX)\*1, mainly in manufacturing. By proposing solutions and providing support in a way that is unique to a company that is well-versed in manufacturing practices in Japan, we will continue to pursue the creation of new value to meet customers' transformation needs.



**Renamed to celebrate the 20th anniversary of the Company**  
The new name is meant to represent the value offered by the Company, business engineering.

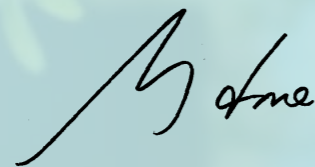


\*1 Digital transformation: Using digital technologies to change and create new business models and services.  
\*2 ERP: Enterprise Resources Planning. A package system centralizing the management of corporate resources, streamlining business operations and optimizing corporate management.

# Message from the CEO

Developing into the one and only  
B-EN-G by supporting the transformation  
of manufacturers' businesses

Masakazu Haneda



Representative Director, President and CEO



Photograph taken in the office that was expanded and renovated in 2024, as part of the efforts to improve employee engagement and provide a worker-friendly workplace

## Increasing the number of value creating businesses around the world by providing manufacturing customers with support for their systems

Business Engineering Corporation (B-EN-G) has recently published its first integrated report. I hope that this will help investors and other stakeholders understand our business of supporting customers to solve the issues they face by digitalizing their operations, mainly in the manufacturing sector. We serve our customers as a good partner.

In the late 1980s, we started our business as a system building division of Toyo Engineering Corporation, a company that builds plants around the world. In 1991, we became Japan's first SAP partner to launch an ERP system business. In 1993, it provided support to the first customer to introduce SAP in Japan. Since then, we have carried out a large number of projects in ERP and surrounding areas.

In 1999, we became independent as Toyo Business Engineering Corporation. We have since pursued our corporate philosophy, "As a group of professionals prioritizing customer satisfaction, we will contribute to society through the creation of new value." We have provided IT support to customers mainly in the manufacturing sector for the construction of global supply and value chains.

### ▶ P3 Our Value Creation Story

Our independently developed mcframe product incorporates Japan's manufacturing expertise to exclusively support supply chains in the manufacturing industry. We provide an extensive array of products tailored to address the issues faced by customers and the manner they use the products. To date, they have been adopted by more than 1,000 companies.

In 2019, we changed the name of the company to Business Engineering Corporation which embodies our aspiration to engineer businesses. With a view toward leaping into the next era, we adopted a new brand statement, "Business Engineering for Growth," in January 2023. While working closely with our customers and partner companies to serve them, we will strive to continually create value.

Our Purpose is "Engineering value-creating businesses." We will work to create a tangible system that allows manufacturers, the value creators, to concentrate on their

value-creating activities. Together with them, we will strive to create greater value and increase the number of value creating businesses around the world. We will make every effort together with them to build a society filled with happy people.

## Focusing on high value-added business in a two-business virtuous cycle by capitalizing on our superiority because of our specialization in SCM systems for manufacturers

In my view, B-EN-G's strengths lie in four areas: IT support experience in the manufacturing industry, product planning and development of in-house products, global expansion and relationship of trust with customers.

We use the manufacturing knowledge that we cultivated in our initial business, plant construction. We have solved many issues that our corporate customers have faced through system integration in supply chain management (SCM). We incorporate the knowledge and expertise gained in this process into our independently developed products and accelerate their introduction by partner companies. By doing this, we enhance our supply capacity to fulfill the strong demand from manufacturers and help resolve the problems faced by more client companies.

B-EN-G's core competence is the provision of systems that help improve corporate customers' operations and support their growth based on the strength of our knowledge of the significance of SCM and operations in the manufacturing sector. We run a solution business centered on system integration based on the strengths we have gained through business and also on a product business that handles independently developed products. Our business model is to conduct high value-added business operations that leverage the virtuous cycle of the two businesses.

### ▶ P15 Business Model and Competitive Advantage

## Evolving into a problem-solver that solves customers' issues with information technologies with a view toward the achievement of Management Vision 2026

Conventionally, we have used our core competence to provide innovative products and services to the market to

## B-EN-G's aspirations for 2026 | Management Vision 2026

### Be the one and only company offering products and services supporting the transformation of manufacturers' businesses.

 <p><b>Be a partner supporting the transformation of customers' businesses</b></p>	 <p><b>Transform from a provider into a problem-solver</b></p>	 <p><b>Be half a step ahead</b></p>
<p>Be a partner supporting the business transformation of customers mainly in the manufacturing industry.</p>	<p>Be a problem-solver that does not just supply products and services but uses its IT capabilities to discover and solve customers' issues.</p>	<p>Lead customers by anticipating changes from a position half a step ahead based on our stable business foundation.</p>

support the growth of our customers while addressing dramatic changes in the business environment. We also work proactively on technological innovations such as artificial intelligence (AI) and the Internet of Things (IoT) as well as on globalization to steadily and continuously transform B-EN-G.

Meanwhile, the social environment surrounding us is becoming increasingly uncertain, with the COVID-19 pandemic, increasing geopolitical risks, worldwide inflation due to the soaring prices of resources, and responses to climate change, biodiversity and other environmental issues.

To continue our growth and our contributions to society amid the drastically changing business environment, we need to operate two businesses at the same time: one business that provides value based on our own strengths and another that creates new value. With a view toward achieving medium- and long-term growth, we established Management Vision 2026 to clarify our targets and the measures we will implement up until fiscal 2026. It serves as guidelines for our decisions regarding material matters in our implementation of business. We will not fear changing this plan in line with the changing business environment, as we move forward with our businesses even in this quite uncertain environment.

I proposed what the company should be like in fiscal 2026, to become the one and only company offering products and services supporting the transformation of manufacturers' businesses. As a partner that helps customers with their business transformation in a drastically changing business environment, we will work to establish our position as a problem-solver. We will not merely offer products and services but discover customers' issues and solve them with information technology capabilities. We will strive to solve social issues by creating new products and services that will be used not just by Japanese companies but also by global firms. We will do this by leveraging our own strengths from a perspective that is unique to us. In doing this, we will aim to be the one and only B-EN-G, a unique company globally that is incomparable to other companies.

## Firmly implementing the four strategies in Management Vision 2026 to bolster B-EN-G's competitive advantage

Today, the importance of dynamic capabilities is a topic of discussion. This means the proper combination of the management resources that are possessed, including human resources, goods, money, information and time, in line with the changing external environment to achieve self-transformation. These are seen as the capabilities that are necessary for corporate transformation. In other words, they represent the abilities corporations must have to ensure their competitive advantage in response to changes in the environment.

To increase dynamic capabilities, it is necessary to more clearly visualize the situation by increasing the resolution of the data linking shop floors and management teams so that management teams can swiftly understand the environmental changes and quickly respond. However, no matter how much data is available, the data is meaningless if it cannot be used to create value that is used in the implementation of business and management decision making.

Traditionally, Japan's manufacturers lagged behind their overseas counterparts in digitalization in the SCM area. The pandemic triggered a change in manufacturers' mindsets which accelerated digitalization. The Japanese ERP market is currently growing steadily and it is expected to continue to grow in the future.

In these circumstances, mcframe has a large share of the manufacturing supply chain market. In fiscal 2023, license sales grew 14.9% year on year and consolidated net sales hit a record high of 19.4 billion yen.

Partner companies use an increasing number of our products and our original product business continues to grow steadily. The fiscal 2026 targets initially set in Management Vision 2026 included net sales of 22.0 billion yen, operating profit of 3.2 billion yen and profit of 2.11 billion yen. The operating profit target was met in fiscal 2022, four years ahead of schedule. This was achieved due to the license sales of our original mcframe products growing faster than expected following the improvement of the products' appeal and the partner structure and an increase

## The structure underlying Management Vision 2026 | B-EN-G's strengths

### Capitalizing on B-EN-G's unique strengths to achieve solid growth amid change

<p><b>Track record of providing IT support to manufacturers</b></p> <p>We have been helping manufacturers introduce information technologies for at least 20 years.</p>	<p><b>Ability to independently plan and develop products</b></p> <p>We excel in the development of our own highly evaluated products using our technological capabilities and expertise.</p>
<p><b>Global expansion</b></p> <p>We support global expansion leveraging our rich experience and expertise based on our experience in business operations in 25 countries.</p>	<p><b>Relationships of trust with customers</b></p> <p>We have built solid trust-based relationships with customers and developed problem-solving capabilities over more than 20 years.</p>

in the profitability of the solution business as a result of concentration on high value-added products and the reduction of unprofitable projects.

In the system support business, operating profit leaped hugely as, in the first three years of Management Vision 2026, lump sum-type orders increased in place of orders where the price is based on the number of person-hours. In this business, the operating profit target of 0.33 billion yen for fiscal 2023 was achieved in fiscal 2021, ahead of schedule.

While keeping the consolidated net sales target for fiscal 2026 unchanged at 22.0 billion yen, we revised the operating profit and profit targets upward to 4.8 billion yen and 3.2 billion yen, respectively.

Management Vision 2026 laid out four pillars for achieving its targets.

The first is the expansion of Monozukuri digitalization.\*1 We will push ahead with streamlining manufacturing and support the construction of IT foundations for digital transformation (DX) aimed at transformation.

There are two types of DX: defensive and offensive. Digitalization aimed chiefly at streamlining operations such as the introduction of ERP systems, the visualization of shop floor operations and the replacement of legacy systems may be regarded as defensive DX.

We will aim to have the largest share of the market in Japan for ERP and SCM for streamlining management and shop-floor operations in the manufacturing sector. In the solution business, we will provide optimized solutions by combining multiple products to increase our ability to solve customers' problems. We will work to build relationships of trust with customers to construct a cycle of transforming shared issues into future businesses. In the product business, we offer on-premises\*2 and SaaS\*3 products flexibly according to customers' convenience. In the future, we will place greater emphasis on SaaS products and services.

Included in mcframe license sales, the net sales of the SaaS business are forecast to rise three-fold in the period from fiscal 2026 to fiscal 2029.

The second pillar is the implementation of transformation-oriented DX. We will provide manufacturers with support for the transformation of their business model and the development of innovative services. We will also work to transform our own business. The goals of transformation-oriented DX are to fundamentally change lifestyles, work, corporate management and other matters through technologies, such as the rethinking of business models, the creation of new added value and reform at the management level. This is offensive DX. We will implement a data-centric business that maximizes value by using the data collected in the streamlining-oriented DX, which gives us an advantage, in our implementation of transformation-oriented DX. We will also incorporate our software into customers' products to create new IoT businesses. We will establish a cycle for new value creation based on new co-creation relationships with stakeholders.

The third pillar is strengthening global support. The global economy was previously led by developed countries. Now it is changing to a model where emerging countries are major players. In particular, China, ASEAN, India and the rest of Asia are expected to play central roles. We will step up our provision of services in this region and enhance the services and structure of our overseas bases. We will continually improve the support for global expansion that we provide to Japanese manufacturers. We will help them review their global SCM. We will endeavor to develop new products and services to serve non-Japanese companies with growth potential. We will build up our network of overseas bases to step into new countries and regions. In addition, we will upgrade the management functions of our head office as well as the framework for planning and developing products for the global market.

The fourth pillar is to contribute to sustainability. We will help build a sustainable society through initiatives for solving social issues that leverage our strengths. We will digitalize customers' operations to increase productivity and address social issues such as labor shortages. We will also offer products and services that support customers' sustainability activities. We will help solve different social problems through not-for-profit activities and by establishing a foundation as a company committed to society.

▶ P21 Management Vision 2026

### Dedicated to the medium- and long-term increase of shareholder value by proactively investing for growth and maintaining a sound financial base

To achieve the numerical management targets and medium- and long-term capital efficiency targets laid out in Management Vision 2026, we will work to optimize our allocation of management resources. Regarding investments in software, research and development and business development, we will work to increase the utility value of our products and services, make our existing products SaaS-ready and develop new products and services tailored to transformation-oriented DX. We will also work to develop new products and services that will be used by businesses operating globally, research next-generation technologies for developing our own products and services, and strengthen our solution-incubating capabilities.

In addition, we will promote measures for the development of the next generation of human resources and to ensure they continue to grow. We will develop educational programs aligned with our strategies and human resources development programs. We will work to enhance programs for increasing employee engagement and supporting diverse work styles. We will revise the pay standards and strengthen recruitment strategies to secure human resources. We will also construct a foundation for the implementation of the SaaS business. We will invest in internal digitalization to support new businesses, renovate office environments and advance sustainability. We will focus our efforts on investments for implementing M&A activities to expand our business, closer collaboration and the creation of new businesses.

Regarding capital policies, we believe that continued growth is necessary for the medium- and long-term improvement of shareholder value. We have adopted a basic policy of maintaining shareholders' equity at an appropriate level for securing a sound financial foundation that allows us to invest and take risks for growth.

We see return on equity (ROE) as a key management indicator. We have a goal of achieving an ROE of over 10% in the medium- and long-term future in view of the cost of capital. We aim to effectively use shareholders' equity. In overall consideration of financial soundness and other elements of our business, we will pursue a basic policy of keeping the consolidated dividend payout ratio above 35%

in the medium and long term in our efforts to return profits to shareholders.

▶ P17 Message from the CFO

### Transforming ourselves to aid the sustainability of manufacturers aiming to be the one and only company of our kind

Our mainstay customers are manufacturers. Sustainability activities will be a top priority issue for them to address so that they can continue to grow over the medium and long term. In a crisis, such as a pandemic or international conflict, it becomes increasingly important to visualize the entire supply chain using a system. The traceability of raw materials helps control costs and reduce waste loss. Climate change is an issue that must be addressed urgently. Understanding the greenhouse gas emissions of individual products will help reduce emissions throughout the product life cycle.

To continually provide value with a view toward building a sustainable society, each one of our employees must provide our products and services with an awareness that their business activities contribute to the sustainability of manufacturers.

▶ P29 Sustainability Initiatives

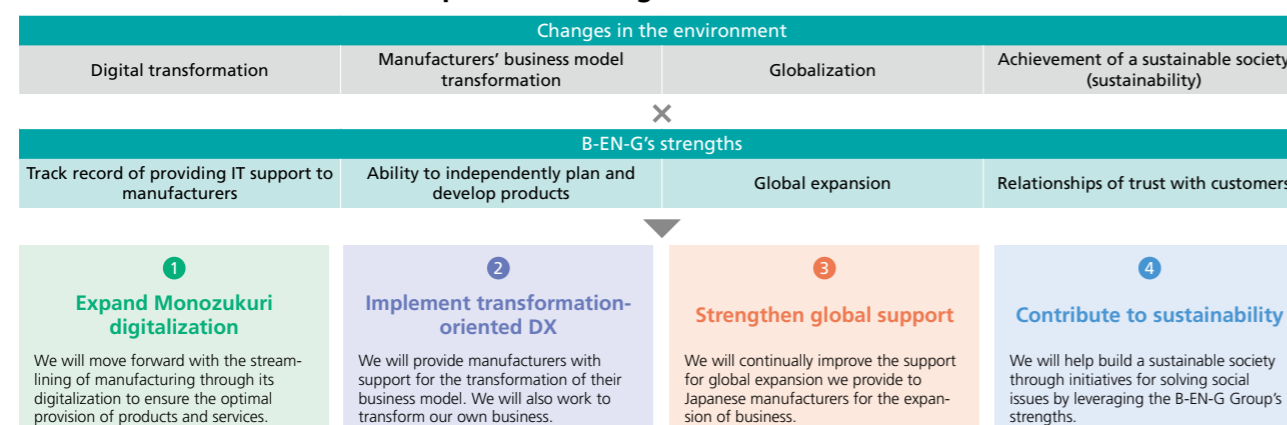
While we may not be the largest company in terms of sales, we are one of the few Japanese IT companies with our own products and services and operating on a global scale. We must use this strength to transform ourselves into a company that creates value around the world. If we fail to do so, we will be unable to achieve our Purpose, "Engineering value-creating businesses."

As the leader of the company, I have a duty to work steadily to achieve Management Vision 2026 and to accomplish our transformation into making B-EN-G the one and only company of its kind, an independent digital support company with a presence, a company that offers products and services used around the world, and a company that cares about the Earth. I hope that our stakeholders will continue to watch our business activities and our progress and support our transformation efforts.



## Combining environmental change and B-EN-G's strengths to achieve strategies for 2026

### Proposing products and services that reflect B-EN-G's strengths in response to changes in the environment



\*1 Monozukuri digitalization: Digitalization in manufacturing. Operations related to manufacturing are digitalized to increase efficiency and transform business.

\*2 On-premises: A style of business in which servers, software and other information systems are installed and operated in facilities controlled by the (corporate) user.

\*3 SaaS: Software as a Service. Services in which software operating in a cloud environment is used via the Internet.

**Corporate Philosophy** As a professional group that puts customer satisfaction first, we contribute to society through the creation of new value.

As a corporate group supporting manufacturers using IT, the B-EN-G Group solves the problems that our customers face, especially manufacturers, through digitalization while supporting business transformation. For more than 30 years, we have operated based on the development of supply chain management systems and have contributed to the growth of customer businesses through our products and services, solving a broad range of problems for manufacturers. Going forward, we will continue to operate with the aim of achieving our purpose, "Engineering value-creating businesses," and together with our customers creating ever greater value for society.

**External Environment**

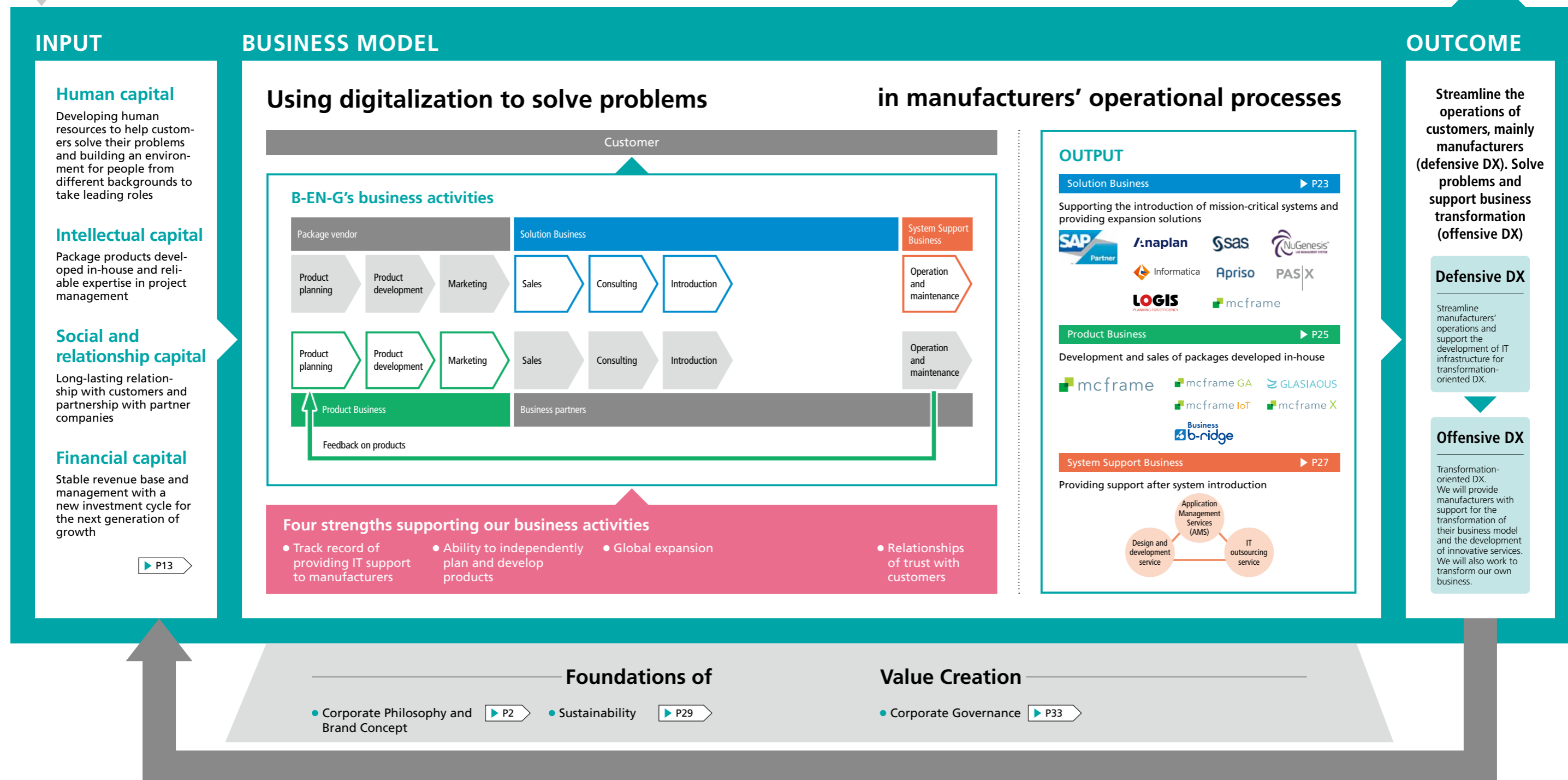
- Digital transformation
- Globalization
- Manufacturers' business model transformation
- Achievement of a sustainable society (sustainability)

**[ Management Vision 2026 ]**

Be the one and only company offering products and services supporting the transformation of manufacturers' businesses.

**[ Purpose ]**

Increase the number of value creating businesses



Based on its Purpose, "Engineering value-creating businesses," B-EN-G creates new value based on the human, intellectual, social/relationship, and financial capital it has accumulated since its founding.

## Human capital

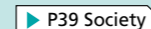
Developing human resources to help customers solve their problems and building an environment for people from different backgrounds to take leading roles

The B-EN-G Group believes that human capital is the core of its business operations and that each employee is a valuable part of its human capital. Regarding the enhancement of the value of human capital to be a top priority issue in our management strategy, we strive to contribute to the growth of businesses and society as a whole through the development of skilled human capital.

### Initiatives to enhance capital

Education, investment and other initiatives are underway with the goal of securing and developing IT and DX human resources, the demand for which has been growing in recent years. Capable SAP human resources are valuable to the industry as a whole and we are strengthening our efforts, including our investments in people. To further empower employees, B-EN-G established the Human Capital Task Force in 2024 to discuss its human resource portfolio and manage its human capital in cooperation with its business divisions.

In terms of pleasant work environments, the Company introduced an engagement survey in 2019 for the establishment of an organization that enables each employee to work vibrantly. Furthermore, the Company is actively committed to the expansion of its employee training programs, the review of its compensation system, health management, the empowerment of women and many other activities. Since the end of the COVID-19 pandemic, the Company has recommended hybrid work styles combining commuting and telecommuting, allowing its people to have many different work styles.



- Number of certified employees

[SAP-certified consultants]

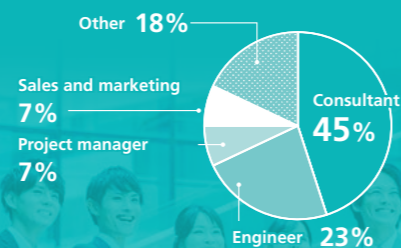
**335** (Total number of people)  
(As of July 2024/Consolidated)

[IPA data processing specialists (excluding IT passport)]

**354** (Total number of people)  
(As of July 2024/Consolidated)

- Composition by job type

(March 2024/Non-consolidated)



- Investment in human resources

**2.0** billion yen to **2.5** billion yen  
(FY2024 to FY2026 plan)

## Social and relationship capital

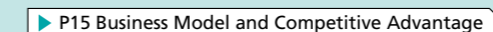
Long-lasting relationship with customers and partnership with partner companies

In managing its business operations, the B-EN-G Group values its deep trust-based relationships with stakeholders, including customers.

As represented in our brand statement, "Business Engineering for Growth," we continue to help customers solve emerging problems even after a system is introduced in order to continuously offer value. We provide long-term maintenance services for mcframe, a product we developed in-house, projecting that customers will use the system for many years.

### Initiatives to enhance capital

We strengthen our relationships with partner companies who are indispensable in our enhancement of corporate value. We have been reinforcing the collaborative relationships with our business partners that sell and introduce mcframe, a powerful driver of our business, and with the licensors of other companies' products.



- Total number of customers that have introduced our systems

**2,772** companies

\* Total number of customers that have introduced SAP, mcframe, mcframe GA and/or GLASIAQUS  
(As of March 31, 2024)

- Number of mcframe business partners

**53** companies

(As of March 2024)

- Number of package vendors' products we deal in

**13**

(As of July 2024)

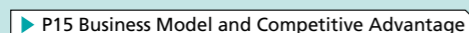
## Intellectual capital

Package products developed in-house and reliable expertise in project management

The Company started operating as a system building division of an engineering company in 1987. Leveraging our expertise in large-scale plant construction projects, we have successfully completed system introduction projects for numerous manufacturers. We have centralized our methods for introducing original mission-critical task systems which we have accumulated over three decades so that they can be used in the implementation of reliable projects.

### Initiatives to enhance capital

mcframe, a package developed in-house and released in 1996, has been chosen by many customers in the manufacturing industry. The package leverages our experience in the development of systems and the introduction of ERP packages for manufacturers. In addition, we have numerous in-house products that provide value to society through the development of new packages and the continuous update of packages. In this way, we push forward with efforts to support customers' manufacturing in a multifaceted manner.



- Over 30 years of expertise in the management of projects for manufacturers' introduction of mission-critical systems

- Number of products developed in-house

**12**

(As of July 2024)

- Investment in software, R&D and business development

**3.5** billion yen to **4.5** billion yen

(FY2024 to FY2026 plan)

## Financial capital

Stable revenue base and management with a new investment cycle for the next generation of growth

Since founding the Company, we have built a stable revenue base with two pillars, the solution business and the product business. The former is oriented toward problem solving and leverages our expertise in the introduction of systems mainly for manufacturers, while the latter mainly involves in-house products developed leveraging our experience.

### Initiatives to enhance capital

We consider return on equity (ROE) as an important management indicator, and based on a basic capital policy of continually achieving an ROE greater than 10% over the medium and long term, we have established a sound financial base. In securing profit, we believe the profitability of individual projects is important and we thoroughly manage this. We consider capital efficiency in the generation of profit so that we can continue to grow in line with our basic policy of developing new products, increasing human capital and making other growth investments for future generations using the revenue we have generated.



- Total assets

**15,718** million yen

(Year ended March 31, 2024)

- Return on invested capital (ROIC)

**23.8** %

(Year ended March 31, 2024)

- Return on equity (ROE)

**25.9** %

(Year ended March 31, 2024)



The B-EN-G Group has refined its knowledge and technologies while supporting the digitalization of its customers, mainly manufacturers. The combination of the strengths and knowledge that we have accumulated in our two pillar businesses, the solution business and the product business, and our provision of support for maintenance and operations after introduction through our system support business enables us to establish a unique business model and gives us a competitive advantage.

## Solution Business

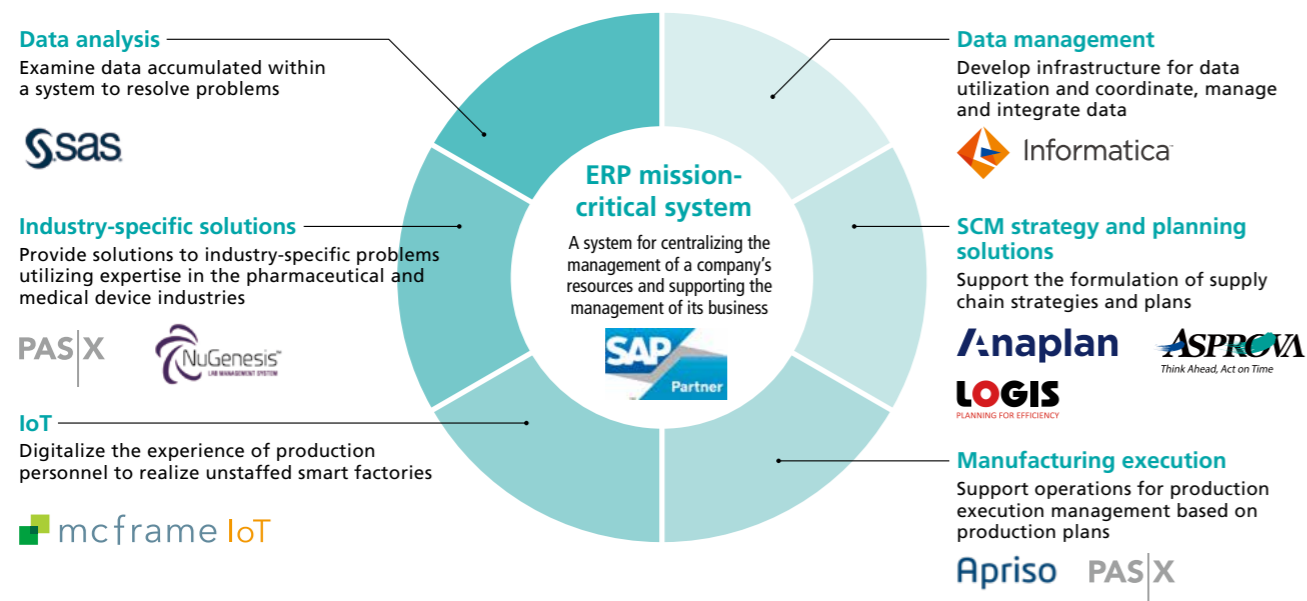
We became the first SAP partner in Japan in 1991 and, in 1993, introduced SAP for the first SAP user in Japan. Since then, we have been promoting SAP-related projects as a leading company supporting the introduction of ERP, an area where we have established a long track record. In the solution business, we build long-term trust-based relationships with many customers by leveraging our abundant knowledge and experience in the introduction of systems for manufacturers and our problem-solving capabilities based on our ability to manage and combine projects. Consequently, we support customers in their achievement of the DX of manufacturing.

▶ P23

## Supporting customers' digitalization in a phased manner

With a focus on ERP and mission-critical systems including SAP, we combine and provide extension solutions equipped with features that are necessary for the customer's situation and the details of their business in an effort to support comprehensive digitalization. Customers' digitalization

goals are different and they depend on the details of their business operations. We seek to solve the problems surfacing in the specific stage of digitalization the customer is in and support preparations for future businesses in a phased manner.



## Strengths of the business

### Abundant knowledge and experience in the introduction of systems for manufacturers

As a pioneer in domestic manufacturers' introduction of ERP, we have supported manufacturers in their introduction of systems for over 30 years. Using the experience and knowledge we have accumulated in the process of this, we propose and build systems optimized for each customer.

### Problem-solving capabilities based on our ability to manage and combine projects

Based on our expertise in the management of large-scale plant construction projects, we have completed numerous system introduction projects. We propose optimized combinations of mission-critical systems and peripheral products tailored to the issues faced by customers and their needs, and we provide support for the promotion of DX.

## Product Business

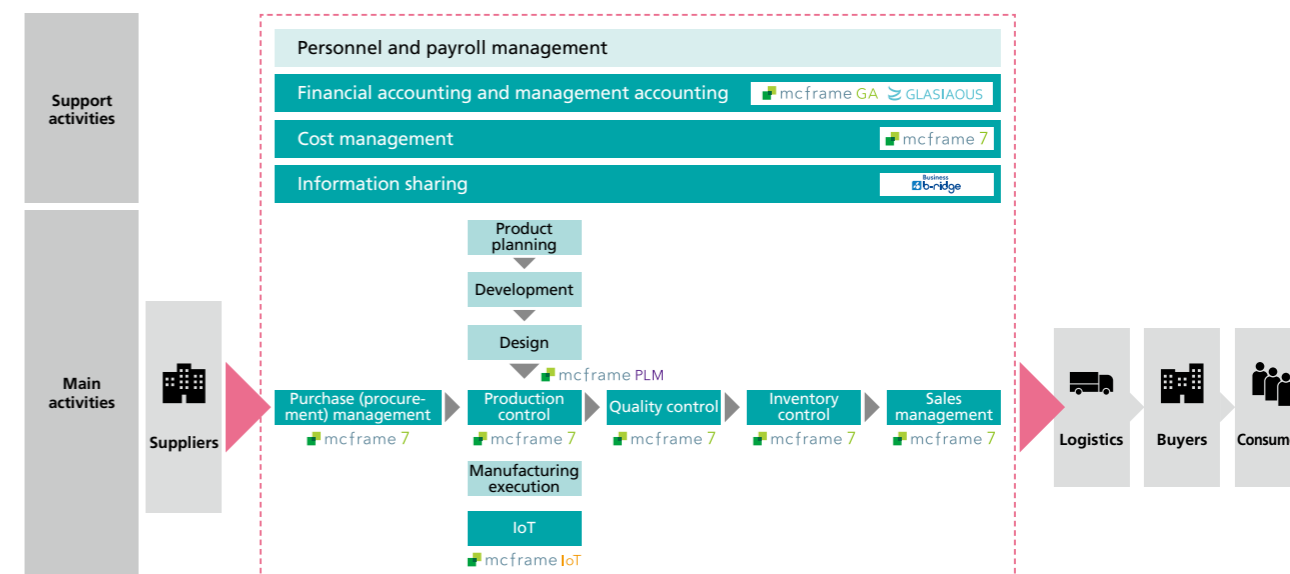
We develop, sell and introduce in-house products including the mcframe series, GLASIAOUS and Business b-ridge. We also introduce systems, mainly the mcframe series, our mainstay products, to support manufacturers using IT. Products that feature the expertise we have accumulated through the resolution of manufacturers' problems have evolved because of the feedback received from business partners and customers as we support the reinforcement of their businesses and global expansion with a focus on supply chain management.

▶ P25

## Supporting manufacturers in a multifaceted manner

Realizing supply chain management that includes purchasing, production, sales and cost management, the mcframe series of products including mcframe 7 are digital platforms enabling manufacturers to manage all operations and information relating to manufacturing. We also offer

in-house products such as GLASIAOUS for providing SaaS-type global accounting services and Business b-ridge which facilitates inter-business cooperation as we support globally active Japanese manufacturers in a multifaceted manner.



## Strengths of the business

### Product development capabilities to strengthen the Japanese manufacturing industry

mcframe makes it possible to manage all kinds of operations and information related to manufacturing, such as the management of production, sales and other operations, the coordination of design and manufacturing processes and the integrated management of domestic and overseas bases. By identifying needs and continuing to evolve, we help Japanese manufacturers leap forward.

### Ability to identify needs in an ecosystem

We build ecosystems linked to customers using mcframe together with our partners who we outsource sales to. The needs identified in ecosystems are reflected in our product development. This feedback from the people involved in our products is reflected in developing better products.

## System Support Business

We provide operation and maintenance services after system introduction, design infrastructure and develop systems. We help customers achieve success in their business to ensure that the system that is introduced continues to provide huge benefits throughout its lifecycle.

▶ P27



**We will proactively invest in growing sectors to increase our supply capacity as a source of earning power and to achieve medium- and long-term growth.**

**Shigeaki Betsunou**

Representative Director,  
 Senior Managing Director and CFO

**My duty is to increase supply capacity while recognizing the rising demand for DX from manufacturers as an opportunity for growth**

We are superior in our specialization in supply chain management systems for manufacturers, and using this, we capitalize on our strengths developed through our solution business and product business to operate a high value-added business in an area that no competitor can easily enter.

One of the characteristics of this business is that systems are constructed by combining ERP technologies and the extended solutions that enhance them. We are familiar with operations in the manufacturing business, enabling us to offer a combination of products and services tailored to the customer's requirements and the issues they face. We have thus achieved the introduction of high value-added systems.

Another characteristic of this business is that we own

original products based on our rich knowledge in the area of introducing systems for manufacturers.

At the moment, Japanese manufacturers' appetite for investing in digital transformation (DX) is large. The reasons for this include the quick acceleration of activities to make up for lost time in the area of the digitalization of supply chains during the COVID-19 pandemic. In addition, there are issues connected to support for SAP ERP 6.0 ending at the end of 2027.

This increasing demand aids the promotion of our business, and the performance of our ERP and extended solutions business and sales of our original mcframe products have been strong. At the same time we do not have sufficient supply capacity to fulfill the brisk demand from customers. We cannot be satisfied with this current situation. We must increase our supply capacity by strengthening our business structure and capabilities. This is a way to respond to the needs of the market. These efforts should result

in the growth of net sales and profit. To solve the issues faced by our corporate customers and achieve continuous growth, we have devised a business strategy of increasing our capacity to supply products and services and act in line with the strategy.

In the product business, we will improve the appeal of the mcframe products we have developed and increase the number of partner companies we commission to sell and introduce our products to support growth. On the other hand, the solution business is basically aimed at implementing system integration using our resources. To prevent lost opportunities due to the exhaustion of resources, we must offer systems at the time the customers want them while leveraging outside resources.

To possess this supply capacity, it is necessary for us to continue to invest in product development and sales and in human capital. Part of my mission as the officer responsible for the financial department is to create plans for using resources from the annual budget to invest in the hiring and development of human resources while considering the balance with profit to create a foundation of human resources for continuous growth.

**Focusing on increasing social and relationship capital and human capital after achieving record net sales and operating profit**

In the fiscal year ended March 31, 2024, business conditions and business confidence were both favorable following manufacturers' strong investments in digitalization amid the growing DX needs discussed earlier.

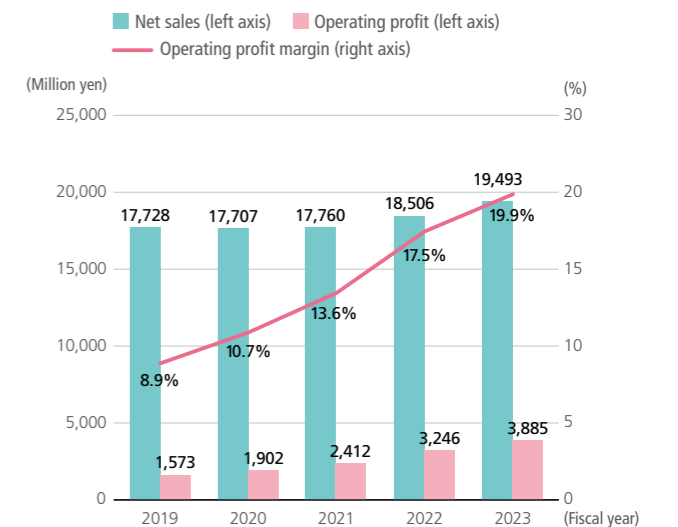
In the product business, license sales were so strong that net sales grew faster than projected. This was due to the appeal of mcframe products and the structural improvements by our corporate partners engaged in sales and introduction. I feel that our efforts to cultivate and develop new corporate partners began to produce positive results around 2020. In fiscal 2024, license sales are forecast to continue to rise. We expect sales and profit to grow.

In the solution business, the percentage of solutions introduced that are high value-added extended solutions increased, leading to an increase in the profit margin. The project we worked on in the previous fiscal year came to an end and we are in a period where we are transitioning to a new project. We expect to secure sales by receiving new projects.

In this situation, net sales for the fiscal year ended March 31, 2024 reached a new high, and record high operating profit, ordinary profit and profit attributable to owners of parent numbers have been recorded for the eighth consecutive year.

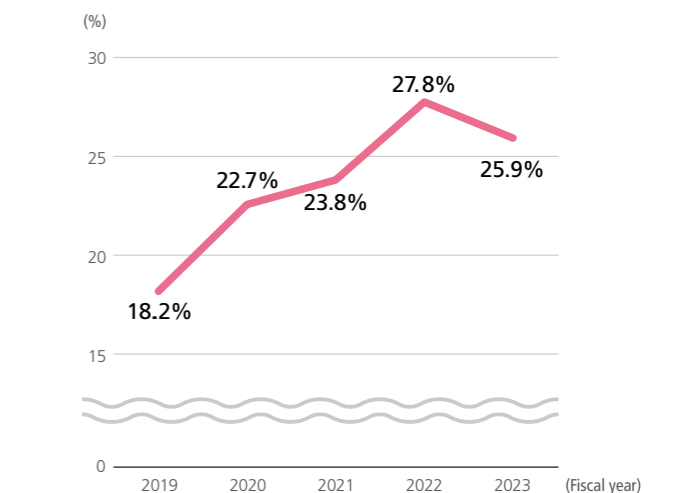
In the product business, an issue to be addressed in the future is the continuous cultivation and development of corporate partners with a view toward further increasing supply capacity. Currently, we have business partnership agreements with around 50 companies. We are asking our partners to build up their staff to introduce mcframe. We will build even closer relationships with partners

**Net sales, operating profit and operating profit margin**

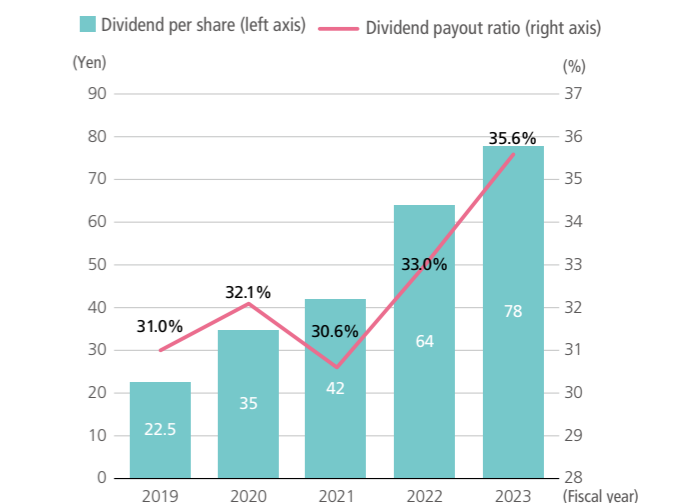


\* From the fiscal year ended March 31, 2021, we adopted the Accounting Standard for Revenue Recognition

**ROE**



**Dividend per share and dividend payout ratio**



\* The dividend figures for fiscal 2021 and earlier have been adjusted to reflect the share split on June 1, 2022.

who already have many personnel with experience with mcframe. We are ready to provide the partners we want to increase sales and their introduction of mcframe with support for training for the development of their human resources.

Looking at our independently developed products, mcframe 7, an on-premises product, is a mainstay product that drives license sales. We have released mcframe X as a SaaS product and we are taking action to receive projects, releasing the improved mcframe X in April 2024.

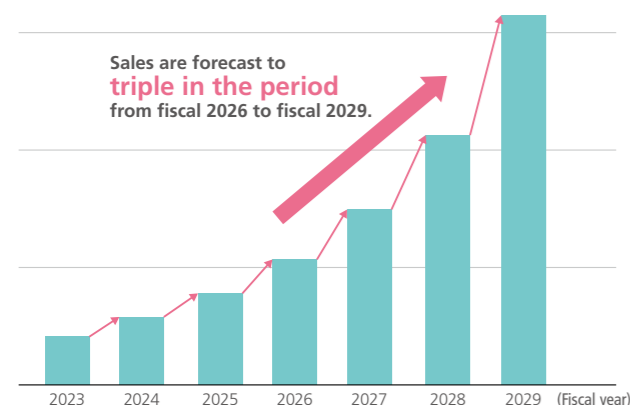
When on-premises products are introduced by medium-sized companies with annual sales of 30 billion yen or more, they are often customized to suit their requirements. In contrast, SaaS products are designed for medium- and small-sized enterprises that require no large-scale customization with few unique requirements and for the overseas bases of Japanese customers operating around the world. Since the targets of these two products are different, they are not competing with each other for customers.

We believe expanding both types of products will lead to the growth of our business. However, we have limited development resources. We need to address the questions regarding how we should establish a development structure and allocate resources in the future.

In the solution business, it is vital that we increase internal human resources. Every year it becomes more difficult to secure personnel with IT and DX skills. For both us and our competitors, it is especially difficult to hire personnel capable of handling SAP immediately. For this reason, we recruit staff and train them internally. We will focus on investments in human resources to secure personnel who are expected to grow and play active roles in our company and to enhance training programs.

SaaS business sales plan

▶ P28 B-EN-G's Commitment to the Shift to Cloud Computing



\* Total SaaS fees from mcframe license sales

Steadily carrying out the four strategies in Management Vision 2026 with a view toward becoming the company that we aim to be

Following the setting of new profit records for the eighth consecutive year since fiscal 2016, we revised the Management Vision 2026 targets upward last November to net sales of 22.0 billion yen, operating profit of 4.8 billion yen and profit attributable to owners of parent of 3.2 billion yen. We will invest more in products, services and human resources. We will pay close attention to the balance between investments and profits and seek to achieve continued growth.

Management Vision 2026 states that we aim to be the one and only company offering products and services supporting the transformation of manufacturers' businesses. We have laid out four strategies for achieving this goal: expanding Monozukuri digitalization, implementing transformation-oriented DX, strengthening global support and contributing to sustainability.

I am convinced that the steady implementation of these strategies will help us achieve the 2026 targets and lead to our subsequent continuous growth.

Investing 4.5 to 5.5 billion yen in growth during the three years of the plan and adequately returning profits to shareholders while paying close attention to the balance between investment and profit

We define return on equity (ROE) as a key management indicator and have the goal of achieving an ROE of over 10% over the medium and long term in consideration of the cost of capital. Continuous growth is necessary for the medium- and long-term increase of shareholder value. To build a sound financial foundation that allows us to invest and take risks for growth, our policy is to keep shareholders' equity at an appropriate level. In view of our current situation, some say that the target of an ROE over 10% is too low. We set this target based on our idea that it is important for ROE to always be higher than the cost of capital.

As a step to improve the ROE, we are focused on increasing profit attributable to owners of parent, the numerator in the formula for calculating ROE. We are aware that a higher profit margin is key to a higher ROE. The key points in increasing profit are different in our two businesses, but the structure of our business enables the company as a whole to earn stable revenues from the existing businesses.

In the product business, we have been investing in products for a long time. As cumulative total sales have already exceeded cumulative total investments, an increase in license sales results in the growth of the profit margin. In the solution business, we provide high value-added solutions and carry out strict project risk management to improve project profitability and profit margin.

According to our capital allocation plan, we expect to



see operating activities provide net cash of 8.0 to 9.0 billion yen in the period from fiscal 2024 to fiscal 2026. We will use this cash to invest 4.5 to 5.5 billion yen in medium- and long-term growth and appropriate 2.5 to 3.0 billion yen to shareholder return. Regarding growth investments, 3.5 to 4.5 billion yen will be spent on software, research and development and business development, 2.0 to 2.5 billion yen will be spent on human resources, 0.6 to 1.0 billion yen will be spent on the foundation of our business and some capital will be spent on M&A activities. Our traditional shareholder return policy was to maintain stable dividend payments and achieve a payout ratio of 30% or more. We will increase the progressive and other dividend payout ratio to at least 35% in order to provide greater returns. We will aim to effectively use shareholders' equity and strive for appropriate shareholder returns while comprehensively considering financial soundness and other factors.

We will be investing in human resources in connection with the implementation of our human capital management. Our business units and personnel department are working together to formulate a human resources portfolio for accomplishing our management plan. We are developing education and other programs with the goal of developing our staff. We are also taking measures to facilitate diverse workstyles, to increase employee engagement and to revise pay standards.

Increasing B-EN-G's corporate value through active dialogue with investors

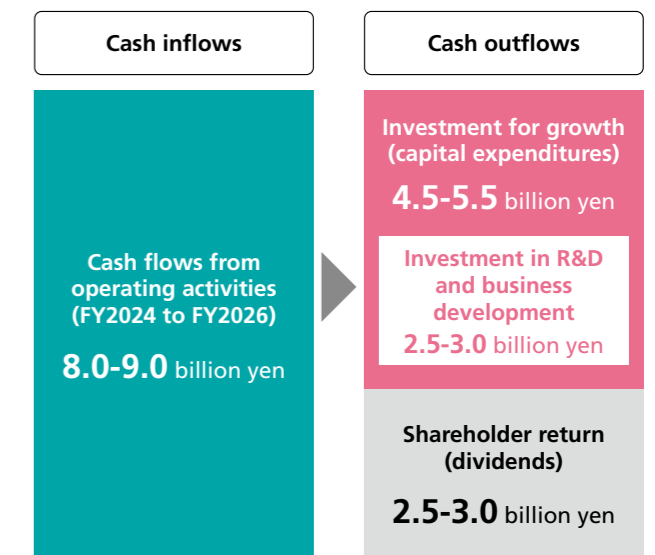
We value market capitalization as one of the indicators of corporate value. As of the end of fiscal 2023, our price-to-earnings ratio (PER) was 17.1. This means that our theoretical market capitalization was 45.0 billion yen. Assuming that the PER will be 19.0 in fiscal 2026, our market capitalization will be 61.0 billion yen.

In parallel with the improvement of financial indicators, we need to increase our recognition by actively engaging in dialogue with investors. This integrated report is our first

publication of this kind ever. We see it as a key tool for making B-EN-G's initiatives for continuous growth known to investors and other stakeholders.

As chief financial officer, I will make every effort to implement the financial strategies stated in Management Vision 2026. I will be dedicated to achieving the target of becoming the one and only company offering products and services supporting the transformation of manufacturers' businesses to increase our corporate value over the medium- and long-term future. We are looking forward to the understanding and support of our stakeholders.

Allocation of management resources (capital allocation plan)



Breakdown of investments for growth

\* Capital expenditures added with cost expenditures

Investment amounts in FY2024-FY2026

Investment in software and R&D	<ul style="list-style-type: none"> <li>Increasing the utility value of our products and services</li> <li>Making existing products ready for their transformation into SaaS products</li> <li>Creating new products and services designed for transformation-oriented DX</li> </ul>	3.5-4.5 billion yen
Investment in business development	<ul style="list-style-type: none"> <li>Developing new products and services that will be accepted by companies operating globally</li> <li>Conducting research into next-generation technologies for the development of our products and services</li> <li>Improving our ability to incubate new solutions</li> </ul>	2.0-2.5 billion yen*
Investment in personnel human resources	<ul style="list-style-type: none"> <li>Creating education programs matched with strategies and other programs aimed at strengthening human resources</li> <li>Enhancing programs to increase employee engagement and support diverse workstyles</li> <li>Revising pay standards</li> <li>Improving recruitment strategies to increase the number of employees</li> </ul>	0.6-1.0 billion yen
Investment in business foundation	<ul style="list-style-type: none"> <li>Building a foundation for implementing the SaaS business</li> <li>Carrying out internal digitalization to support new businesses</li> <li>Promoting sustainability</li> </ul>	
M&A investment	<ul style="list-style-type: none"> <li>M&amp;A activities to expand business and collaborate</li> <li>M&amp;A activities to create new businesses</li> </ul>	

\* Investment in human resources = Increase in personnel expenses (portion exceeding the personnel expenses for fiscal 2023) + total education expenses

# PART 1: B-EN-G's Value Creation Story

## Management Vision 2026

We will be the one and only company offering products and services supporting the transformation of manufacturers' businesses. B-EN-G is aiming to achieve this by 2026. We aim to be not only a provider of systems but also a problem-solver who solves issues together with customers as we support customers' system construction. We also aim to be a partner that supports customers in the transformation of their business model using digital technologies. To do this, we continue to serve customers from a perspective close to them, looking half a step ahead of them.

### Overview of Management Vision 2026

In August 2021, the B-EN-G Group formulated Management Vision 2026 as a six-year management plan. In the process of implementing the plan, we achieved the fiscal 2026 profit target in fiscal 2022, four years ahead of schedule.

This was chiefly due to license sales growing faster than expected following the enhancement of interest in our original mframe products and our network of partners. It

was also due to an increase in the profit margin that was a result of our focus on high value-added items and the reduction of unprofitable projects in system integration.

In response, we revised the vision in November 2023. We will carry out the new plan with its increased profit target by investing more in products and services as well as in human resources, which are the sources of our competitiveness.

### Target results

The targets in Management Vision 2026 as it was formulated in August 2021 were net sales of 22.0 billion yen, operating profit of 3.20 billion yen and profit attributable to owners of parent of 2.11 billion yen. The profit targets were achieved in fiscal 2022, when operating profit was 3.24 billion yen and profit attributable to owners of parent was 2.32 billion yen. Additionally, we have achieved record-high profits for seven consecutive years since fiscal 2016. We have thus created a stable revenue base.

We have set new targets for fiscal 2026, net sales of 22.0 billion yen, operating profit of 4.80 billion yen and

profit attributable to owners of parent of 3.20 billion yen, and we will carry out initiatives to achieve them.

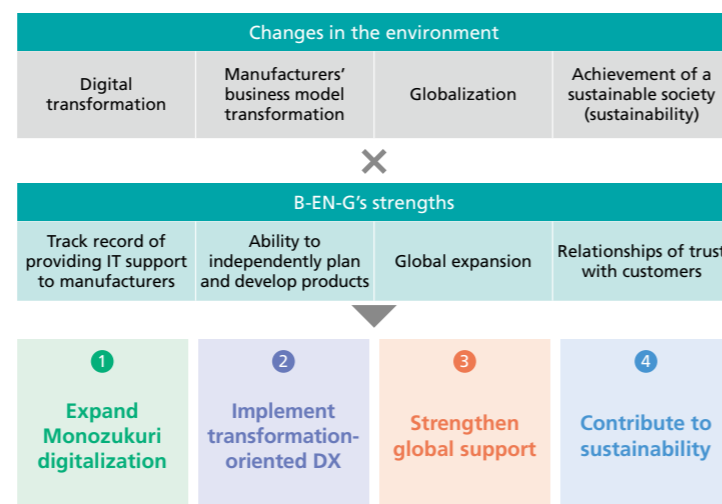
(Consolidated)	FY2022 results	FY2026 targets (billion yen)	
		Before revision	After revision
Net sales	18.5	22.0	22.0*
Operating profit	3.24	3.20	4.80
Profit attributable to owners of parent	2.32	2.11	3.20

\*Breakdown: 14.0 billion yen in the solution business, 7.5 billion yen in the product business, and 0.5 billion yen in the system support business.

### Overview of strategies

In view of the current situation in which the business environment surrounding manufacturers is drastically changing due to the implementation of DX and the advancement of technology, we selected four major issues that we should address: digital transformation, manufacturers' business model transformation, globalization and the achievement of sustainable society (sustainability).

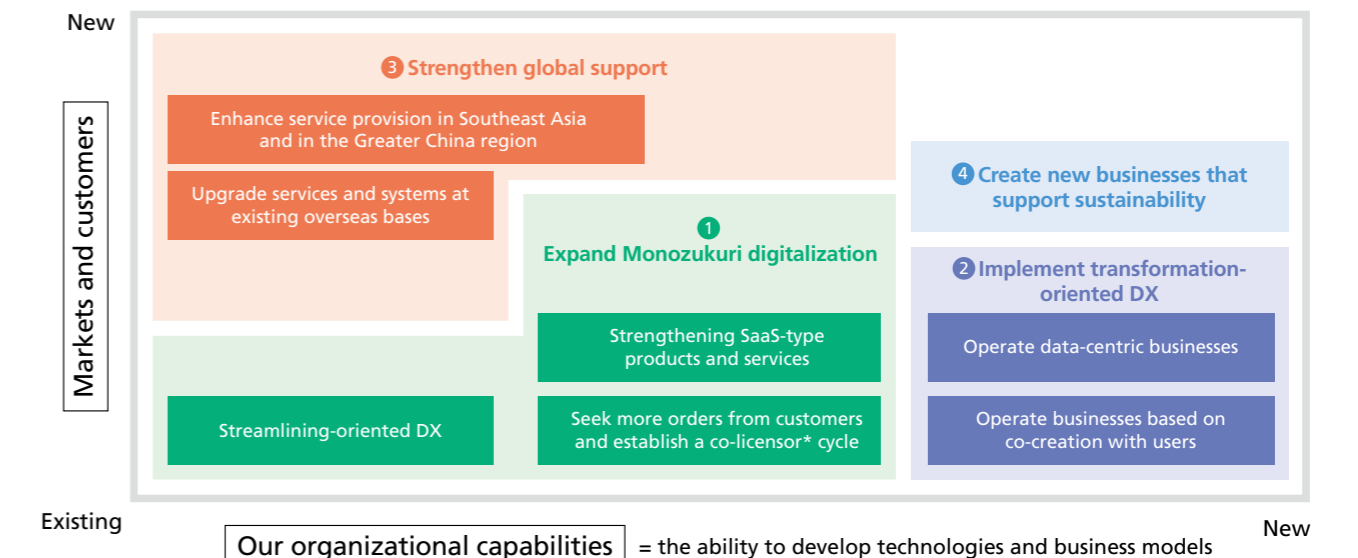
To address environmental changes, we will act based on the B-EN-G Group's strengths. This includes our track record in the construction of IT systems for many customers, mainly in the manufacturing industry, our original mframe products and our product planning and development capabilities, our experience in the construction of a large number of systems around the world and the relationships of trust based on the long-term relationships we have established with many customers.



### Strategies in depth

In view of environmental changes and our strengths, we will carry out initiatives for the realization of Management Vision 2026 with our four pillars, expanding Monozukuri digitalization, implementing transformation-oriented DX, strengthening global support and contributing to sustainability.

Regarding these four pillars, we will mainly implement the measures below. We will strive to continuously shift our business portfolio from existing areas to new ones to expand markets and increase the number of customers. We will develop technologies and business models to improve our organizational capabilities and move toward our next growth stage.



\*Co-licensor: An initiative for building closer partnerships with outside package vendors. (licensors)

#### 1 Expand Monozukuri digitalization

We will push ahead with streamlining manufacturing and support the construction of IT foundations for digital transformation (DX) aimed at transformation.

Streamlining-oriented DX	Help create the IT foundation for transitioning to transformation-oriented DX
Strengthening SaaS-type products and services	Offer products and services in which customers can choose between the ownership model and the utilization model according to their needs
Seek more orders from customers and establish a co-licensor cycle	Establish a cycle in which continuous relationships with customers and with licensors offering products lead to future business

#### 3 Strengthen global support

We will continuously increase our support for the global expansion of Japanese manufacturers and provide support for the development of manufacturers' global SCM systems.

Upgrade services and systems at existing overseas bases	Expand the network of existing overseas bases and overseas partners to enhance support for customers' overseas expansion
Enhance service provision in Southeast Asia and in the Greater China region	Improve support for Japanese manufacturers' global expansion mainly in Southeast Asia and in the Greater China region

#### 2 Implement transformation-oriented DX

We will provide manufacturers with support for the transformation of their business model and the development of innovative services. We will also work to transform our own business.

Operate data-centric businesses	Implement businesses that maximize value using data obtained from systems
Operate businesses based on co-creation with users	Implement businesses that create new value through new co-creation relationships with users

#### 4 Contribute to sustainability

We will help build a sustainable society through initiatives for solving social issues leveraging the B-EN-G Group's strengths.

Solve social issues through business activities	Help establish a sustainable society through business activities that positively impact society
Solve social issues through not-for-profit activities	Work more vigorously to solve social issues through socially significant activities irrespective of whether or not they lead directly to profit
Solve social issues through the establishment of a corporate foundation	Enhance the sustainability of society by establishing a foundation as a company committed to society

## Solution Business

### Vision

Base our businesses on the development of human resources and build a team pursuing the creation of value for customers and society

**Atsushi Nakano**  
 Managing Director and  
 Division General Manager,  
 Solutions Business Division



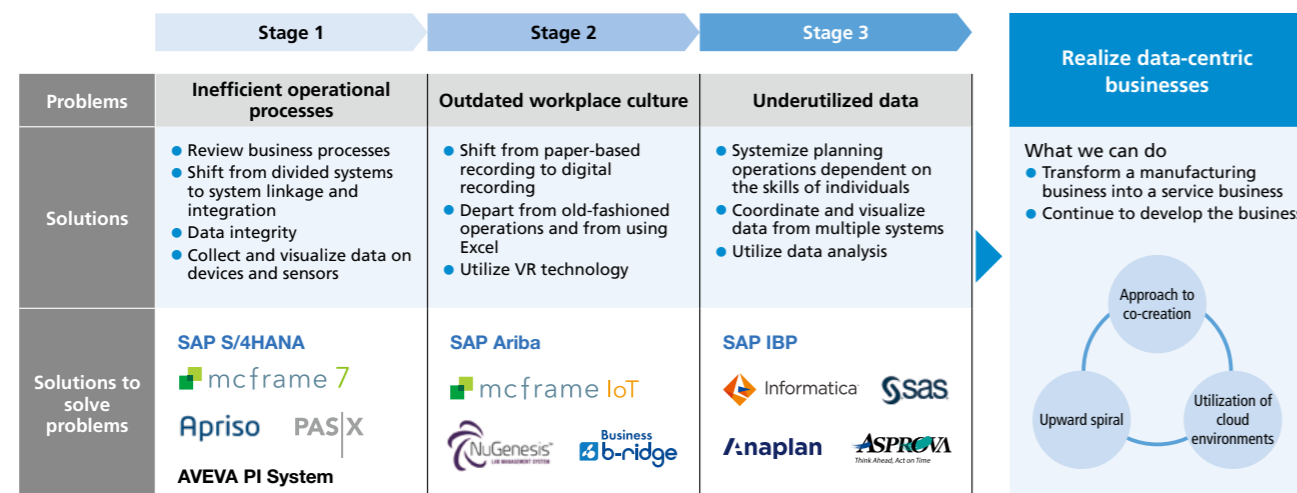
### To be what we aspire to be

The solution business is committed to its mission of advancing process innovation and contributing to people's future using the power of digitalization and data. To fulfill this mission, we must be an organization that is capable of creating and continuing to provide value to our custom-

ers and society. The development of human resources is the most important foundation of a business, in my view. As a pioneer in the introduction of ERP in Japan, we will advance businesses to continue to pursue transformation and solutions to customers' problems.

### Contributing to the digital transformation of manufacturers

We contribute to the digital transformation of manufacturers' businesses by supporting our customers' digital transformations which range from, for example, the streamlining of operational processes to data utilization and the realization of data-centric businesses.



### Contribution to people's health and safety

We contribute to the maintenance of people's health and safety by leveraging our accumulated knowledge and technological strengths.

- Reliably implement high-quality systems compliant with the rigorous standards for pharmaceutical products, medical devices, etc.
- Stay up to date with the evolution of pharmaceutical production
- Use the latest technologies in on-site safety education for manufacturing, logistics, healthcare, nursing care and other fields

### Contribution to sustainable supply chains

We leverage our unrivaled strength in the SCM domain and contribute to the development of sustainable supply chains.

- Carbon neutrality activities in supply chains
- Adaptability to change in supply chains

## Business policy and strategy in our Management Vision 2026

In our promotion of DX, we support our customers' digital transformation and strengthen businesses in the healthcare and supply chain domains, areas in which B-EN-G has specialized. We also continue to work to create new businesses with an eye on the changing business environment, which includes "the 2027 issue," the scheduled termination of SAP ERP 6.0 standard maintenance at the end of 2027, and the transition to the cloud. To lay a foundation for achieving these plans, we will reinforce our organizational strengths and concentrate on the development of human resources.

**Business policy** → Stay up to date with changes in the business environment and invest in growth with human resources as our core

**Target results** → Net sales of the solution business in FY2026: 14 billion yen

**Priority measures** → **Strengthen value proposition from the perspective of digital transformation**  
 We will strengthen the business to support customers' data-based digital transformation while continuing to grow based on long-term relationships with customers.

### Strengthen solutions for health and safety domains

While strengthening our business in the domains of healthcare and SCM, which the solution business has specialized in, we provide solutions to ensure the safety and security of workplaces using the latest technologies.

### Provide solutions to support sustainable supply chains

We develop and provide solutions to facilitate vertical, site-to-site and inter-business partnerships for the development of resilient and agile supply chains, and solutions contributing to the realization of a carbon neutral society.

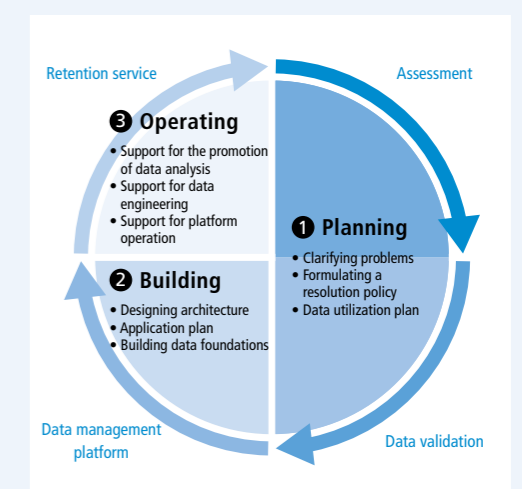
### Develop people who will take on challenges, the mission of the solution business

We bolster investment in and commitment to the development of the human resources who are indispensable to the growth of the business.

### TOPIC | Initiatives of data-centric business |

In promoting DX, data-driven management, the analysis of data and connecting this to business management decisions, is necessary. However, it is not easy to immediately use the large amounts of data accumulated by ERP and other systems. This led B-EN-G to provide a service linking ERP, MES (manufacturing execution systems), LIMS (laboratory information management systems), IoT and other applications with one another and supporting customers' data-centric transformation (DcX) for the creation of new value through the utilization of data accumulated by linking the systems above.

The data to be used and the goals to be achieved using the data are different from customer to customer. B-EN-G provides DcX support services tailored to each customer ranging from the organization of problems to operational support by leveraging our abundant track record and knowledge of manufacturers' systems and the introduction of extension solutions.



## Product Business

### Vision

**Using advanced technologies and epoch-making ideas to provide products and services to assist customers' transformations**

**Yusuke Sato**  
 Managing Director and  
 Division General Manager,  
 Products Business Division



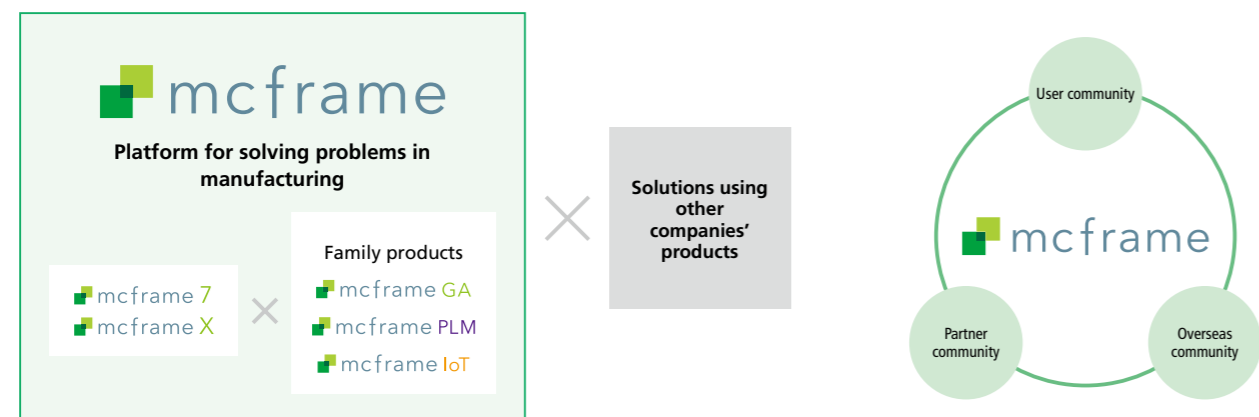
### To be what we aspire to be

The product business has increased its market share with its focus on its core mcframe products, seeing it as a domestic supply chain management system. We will continue to evolve and grow, aiming to provide products and services to support customers' business transformation and inno-

vate for society. Furthermore, we will promote the creation of products that will be appreciated in Japan and all around the world. To this end, we will continue to be committed to strengthening our business through co-creation with our stakeholders, including customers and partner companies.

### Building business infrastructure for solving problems with mcframe at its core

We link many different systems with one another via products that have been developed in-house, including mcframe, to build business infrastructure for solving the problems faced by manufacturers. In our pursuit of the growth of our business, we have built a network of communities consisting of companies using our products, partners supporting the introduction of our products and overseas users. We also help manufacturers achieve DX through the effective use of the data accumulated in their systems.



### Advancing two types of business, on-premises and SaaS

We offer two types of products, on-premises products which are flexibly adaptable to the needs of customers and SaaS products which can be compactly and quickly introduced. They serve a broad range of customers from large companies to small and medium-sized enterprises. Furthermore, introducing SaaS products to facilitate data collection and utilization supports customers' DX efforts.

### Global expansion

We roll out products for Japanese-affiliated manufacturers expanding overseas to more powerfully promote their businesses at their overseas bases. Making high-quality, high-performance systems available in any country or place streamlines operations in Japan and overseas and bolsters governance, contributing to the reinforcement of customers' business bases overseas.

## Business policy and strategy in our Management Vision 2026

Our business is divided into on-premises and SaaS businesses to keep up with changing needs and market trends, characterized by the transition of mission-critical systems to cloud infrastructure. To build a system for developing products and promoting businesses for the above purpose, we will reinforce cooperative relationships with our partners selling and introducing products and will advance our efforts to develop human resources. Furthermore, we will improve the development of products and services to meet customers' needs related to sustainability activities.

**Business policy** → **Provide products and services to support manufacturers competing domestically and globally**

**Target results** → **Net sales of the product business in FY2026: 7.5 billion yen**

**Priority measures** → **Balance the on-premises and SaaS businesses**  
 While continuing to deploy mcframe 7, an on-premises product, we will operate a SaaS business with mcframe X at full scale to expand the product business.

**Improve product strategies and our product development system**  
 We will bolster our development system for formulating product strategies and developing mcframe 7 and mcframe X in parallel, with a view toward providing globally available products and services.

**Expand the partner business**  
 We will reinforce relationships with partner companies, aiming to enhance the presence of the products we have developed in-house and to collaboratively expand our business.

**Offer products and services for achieving sustainability**  
 We develop and expand products and services that support the sustainability activities of manufacturers.

**Develop human resources and build an organization that realizes the vision of the product business**  
 We will strengthen efforts to develop human resources to realize the vision of the product business and to build an organization that serves as the foundation of the above efforts.

### TOPIC | Business with in-house products at global bases (overseas local subsidiaries) |

B-EN-G has multiple subsidiaries in the United States and Asia and supports Japan-affiliated companies that are expanding overseas in the introduction of systems that it developed in-house. Valuing empathetic communication with local customers our policy is to assign staff members of B-EN-G's overseas subsidiaries to promote the introduction of projects and directly support local customers in cooperation with the Japanese head office.

Because of differences in business practices, accounting rules, tax systems and other customs that depend on the country or region, it is very difficult to introduce and operate a globally standardized mission-critical system. With a track record of having introduced systems in more than 30 countries around the world, B-EN-G understands this and supports customers' expansion of their businesses overseas by harnessing its abundant experience and expertise in issues such as the balancing of systems between different countries.



## System Support Business

### Vision

Continuously grow as a company with strengths in maintenance operations, continue to connect with customers and be a guide runner supporting customers' success

**Kenji Shimura**  
 Representative Director and  
 President, Business System  
 Services Corporation



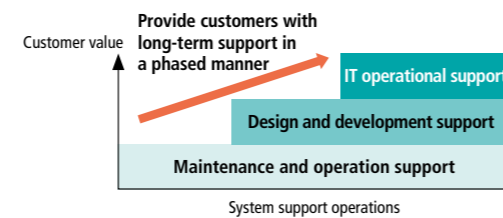
### To be what we aspire to be

With ERP maintenance operations as its core, the system support business supports customers throughout the life-cycle of their system. Many different applications, mainly ERP applications, are linked together with each other in complicated ways in the IT systems that are indispensable for companies in their management decision making. Operating them in-house is difficult. Many customers are

unable to secure sufficient in-house resources for maintenance and operation, so IT support partners familiar with their operations and systems are necessary. B-EN-G continues to refine the knowledge it has obtained over its history of providing long-term maintenance and it aspires to be a partner that is an indispensable part of customers' digital transformations.

#### Guide-type support to reliably advance the customer's DX

To adapt to the changes in our customers' business environments, the support we provide includes support in design and development areas and IT operations, in addition to maintenance and operation, and we encourage customers to use ERP solutions. As a partner, we supplement customers' lack of IT support and help customers implement their digital transformation.



### Business policy and strategy in our Management Vision 2026

As digital transformation is necessary in all industries, the promotion of defensive DX (streamlining-oriented DX), the first step in DX, is a challenge faced by businesses. Utilizing the knowledge and expertise in the use of IT that it has accumulated through many years of providing system support to customers, B-EN-G supports defensive DX, with ERP at its core, to support customers' growth.

**Business policy** → **Stabilize AMS\* projects, expand development projects and build a learning organization**  
\* AMS: Application management services, which involve undertaking system operation and maintenance.

**Target results** → **Net sales of the system support business in FY2026: 500 million yen**

**Priority measures** → **Steady growth of AMS projects with SAP at their core**  
 Sharing and utilizing intellectual property, we provide maintenance services efficiently, addressing the changes in customers' operations while pursuing growth and high revenue through the digital transformation of customers' operations.

#### Stabilize revenue in the design and development domains and expand the business

In cooperation with the product business, we will enhance our skills in the upstream processes of mcframe and seek to stabilize revenue and expand the business.

### Feature

#### B-EN-G's Commitment to the Shift to Cloud Computing

The transition of mission-critical systems to cloud computing is gaining momentum against the backdrop of the evolution of internet technologies and BCP\* measures. B-EN-G is shifting its in-house products to the cloud to fulfill the needs of the market.

In April 2023, we started offering a PoC version of mcframe X, the SaaS version of mcframe. In April 2024, it underwent a significant functional upgrade. In December 2023, we added GLASIAOUS+ to the GLASIAOUS line of cloud-type international accounting and ERP services to expand the customizable areas, and we have begun providing the service.

\* Business Continuity Plan. It is a plan to prepare measures for continuing important activities even in the event of a crisis such as terrorism, disaster or system failure.

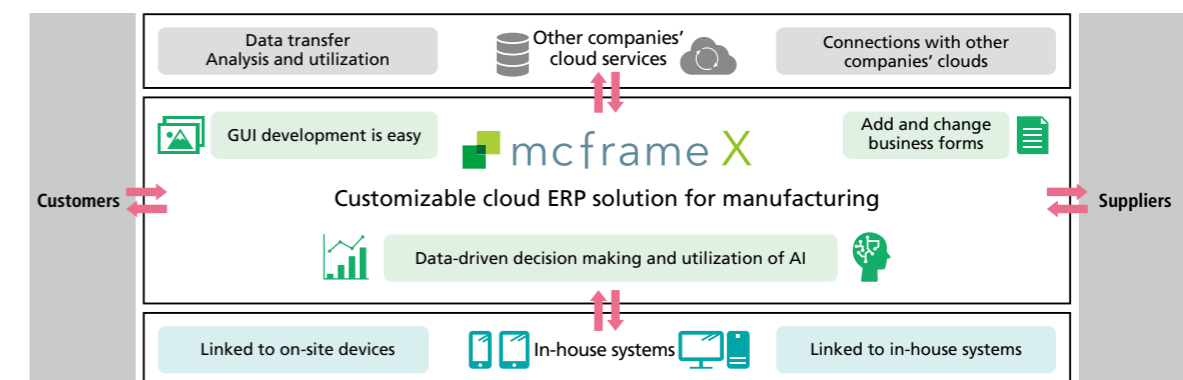
#### mcframe X: customizable cloud ERP solution for manufacturing

The mcframe series of package products are flexibly adaptable to user-specific needs and they enhance the effects of introducing a system by enabling long-term use through permanent maintenance. The SaaS version product, mcframe X, is a cloud ERP solution for manufacturing that has inherited the abundant features and flexibility that the mcframe series of products accumulated over many years. One of the advantages of cloud services is the permanent availability of their latest features. However, it is believed that it is difficult to flexibly customize these services to suit customers' operations.

Using the latest cloud technologies, mcframe X resolves the challenge of balancing feature upgrades

and customer-specific customizability to fulfill the needs that are emerging in the market. We support data-driven management by providing infrastructure that can be connected to peripheral systems and external data, not to mention the data from mission-critical activities that accumulates every day. We also pursue the improvement of productivity in all operational domains by using the newest AI technologies and statistical analysis scenarios.

Functioning as a system that will evolve with customers, mcframe X continually supports customers' innovation and growth by listening to customers to identify issues and provide feedback.



#### GLASIAOUS+, a group management platform that keeps pace with future changes

GLASIAOUS is a cloud-type international accounting and ERP service introduced by more than 1,600 companies in 33 countries. GLASIAOUS can be used in multiple languages for multiple-currency operations together with local systems in different countries. Characteristically, it is readily available anywhere in the world. By offering its features on a private cloud, GLASIAOUS+ flexibly fulfills needs such as customers' need to customize it to suit the core operations

of the user company and connect it to existing systems at different bases to increase the impact of its introduction. Irrespective of the type of business or the size of the company, we support the development of the group management foundations of our customers operating global businesses.



The B-EN-G Group will implement initiatives to enhance sustainability guided by the basic policy and structure below. To achieve both our Purpose and sustainability in collaboration with stakeholders, we will move the B-EN-G Group into a new stage.

### B-EN-G Group's Basic Stance on Sustainability

In 1999, B-EN-G was established to provide manufacturers and many other companies with indirect support in their use of information systems. Since then, we have continued to help businesses in Japan and beyond use information systems. The B-EN-G Group's corporate philosophy reads: As a professional group that puts customer satisfaction first, we contribute to society through the creation of new value. Accordingly, we have been offering the value provided by engineering that is unique to us for the creation of the mechanisms that corporate customers need for their provision of products and services to society. Essentially, humans support this value. We are convinced that the

B-EN-G Group can create the value it provides in a situation where our diverse personnel develop and exert their potential in an environment that is easy to work in. The B-EN-G Group believes that the synergy between personnel working energetically, products and services providing new value and corporate operations that earn the trust of society will help the B-EN-G Group fulfill its Purpose and aid the development of a sustainable society. To do this, we address the themes specified below in consideration of the characteristics of our business. These are the B-EN-G Group's initiatives for sustainability.



### Sustainability Promotion Structure

The B-EN-G Group has established a sustainability promotion structure centered on its Sustainability Committee. This committee's activities are wide ranging. They include the formulation of policies and the planning of activities related to sustainability, the formulation of ESG policies and measures, the identification and review of material issues related to sustainability, and the disclosure of sustainability-related information. Individual initiatives are regularly reported to the Management Committee and to the Board of Directors. They are subject to the supervision of the Board of Directors.



### Sustainability Strategy

We understand that initiatives to address sustainability issues are management issues that are significant in the continuous growth of the B-EN-G Group and its construction of a solid business foundation. We will outline the initiatives in our management plan and formulate our basic policy on sustainability promotion and then work continuously to improve sustainability.

purposes. One is to work to resolve social issues through the creation of value for society by fulfilling our social responsibilities and conducting business activities, and the other is to achieve the medium- and long-term improvement of our corporate value. We incorporate materiality into our action guidelines, management plans and equivalent measures to ensure that the B-EN-G Group works to address them.

We have identified important issues (materiality) that will impact the B-EN-G Group and its stakeholders for two



### Sustainability promotion measures in the management plan

We announced the Revised Management Vision 2026 management plan in November 2023. We added contributing to sustainability as a fourth pillar of business management. We will help build a sustainable society through initiatives for solving social issues by leveraging the B-EN-G Group's strengths. According to Revised Management Vision 2026, we will address the themes specified on the right to enhance sustainability.

Theme	Our approach	Activities for fiscal 2023
Solve social issues through business activities	Helping establish a sustainable society through business activities that positively impact society	Implementation of proofs of concept (PoCs) using mcfame 7 CFP and the publication of examples of their introduction
Solve social issues through not-for-profit activities	Working more vigorously to solve social issues through socially significant activities irrespective of whether or not they lead directly to profit	Dispatch of an accounting lecturer to an occupational high school in Indonesia and disaster relief activities following the Noto Peninsula Earthquake
Solve social issues through the establishment of a corporate foundation	Enhancing the sustainability of society by establishing a foundation as a company committed to society	Response to the CDP, determination and disclosure of greenhouse gas (GHG) emission reduction targets and preparation to establish the Sustainability Promotion Department

### Risk Management

We understand that responding to sustainability-related issues is a key management task that not only reduces risk but also leads to revenue opportunities. Through meetings and committee activities, we identify and address risks that it is forecasted the B-EN-G Group will face as it works to resolve social issues. Chaired by our president, the Risk Management Committee assesses and controls these risks and includes them in its reports on the status of operation

of the B-EN-G Group's internal control system. The Board of Directors understands and supervises the status of activities for addressing sustainability-related issues by reviewing the status of compliance with the Code of Conduct, reports on the status of the operation of the internal control system and examinations of the progress of the management plan.



The B-EN-G Group has identified the following issues that are particularly important and should be prioritized in order to continuously provide value with the aim of realizing a sustainable society. We will also set actions and goals (KPIs) for these identified important issues and work to resolve specific social issues.

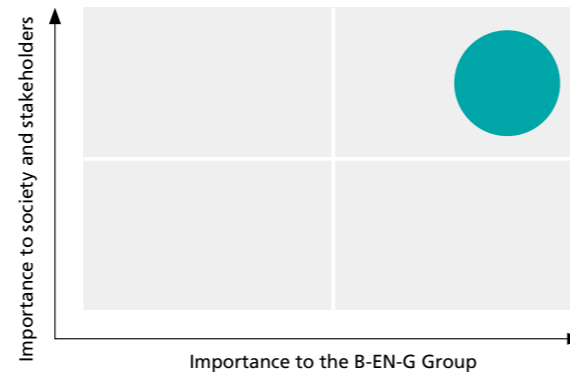
### Materiality Identification Process

We selected social issues that are important to the B-EN-G Group's corporate activities. In this process, we referenced international guidelines and valued the degree of significance of the individual issues to society and stakeholders. We see the relationship between materiality and the idea superior to it, such as the Corporate Philosophy and the Purpose, as an indicator in our assessment of its importance to the B-EN-G Group. The materiality is reviewed regularly. We work intensively on it to fulfill the Purpose.

<b>STEP 1</b>	<b>Establishment of a study team to identify materiality</b> Establishment of an internal cross-departmental team of members selected from business units and the administrative department to comprehensively study the businesses of the B-EN-G Group as a whole
<b>STEP 2</b>	<b>Identification of sustainability issues</b> Selection of major issues affecting businesses using value chain mapping and other methods to create a long list
<b>STEP 3</b>	<b>Identification and organization of issues and assessment of their importance</b> Organization of the selected issues and assessment of their relationship to business and their importance to society using external indicators
<b>STEP 4</b>	<b>Discussion by the Sustainability Committee</b> Discussion of the details of issues and assessment of their importance at committee meetings
<b>STEP 5</b>	<b>Board of Directors' approval</b> External disclosure of the issues after approval by the Board of Directors

### Assessment of the Importance of materiality, Opportunities and Risks

Issues identified as materiality are considered to be of prime importance to both stakeholders and the B-EN-G Group from among the many problems that society faces. We see that, for the B-EN-G Group, there are both risks and opportunities related to the individual issues.



### B-EN-G Group's materiality

Category	Details	Materiality themes	Opportunities	Risks
Providing value to society using IT	We use IT to increase the number of value-creating businesses around the world, providing new value to society. We also provide products and solutions that enable customers to focus on activities that create added value by streamlining existing operations using IT.	Improving efficiency and productivity through digitalization	✓	
		Providing products and solutions that achieve creative, high-value-added manufacturing	✓	
		Providing safe, reliable products and services	✓	✓
		Rapid response to the transformation of industrial business models through technological innovation	✓	✓
Realizing a sustainable society	We always approach business management from a long-term perspective for the realization of a sustainable society. We also promote businesses with the goal of stably and permanently developing regions and industries in Japan and abroad.	Establishment of highly reliable supply chains and the stable supply of products	✓	✓
		Response to labor and personnel shortage issues and human resource utilization	✓	✓
		Development of regional areas and developing countries	✓	✓
		Promotion of sustainable business	✓	✓
Responding to the global environment and climate change	We will protect the global environment and promote business in a way that does not place burdens on the earth. We also conduct business with the goal of protecting and effectively utilizing scarce resources.	Response to climate change	✓	✓
		Protection of the global environment and resources	✓	✓
Creating new value through partnerships and collaboration	We strive to achieve mutual growth by establishing a high degree of trust with all of our stakeholders. We also aim to innovate in society through synergy created by collaborating with partners.	Establishing a high degree of trust with stakeholders and emphasizing partnerships	✓	✓
Establishing and maintaining a foundation as a company that fulfills its social responsibilities	We strive to fulfill our responsibilities as an established company that is a part of society, and to develop and maintain a foundation as a company that provides added value to society.	Response to security risks and information protection		✓
		Fair market competition and marketing activities		✓
		Strengthening corporate governance	✓	✓
Creating a safe, secure and rewarding work environment	We strive to create an environment where employees, who support our business, can work safely and healthily. We also respect the human rights of all stakeholders, including employees, and work to realize a society that is free of discrimination.	Respect for human rights		✓
		Diversity and equal opportunity, realization of diversity and inclusion	✓	✓
		Realization of a safe and secure working environment and healthy work styles	✓	✓

### TOPIC | Solving social issues through business activities

#### Calculating CO<sub>2</sub> emissions from individual products to support manufacturers' decarbonization initiatives

It is becoming common to disclose corporate decarbonization efforts as non-financial information. To support customers in the preparation of carbon footprint disclosures, we have developed mcframe 7 CFP. It is a solution that automatically calculates projected and actual CO<sub>2</sub> emissions on a product-by-product basis. It performs the detailed calculation of CO<sub>2</sub> emissions based on actual manufacturing from production plans and manufacturing data managed using the mcframe 7 SCM integrated package that supports manufacturers in their production, sales and cost management.

Using mcframe 7 CFP, a standard value of the carbon footprint of each product is calculated using the standard emission



intensity of purchased items and the expected electricity and fuel ratios. (This is called standard CFP calculation.) In addition, it calculates the actual carbon footprint from actual production data. (This is called actual CFP calculation.) The difference between the two calculations and the results of analyses into causes can be used in CO<sub>2</sub> emissions reduction activities.

In the future, we will add the carbon footprint element to the entire mcframe product line to increase precision. We will thus aim to build a system foundation that enables customers to work toward decarbonization effectively while controlling their workload.

### [The concept underlying mcframe 7 CFP]

#### A solution that understands CO<sub>2</sub> emissions on a product-by-product basis to encourage emissions reduction activities

CFP management	PLM and IoT	Production and cost management	Life cycle
Visualization of expected and actual carbon footprints	Understanding of environmental costs in the planning and design stages and measuring and monitoring them using IoT technologies	Achievement of an optimal balance between quality, cost, delivery time and the cost of environmental measures	Understanding of environmental costs including after-sales services (use and disposal)
Already released	Expansion by adding new functions and collaborative solutions		

We are working to build a foundation to ensure that B-EN-G continues to exist as a company committed to society and that it will continuously provide value to society.

## Corporate Governance

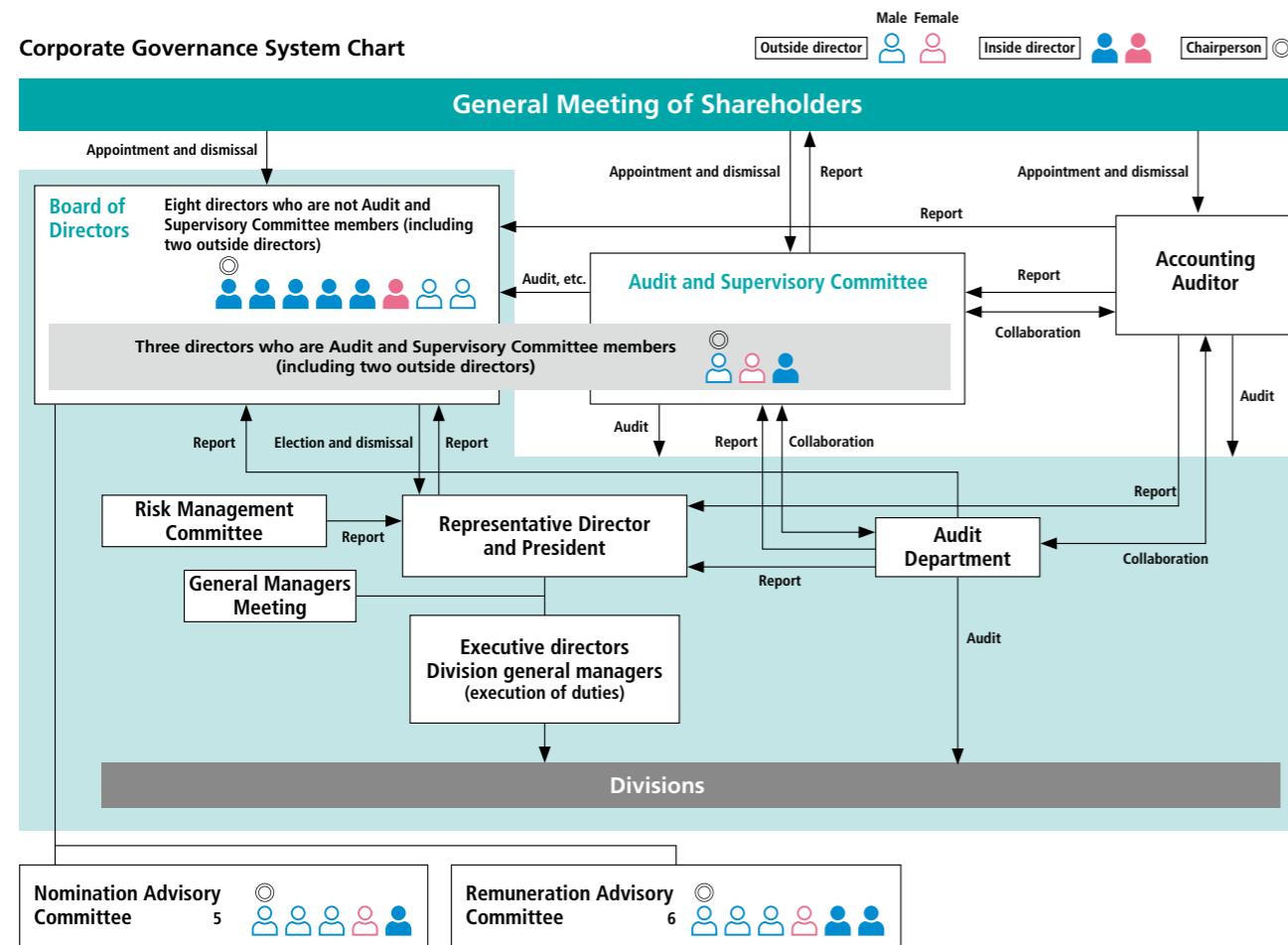
Our basic policy is to strive to strengthen our supervisory functions and efficiency of management and to reinforce our compliance system. To this end, we have adopted an Audit and Supervisory Committee system, and through the appointment of multiple outside directors and directors who are Audit and Supervisory Committee members with voting rights at meetings of the Board of Directors, we are working to strengthen the supervisory functions to

our directors' execution of their duties. Through continuous efforts to improve corporate governance, we strive to enhance the transparency of management, earn the trust of our stakeholders, including our shareholders, investors, customers, business partners, local communities, and employees (including the employees of Group companies), and to enhance our corporate value over the medium to long term.

### Basic Policy of Corporate Governance

- 1 We respect the rights of shareholders and ensure equality.
- 2 We consider the interests of our shareholders, customers, business partners, local communities, employees and other stakeholders, and we strive to appropriately collaborate with them.
- 3 We appropriately disclose company information and ensure transparency.
- 4 We fulfill the roles and duties that directors, including directors who are also Audit and Supervisory Committee members, are expected to fulfill, and work to improve the Company's supervisory functions and the efficiency of its management.
- 5 We will engage in constructive dialogue with shareholders whose investment policies are aligned with the interests of other shareholders over the medium to long term.

Corporate Governance System Chart



### Functions of the Board of Directors and committees and major agenda items in fiscal 2023

<p><b>Board of Directors (14 meetings in fiscal 2023)</b></p> <p><b>Functions</b></p> <ul style="list-style-type: none"> <li>• Decision on the execution of company business</li> <li>• Supervision of directors' execution of business duties</li> <li>• Election and dismissal of representative directors</li> </ul> <p><b>Main agenda</b></p> <p>Items stipulated in laws, regulations and the articles of incorporation, execution of material corporate business and material management matters under the regulations of the Board of Directors, assessment of the effectiveness of the Board of Directors and the verification and consideration of cross-shareholdings</p>	<p><b>Audit and Supervisory Committee (12 meetings in fiscal 2023)</b></p> <p><b>Functions</b></p> <ul style="list-style-type: none"> <li>• Auditing directors' execution of their duties</li> </ul> <p><b>Main agenda</b></p> <p>Status of the construction and operation of the internal control system, priority audit items, the appropriateness of accounting auditors' auditing methods and results and opinions on the nomination and remuneration of directors, excluding directors who are also Audit and Supervisory Committee members</p>
<p><b>Nomination Advisory Committee (four meetings in fiscal 2023)</b></p> <p><b>Functions</b></p> <ul style="list-style-type: none"> <li>• Ensuring the transparency of the process of nominating director candidates for and the election and dismissal of representative directors and other executive directors.</li> </ul> <p><b>Main agenda</b></p> <p>Nomination of director candidates, including directors who will also be Audit and Supervisory Committee members, election of representative directors and other executive directors and the personnel affairs system for directors</p>	<p><b>Remuneration Advisory Committee (four meetings in fiscal 2023)</b></p> <p><b>Functions</b></p> <ul style="list-style-type: none"> <li>• Ensuring the transparency of the director remuneration system and the process for determining remuneration</li> </ul> <p><b>Main agenda</b></p> <p>Details about remuneration, etc. for individual directors, excluding directors who are also Audit and Supervisory Committee members and the director remuneration system</p>

### Policy for the determination of remuneration, etc. for directors

#### 1 Basic policy regarding remuneration, etc. for directors

Our basic policy regarding remuneration, etc. for directors is to ensure that the remuneration, etc. is appropriate for the roles and duties the director fulfills and it is determined according to a system under which the remuneration, etc. for full-time directors, excluding outside directors and directors who are also Audit and Supervisory Committee members, reflects the medium- and long-term financial results of the Company and shareholder value. To ensure the transparency of the director remuneration system and the process of determining their remuneration, etc., the Remuneration Advisory Committee has been established. A majority of its members shall be outside directors and it shall be chaired by an outside director. It shall submit reports to the Board of Directors after it deliberates policies regarding the determination of remuneration, etc. for individual directors and other matters related to remuneration, etc. for directors and the Board of Directors shall make decisions regarding these matters.

#### 2 Remuneration, etc. for full-time directors (excluding outside directors and directors who are also Audit and Supervisory Committee members, hereinafter the same applies)

Remuneration, etc. for full-time directors shall consist of annual base remuneration (fixed remuneration), bonuses and stock remuneration (non-monetary remuneration). Base remuneration shall be determined in overall consideration of the director's position, duties, level of contribution to financial results and other matters, while bonuses shall be determined in consideration of the consolidated financial results for the relevant fiscal year. Both shall be paid following a resolution of the Board of Directors within the limit on director remuneration adopted by resolution at a General Meeting of Shareholders. Stock remuneration shall be paid according to the director's position and other factors. It shall be paid in accordance with the regulations formulated by the Board of Directors within the limits for the stock remuneration program set by resolution of the Board of Directors.

#### 3 Remuneration, etc. for outside directors (excluding those who are also Audit and Supervisory Committee members, hereinafter the same applies)

Remuneration, etc. for outside directors shall consist solely of base remuneration based on their duties. The president shall draft a plan for the base remuneration for individual outside directors within the limit on director remuneration adopted by resolution at a General Meeting of Shareholders. The plan shall be discussed by the Remuneration Advisory Committee. Based on reports from this committee, the Board of Directors shall determine the remuneration, etc. for outside directors, which shall be paid each month during their term of office.

#### 4 Remuneration, etc. for Audit and Supervisory Committee members

Remuneration, etc. for directors who are Audit and Supervisory Committee members shall consist solely of base remuneration based on their duties. The base remuneration for directors who are Audit and Supervisory Committee members shall be determined following consultation with themselves within the limit on remuneration adopted by resolution at a General Meeting of Shareholders and be paid each month during their term of office.

### Overview of the findings of the analysis and assessment of the effectiveness of the Board of Directors

To bolster the Board of Directors in the fulfillment of its functions, all directors, including directors who are Audit and Supervisory Committee members, conducted a self-assessment (in a questionnaire format). The Board of Directors then discussed the findings to analyze and assess

its effectiveness. As a result, the Board of Directors determined that its effectiveness had been secured. We will continue to work to continually improve the functions of the Board of Directors based on the assessment results.

List of Directors



**Masakazu Haneda**

Representative Director, President & CEO



**Shigeaki Betsunou**

Representative Director, Senior Managing Director, CFO, Division General Manager, Corporate Administration & Planning Division and Director for Alliance Dept.



**Atsushi Nakano**

Managing Director, Division General Manager, Solutions Business Division



**Yusuke Sato**

Managing Director, Division General Manager, Products Business Division and Director for Kansai & Chubu Region Management Division



**Toshiyuki Irimajiri**

Director, Deputy Division General Manager, Products Business Division, Chief General Manager, Systems Development Division and Director for Global Business Promotion Division



**Yumiko Miyazawa**

Director, Deputy Division General Manager, Solutions Business Division and Director for Marketing Planning Division



**Hiroshi Shimizu**

Independent  
Outside Director  
Important concurrently held positions  
• Professor, Graduate School of Management of Technology, Nippon Institute of Technology  
• Senior Advisor, Arthur D. Little Japan, Inc.



**Masahito Kitamura**

Independent  
Outside Director  
Important concurrently held positions  
• Professor, School of Business Administration, Kansai University of International Studies



**Naoki Shimizu**

Independent  
Audit and Supervisory Committee Member  
Outside Director  
Important concurrently held positions  
• Representative Director, With Consulting, Inc.



**Takako Miyoshi**

New appointment  
Independent  
Audit and Supervisory Committee Member  
Outside Director  
Important concurrently held positions  
• Partner, Okamura Law Office  
• Outside Audit & Supervisory Board Member, Toyo Engineering Corporation



**Hirofumi Otsuka**

Standing Audit and Supervisory Committee Member  
Director

Message from an Outside Director

**Endeavoring to transform into the One & Only Enterprise leveraging knowledge in the manufacturing industry and experience in strategy development**

Hiroshi Shimizu, Outside Director



After graduating university, I engaged in process design for chemical plants and in strategy development for manufacturers, who are in the same industry as the main customers of B-EN-G, at a business strategy consulting firm. Since then I have been teaching technology management at a university.

A characteristic of B-EN-G's business model is that B-EN-G has profound knowledge of the production processes of Japanese manufacturers and that it runs a business on intellectual assets in the form of software products as a licensor that develops and provides mframe products as well as the Value Creation Business as a licensee that sells and introduces SAP products. A key to growth is matching the issues faced by corporate customers with the resources a company can leverage to offer services. I believe that we can increase both net sales and profits if our steps to increase the number of corporate partners we have and other steps are successful.

In addition to the transformation of our business model to suit external conditions, the proper functioning of our corporate governance will be a decisive factor in B-EN-G's continuous growth in the future. My duties are to exchange opinions with other outside directors, to supervise the management of the corporation and to give advice on its management to maintain the balance between taking on new challenges, such as the full-scale transition to cloud services and overseas expansion in line with the businesses of our

corporate customers, and the governance and compliance that support our taking on new challenges.

**Also working to create systems for nomination and remuneration with an eye toward the future**

As the chair of the Nomination Advisory Committee, I have been participating in discussions regarding the construction of the internal director system. This has included discussions of who will succeed our management executives. We have achieved institutional reforms in the area of the term of office of directors and their retirement.

The Remuneration Advisory Committee created a system, including a stock remuneration program, to incentivize directors to always pay attention to the improvement of corporate value. In the future, we will work to develop systems for achieving a balance between well-modulated remuneration and performance evaluations.

I have watched a company that I used to work for come back from bankruptcy via a management buyout. This has made me believe that businesses must continue to change. I will continue to advise B-EN-G to enhance its strengths and advantages based on my knowledge of manufacturing and my experience as a business strategy consultant. I will work to help achieve B-EN-G's steady transformation into the One & Only company.

Experience and expertise of directors (skill matrix)

We take care to ensure that the members of the Board of Directors are well-balanced in terms of their familiarity with our businesses, including international knowledge related to B-EN-G's business areas, abundant knowledge of business administration, advanced expertise and the other qualities that executive directors and non-executive directors (directors who are Audit and Supervisory Committee members, outside directors, etc.) must have to fulfill their duties from the perspective of ensuring the appropriate size of the Board of Directors and the diversity of its perspectives and values.

Classification	Name	Corporate management	IT and technology	Global	Finance and accounting	Risk management and legal affairs
Director	Masakazu Haneda	✓	✓	✓		
	Shigeaki Betsunou			✓	✓	✓
	Atsushi Nakano		✓	✓		
	Yusuke Sato		✓	✓		
	Toshiyuki Irimajiri		✓	✓		
	Yumiko Miyazawa		✓	✓		
	Hiroshi Shimizu	✓	✓	✓		
Director (Audit and Supervisory Committee Member)	Masahito Kitamura	✓	✓	✓		
	Naoki Shimizu	✓			✓	✓
	Takako Miyoshi					✓
	Hirofumi Otsuka	✓	✓	✓		

• The experience and expertise required of directors may be revised according to changes in the business environment and management policies.  
• The ✓ symbol is placed on a maximum of three domains in which each director has experience and expertise. The diagram does not reflect all of the experience and expertise of individual directors.

## Compliance

### Basic Approach

The B-EN-G Group has established its Code of Conduct regarding compliance with ethics, laws and regulations to be adhered to by its officers and employees and the Group regularly provides compliance training to its officers and employees to ensure rigid compliance.

### Code of Conduct

The Group's officers and employees will act in accordance with the following five items in all corporate activities, strive to improve corporate value through the implementation of our basic philosophy and code of conduct, and work hard to contribute to the development of society.

**1 Earning Customer Trust**

We recognize that "contributing to the success of our customers" is the origin of our corporate activities, and with pride as professionals, we strive to provide high-quality products and services that put customer satisfaction first.

**2 Contribution to Society**

We contribute to society by creating new value, and as members of society, we contribute to environmental conservation and the creation of a sustainable society.

**3 Legal Compliance with Fair and Transparent Business Activities**

We comply with domestic and international laws and contracts, and conduct fair and transparent business activities with high ethical standards. Furthermore, we have no relationship with anti-social forces.

**4 Respect for Fundamental Human Rights and Diversity**

We respect basic human rights and diversity, do not engage in unfair treatment or discrimination and strive to create a comfortable working environment.

**5 Protection of Intellectual Property and Information**

We respect intellectual property rights, strive to appropriately preserve and manage the information we handle and do not use it improperly.

### Compliance Promotion System

Regarding compliance with laws, regulations and equivalent matters, we have established the Compliance Code of Conduct to clearly define the rules regarding compliance. We have established the Legal Department to be the organization responsible for compliance. We are constructing a framework for promoting compliance. When any director learns any material facts regarding compliance, such as facts about the violation of any law, regulation or articles of incorporation, the director is to report them to the Board of Directors and to the Audit and Supervisory Committee without delay.



### Whistleblowing System

We have established a whistleblowing system that is accessible to every officer, employee and other personnel of the Group or any of its corporate partners in accordance with the Whistleblowing Regulations in an effort to deter, quickly discover, correct and prevent the recurrence of any

misconduct. We take measures to protect whistleblowers. For example, we commission an outside lawyer to act as a whistleblowing contact. We also ensure the confidentiality of whistleblowers and prohibit disadvantageous treatment of them.

## Risk Management

### Basic Approach

We have established the Risk Management Regulations. Guided by the Risk Management Committee chaired by the president, we implement proper management and take practical actions to address the different risks surrounding our and our subsidiaries' businesses to ensure their continuous and stable development.

### Risk Management Promotion Framework

To properly manage and take practical actions to address the many different risks surrounding our and our subsidiaries' businesses, we have created a risk management promotion framework, including the establishment of the Risk Management Committee, in accordance with the

Risk Management Regulations. The Risk Management Committee is chaired by the president and its members are full-time officers. It understands risks and studies measures to address them. It also gives instructions on the handling of risks and checks the status of risk management.

### Business and Other Risks

The risks that may significantly impact the Group's business results and its financial position and may influence investors' decision making include the following.

- 1 Risks related to changes in the business environment**
- 2 System development risks**
- 3 Risks related to technological innovation**
- 4 Risks related to information security**
- 5 Relationships with specific business partners**
- 6 Risks related to recruitment**
- 7 Risks related to investment**
- 8 Risks arising from major disasters and equivalent events**
- 9 Risks related to compliance**

In its meeting in fiscal 2023, the Risk Management Committee reviewed risk assessment as well as risk factors, their degree of impact and their possibility of occurrence. In addition, it examined the state of risk-reducing initiatives. To control unprofitable projects, we carry out different recurrence prevention measures devised based on lessons

learned from past unprofitable projects. We also formulate new measures to more strictly manage projects.

The matters stated above are only specific examples of major possible risks related to the Group's businesses and others. The risks the Group faces are not limited to these risks.

[Risks of Business etc. Website](#)

### Initiatives to Address System Development Risks

We have adopted a quality policy to address system development risks, one of the identified business and other risks. We are working to continuously improve our quality management system. We are certified to ISO9001, the international quality management system (QMS) standard.

**Certification type** Quality management system  
**Certification number** JUSE-RA-1803  
**Certified organization** Business Engineering Corporation Solutions Business Division (Digital Business Division, Digital SCM Division, Digital Life Science Division, Digital Enterprise Division, Engineering Enhancement Division), Corporate Administration & Planning Division (Quality Management Department)

**Applicable standards** JIS Q 9001:2015 (ISO 9001:2015)  
**Certification range** Consulting, planning, design and development of information systems  
**Examination and certification agency** Union of Japanese Scientists and Engineers ISO Center



[Quality Initiatives Website](#)

Through relationships with stakeholders, we push forward with initiatives to fulfill our social responsibilities.

## Human Rights

### Basic Stance on Respect for Human Rights

As part of the international society, the B-EN-G Group advocates respect for fundamental human rights and diversity in its Code of Conduct, which is applicable in all of the Group's corporate activities. We respect fundamental human rights and do not discriminate based on race, ethnic background, nationality, creed, religious faith, gender, age, disability or any other attribute. We also obey the laws of different countries and regions. Remaining aware of the need to respect individuals, we do not engage in any act that could go against public order or morals, violence, intimidation, sexual harassment or any other act of this nature.

[Human Rights Policy](#) ▶ [Website](#)

### Initiatives to ensure respect for human rights

#### Human rights education

All employees of the Group receive annual compliance education in which they are taught again about the Code of Conduct and compliance, mainly about issues related to human rights education, and they are tested to evaluate their understanding. In this way, we pursue a workplace environment where each employee respects human rights and that is free from discrimination, harassment and similar acts.

#### Completion Rate for Compliance Confirmation Testing (non-consolidated)

**100%** (FY2021) ➔ **100%** (FY2022) ➔ **100%** (FY2023)

#### Hotline for consultations about human rights issues

The compliance hotline accepts reports and consultation requests related to human rights from all employees, temporary employees and resident partners. The hotline continually engages in activities including consultations to fact checking, problem solving, discussing recurrence prevention measures and evaluating situations after measures have been implemented. The hotline ensures the privacy of the people who consult and the people engaged in matters and takes action impartially.

## Human Resources

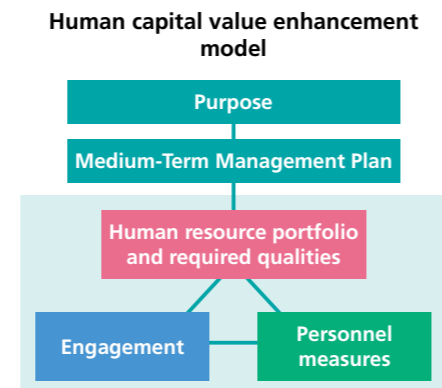
### Promoting human capital management

As "Engineering value-creating businesses" is the Purpose of the B-EN-G Group, we believe that human capital is the core of our operations and that each employee is a valuable human resource. Regarding the enhancement of the value of human capital to be a top priority issue in our management strategy, we strive to contribute to the growth of businesses and society as a whole through the development of skilled human capital.

#### FY2024-2026 Managerial resource investment plan

- Creating education programs matched with strategies and other programs aimed at strengthening human resources
- Enhancing programs to increase employee engagement and support diverse workstyles
- Revising pay standards
- Improving recruitment strategies to increase the number of employees

**2.0-2.5**  
billion yen



### Required qualities

The B-EN-G Group wants professional human resources with a spirit of taking on challenges, who have high-level expertise (technical strengths) and problem-solving capabilities and demonstrate active leadership. The language and communication skills to support these capabilities are also

necessary. We want each employee to grow into an independent professional, value their aspirations and personal motivations and remain capable of taking on challenges in pursuit of the creation of value for customers and society.

## Employment

We concentrate on recruiting human resources aligned with the B-EN-G Group's Purpose, "Engineering value-creating businesses," who can join us in being absorbed in the transformation of manufacturing using IT. The B-EN-G Group as a whole recruits 60 to 70 people annually. The Group employs many human resources with experience in many different industries, including IT. Through referrals

and alumni, we recruit human resources that are aligned with the B-EN-G Group. We also actively employ women, non-Japanese people and people with disabilities. Business System Services Corporation, our subsidiary, established its Akita Branch in April 2024. Going forward, we will also work to attract human resources who wish to work outside Tokyo and other metropolitan areas.

### Developing professionals

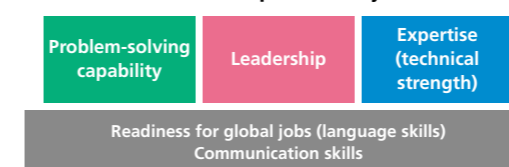
In accordance with our basic policy on human resource development, we are committed to the development of professionals capable of taking on challenges in pursuit of the creation of value for customers and society. These efforts go beyond the different kinds of training and also encompass the stimulation of job rotation and support of reskilling among many others.

### Education system

We have a broad range of educational systems for the development of professionals.

- In their first year, each new employee learns the basic information and mindset necessary for their job from their on-the-job trainer.
- Rank-specific training programs are implemented periodically according to years of service and grade of each employee to increase understanding of the principles of leadership and to acquire problem-solving, communication and other skills.
- Our career development training programs are divided by type of job, purpose and department. Whenever appropriate, trainees acquire expert knowledge and skills necessary for their work.
- Our core skills are defined as the mindset and mandatory skills that our employees are expected to have, and we offer online content for learning these core skills.
- We also have a certification encouragement program to support employees' self-improvement. The Company provides financial assistance to employees for their acquisition of certifications that are necessary for their jobs and career plans.

#### Skill development subjects



#### Rank-specific training (examples)

New employee training (e.g., business manners, presentation, Java/database, production management), problem solving training, leadership training, new line manager development training, 360-degree diagnosis training, global human resource development, mid-career recruit follow-up training, diversity training, compliance training, mental health course, and youth workshops.

#### Career development training (examples)

Testing techniques course, software engineering course (requirement definition and design), database training, security course for engineers, data analysis course, project management training, business strategy formulation training, development of human resources in digital businesses, workshops by the president, and short-term programs at graduate schools

#### Human resources development costs per employee (non-consolidated)

**83 thousand yen** (FY2021) ➔ **130 thousand yen** (FY2022) ➔ **113 thousand yen** (FY2023)

#### Human resources development time per employee (non-consolidated)

**48.0 hours** (FY2021) ➔ **65.4 hours** (FY2022) ➔ **64.1 hours** (FY2023)

- Problem-solving capability** Discover and analyze issues that customers should address and the need for innovation, and propose solutions
- Leadership** Establish a vision and a goal, involve surrounding people and function as a catalyst for change
- Expertise (technical strength)** Excellent capabilities, knowledge and practical skills in specific domains and fields

### Career plan program

We have a career plan program to support employees' career development. Once a year, employees fill out their career plan sheet to communicate how they wish to develop their career and, using this sheet, discuss their career plan with their superior. Employees' desires and the roles the company expects them to fulfill are shared to facilitate project assignment plans, job rotation, employees' attendance at training sessions and other matters. Nomination-based career meetings and Human Resources and General Affairs

Department career meetings are also available: the former enables employees to discuss their careers with any of their colleagues other than their immediate superior, while the latter allows employees to talk with career consultants from the Human Resources and General Affairs Department. B-EN-G seeks to build an environment where employees can work long-term with a feeling of security while respecting the intentions of each employee.

## Actions for enhancing employee engagement

We define employee engagement as employees' ability to find meaning and satisfaction in their jobs and to spontaneously contribute to the development of employees and the organization based on their understanding of their organization's strategies and goals, and we are committed to many different actions for enhancing employee engagement.

### Principles of the actions

- Build an organization that enables each individual employee to work energetically.
- Involve all organizations.
- Engage in ongoing actions. Do not make actions one-time events. Make actions permanent and autonomous.
- Place importance on processes for improvement.

### Engagement pulse survey

We began conducting the survey in fiscal 2019 and we share survey scores and identified issues within the company every month. The most recent overall score is 72. This overall score is high, which is among the top 20% of companies of similar size in the same industry.

#### Overall engagement score (non-consolidated)

66 (March 2020) → 69 (March 2023) → 72 (April 2024)

## Encouragement of diversity, equity and inclusion

The B-EN-G Group's creation of new value is supported by its irreplaceable people. We will build a workplace environment with a high degree of psychological safety where every employee can understand the other employees and demonstrate their capabilities in their own way. To realize the Group's philosophy of contributing to society through the creation of new value, we will advance diversity-oriented management that enables the individual characteristics of each employee to be our strength and achievement.

### • Diversity education

All employees of B-EN-G are required to receive unconscious bias training at sessions that are held periodically.

### • Heartful Diversity Club

We have club activities to encourage DE&I. The club periodically holds workshops, enlarges the circle of DE&I within the company and develops friendships between colleagues. We invited a person from outside the company to lecture in fiscal 2023 and held a company-wide lecture for learning about the basics of D&I and LGBTQ issues.

### • In-house commendation system

The goal of the in-house commendation system is to motivate employees and internally share successful practices and know-how that contribute greatly to the company's performance. Winners are selected from candidates nominated by all employees and are announced at a commendation ceremony where their contribution to the company is recognized.

#### Number of in-house commendation nominees (non-consolidated)

32 (FY2021) → 57 (FY2022) → 72 (FY2023)

### • Employee task force

To encourage employees to change the company from within, we invite mainly young and mid-level employees to participate in a task force focused on activities such as the promotion of corporate branding and the planning of new offices.

### • Support system for club activities

We support employees' off-the-job activities for a better work-life balance and encourage the sharing of happy moments between coworkers with the same hobbies. Irrespective of whether you are in a sports or cultural club, your club may be authorized by the company and receive financial assistance if it satisfies the given requirements.

#### Number of employees participating in club activities (non-consolidated)

28 (FY2021) → 29 (FY2022) → 64 (FY2023)

### • Other actions for enhancing engagement

We hold departmental engagement dialogue events, inner-branding workshops, career support seminars for employees in their 40s, financial and wellbeing seminars, engagement leader training programs and other activities.

### • Active participation of women

We seek to increase the percentage of our entire workforce and people in managerial-level positions who are women with the goal of leading to the creation of new value. Furthermore, we are aggressively establishing a workplace environment and aggressively supporting career development so that our women colleagues can stay active long term. We have formulated and disclosed an action plan based on the Act on the Promotion of Female Participation and Career Advancement in the Workplace.



## Health and productivity management

Enabling employees to keep working while staying physically and mentally healthy and feeling secure leads to the improvement of each employee's life, the company's sustained growth and its contribution to society. Based on this understanding, we are committed to health and productivity management.

### • Structure for the promotion of health and productivity management

The president and the officer in charge of human resources act as the chief health and productivity management executive and the health and productivity management executive, respectively. Led by the Human Resources and General Affairs Department, our health insurance association, occupational physicians, public health nurses, industrial health staff, the people in charge of health and productivity management and other related divisions and people cooperate with one another in the company-wide promotion of health and productivity management.

#### Percentage of employees who have taken regular medical checkups (non-consolidated)

99.0% (FY2021) → 99.6% (FY2022) → 100% (FY2023)

### • Health and productivity management initiatives

- Regular and complete medical checkups
- Mental health seminar
- Influenza vaccinations
- Establishment of an external consultation office (EAP)
- Dental checkups
- Yoga lesson given online
- Consultation office run by occupational physicians

#### Percentage of employees who have received a stress check (non-consolidated)

70.5% (FY2021) → 88.2% (FY2022) → 93.5% (FY2023)

## Developing a pleasant workplace

Systems and measures are increased and improved with the goal of building a workplace environment where each employee can flexibly choose their own workstyle in accordance with events in their life, continue to work while feeling secure and maximize their potential.

### • Telecommuting

Telecommuting was introduced in April 2023. Hybrid commuting, characterized by a combination of commuting and telecommuting, has made flexible workstyles possible. Complete telecommuting may also be allowed if, for example, you need to relocate for family reasons. This allows you to continue your career at B-EN-G without leaving your job.

### • Childcare support systems

Our childcare support systems exceed statutory requirements as the Company allows pregnant employees to take a total of 20 days of special paid leave and they receive full pay throughout their leave before and after childbirth. Also, male employees whose spouses have given birth may take five days of paid childbirth leave.

#### Percentage of childcare leave taken by male employees (non-consolidated)

45.5% (FY2021) → 27.3% (FY2022) → 62.5% (FY2023)

### • B-Work Life Balance system (choosing workstyles)

In accordance with life events and other needs, employees may temporarily choose (change) to work reduced hours and be exempt from working overtime.

#### Percentage of annual paid leave taken (non-consolidated)

67.8% (FY2021) → 76.5% (FY2022) → 78.5% (FY2023)

#### Percentage of employees telecommuting (non-consolidated)

64% (March 2022) → 46% (March 2023) → 38% (March 2024)

## Social contribution

### Not-for-profit activities for solving social issues

One of the strategies stated in Management Vision 2026, our management plan, is to contribute to sustainability as we promote the resolution of social issues through socially significant activities that do not directly lead to profit (not-for-profit activities).

Our not-for-profit activities in fiscal 2023 include donations to Ukraine and support for areas impacted by the Noto Peninsula Earthquake. Furthermore, we sent some employees to occupational high schools in Indonesia to lecture on management accounting using mcframe GA, our accounting package, as a teaching resource.



We are striving to reduce environmental impact through our business activities, aiming to conserve the global environment and protect finite resources.

**B-EN-G Group Environmental Policy**

Based on an understanding that the conservation of the global environment is the world's most important issue, the B-EN-G Group functions as a company supporting business transformation with IT, leveraging the Group's technical strength and contributing to the realization of a sustainable society. Amid the Group's business activities, all officers and employees of the Group seek to reduce environmental impact.

[Environmental Policy](#) ▶ [Website](#)

**Promotion structure**

We manage environment-related issues and encourage their resolution with an organizational structure similar to the Sustainability Promotion Structure.

▶ [P29 Sustainability Promotion Structure](#)

**Information Disclosures Based on the TCFD Recommendations**

The B-EN-G Group considers action against climate change as one of its important issues. We make analyses based on the framework recommended by TCFD and disclose the impact of climate change on our business operations.

**Governance**

In terms of the execution of initiatives against climate change, B-EN-G's Board of Directors demonstrates a strong supervisory function through periodic reports. In executing initiatives, the Sustainability Committee chaired by the president formulates basic policies, defines important targets and manages progress. At the same time, the Committee deliberates and makes decisions on action policies for specific issues.

▶ [P29 Sustainability Promotion Structure](#)

**Strategy**

We conduct scenario analyses using the scenarios released by institutions such as IEA and IPCC, and specify the risks, opportunities and impact on our business operations by climate change. The analyses use two scenarios that assume average temperature rise from the pre-industrial era as 1.5°C and 4°C, respectively.

- 1 **Identifying risks and opportunity items**  
We made a list of events that may occur from climate change, which could impact the B-EN-G Group's operations and which are considered to be particularly important.
- 2 **Discussing changes in society through scenario analysis and their impact on our operations**  
Using external scenarios, we discussed the impact of climate change on society and possible events. In the scenarios, the impact on our operations of changes in trends among stakeholders resulting from the above impact and events is summarized and classified into short and long spans.
- 3 **Calculations on action against the impact of climate change and its financial impact (\*Scheduled to be released in fiscal 2024)**  
We made calculations on the action that should be taken against the risks and opportunities arising from climate change, and on the financial impact of the action.

**• TCFD business impact assessment**

**1.5°C scenario**

Short term: up to 5 years | Medium term: up to 15 years | Long term: up to 30 years

Possible events	Impact on the B-EN-G Group	Risks/ Opportunities	Measures	Time span	
<b>Tightening of carbon emission regulations</b>	The growing burden of carbon tax and the increase in the ratio of renewable energy use raise power prices	<ul style="list-style-type: none"> <li>Motivation to invest in IT decreases due to a drop in revenue of manufacturers, our major customers</li> <li>Fees for cloud services rise, so does the cost for operation of SaaS business</li> </ul>	Risks	Expand our business operations beyond manufacturers to the industries insignificantly susceptible to the impact of tighter regulations	Medium term
<b>Severer obligation to disclose information</b>	Greater rigor is required in the management of emissions throughout the supply chain and throughout the corporate group	The market for IT to realize more accurate emission management expands	Opportunities	Develop new products and services utilizing the B-EN-G Group's expertise in SCM and group management accounting (e.g. a system for managing emissions by means of ERP)	Medium term
<b>Emission measurement technologies evolve</b>	Needs for measurement technologies to enhance accuracy, such as direct acquisition of carbon emission data, grow and the related technologies evolve	Development of systems for emissions measurement using IoT and other means advances and the market expands	Opportunities	Combine our in-house IoT products with new technologies to increase and improve our products and services (e.g. consulting business for problem solving)	Medium term
<b>Consumer preference for eco-friendly products</b>	As eco-friendly products are increasingly preferred, information disclosure for consumers advances in such forms as indication of carbon emissions by product	Greater needs for IT to realize the management of CFP (carbon footprint) by product	Opportunities	Increase and improve the B-EN-G Group's existing products and services and put them on the market before competitors do	Medium to long term
<b>Transition to low-resource, low-energy society</b>	Resource consumption is suppressed and manufacturers move ahead with the transformation of their business models on the assumption of consumption of tangible goods	<ul style="list-style-type: none"> <li>We will face a need to adapt existing products and services to a new business model</li> <li>Formation and expansion of the market for supporting manufacturers in changing their business models</li> </ul>	Risks Opportunities	<ul style="list-style-type: none"> <li>Develop products and services to support new business models of manufacturers</li> <li>Create a new business to transform a manufacturing business into a value-creating business</li> </ul>	Long term

**4°C scenario**

Short term: up to 5 years | Medium term: up to 15 years | Long term: up to 30 years

Possible events	Impact on the B-EN-G Group	Risks/ Opportunities	Measures	Time span
<b>Increasing severity of natural disasters</b>	Risks for typhoon, flood and other kinds of natural disaster increase and more companies have no choice but to relocate their production bases such as factories	Risks	Increase and improve the SaaS business which is insignificantly susceptible to the impact of disaster and relocation of bases	Medium term
	Formulation of BCP advances on the assumption of disaster risks	Opportunities	More cloud services are introduced as measures against disaster, which increases opportunities to expand a SaaS business	Short to medium term
	Requirement for greater resilience of supply chains against natural disaster grows	Opportunities	Promote businesses leveraging the B-EN-G Group's strength in the support of SCM and IT	Short to medium term
<b>Rise in average temperatures</b>	Costs for cooling data centers and server rooms increase and fees for cloud services consequently rise	Risks	Pass on the cost increase to prices and seek to streamline operations and increase services to proceed with policies which do not compromise customer satisfaction	Short to medium term

**Risk Management**

The Risk Management Committee chaired by the president stays updated on the status of the management of risks relating to climate change and deliberates and makes decisions on measures to take.

▶ [P30 Risk Management](#)

**Metrics and targets**

**Reduction of GHG emissions**

As part of our measures against climate change, we push forward with initiatives to reduce greenhouse gas (GHG) emissions. While reducing GHG emissions from the B-EN-G Group, we offer products and services to help customers reduce their CO<sub>2</sub> emissions.

**Actions for visualizing and reducing GHG emissions**

We periodically measure the amount of GHG emissions from the B-EN-G Group's business activities and make it public. Moreover, we set reduction targets and formulate specific action plans for achieving the targets.

[B-EN-G Group's ESG data](#) ▶ [Website](#)

**Changes in GHG emissions from the B-EN-G Group**

Actual GHG emissions		(Unit: t-CO <sub>2</sub> )	
	FY2022	FY2023	
<b>Scope 1 + 2 (market standard)</b>			
	724	454	
<b>Scope 3</b>	Overall	6,699	7,149
	Category 1 (Purchased goods and services)	5,891	5,920
	Category 2 (Capital goods)	74	337
	Category 3 (Fuel- and energy-related activities)	278	286
	Category 6 (Business travel)	333	420
	Category 7 (Employee commuting)	109	145
	14	41	
<b>Scope 1 + 2 + 3</b>			
	7,422	7,603	



**Third-party assurance on our GHG emissions**

We acquired third-party assurance in fiscal 2022 with an aim to enhance the credibility of our disclosures of GHG emissions.

[Third-party assurance report on GHG emissions](#) ▶ [Website](#)

\* Scope 3 emissions are calculated by multiplying the procurement price by the intensity specified by the Ministry of the Environment. In this formula, emissions increase in proportion to an increase in the amount of action.  
\* Scope 3 emissions in Category 2 in fiscal 2022 are outside the scope of third-party assurance because they were additionally calculated after the acquisition of a third-party assurance.

**GHG emissions (Scope 1 + 2) reduction targets**

The B-EN-G Group set GHG emissions reduction targets as shown below. We will advance decarbonization initiatives in agreement with the Paris Agreement and seek to achieve carbon neutrality by 2050.

Item	Medium-term target	Long-term target
Scope 1 and 2	Reduce emissions by at least 50% versus the FY2022 level by 2030.	Achieve carbon neutrality by 2050.

## Financial Data (Consolidated)

	(Million yen)	FY2013	FY2014	FY2015	FY2016
Operating results	Net sales	12,635	12,235	12,549	13,289
	Gross profit	3,533	3,510	3,591	4,034
	Operating profit	509	376	531	715
	Ordinary profit	517	371	528	712
	Selling, general and administrative expenses	3,024	3,133	3,060	3,318
	EBITDA	1,194	1,041	1,153	1,278
Financial position	Total assets	5,871	5,839	6,185	6,668
	Net assets	3,002	3,101	3,334	3,670
	Equity capital	3,002	3,101	3,334	3,670
	Interest-bearing debt	500	500	500	500
	Retained earnings	1,879	1,977	2,210	2,547
Cash flow	Operating cash flow	683	867	669	1,235
	Investing cash flow	(694)	(750)	(692)	(851)
	Financing cash flow	79	(101)	(83)	(101)
	Free cash flow	(11)	116	(23)	384
	Cash and cash equivalents at end of period	609	625	518	800
Per-share information	Cash dividends*	8.5 yen	7.0 yen	8.0 yen	11.0 yen
	Dividend payout ratio	40.9%	41.9%	30.3%	30.1%
	Earnings per share (EPS)	20.80 yen	16.72 yen	26.41 yen	36.57 yen
	Book value per share (BPS)	250.25 yen	258.46 yen	277.88 yen	305.94 yen
Main business indicators	Gross profit margin	28.0%	28.7%	28.6%	30.4%
	Operating profit margin	4.0%	3.1%	4.2%	5.4%
	Ordinary profit margin	4.1%	3.0%	4.2%	5.4%
	EBITDA margin	9.5%	8.5%	9.2%	9.6%
	Return on invested capital (ROIC)	7.1%	5.7%	8.1%	11.1%
	Return on equity (ROE)	8.5%	6.6%	9.8%	12.5%
	Return on assets (ROA)	4.2%	3.4%	5.1%	6.6%
	Equity ratio	51.1%	53.1%	53.9%	55.0%

\* The dividend figures for fiscal 2021 and earlier have been adjusted to reflect the share split on June 1, 2022.

	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
	13,479	15,253	18,016	17,707	17,760	18,506	19,493
	4,074	4,721	5,223	5,435	5,882	6,994	7,852
	757	1,208	1,580	1,902	2,412	3,246	3,885
	722	1,202	1,584	1,895	2,443	3,250	3,877
	3,317	3,512	3,643	3,532	3,469	3,748	3,967
	1,536	2,030	2,425	2,622	3,104	3,946	4,588
	7,080	8,100	8,598	10,481	11,491	13,408	15,718
	3,058	4,372	5,037	6,312	7,475	9,287	10,950
	3,058	4,372	5,037	6,312	7,475	9,287	10,950
	1,420	304	100	470	100	100	100
	2,882	3,532	4,096	5,105	6,251	8,033	9,759
	941	2,157	2,088	2,539	2,287	3,278	3,553
	(805)	(1,065)	(773)	(817)	(713)	(696)	(1,127)
	(207)	(556)	(416)	196	(701)	(549)	(1,003)
	136	1,092	1,315	1,721	1,573	2,581	2,425
	727	1,261	2,159	4,078	4,945	6,966	8,381
	12.5 yen	21.5 yen	22.5 yen	35.0 yen	42.0 yen	64.0 yen	78.0 yen
	30.9%	30.2%	31.0%	32.1%	30.6%	33.0%	35.6%
	40.50 yen	71.09 yen	72.98 yen	108.94 yen	137.46 yen	194.02 yen	219.10 yen
	279.76 yen	373.27 yen	427.27 yen	531.06 yen	622.96 yen	773.95 yen	914.49 yen
	30.2%	31.0%	29.0%	30.7%	33.1%	37.8%	40.3%
	5.6%	7.9%	8.8%	10.7%	13.6%	17.5%	19.9%
	5.4%	7.9%	8.8%	10.7%	13.8%	17.6%	19.9%
	11.4%	13.3%	13.5%	14.8%	17.5%	21.3%	23.5%
	11.3%	17.1%	18.7%	19.4%	21.3%	24.7%	23.8%
	14.4%	21.7%	18.2%	22.7%	23.8%	27.8%	25.9%
	6.8%	9.9%	10.0%	12.3%	14.3%	17.4%	16.7%
	43.2%	54.0%	58.6%	60.2%	65.1%	69.3%	69.7%

## Non-financial Data

## Governance (Non-consolidated)

		FY2021	FY2022	FY2023
Number of directors	Total	11	10	11
	Female (ratio (%))	0 (0)	0 (0)	1 (9)
Number of reports and consultations to whistleblowing contacts	Number of reports and consultations (cases)	0	1	5

## Environment (Consolidated)

		FY2021	FY2022	FY2023	
GHG emissions (t-CO <sub>2</sub> )	Scope 1, Scope 2	Scope 1	0.65	0.70	0.13
		Scope 2 (on a market basis)	696.37	722.94	453.86
		Scope 2 (on a location basis)	700.18	718.90	716.33
		Scope 1 and Scope 2 total (on a market basis)	697.02	723.64	453.99
		Total	7,149.73	6,698.84	7,149.32
	Scope 3	Category 1: Purchased goods and services	6,530.60	5,890.90	5,919.86
		Category 2: Capital goods	99.40	74.08	337.42
		Category 3: Fuel- and energy-related activities	252.74	277.69	285.76
		Category 6: Business travel	164.98	333.13	420.38
		Category 7: Employee commuting	89.54	108.87	144.66
Category 15: Investment and loan	12.47	14.17	41.24		
Emission intensity (GHG emissions per net sales) (t-CO <sub>2</sub> /million yen)		0.039	0.039	0.023	
Energy consumption	Power consumption (MWh)	745.93	748.50	770.50	

## Social (non-consolidated, except for the number of employees (on a consolidated basis))

		FY2021	FY2022	FY2023	
Number of employees	Total	657	684	699	
	Male (ratio (%))	533 (81.1)	542 (79.2)	543 (77.7)	
	Female (ratio (%))	124 (18.9)	142 (20.8)	156 (22.3)	
Employment-related	Average age	41.2	41.1	40.7	
	Average years of service	11.1	11.2	11.2	
	Average annual salary (thousand yen)	7,608	8,296	7,854	
	Wage gap between men and women (%)	76.3	77.1	75.1	
	Turnover ratio (%)	5.8	4.1	5.4	
	Number of new graduate hires	21	21	23	
	Number of mid-career hires	13	23	26	
Active participation of female employees	Percentage of employees with disabilities (%)	1.57	2.07	2.38	
	Percentage of female employees in managerial positions (%)	4.7	6.3	4.4	
Ease of working	Percentage of childcare leave taken	Male (%)	45.5	27.3	62.5
		Female (%)	100	—	100
	Percentage of employees who return to work from childcare leave	Male (%)	100	100	100
		Female (%)	100	100	100
Percentage of employees doing remote working (%)		64	46	38	
Human resources development	Human resources development time per employee	48.0	65.4	64.1	

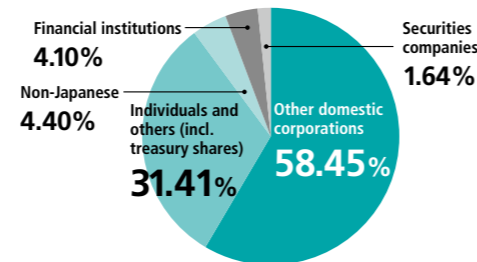


## Stock-related Information (as of March 31, 2024)

### Share Information

<b>Total number of authorized shares</b>	48,000,000 shares
<b>Total number of shares issued</b>	12,000,000 shares
<b>Number of shareholders</b>	8,893
<b>Listed stock exchange</b>	Tokyo Stock Exchange Prime Market
<b>Stock code</b>	4828
<b>Administrator of the register of shareholders</b>	Sumitomo Mitsui Trust Bank, Limited 1-4-1 Marunouchi, Chiyoda-ku, Tokyo

### Shareholders composition by type

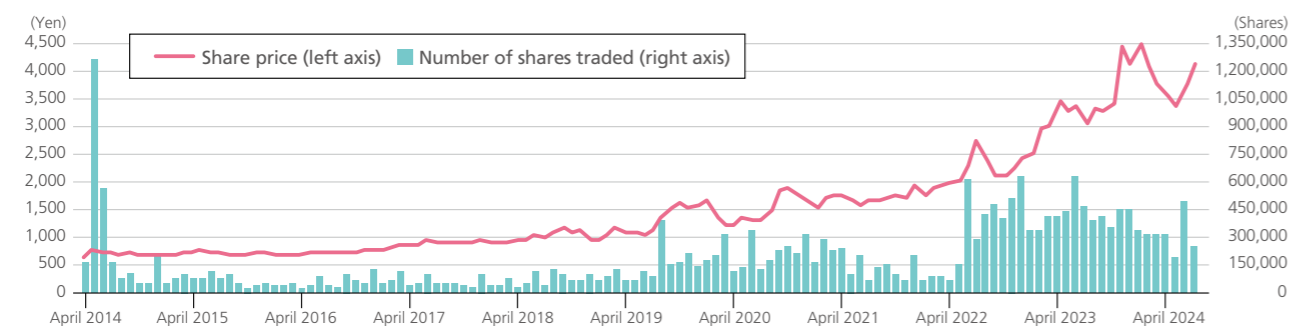


### Shareholder Information

Name	Number of shares owned (shares)	Ratio (%) of the number of owned shares to the total number of outstanding shares (excluding treasury shares)
ZUKEN Inc.	2,520,000	21.00
MITANI SANGYO Co., Ltd.	1,488,000	12.40
WingArc1st Inc.	960,000	8.00
INTEC Inc.	720,000	6.00
Canon IT Solutions Inc.	720,000	6.00
The Master Trust Bank of Japan, Ltd. (Trust Account)	348,400	2.90
TECNOS JAPAN INCORPORATED	180,000	1.50
B-EN-G Employee Shareholding Association	152,500	1.27
Custody Bank of Japan, Ltd. (Trust Account)	123,400	1.02
AVANT GROUP CORPORATION	108,000	0.90
TerraSky Co., Ltd.	108,000	0.90
KISSEI COMTEC Co., Ltd.	108,000	0.90
<b>Total</b>	<b>7,536,300</b>	<b>62.80</b>

Note: The figure for Custody Bank of Japan, Ltd. (Trust Account) includes 25,400 shares of the Company owned by the board benefit trust.

### Share Price and Trading Volume Trends (as of July 31, 2024)



### IR Activities (Year Ended March 31, 2024)

Number of individual IR and small meetings held: 57

## Corporate Information (as of March 31, 2024)

### Corporate Profile

<b>Corporate name</b>	Business Engineering Corporation
<b>Head office</b>	KDDI Otemachi Building, 1-8-1 Otemachi, Chiyoda-ku, Tokyo 100-0004
<b>Launch of the business</b>	April 1, 1999
<b>Share capital</b>	697.60 million yen
<b>Number of employees</b>	Consolidated: 699 Non-consolidated: 537
<b>Organization chart</b>	<a href="#">Organization chart</a> <a href="#">Website</a>
<b>Offices</b>	Kansai Office and Chubu Sales Office
<b>Group companies</b>	<ul style="list-style-type: none"> <li>• Business System Services Corporation (B-SERV)</li> <li>• Toyo Business Engineering (Shanghai) Co., Ltd.</li> <li>• Toyo Business Engineering Holding (Thailand)</li> <li>• Toyo Business Engineering Singapore Pte. Ltd.</li> <li>• Business Engineering America, Inc.</li> <li>• Toyo Business Engineering (Thailand) Co., Ltd.</li> <li>• PT. Toyo Business Engineering IndonesiaCo., Ltd.</li> </ul>

### Initiatives We Support, External Evaluation and Inclusion in Indices

#### • Initiatives we support

##### UN Global Compact

In April 2024, the Group signed the United Nations Global Compact (UNGC) proposed by the United Nations to join this initiative. We are also affiliated with the Global Compact Network Japan (GCNJ), a local network in Japan. As a signatory of the UNGC, we support 10 principles in the four areas of Human Rights, Labor, Environment, and Anti-corruption and carry out activities in these areas.



#### • Third-party evaluation

##### Certification of Excellent Company in Health: Gold Certification

After receiving Silver Certification for companies with excellent health practices for three consecutive years since 2021, we were awarded Gold Certification in 2023 in recognition of our health management efforts at a yet higher level.



##### The Eruboshi, a certification under the Act on the Promotion of Female Participation and Career Advancement in the Workplace

We have received three-star Eruboshi certification for outstanding companies in efforts for female participation and career advancement in the workplace.



##### Certification under the Act on Advancement of Measures to Support Raising Next-Generation Children (Kurumin Certification)

We have obtained Kurumin certification for companies supporting childcare.



##### Digital Transformation Certification

We have acquired Digital Transformation Certification under the program under which the Japanese government certifies companies that are deemed to comply with the Digital Governance Code and to be ready to promote digital transformation.



#### • Third-party certification concerning management system

##### PrivacyMark

Regarding to management of personal information, we have received PrivacyMark certification for conformity of personal information protection management systems.



##### Quality Management System (ISO9001)

We acquired ISO9001 certification, an international standard for environmental management systems.



[P38 Risk Management](#)

#### • Inclusion in indices

##### JPX-Nikkei Mid and Small Cap Index

It is a share price index that applies the concept behind the JPX-Nikkei 400 index to small- and mid-cap stocks. It consists of companies conducting shareholder-conscious management for continuous improvement of corporate value.



##### S&P/JPX Carbon Efficient Index

This share price index determines the weighting of constituent stocks of the Tokyo Stock Price Index (TOPIX) with a focus on the status of environmental information disclosure and the level of carbon efficiency (i.e. carbon emissions per unit of net sales).

