3Q Fiscal Year 2024
Financial Results Briefing Materials

February 7, 2025
Business Engineering Corporation
Securities Code: 4828 TSE Prime

B-EN-G
Business Engineering for Growth

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Note: Fiscal Year 2024 or FY2024 represents the fiscal year ending March 31, 2025.

Today’s Agenda

1. Summary of 3Q FY2024 Financial Results
2. Full-Year Earnings Forecast for FY2024
3. Strategies in the Management Vision 2026
4. About B-EN-G

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Executive Summary of 3Q FY2024 Financial Results

FY24 3Q Business Environment

Corporate earnings are trending upward, with business confidence maintaining positive levels. The economy continues its gradual recovery. IT investment in the manufacturing sector remains robust, supported by rising Digital Transformation (DX) demands.

FY24 3Q Consolidated Financial Results

- Record performance achieved in net sales, all profit levels, and orders received
- Upward revision of full-year net sales and profit forecasts across all categories, based on:
  - ◆ Robust performance in license sales
  - ◆ Enhanced project margins
  - ◆ Expected one-time tax benefits
- Annual dividend forecast raised

◆1-3Q Results

(Million yen)

Net sales	Operating profit	Net profit
15,257	3,662	2,497
YoY +4.6%	YoY +17.3%	YoY +17.1%
Record high for 3rd consecutive period	Record highs for 7th consecutive period	

◆Revision of Full-Year Earnings Forecast and Dividend Forecast

Net sales	Operating profit	Net profit	Annual dividend
20,700	4,600	3,350	100 yen/share
Previous forecast +200	Previous forecast +300	Previous forecast +450	Previous forecast +16yen

Solutions Business

- Project profitability has improved.
- Sales in 3Q recovered due to stronger order intake since 2Q.
- Progress toward full-year targets on track.

Products Business

- Enhanced partner network and sales capabilities
- License sales showed significant growth (maintaining over 20% year-on-year increase).

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1. Summary of 3Q FY2024 Financial Results

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Summary of Income Statement (YoY)

Strong 3Q performance led to upward revision of full-year forecast.
New records set for sales, orders and profits at all levels with accelerating growth.

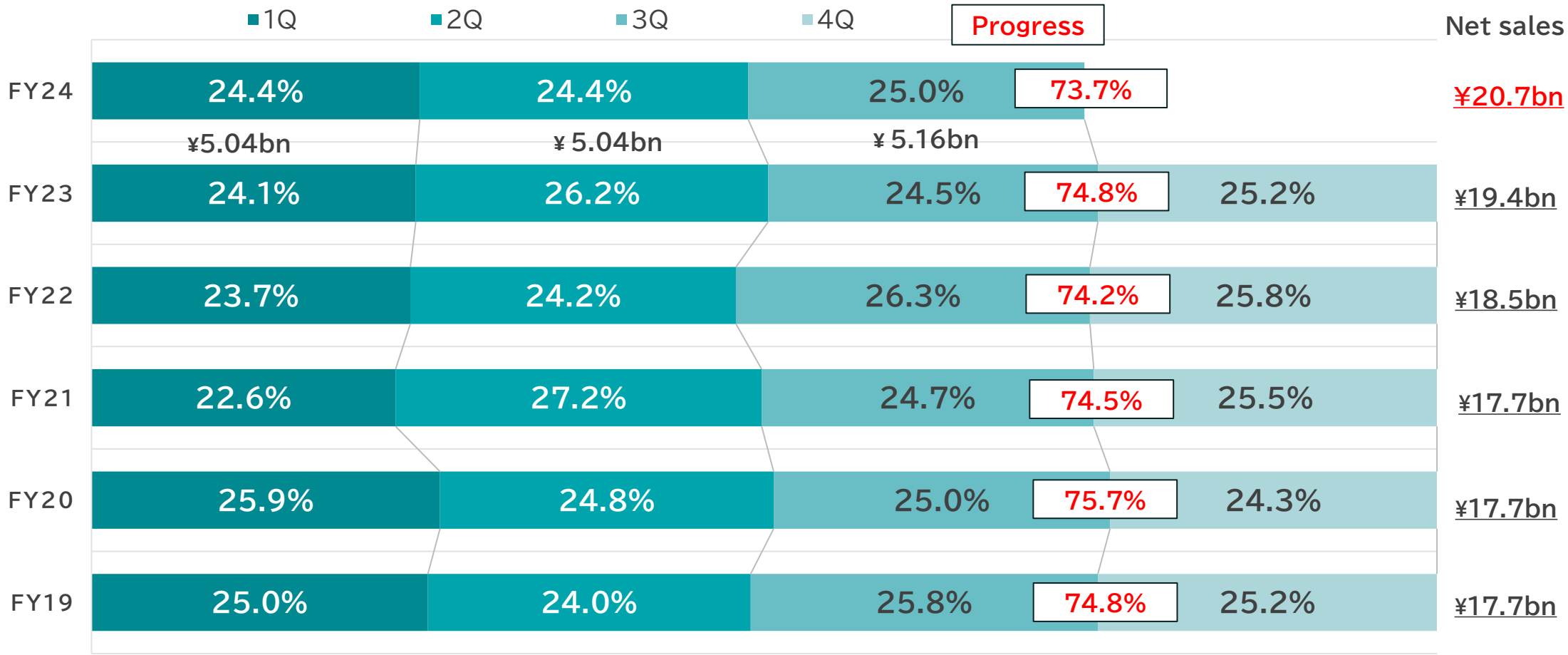
(Million yen)	FY24 3Q	FY23 3Q		FY24 1-3Q	FY23 1-3Q		FY24 Earnings Forecast	
		Actual	Change %		Actual	Change %	Annual	Progress
Net sales	5,165	4,781	+8.0%	15,257	14,589	+4.6%	20,700	73.7%
Gross profit	2,305	1,924	+19.8%	6,840	5,984	+14.3%	9,000	76.0%
Gross profit margin	44.6%	40.2%		44.8%	41.0%			
Operating profit	1,245	1,007	+23.5%	3,662	3,122	+17.3%	4,600	79.6%
Operating profit margin	24.1%	21.1%		24.0%	21.4%			
Ordinary profit	1,243	1,006	+23.5%	3,673	3,132	+17.3%	4,600	79.9%
Ordinary profit margin	24.1%	21.0%		24.1%	21.5%			
Net profit	839	689	+21.8%	2,497	2,132	+17.1%	3,350	74.5%
Net profit margin	16.2%	14.4%		16.4%	14.6%			
Orders received	5,252	4,165	+26.1%	15,394	13,985	+10.1%	21,200	72.6%

※ The forecast figures reflect the upward revision made in February 2025.

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Progress Against Full-Year Sales Forecast

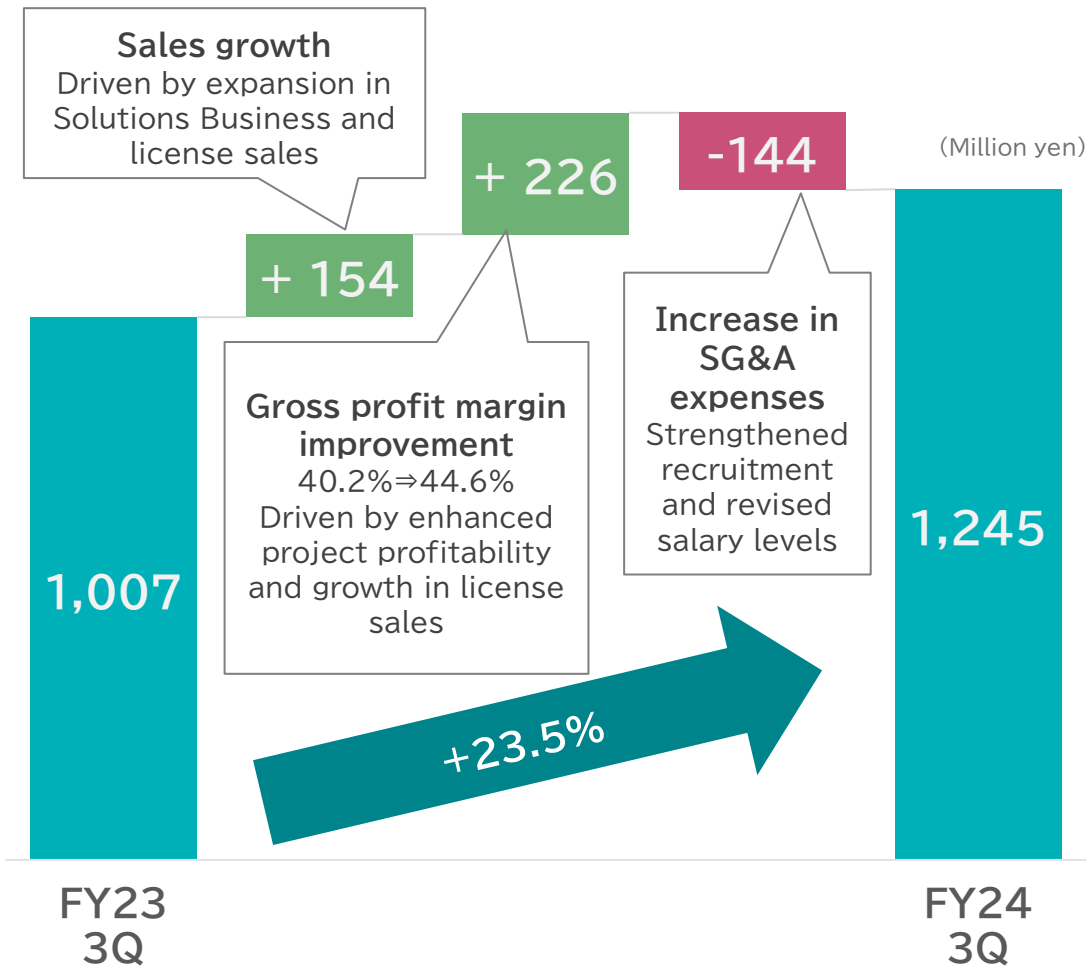
While H1 results showed some delays, stronger orders from 2Q onward indicate full-year performance will exceed initial forecast.



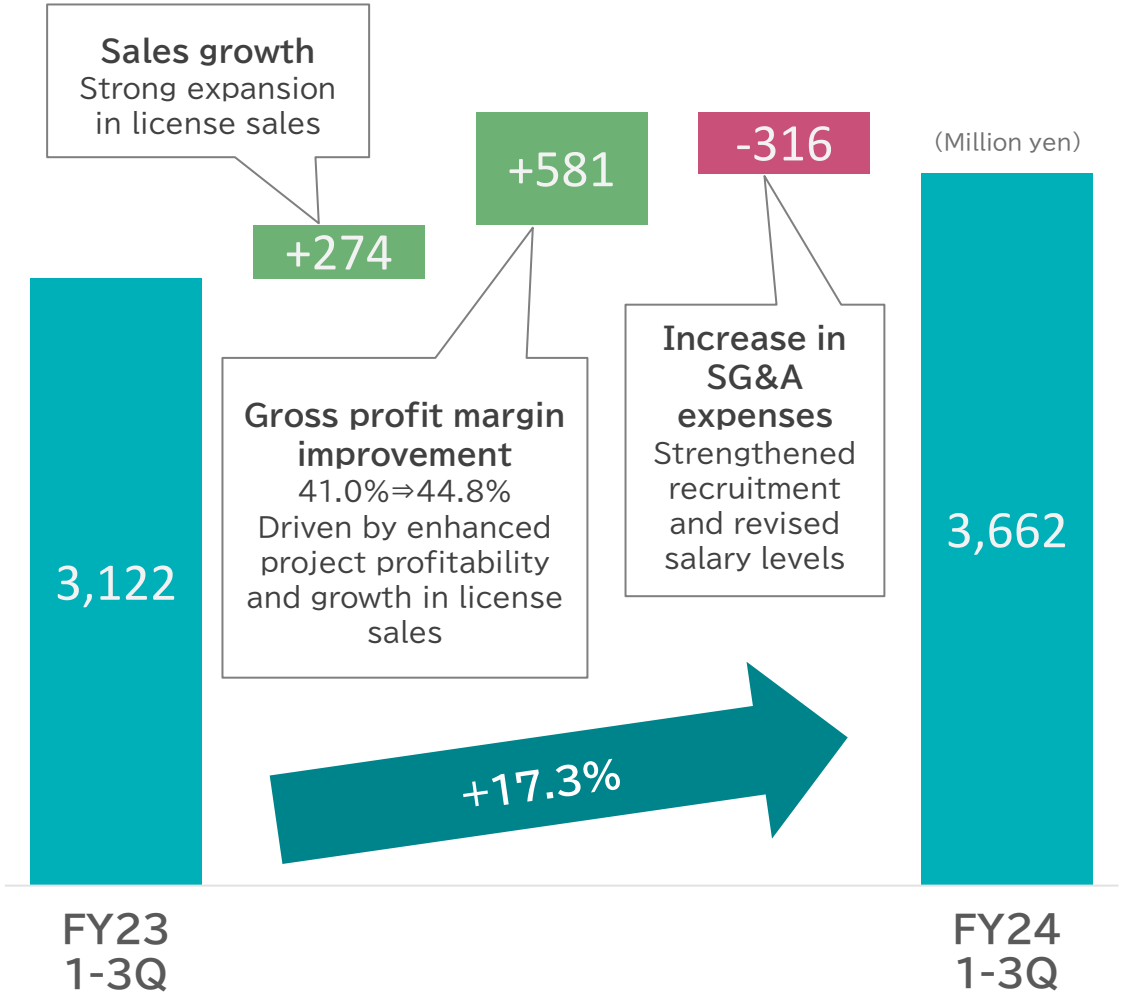
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Analysis of Changes in Operating Profit (YoY)

3Q comparison



1-3Q comparison



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Sales & Operating Profit by Segment

Solutions Business showed 3Q sales recovery and enhanced project margins. Product Business sustained high growth momentum in license sales.

Net sales

(Million yen)	FY24 3Q	FY23 3Q		FY24 1-3Q	FY23 1-3Q		FY24 Earnings Forecast	
		Actual	Change %		Actual	Change %	Annual	Progress
Solutions	3,321	3,177	+4.5%	9,661	9,718	-0.6%	13,300	72.6%
Products	1,693	1,516	+11.7%	5,157	4,587	+12.4%	7,000	73.7%
System Support	150	86	+73.4%	438	283	+54.6%	400	109.6%
Eliminations & corporate	—	—	—	—	—	—	—	—
Total	5,165	4,781	+8.0%	15,257	14,589	+4.6%	20,700	73.7%

Operating profit

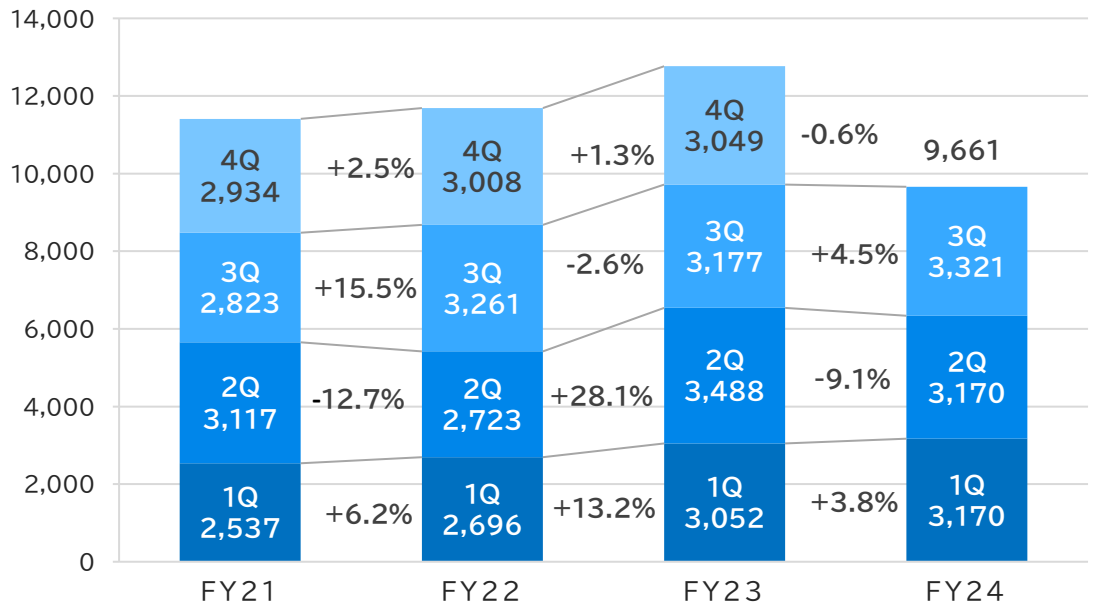
(Million yen)	FY24 3Q	FY23 3Q		FY24 1-3Q	FY23 1-3Q		FY24 Earnings Forecast	
		Actual	Change%		Actual	Change%	Annual	Progress
Solutions	1,007	826	+21.9%	2,652	2,504	+5.9%	—	—
Products	576	448	+28.5%	2,023	1,460	+38.6%	—	—
System Support	133	115	+14.9%	386	393	-1.8%	—	—
Eliminations & corporate	(471)	(382)	+23.2%	(1,399)	(1,234)	+13.4%	—	—
Total	1,245	1,007	+23.5%	3,662	3,122	+17.3%	4,600	79.6%

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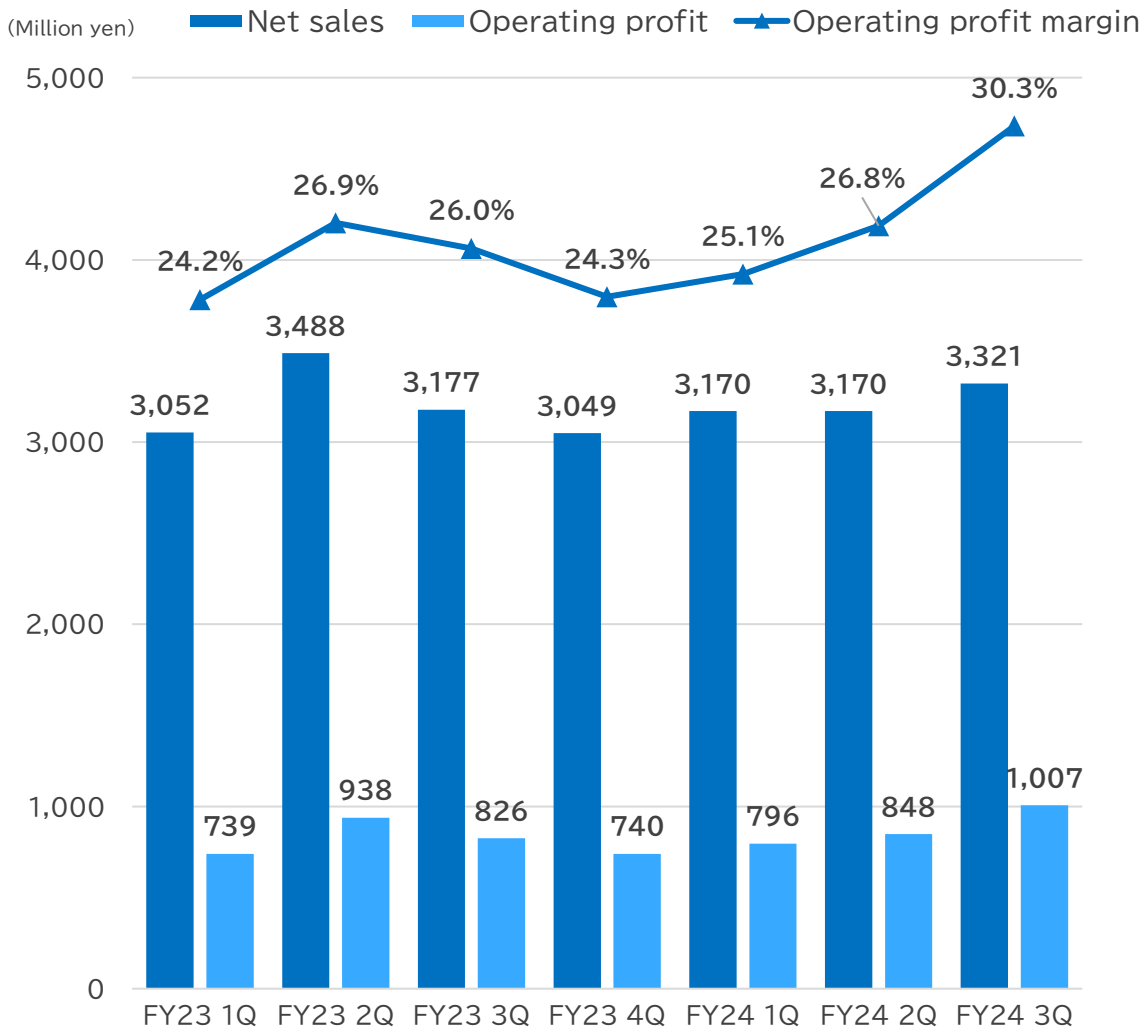
Segment Information: Solutions Business

- 3Q sales grew with recovered order momentum through strategic customer-focused proposals.
- Achieved high profit levels through continued project profitability enhancements.
- Earnings base strengthened with steady growth in high-value extended solution implementations.

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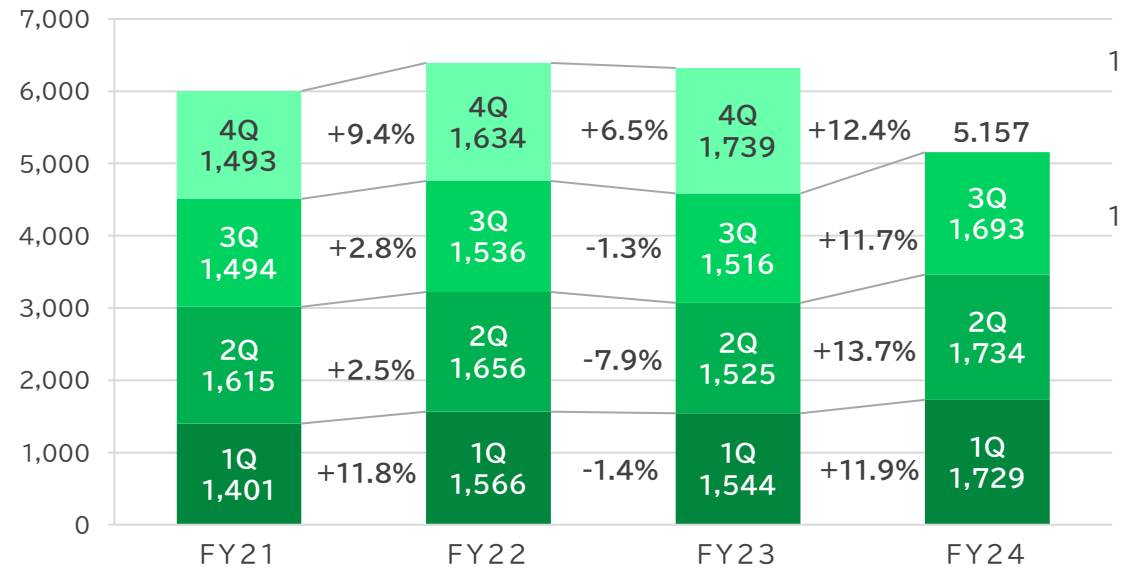


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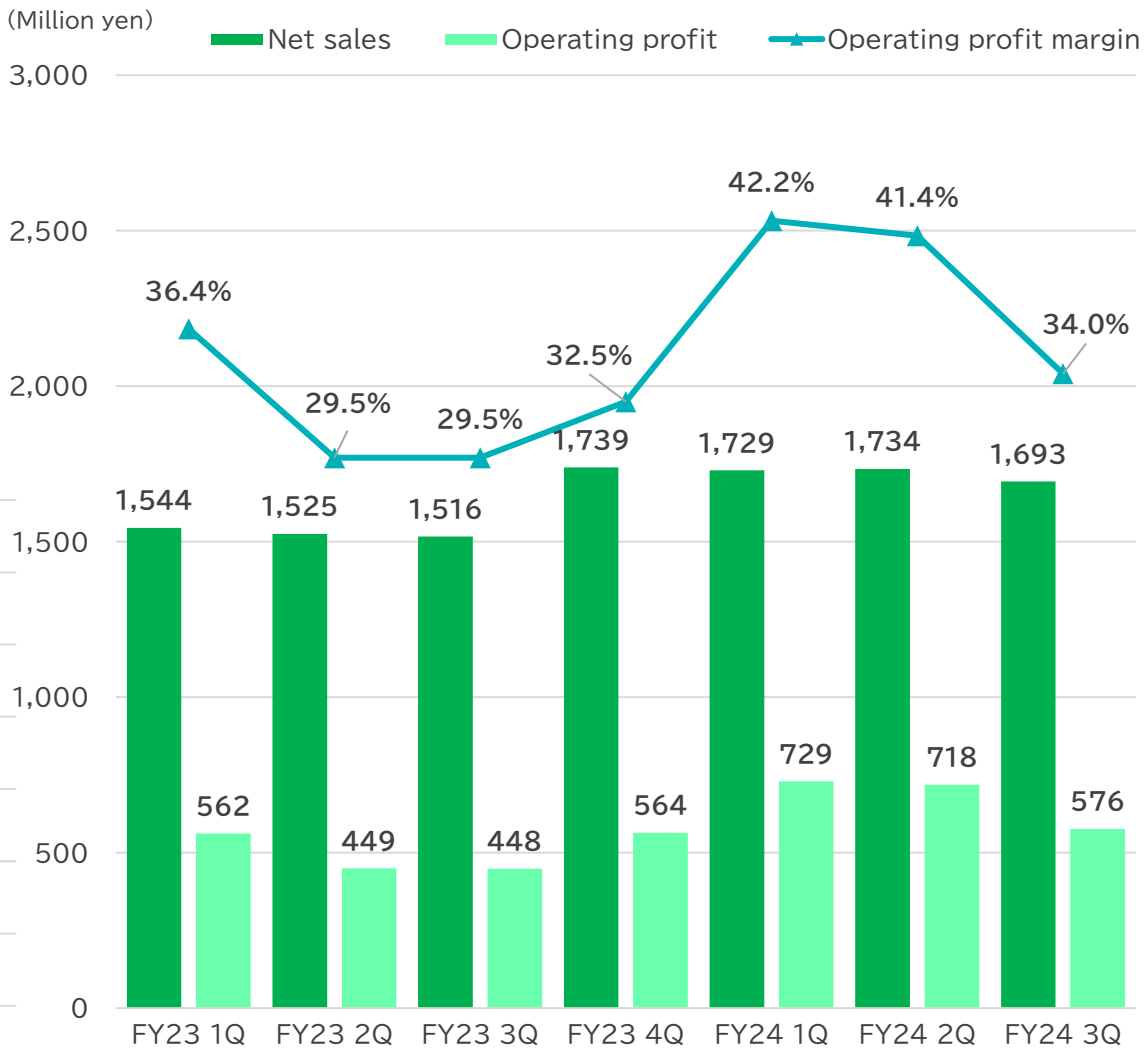
Segment Information: Products Business

- License sales grew through strategic partnerships and strong customer relationships
- Strengthened market position with enhanced brand value as core production management software.
- Expanded and enhanced sales partnerships driving robust growth in both sales and profits.

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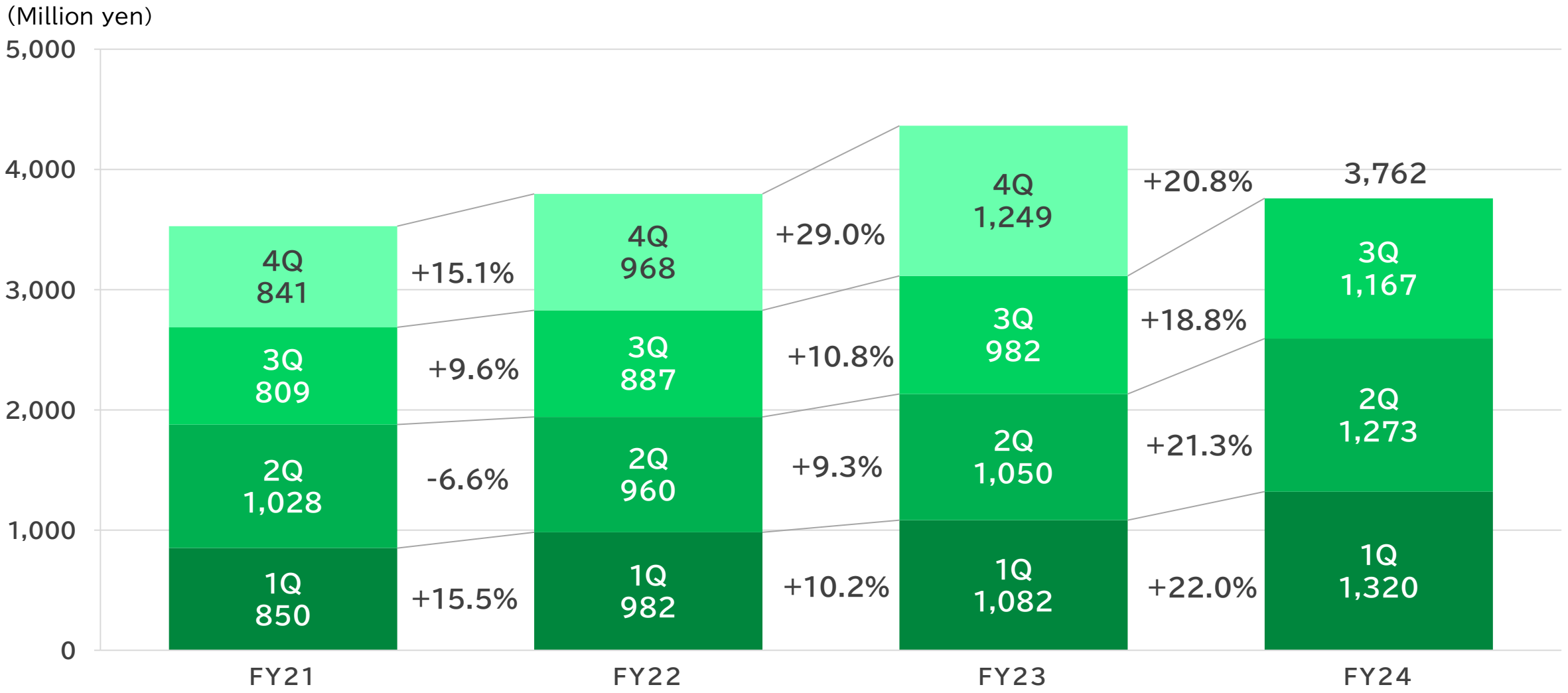


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mcframe License Sales



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Highlights of Consolidated Balance Sheet

Optimizing capital efficiency while strengthening growth foundations through focused investment in SaaS, product development, and global partnerships.

(Million yen)	FY24 3Q	FY23 3Q		FY23 4Q	
		Actual	Change %	Actual	Change %
Current assets	12,815	11,365	+12.8%	12,583	+1.8%
Cash and deposits	8,154	7,604	+7.2%	8,381	-2.7%
Notes and accounts receivable, and contract assets	3,999	3,201	+24.9%	3,526	+13.4%
Non-current assets	3,747	2,966	+26.3%	3,135	+19.5%
Total assets	16,563	14,331	+15.6%	15,718	+5.4%
Current liabilities	4,048	3,880	+4.3%	4,752	-14.8%
Non-current liabilities	31	—	—	15	+103.2%
Net assets	12,484	10,451	+19.5%	10,950	+14.0%
Equity ratio	75.4%	72.9%	+2.5pt	69.7%	+5.7pt

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2. Full-Year Earnings Forecast for FY2024

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Executive Summary of FY2024 Earnings Forecast

FY24 Business Environment

DX demand in manufacturing remains strong, with strategic digital investments expected to maintain expansion trend.

FY24 Consolidated Earnings Forecast

- Sales and order forecasts revised upward due to strong license sales performance.
- All profit levels raised, reflecting higher sales, enhanced project profitability, and expected one-time tax benefits.
- Annual dividend forecast raised.

(Million yen)

Net sales	Operating profit	Net profit	Annual dividend
20,700	4,600	3,350	100 yen/share
Previous forecast +200	Previous forecast +300	Previous forecast +450	Previous forecast +16 yen
YoY +6.2%	YoY +18.4%	YoY +27.6%	YoY +22 yen
Record high for 3rd consecutive year	Record highs for 9th consecutive year		10th consecutive year of dividend growth, marking record high

Solutions Business

- Strong 3Q orders drive progress toward full-year sales targets.
- Record-high profits expected through enhanced project profitability.

Products Business

- Due to strong license sales through expanded partner network and enhanced sales efforts, expected to exceed prior full-year sales forecast.
- Profit targets on track due to steady growth in license sales.

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Income Statement Forecast (YoY)

Higher profits from strong license sales and project profitability. Raised dividend driven by higher net profit including tax benefit.

(Million yen)	FY23 Actual	FY24 Previous	FY24 Revised	Difference (Change %)	Change from FY23 (Change %)
Net sales	19,493	20,500	20,700	+200 (+1.0%)	+1,206 (+6.2%)
Gross profit	7,852	8,700	9,000	+300 (+3.4%)	+1,147 (+14.6%)
Gross profit margin	40.3%	42.4%	43.5%		
Operating profit	3,885	4,300	4,600	+300 (+7.0%)	+714 (+18.4%)
Operating profit margin	19.9%	21.0%	22.2%		
Ordinary profit	3,877	4,300	4,600	+300 (+7.0%)	+722 (+18.6%)
Ordinary profit margin	19.9%	21.0%	22.2%		
Net profit	2,625	2,900	3,350	+450 (+15.5%)	+724 (+27.6%)
Net profit margin	13.5%	14.1%	16.2%		
Orders received	19,955	21,000	21,200	+200 (+1.0%)	+1,244 (+6.2%)
Dividend (non-consolidated)	78.0 yen	84.0 yen	100.0 yen	+16.0 yen	+22.0 yen
ROE	25.9%	24.4%	27.7%	+3.3pt	+1.8pt

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Allocation of Management Resources (FY2024)

Allocating management resources to the following areas to achieve quantitative management targets and desired medium- to long-term capital efficiency

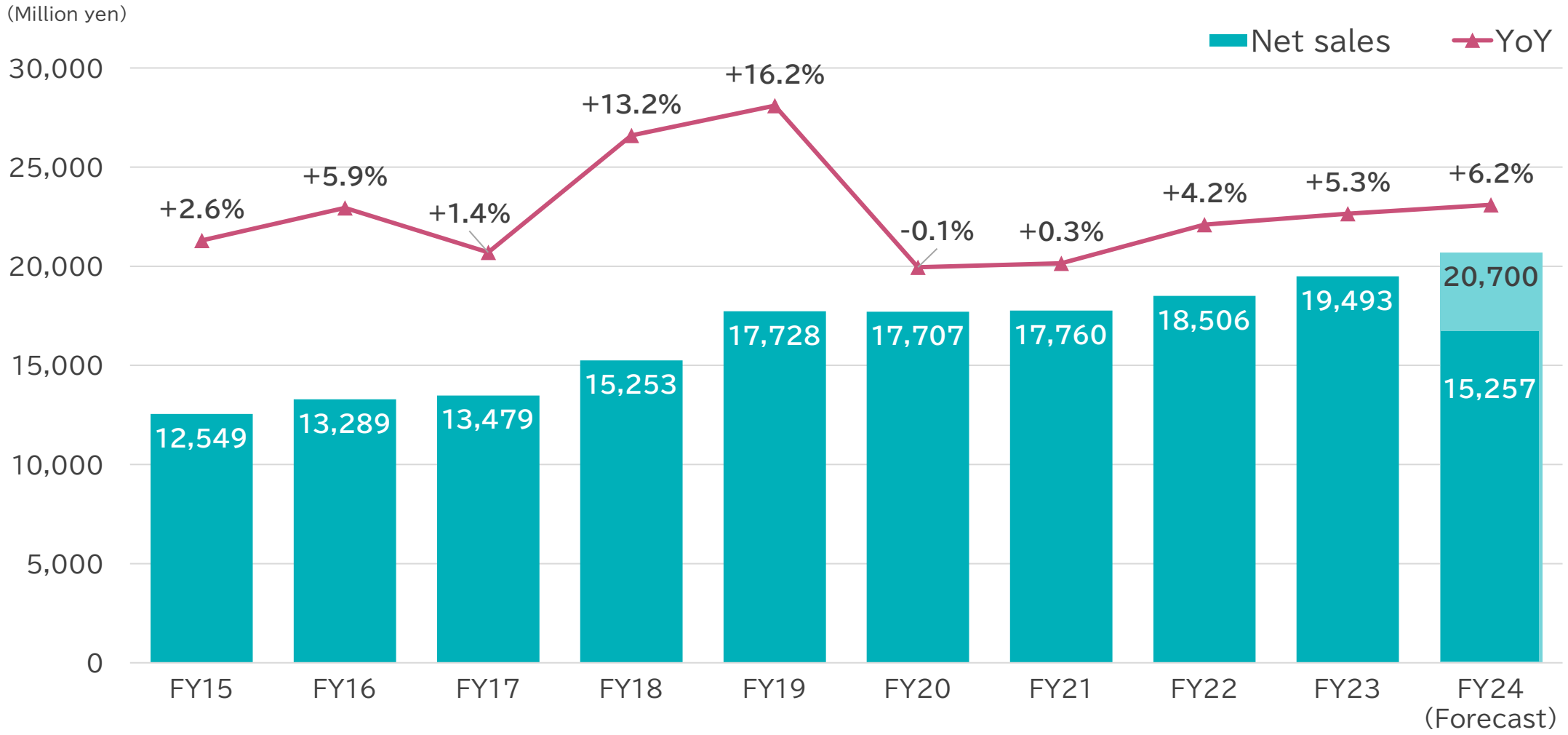
		(Planned investments: FY24 to FY26)
Investment in software, R&D, and business development	• Supporting shift of existing products to SaaS • Building new products/services to drive DX for transformation (e.g., data-centric business) • Next-generation technology surveys Accelerating investment in mcframe X	**¥3.5 to 4.5 bn** Of which, FY24 = **¥1.3 bn**
Investment in human resources	• Establishing of systems aimed at strengthening education and human resources • Expanding systems to improve employee engagement and facilitate diverse work styles • Revising salary levels • Strengthening recruitment strategies Increasing hiring headcount / Enhancing employee education Revising salary levels/supplementing cost of living increases	**¥2.0 to 2.5 bn*** Of which, FY24 = **¥0.6 bn**
Investment in business foundations	• Developing a foundation for SaaS business promotion • Internal digital transformation to support new business • Investing to advance sustainability • Improving working environments Improving working environments (expanding office floor space/renovating offices)	**¥0.6 to 1.0 bn** Of which, FY24 = **¥0.3 bn**
Investment in M&A	• M&A investments for business expansion/collaboration • M&A investments for new business creation	

*Investment in human resources is calculated as the portion of increased personnel expenses (amount exceeding the FY2023 value) plus total education expenses

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Net Sales and YoY Growth

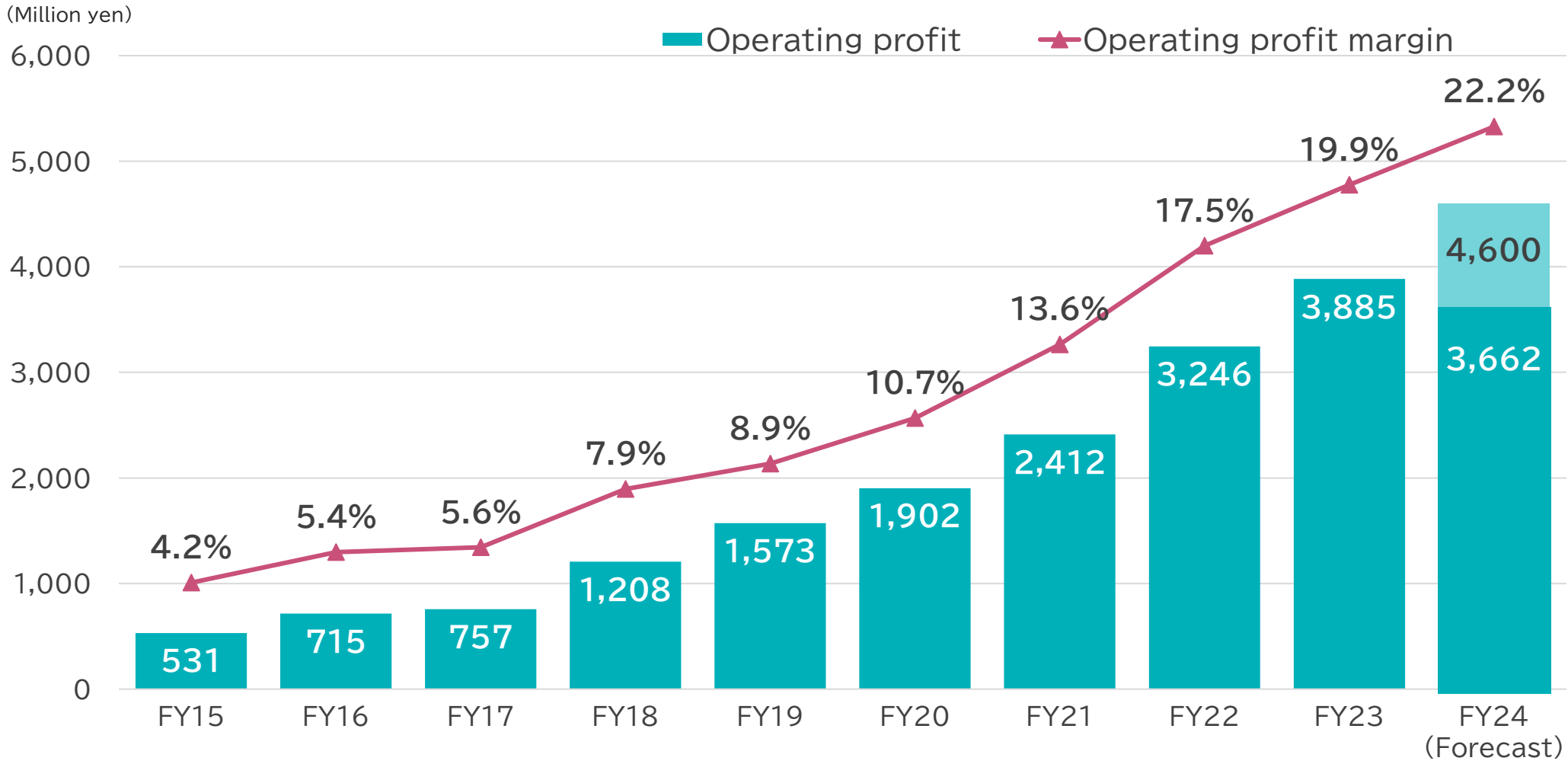
Surpassed ¥20bn for first time; on track for FY26 target of ¥22bn with third consecutive record.



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Operating Profit & Operating Profit Margin

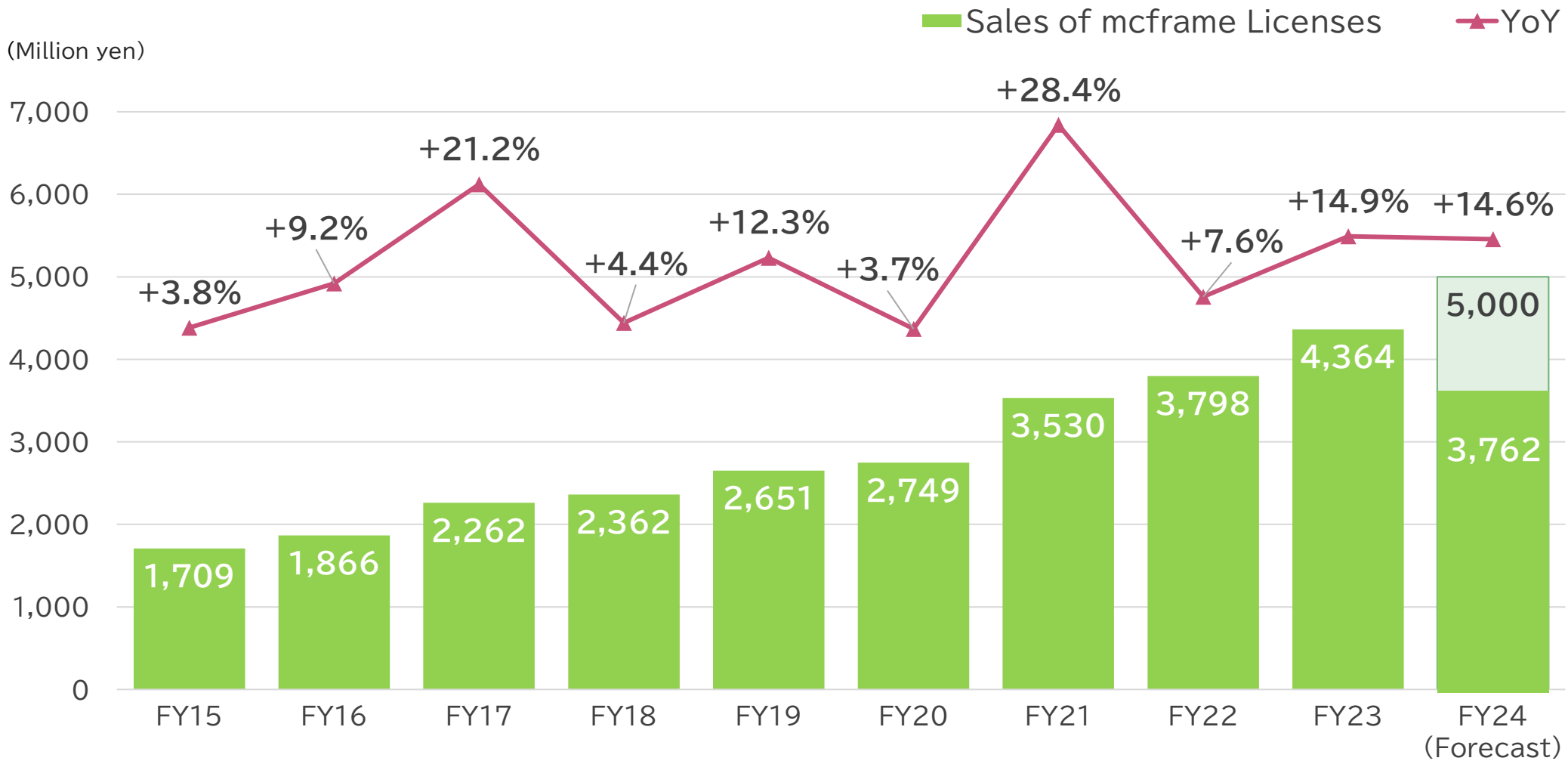
Margin up; ninth straight record profit expected.
Advancing toward ¥4.8bn FY26 target while increasing investments.



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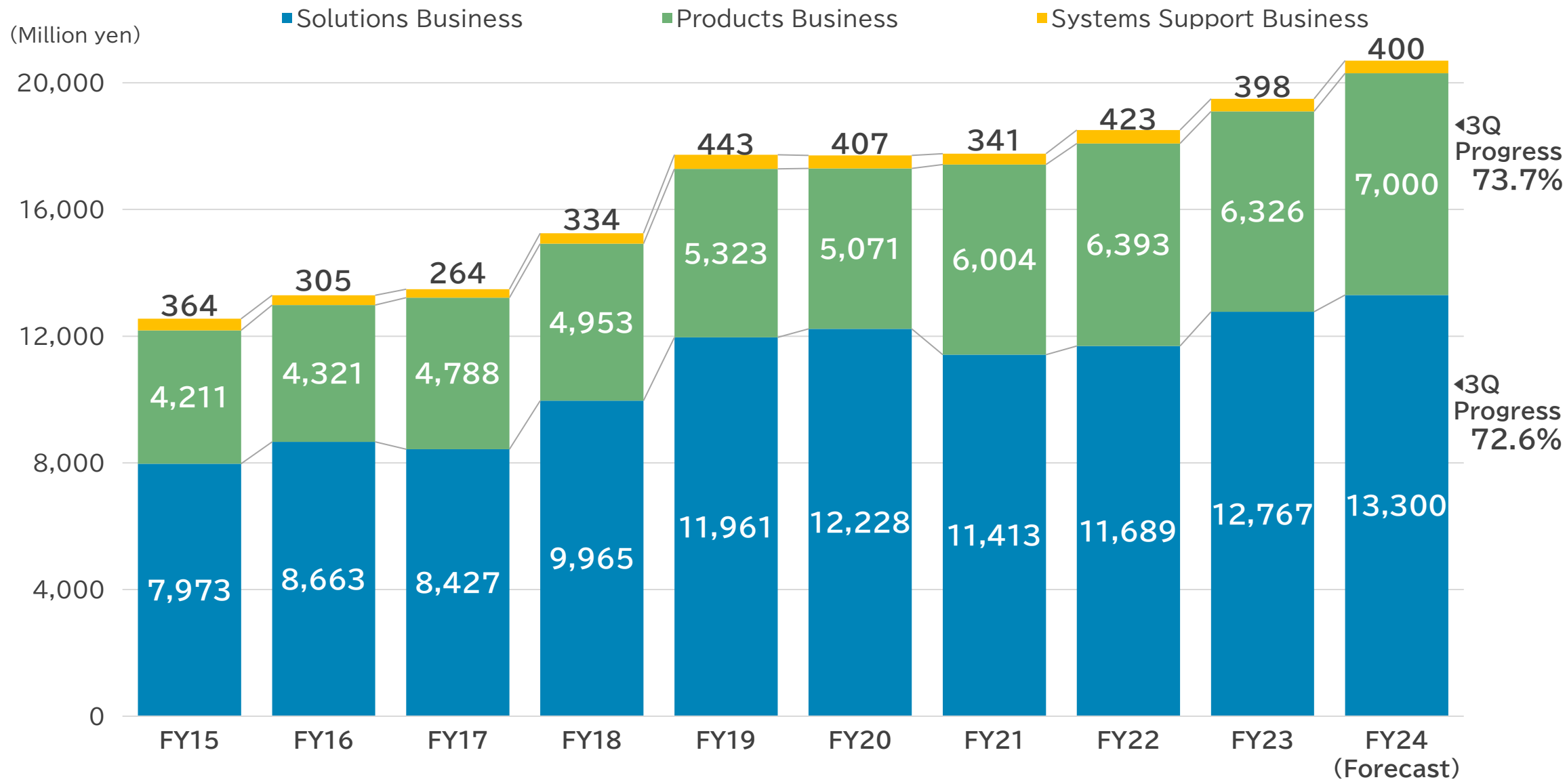
mcframe License Sales & YoY Growth

License sales and maintenance drive growth.
Forecast raised to ¥5bn with new record highs expected.



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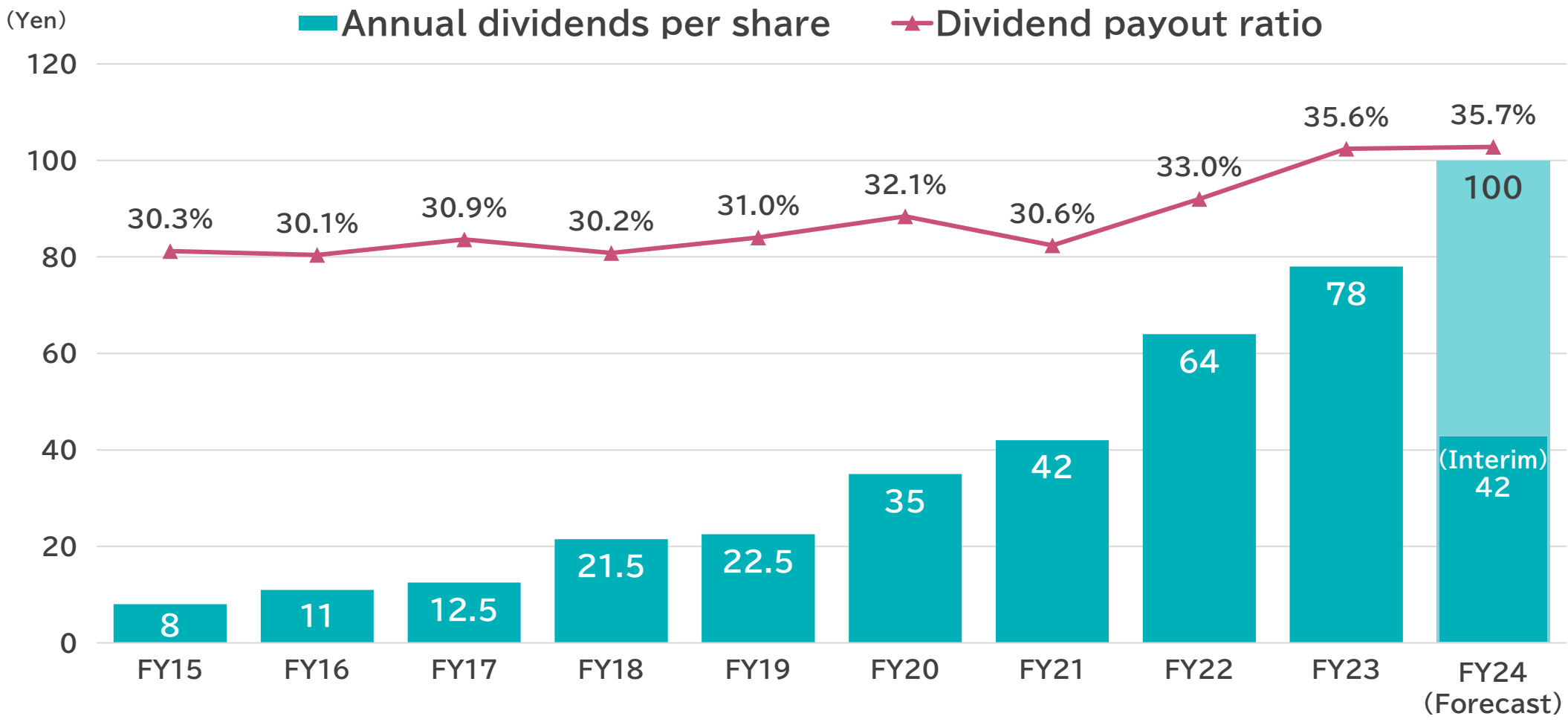
Sales by Segment



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Dividends (Annual Dividends Per Share)

Progressive dividend increase since FY23 with payout ratio of 35% or higher.
Planning consecutive dividend increases for 10 years.



※ Results for fiscal years up to FY21 represent the actual dividend amounts after adjusting for the stock split dated June 1, 2022.

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Revision announced November 10, 2023

3. Strategies in the Management Vision 2026

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Changes in Environment × Strengths of B-EN-G = Strategy for 2026

Developing products and services that leverage our strengths in response to changes in the environment

Changes in the environment			
Digital transformation	**Innovation of business models in manufacturing**	**Globalization**	**Bringing about a sustainable society (Sustainability)**

×

B-EN-G's strengths			
Achievements in IT support services in manufacturing industry	Further evolution of in-house software functionality and performance	Relationships of trust with customers	Achievements in global development

(1) Deepen "Monozukuri Digitalization*"

We will promote DX for efficient operations with Monozukuri Digitalization*, and strive to provide optimal products and services.

(2) Evolve into "DX for innovation**"

While supporting innovation in business models for customers, we will work on our own business innovation through creation of new types of business.

(3) Expansion of global support

We continuously reinforce global development for the Japanese manufacturing industry to expand our own businesses.

(4) Contribute to sustainability

We will help realize a sustainable society by leveraging our strengths to solve social issues.

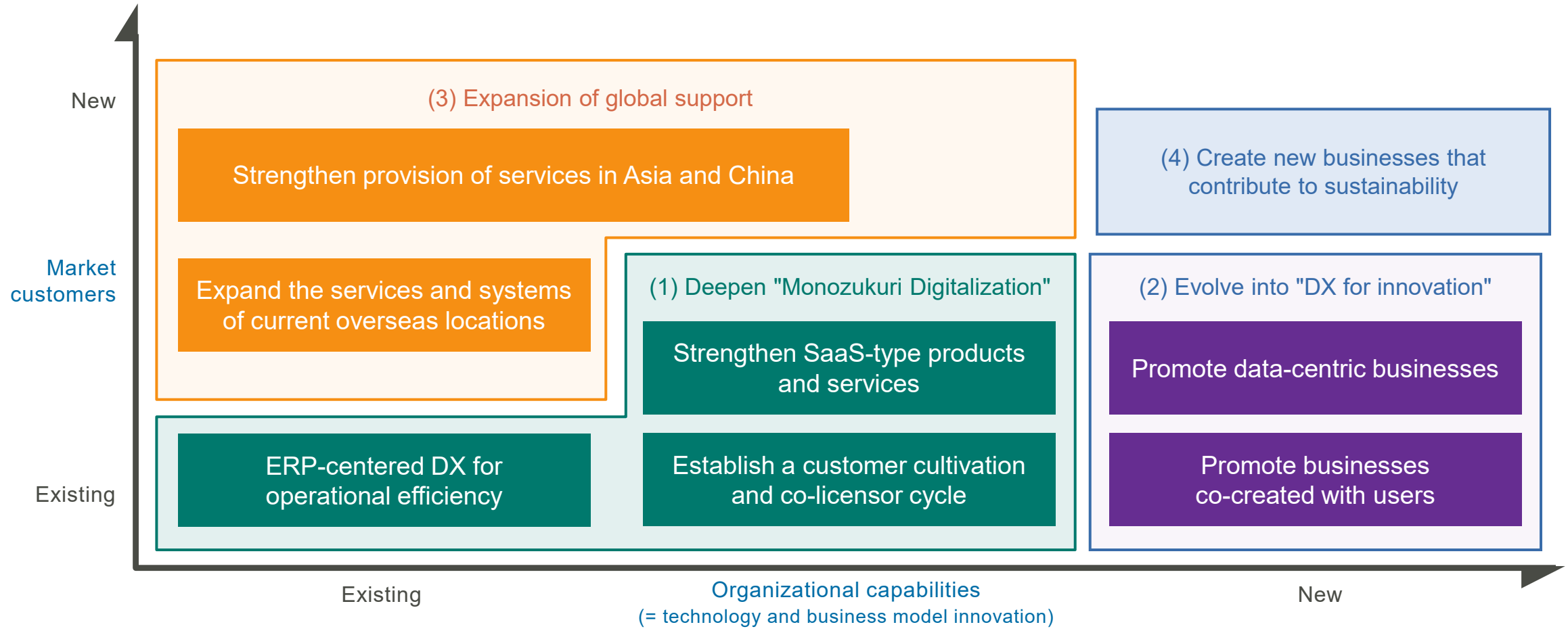
*Monozukuri Digitalization: To realize efficiency by digitalizing operations related to "Monozukuri (manufacturing in Japanese)," leading to business innovation.

**DX: Digital transformation

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Evolution of B-EN-G's Business Fields (Business Portfolio)

We will continuously evolve from our existing businesses into new business fields and aim for the next stage of growth.



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Basic Capital Policy

ROE	**10%+ or more** Target: Given cost of capital, achieve ROE exceeding 10% in the medium to long term
Shareholder return	**Pay progressive dividends at payout ratio of 35% or more** Basic policy to pay progressive dividends* with a consolidated dividend payout ratio exceeding 35% over the medium to long term *Progressive dividend: Consistently maintaining or increasing dividend levels, without reducing dividends, over the long term
Basic capital policy	At B-EN-G, we believe that sustainable growth is necessary to enhance shareholder value over the medium to long term. Therefore, our basic policy is to maintain an appropriate level of shareholders' equity to ensure a sound financial base that enables us to invest for growth and provides risk tolerance. We consider return on equity (ROE) a key management indicator and have announced targets for this indicator with the aim of effectively utilize shareholders' equity and to return profits to shareholders while comprehensively incorporating financial soundness and other factors. Our policy is to return profits to shareholders through the payment of dividends in comprehensive consideration of outlooks for our business environment and business performance, as well as our financial position and other factors. It is also our basic policy to provide a progressive dividend with a consolidated dividend payout ratio exceeding 35% over the medium to long term. Dividends are to be paid twice annually, with one interim dividend and one year-end dividend.

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Management Vision 2026 Targets

(Consolidated)	FY2020 Results	FY2026 Targets	
		Before revision	After revision
Net sales	¥17.7 bn	¥22.0 bn	¥22.0 bn
Operating profit	¥1.9 bn	¥3.2 bn	¥4.8 bn
Net profit	¥1.28 bn	¥2.11 bn	¥3.2 bn

Note: Figures for FY2020 are after retrospective application of the Accounting Standard for Revenue Recognition.

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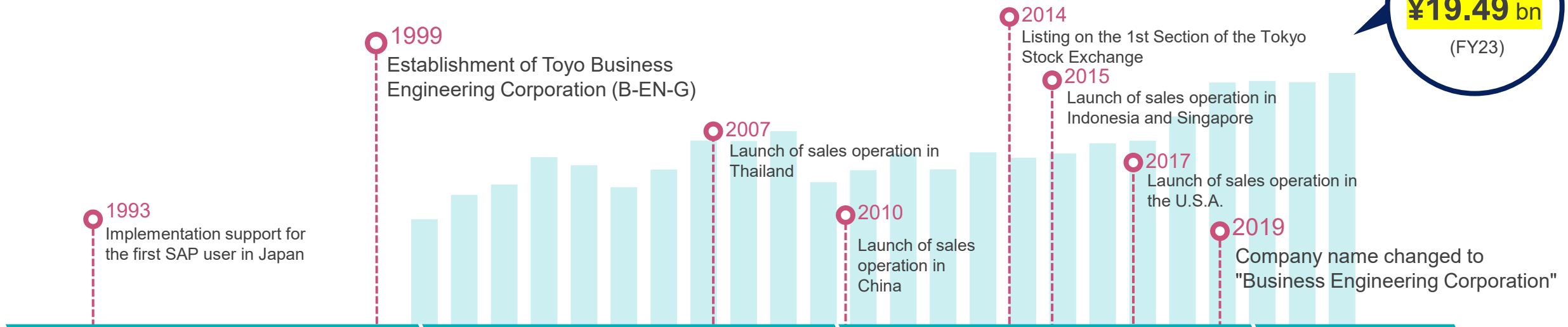
4. About B-EN-G

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History

Providing "IT for Manufacturing"
by leveraging our extensive knowledge of the manufacturing industry for over 20 years since our business commencement.

Consolidated Net Sales
¥19.49 bn
(FY23)



1991 Launch of ERP business (First SAP partner in Japan)

1993 Implementation support for the first SAP user in Japan

1996 MCFrame (in-house developed package) released

1999 Establishment of Toyo Business Engineering Corporation (B-EN-G)

2007 Launch of sales operation in Thailand

2007 A.S.I.A. business acquired

2010 Launch of sales operation in China

2014 Listing on the 1st Section of the Tokyo Stock Exchange

2015 Launch of sales operation in Indonesia and Singapore

2016 mcframe brand integrated Launch of "mcframe IoT" series

2017 Launch of sales operation in the U.S.A.

2017 Launch of "mcframe 7"

2019 Company name changed to "Business Engineering Corporation"

Business locations : (Domestic) Tokyo Head Office, Kansai Branch, Chubu Office (Overseas) Thailand, China, Singapore, Indonesia, U.S.A.	Capital : 697.6 million yen Number of employees : 721 (consolidated, as of Sep. 2024)

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B-EN-G's Business | Three Business Segments

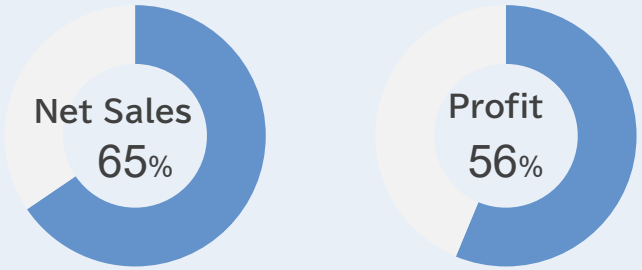
Expanding business in three segments to realize "IT for Manufacturing"

Solutions Business

SI business based on SAP and other third-party package products

SAP Gold Partner / DELMIA / Apriso / Informatica / Business b-ridge

Ratio to total segments*



System integration based on extensive knowledge of and experience in the manufacturing industry

Products Business

Development, sales, and implementation business of in-house developed packages mainly for the "mcframe" series

mcframe / mcframe GA / mcframe IoT / GLASIAOUS / mcframe X

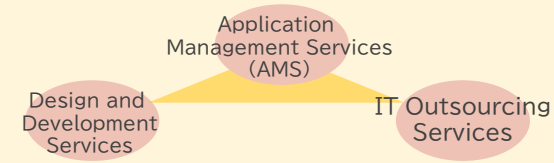
Ratio to total segments*



Highly profitable license sales, developed in-house with know-how cultivated over many years

Systems Support Business

Post-system introduction operation and maintenance services and system development



Ratio to total segments*



Operation and maintenance services to utilize system after delivery

*Both figures for FY2023

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B-EN-G's Business | Solutions Business

Promoting our solution-centric business focused on ERP and core systems combined with peripheral products; realizing "DX for Manufacturing"

Industry-specific Solutions

Leveraging our expertise in the pharmaceutical and medical device industries to provide solutions to industry-specific challenges

PASX NuGenesis LAB MANAGEMENT SYSTEM

Data Management

Establishing foundations for harnessing data, and providing data interconnection, management, and integration

Informatica

ERP Core System

A system that centrally manages corporate resources and supports management

SAP Gold Partner

Data Analysis

Analyzing data stored in systems to derive solutions to challenges

sas

SCM Strategy and Planning Solutions

Support for formulating supply chain strategies and plans

AnaplanLOGIS PLANNING FOR EFFICIENCY

IoT

Digitizing production site experience for creating smart factories reducing human intervention

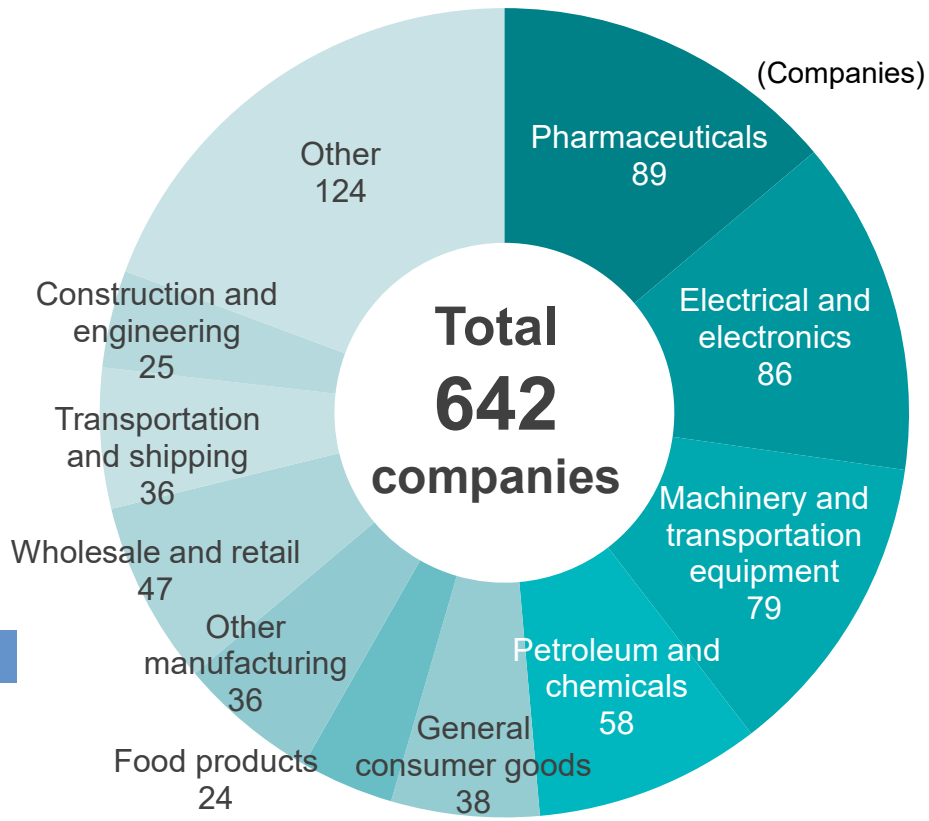
mcframe IoT

Manufacturing Execution Systems (MES)

Support for managing manufacturing execution based on production plans

Apriso PASX

User companies by industry (as of September 30, 2024)

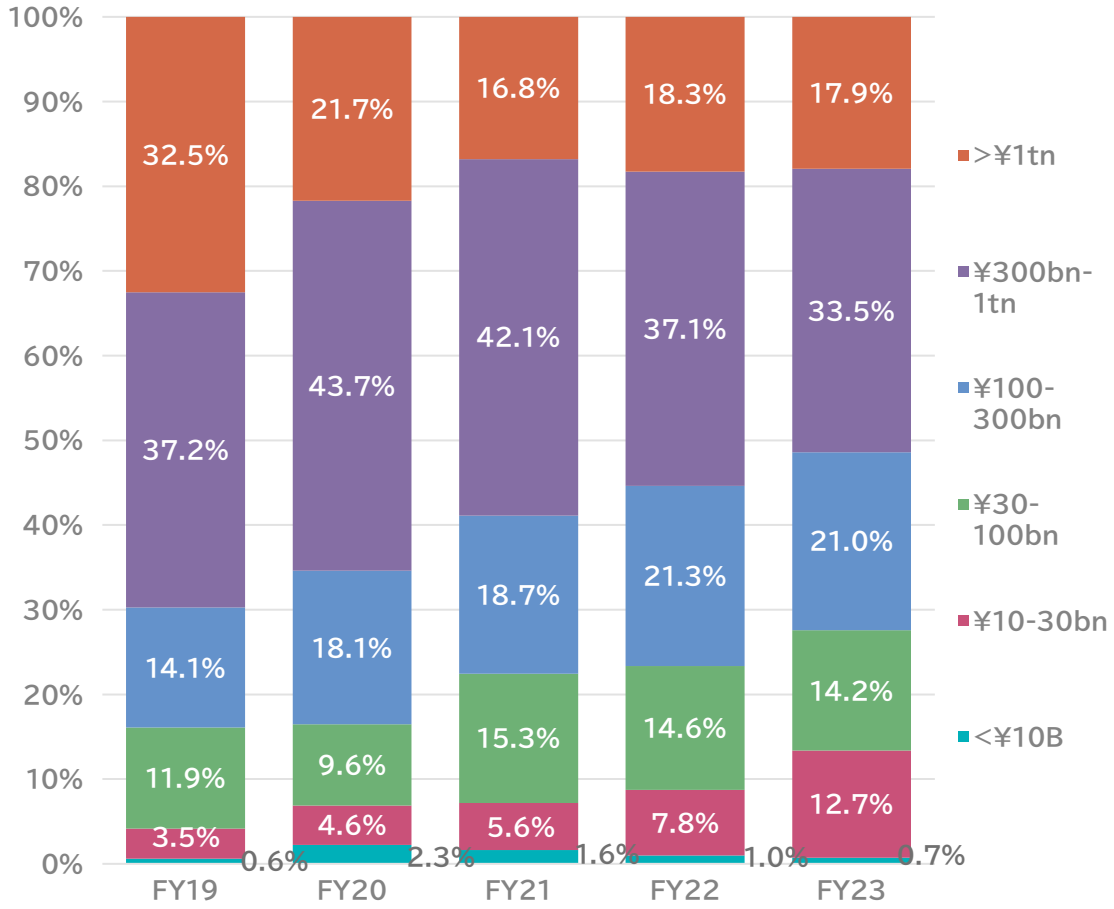


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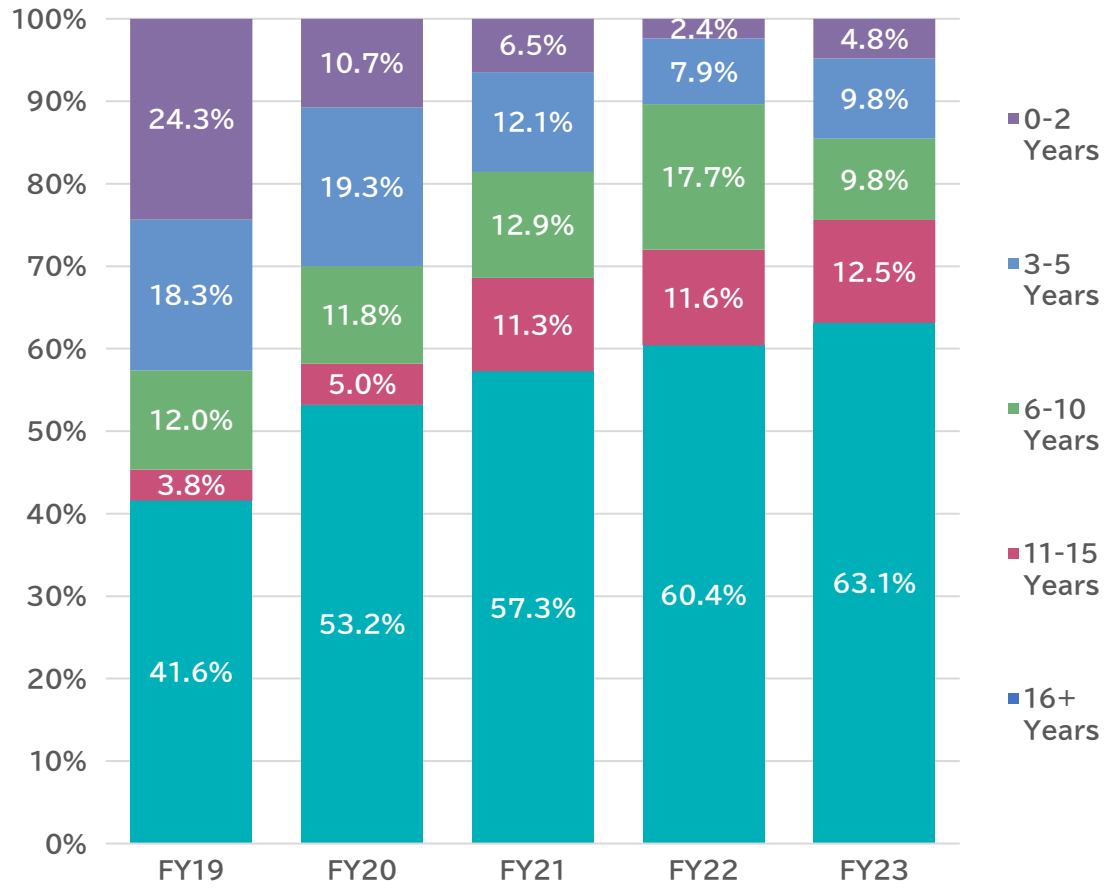
Solutions Business Sales Composition

Established strong customer base centered on major domestic corporations.
Maintaining long-term business relationships based on solid trust built through ERP solutions

<By customer business (sales) size>



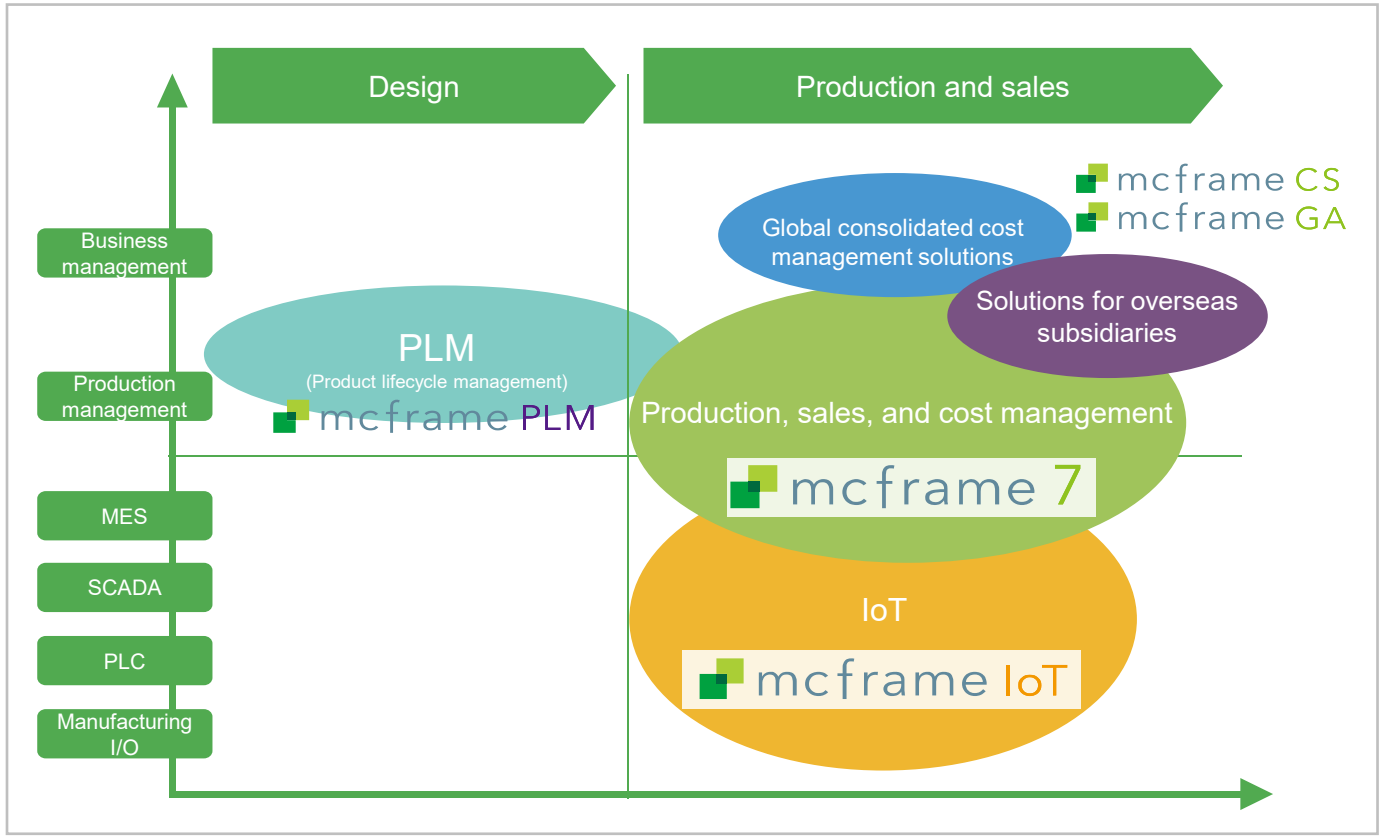
<By customer tenure>



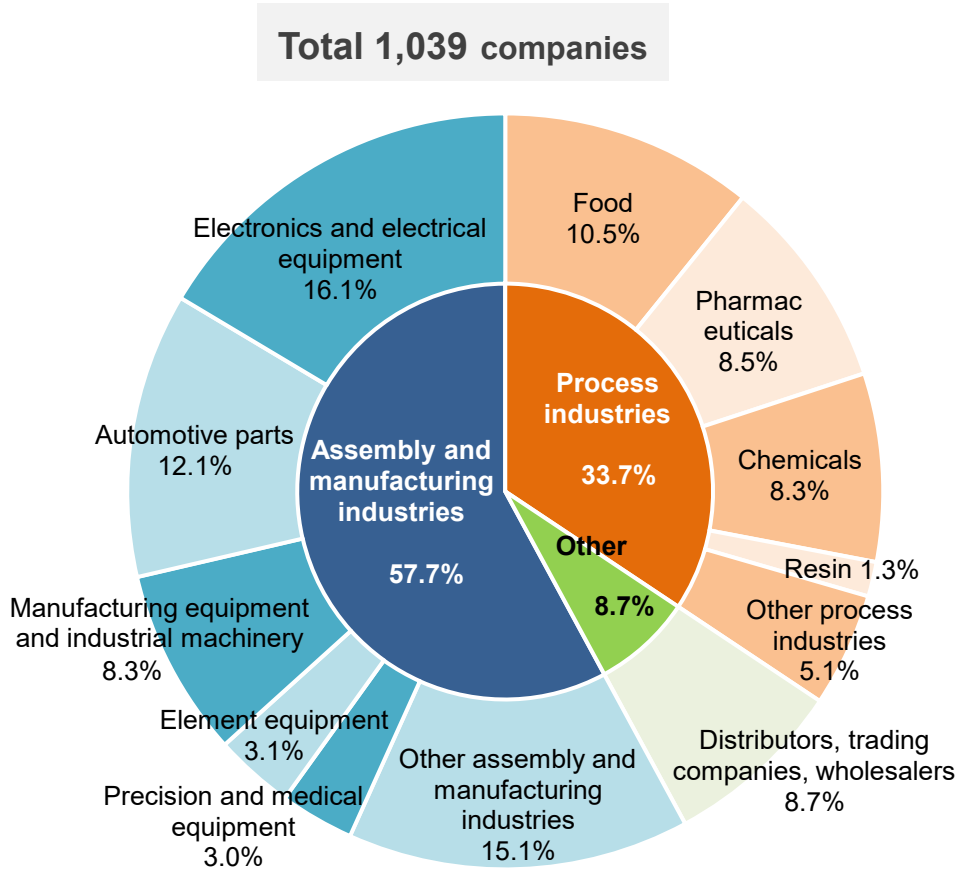
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B-EN-G's Business | Products Business

Realization of "Monozukuri* Digitalization" that integrates the engineering chain and the supply chain centered on the "mcframe" solution for the manufacturing industry.
*Monozukuri: manufacturing in Japanese



User companies by industry (as of September 30, 2024)

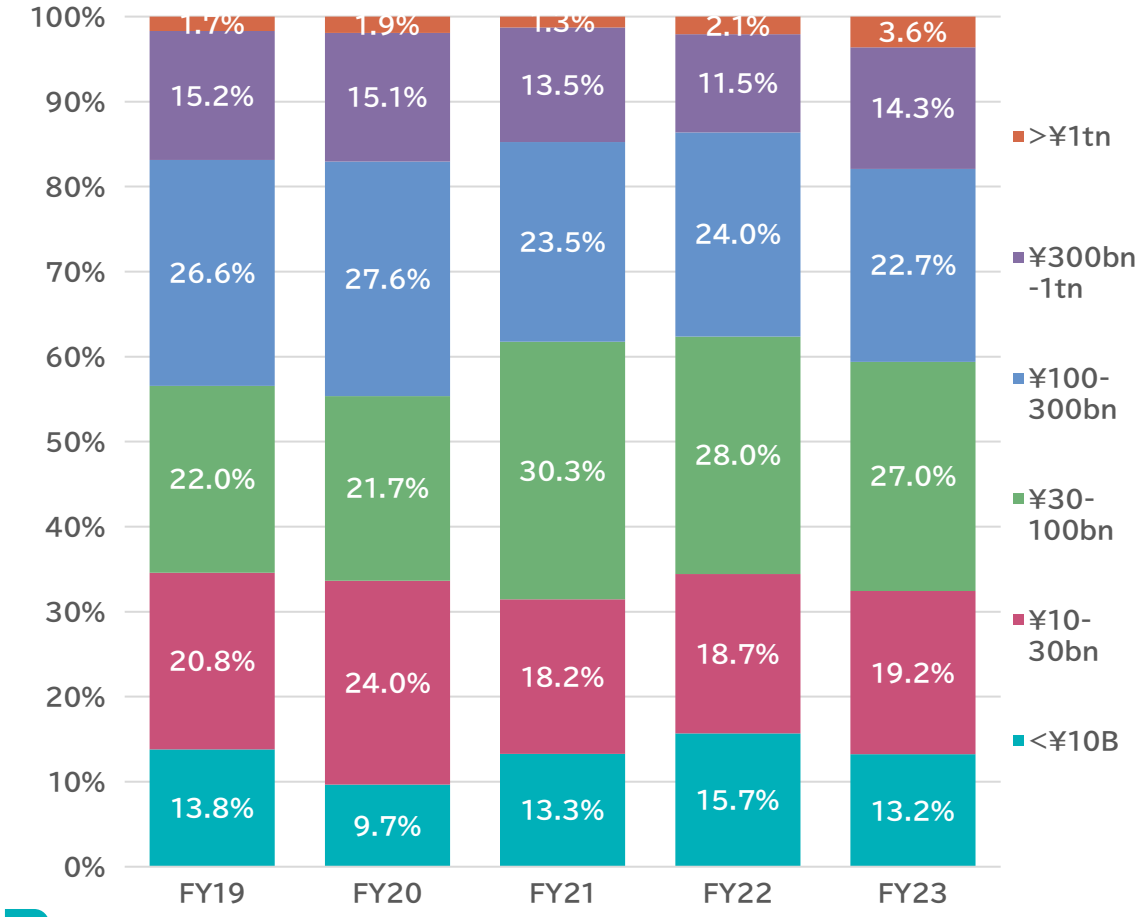


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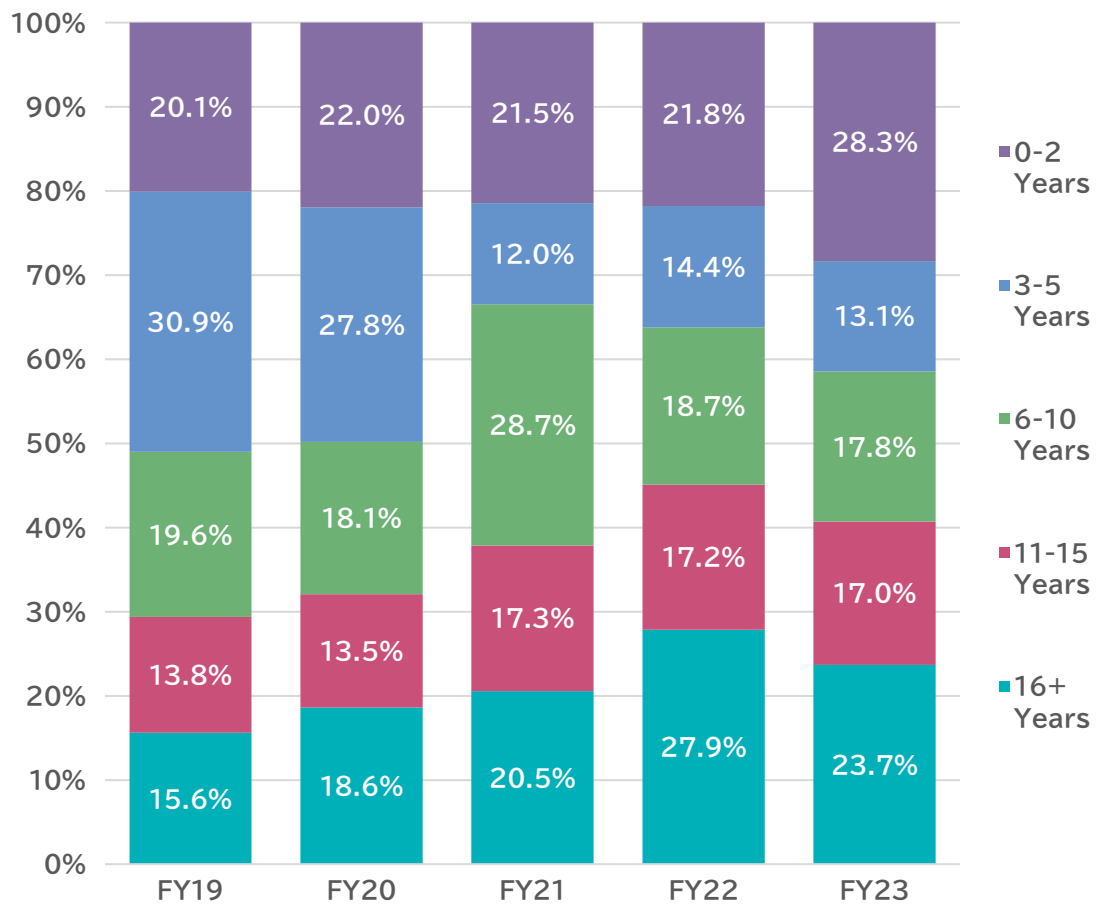
Products Business Sales Composition

Leading DX implementation for major and mid-sized manufacturers.
Expanding customer base through partnerships and sales networks in the growing DX market

<By customer business (sales) size>



<By customer tenure>



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<Notes on Presentation>

- The fiscal year period refers to a one-year period beginning April 1, 20yy, and is denoted as ”Fiscal Year 20yy” or ”FYyy.
- All monetary figures are truncated to the nearest million yen
- Profit attributable to owners of parent (quarterly profit)” is abbreviated as ”Net Profit.“
- Financial results for FY19 and earlier are presented using pre-retrospective application figures of the Revenue Recognition Accounting Standard.

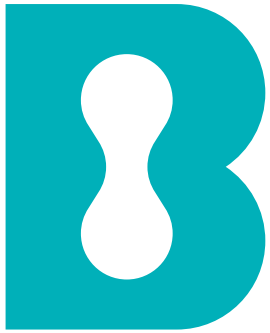
<Forward-Looking Statements>

- This document contains forward-looking statements, including performance forecasts, based on information currently available to the Company and certain assumptions deemed reasonable. Actual results may differ materially from these projections due to various factors.
- This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

Business Engineering Corporation　Abbreviation: B-EN-G

- IR information
  https://www.b-en-g.co.jp/en/ir/
- Investor Relations Department
  https://www.b-en-g.co.jp/en/contact/inquiry.html

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