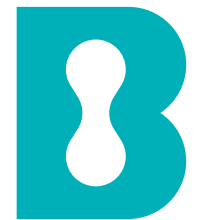


Fiscal Year 2023 - Q2

Financial Results Briefing Materials

Nov. 10, 2023
Business Engineering Corporation



B-EN-G

Business Engineering for Growth

Today's Agenda

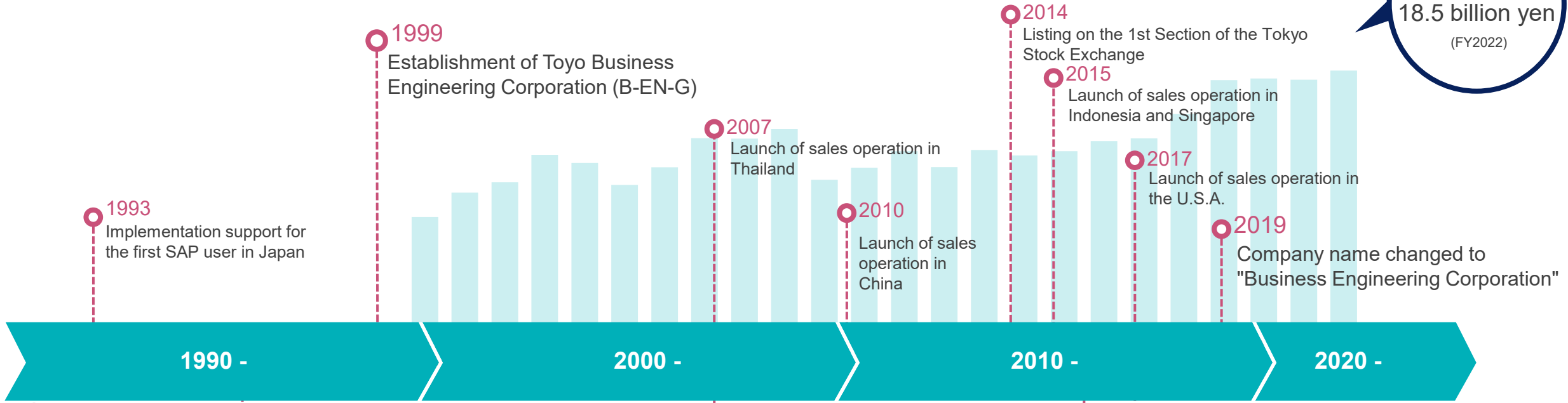
1. About the Company
2. Summary of FY2023 - Q2 Financial Results
3. Earnings Forecast for FY2023
4. Management Vision 2026 Strategy Revision

1. About the Company

History

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

Consolidated Net Sales
18.5 billion yen
(FY2022)



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 : 684 (consolidated, as of March 2023)
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B-EN-G's Business | Three Business Segments

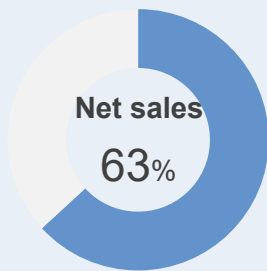
Expanding business in three segments. "IT for Manufacturing."

Solutions Business

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



Ratio to total segments*



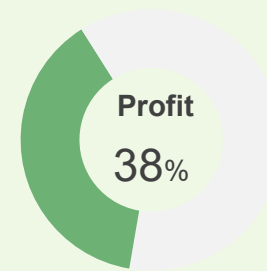
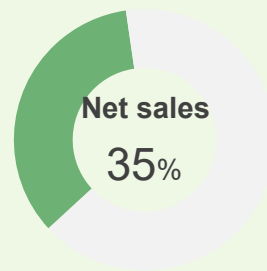
System integration based on extensive knowledge of and experience in the manufacturing industry

Products Business

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



Ratio to total segments*

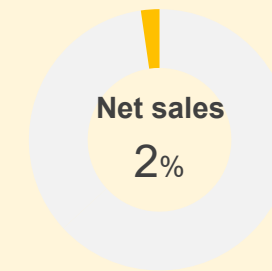


Highly profitable license sales, developed in-house with know-how cultivated over many years

Systems Support Business

Post-system introduction operation and maintenance services and system development

Ratio to total segments*

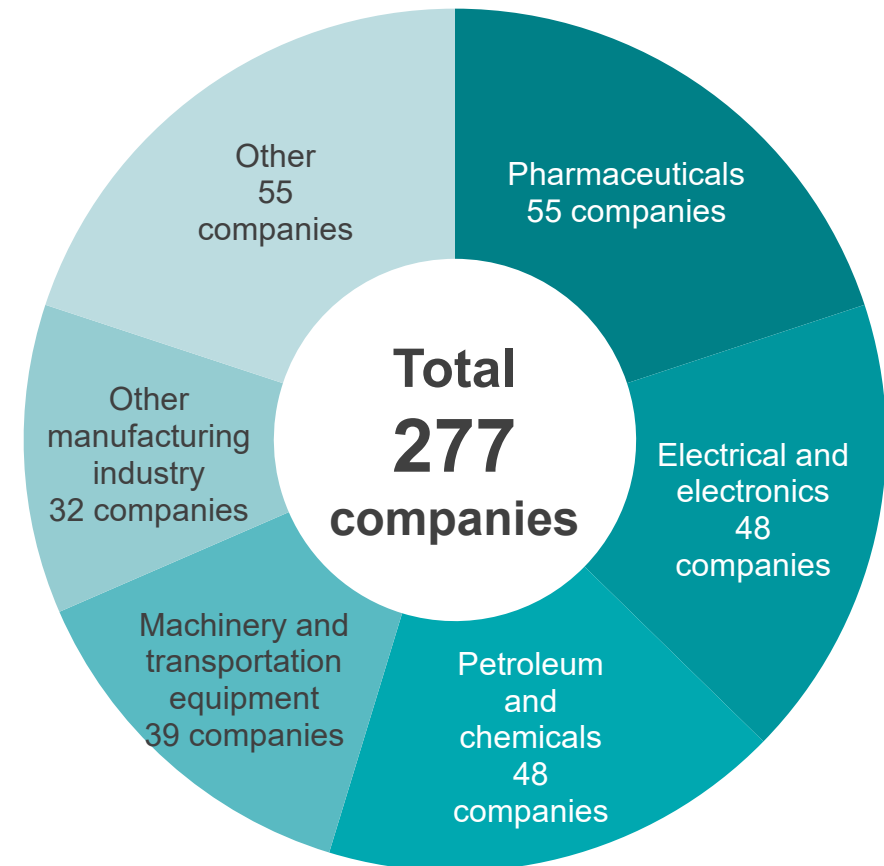
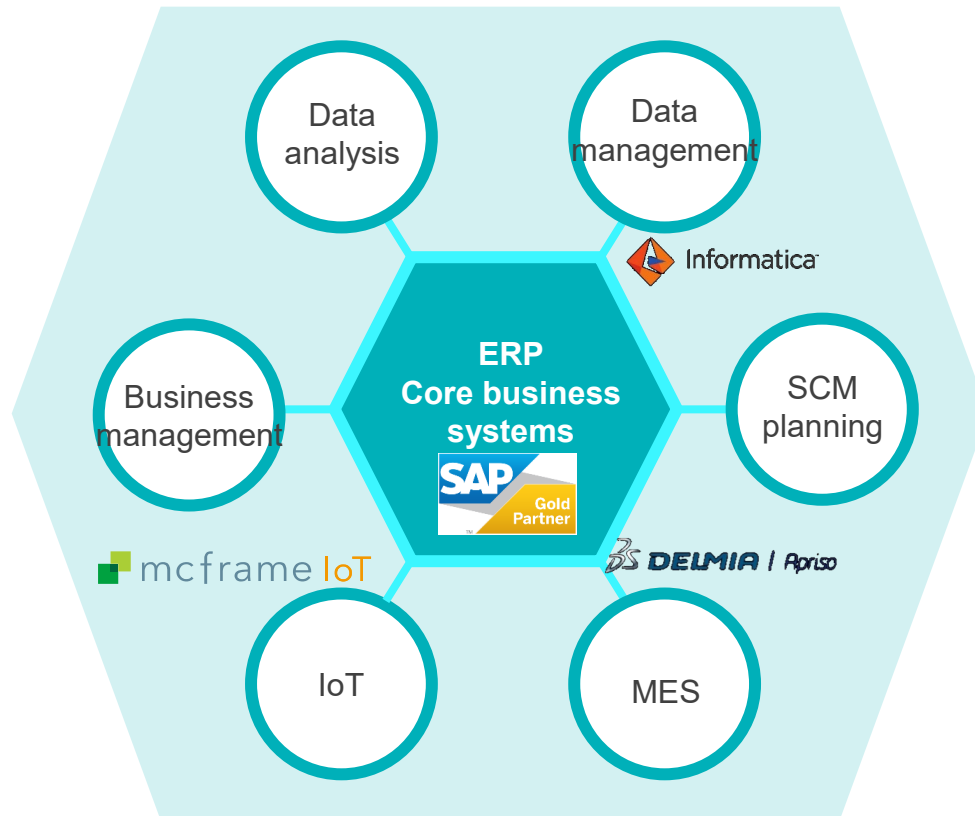


Operation and maintenance services to utilize system after delivery

B-EN-G's Business | Solutions Business

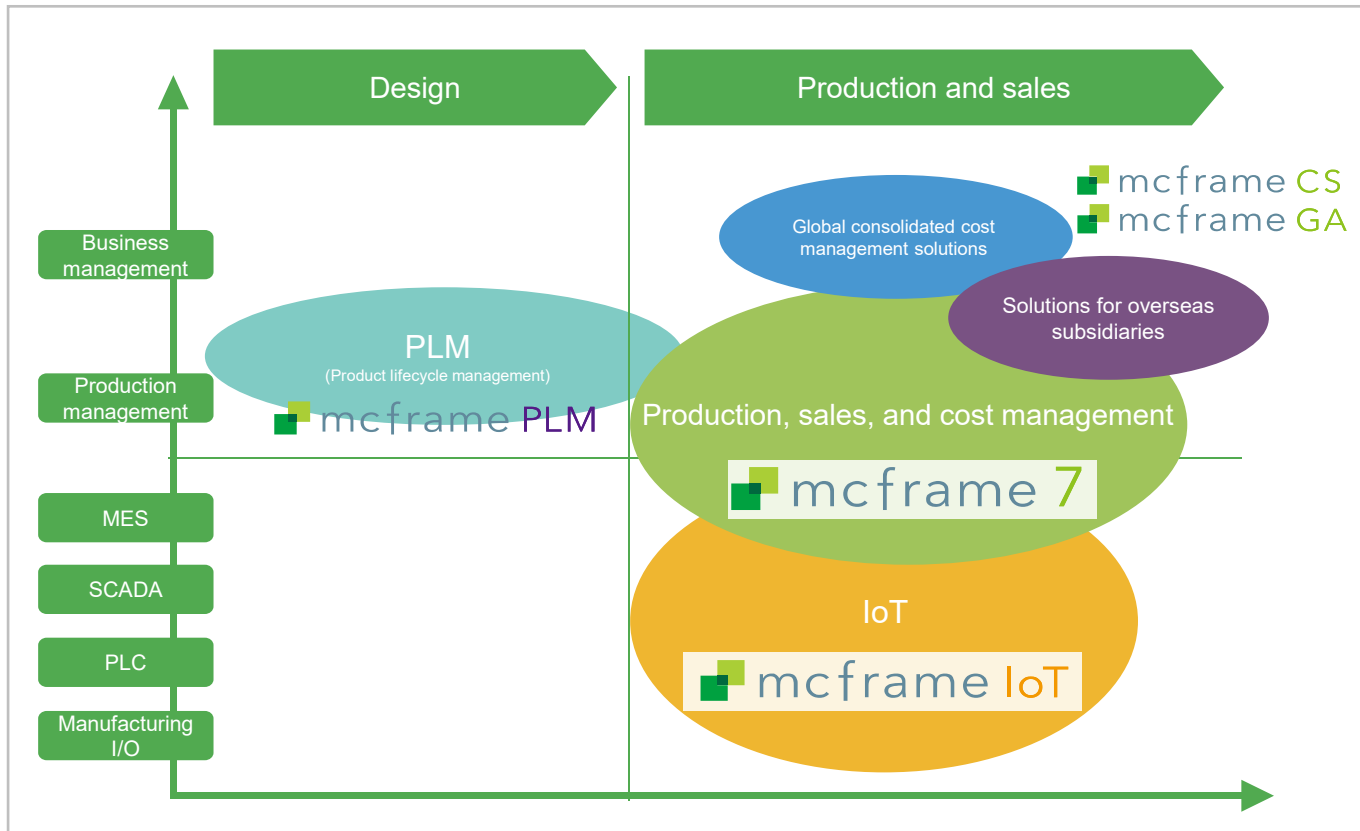
Promotion of solution business centered on ERP and core systems combined with peripheral products. "Digital Transformation (DX) for Manufacturing."

<Implementation results by industry (as of Sept 30, 2023)>

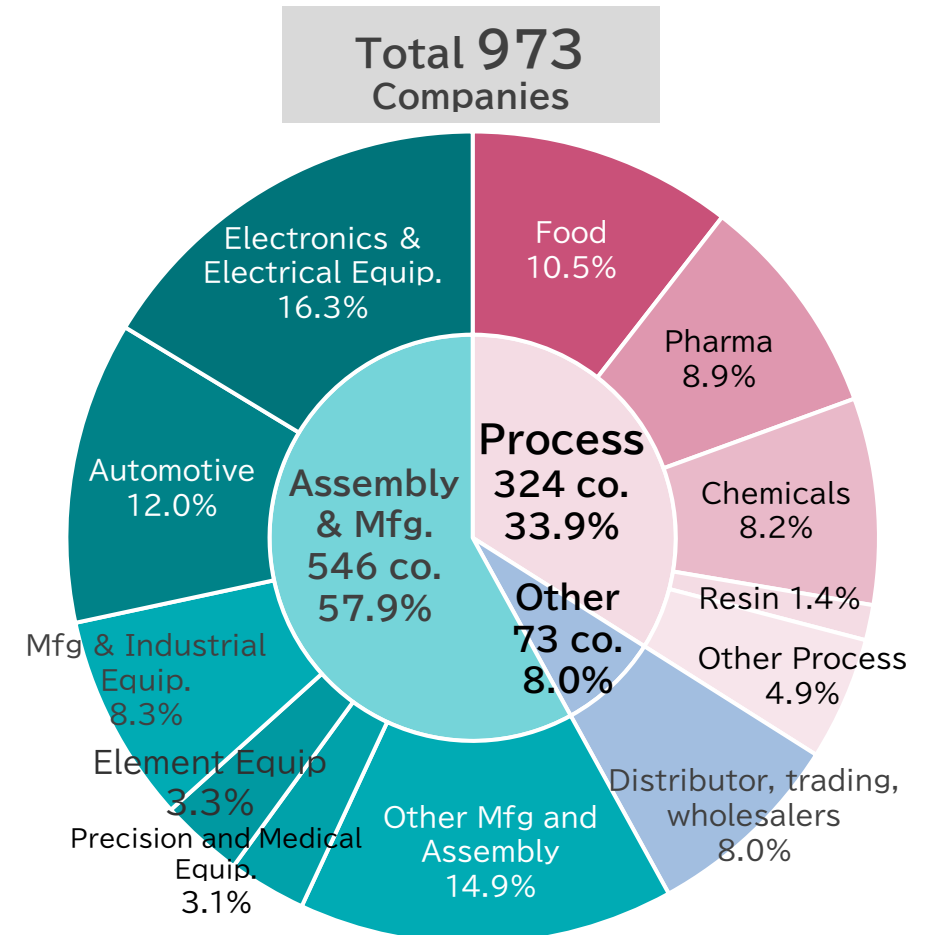


B-EN-G's Business | Products Business

“Monozukuri Digitalization” that integrates the engineering and supply chains centered on the “mcframe” solution for the manufacturing industry.



<Accumulated implementation results by industry (as of Sept 30, 2023)>



2. Summary of FY2023 - Q2 Financial Results

FY2023 - Q2 Financial Results Key Points

Business Environment

- Despite the impact of the slowdown in the pace of recovery of overseas economies, corporate earnings remained at high levels and the economy recovered moderately.
- With growing DX needs, information technology investment in the manufacturing industry has been strong.

Summary of Financial Results

- Orders received and net sales Both record highs
- Operating profit } Record highs for 6th consecutive term
- Ordinary profit }
- Current net profit }
- Interim dividend 32 yen per share

Summary of Profit and Loss (YoY)

(Million yen)	FY2023 First-half	FY2022 First-half	Change (Change %)
Net sales	9,808	8,859	+ 949 (+10.7%)
Gross Profit	4,060	3,416	+ 643
Gross Profit ratio	(41.4%)	(38.6%)	(+18.8%)
Operating profit	2,114	1,614	+ 500
Operating Profit ratio	(21.6%)	(18.2%)	(+31.0%)
Ordinary profit	2,126	1,620	+ 505
Ordinary Profit ratio	(21.7%)	(18.3%)	(+31.2%)
Current net profit	1,443	1,090	+ 352
Profit ratio	(14.7%)	(12.3%)	(+32.4%)
Orders Received	9,820	9,160	+ 660 (+7.2%)

Both sales and profits significantly exceeded those of the previous year.

Solutions Business: Profit increase due to higher sales and improved project profitability

Products Business: License sales growth

System Support Business: Improved profitability

Note: All amounts in this material are rounded down to the nearest million yen.

“Profit attributable to owners of parent (Quarterly Profit)” is presented as “Current net profit.”

Summary of Profit and Loss (Compared to August 4, 2023 Forecast)

(Million yen)	FY2023 First-half	Aug 4, 2023 Forecast	Change (Change %)
Net sales	9,808	9,550	+258 (+2.7%)
Gross Profit	4,060	3,850	+210
Gross Profit ratio	(41.4%)	(40.3%)	(+5.5%)
Operating profit	2,114	1,850	+264
Operating Profit ratio	(21.6%)	(19.4%)	(+14.3%)
Ordinary profit	2,126	1,850	+276
Ordinary Profit ratio	(21.7%)	(19.4%)	(+14.9%)
Current net profit	1,443	1,260	+183
Profit ratio	(14.7%)	(13.2%)	(+14.6%)
Orders Received	9,820	9,600	+220 (+2.3%)

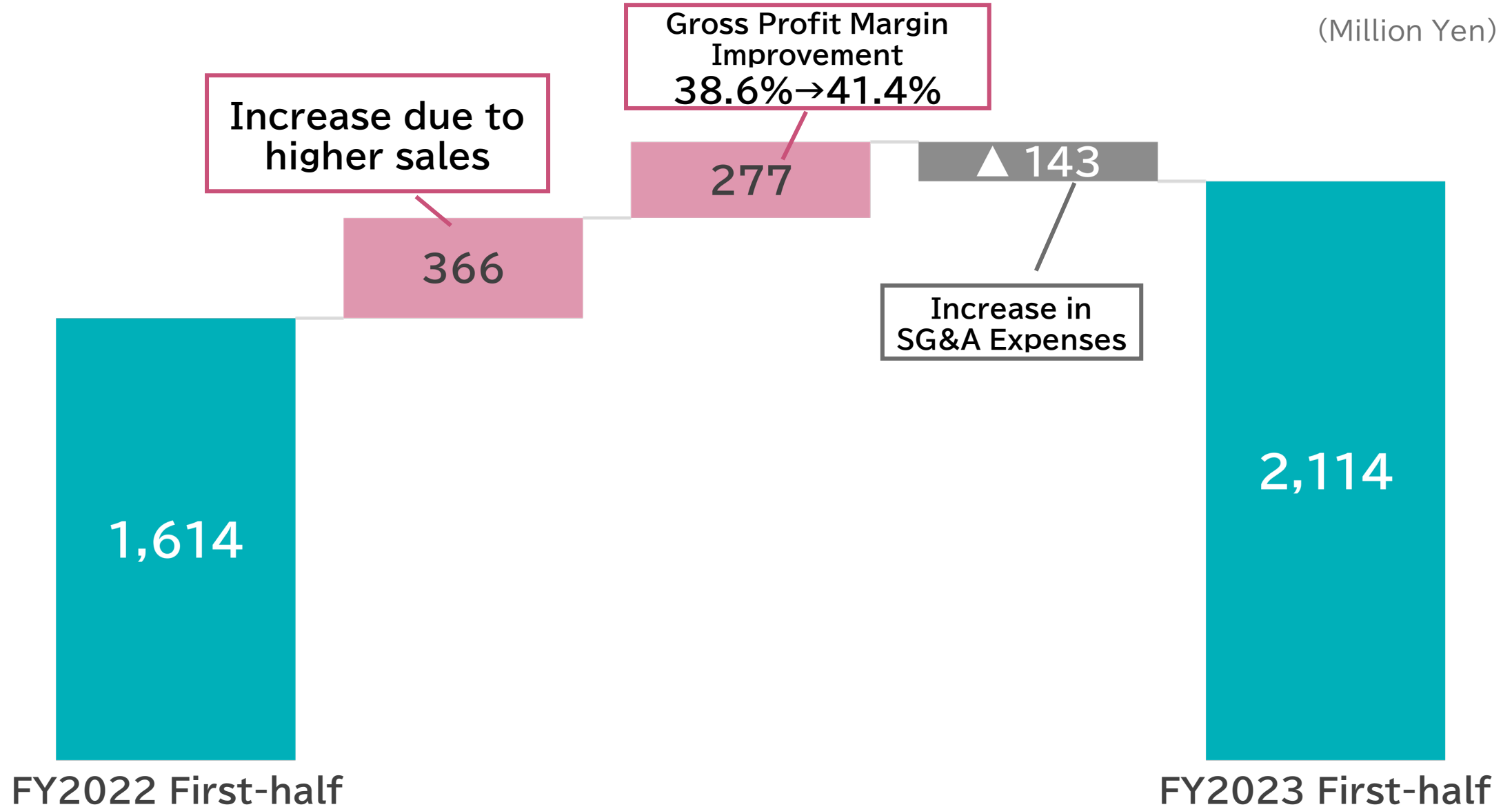
Both sales and profits exceeded planned figures

Solutions Business: Profit increase due to higher sales and improved project profitability

Products Business: Growth in license sales

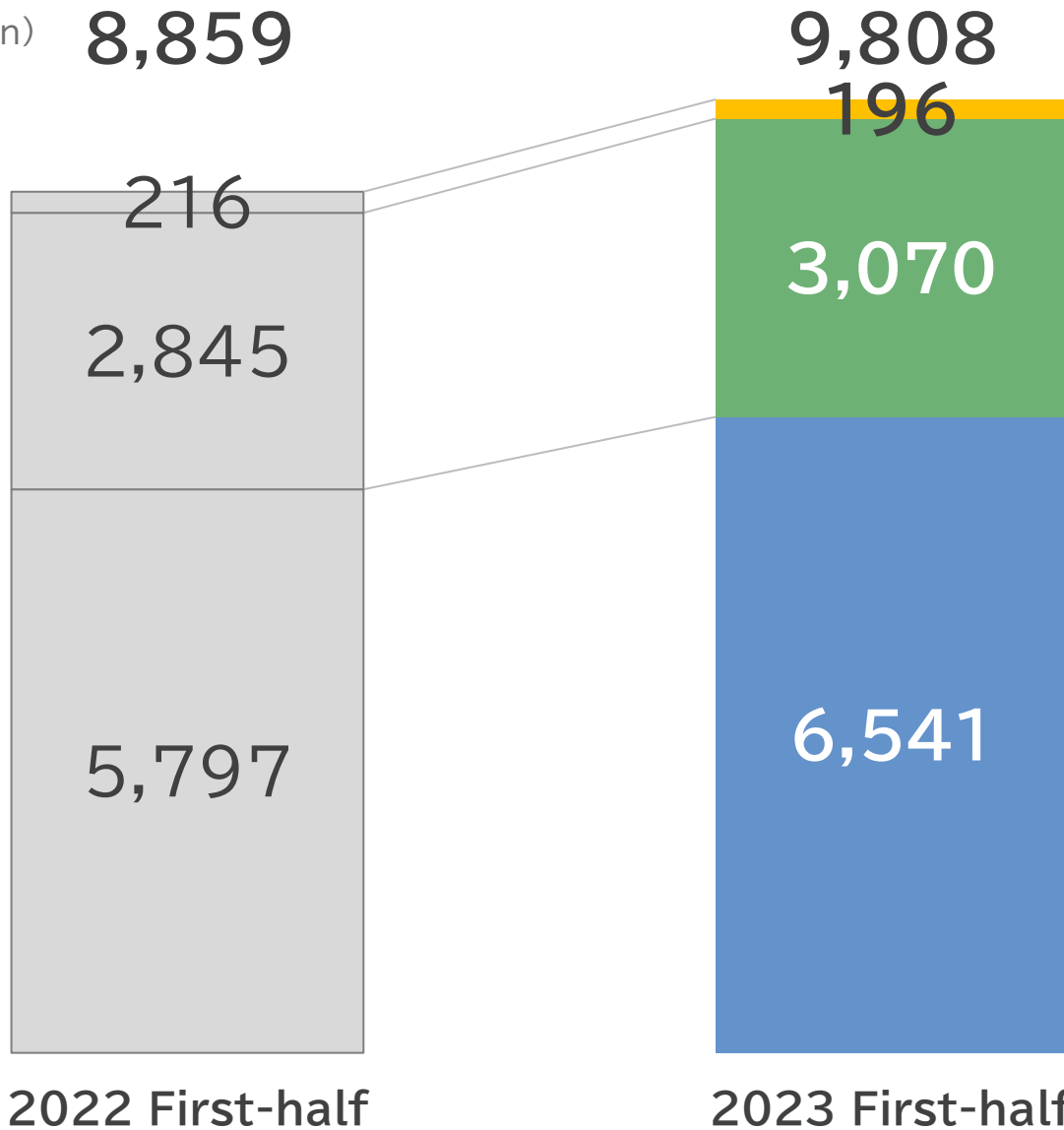
Analysis of Changes in Operating Profit (YoY)

(Million Yen)



Summary of Net Sales (YoY)

(Million Yen)



Overall YOY +10.7%
Record high

Products Business
+7.9%

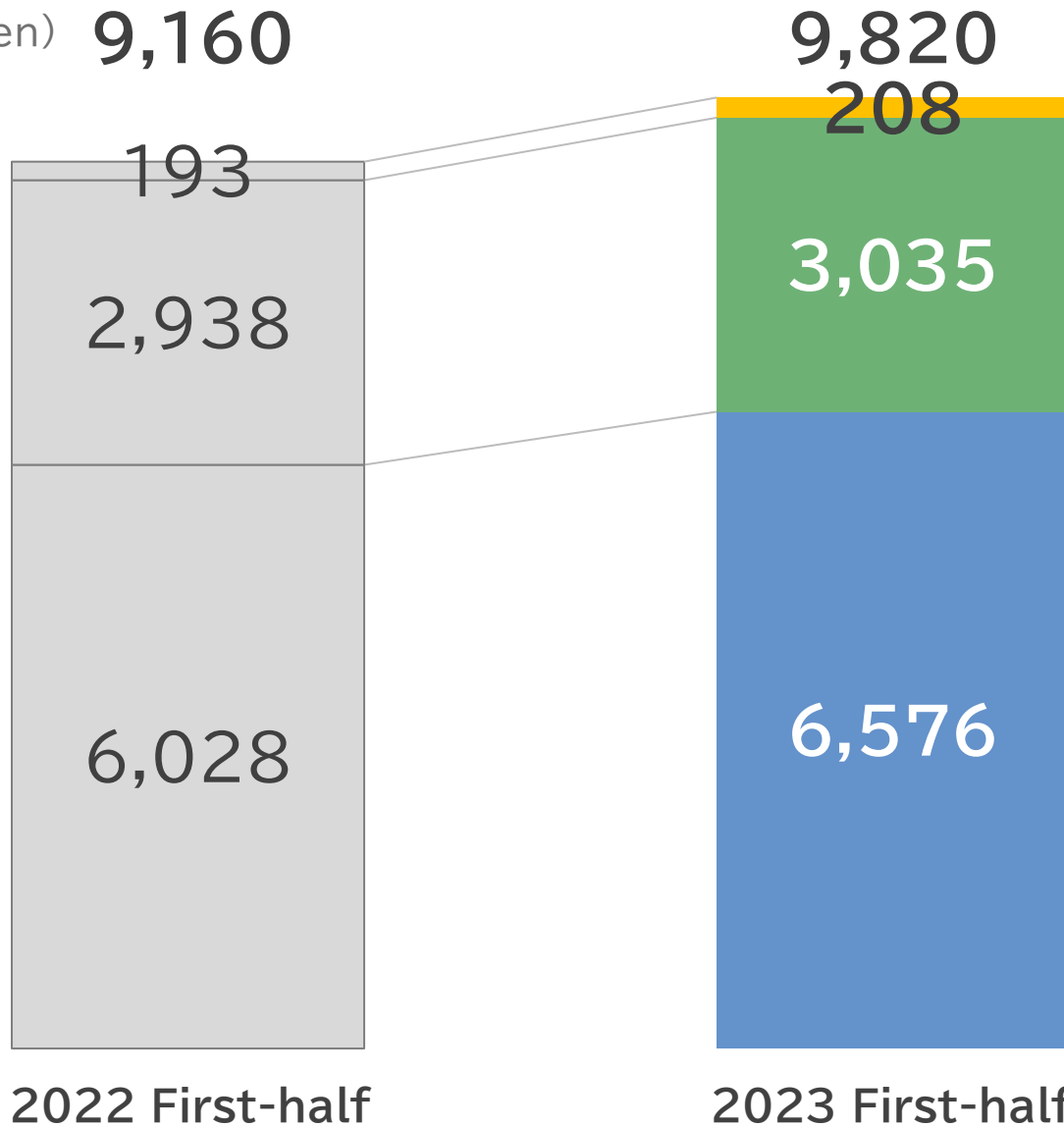
Solutions Business
+12.8%

Notes:
Some projects were transferred from the Products Business to the Solutions Business in the reorganization effective April 1, 2023. Figures for FY2022 have been reorganized into the new organization to make them comparable to those for FY2023.



Summary of Orders Received (YoY)

(Million Yen)



Overall YOY +7.2%
Record high

Products Business
+3.3%

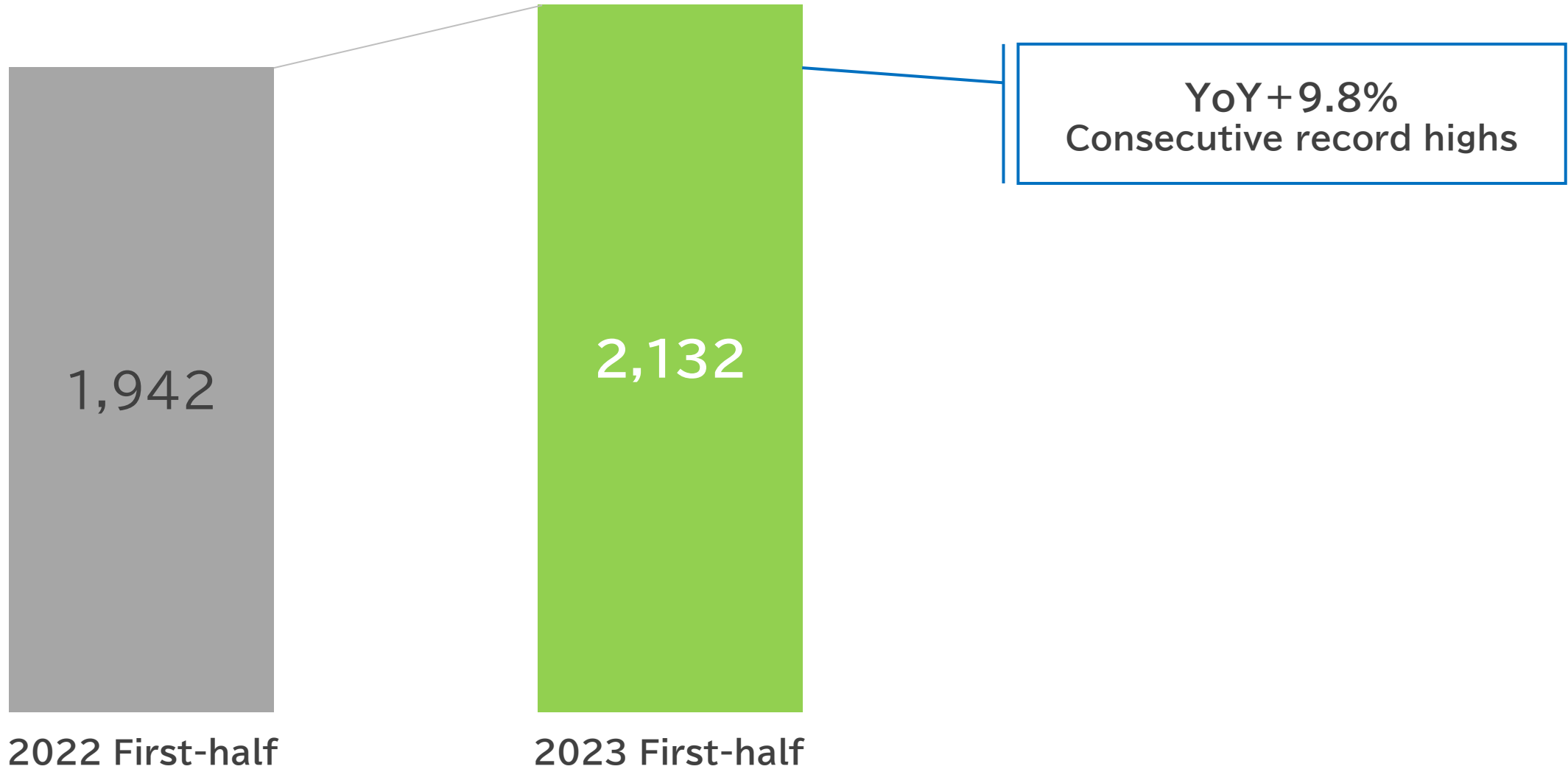
Solutions Business
+9.1%

Notes:
Some projects were transferred from the Products Business to the Solutions Business in the reorganization effective April 1, 2023. Figures for FY2022 have been reorganized into the new organization to make them comparable to those for FY2023.



Summary of Net License Sales (YoY)

(Million Yen)



Summary of Balance Sheet (YoY) | Assets

(Million Yen)	2023 First-half	2022 Year-end	Change
Cash and deposits	7,519	6,966	+552
Notes and accounts receivable - trade, and contract assets	3,546	3,261	+285
Work in process	3	2	+0
Other current assets	579	591	▲11
Total current assets	11,648	10,821	+826
(component ratio)	(80.0%)	(80.7%)	
Property, plant and equipment	122	130	▲8
Intangible assets	1,481	1,347	+134
Investments and other assets	1,315	1,108	+206
Total non-current assets	2,919	2,587	+332
(component ratio)	(20.0%)	(19.3%)	
Total assets	14,567	13,408	+1,159
(component ratio)	(100.0%)	(100.0%)	

Software Increase

Investment Securities Increase



Summary of Balance Sheet (YoY) | Liabilities and Net assets

(Million Yen)	2023 First-half	2022 Year-end	Change
Outstanding account	1,224	1,189	+34
Short-term borrowings	-	100	▲100
Other current liabilities	3,149	2,831	+317
Total current liabilities	4,373	4,121	+252
Total liabilities (component ratio)	4,373 (30.0%)	4,121 (30.7%)	+252
Share capital	697	697	-
Capital surplus	565	565	-
Retained earnings	8,961	8,033	+927
Treasury shares	△80	0	▲80
Accumulated other comprehensive income	50	△9	+59
Total net assets (component ratio)	10,194 (70.0%)	9,287 (69.3%)	+906
Total liabilities and net assets (component ratio)	14,567 (100.0%)	13,408 (100.0%)	+1,159

Summary of Cash Flows (YoY)

(Million Yen)	2023 First-half	2022 First-half	Change
Cash flows from operating activities	1,874	1,658	+215
Cash flows from investing activities	△616	△325	△290
Cash flows from financing activities	△695	△393	△302
Effect of exchange rate change on cash and cash equivalents	△10	△14	+4
Net increase (decrease) in cash and cash equivalents	552	925	△372
Cash and cash equivalents at beginning of period	6,966	4,945	+2,021
Cash and cash equivalents at end of period	7,519	5,871	+1,648

Increase due to acquisition of software and investment securities

3. Earnings Forecast for FY2023

Earnings Forecast for FY2023 Key Points

Business Environment

- DX needs are firm, and investment in information technology by the manufacturing sector is expected to remain strong.

Earnings Forecast

- Upward revision of sales and profit forecasts
Net sales 18.8 billion yen ⇒ 19.0 billion yen
Operating income 3.45 billion yen ⇒ 3.80 billion yen
- Net Sales Record highs are expected to continue.
- Operating profit } Record highs are expected for the
• Ordinary profit } 8th consecutive year.
• Current net profit }

FY2024 Shareholder Return Policy Change / Dividend Forecast

Before Revision: 30%

Shareholder Return Policy

- Progressive dividend & payout ratio of 35% or more

The Company's basic policy is to strive for a progressive dividend* with consolidated dividend payout ratio exceeding 35% over the medium to long term.

* Progressive dividend: Increasing or maintaining the dividend without reducing it over the long term.

Dividend Forecast

- Revised annual dividend forecast: 64 yen⇒76 yen

Annual Dividend Forecast: Dividends are expected to increase for a 9th consecutive term and reach a record high.

Forecast of Profit and Loss (compared to May 12, 2023 forecast)

(Million yen)	FY2023 Forecast	2023/5/12 Forecast	Change (Change %)
Net Sales	19,000	18,800	+ 200 (+1.1%)
Gross Profit	7,800	7,250	+ 550 (+7.6%)
Gross Profit ratio	(41.1%)	(38.6%)	
Operating Profit	3,800	3,450	+ 350 (+10.1%)
Operating Profit ratio	(20.0%)	(18.4%)	
Ordinary Profit	3,800	3,450	+ 350 (+10.1%)
Ordinary Profit ratio	(20.0%)	(18.4%)	
Current Net Profit	2,550	2,330	+ 220 (+9.4%)
Profit ratio	(13.4%)	(12.4%)	
Orders Received	19,300	19,300	-
Dividends (non-consolidated)	76.0円	64.0円	+12.0円
ROE	25.2%	27.8%	(Δ2.6%)

Expected to increase by exceeding first-half plan.

Projected increase from the plan due to higher sales and gross profit margin, etc.

Although SG&A expenses are expected to increase due to activities to strengthen sales and technical capabilities, operating profit is expected to be higher than planned.

Forecast of Profit and Loss (YoY)

(Million yen)	FY2023 Forecast	FY2022 Results	Change (Change %)
Net Sales	19,000	18,506	+493 (+2.7%)
Gross Profit	7,800	6,994	+805
Gross Profit ratio	(41.1%)	(37.8%)	(+11.5%)
Operating Profit	3,800	3,246	+553
Operating Profit ratio	(20.0%)	(17.5%)	(+17.1%)
Ordinary Profit	3,800	3,250	+549
Ordinary Profit ratio	(20.0%)	(17.6%)	(+16.9%)
Current Net Profit	2,550	2,328	+221
Profit ratio	(13.4%)	(12.6%)	(+9.5%)
Orders Received	19,300	19,216	+83 (+0.4%)
Dividends (non-consolidated)	76.0円	64.0円	+12.0円
ROE	25.2%	27.8%	(Δ2.6%)

Increase in sales and profit is expected due to an increase in license sales.

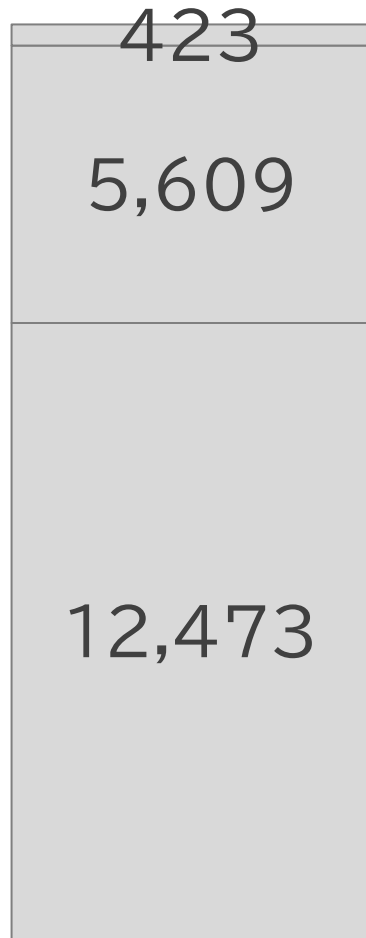
Increased license sales and improved project profitability are expected to boost profits.

The tax burden will increase as the tax incentives applied in the previous fiscal year will not be applied in the current fiscal year.

⇒ Current net profit is not expected to increase as much as operating income and ordinary income.

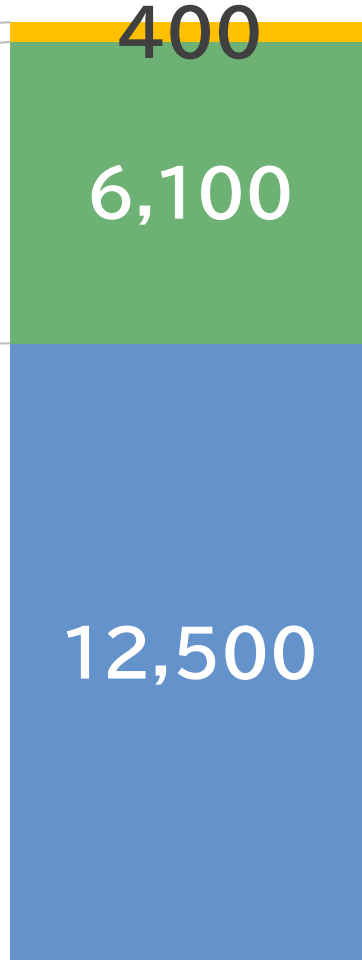
Forecast of Net Sales (YoY)

(Million yen) **18,506**



FY2022

19,000



FY2023 Forecast

Overall YoY +2.7%

**Products Business
+8.7%**

**Solutions Business
+0.2%**

Notes:

Some projects were transferred from the Products Business to the Solutions Business in the reorganization effective April 1, 2023.

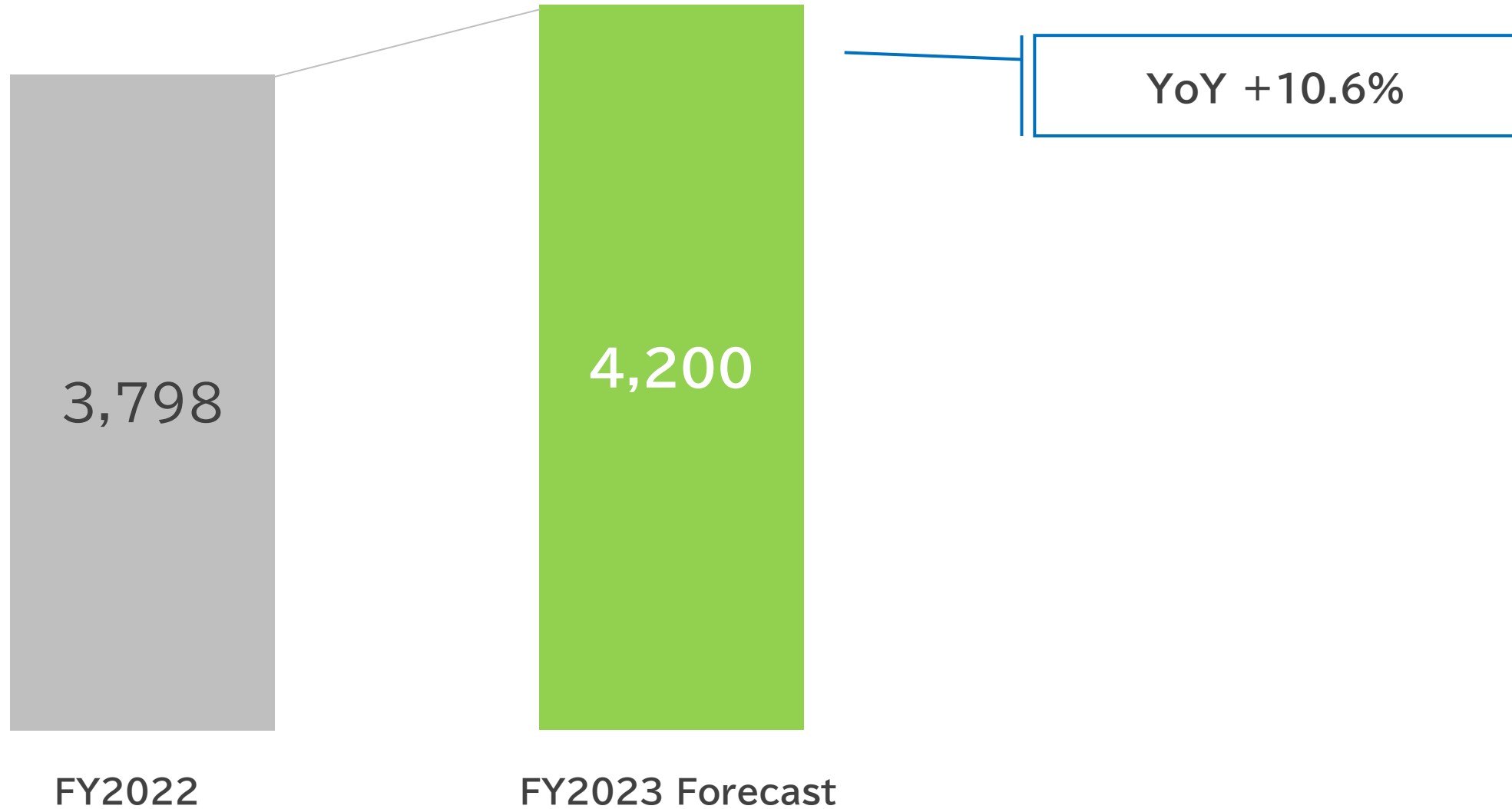
Figures for FY2022 have been reorganized into the new organization to make them comparable to those for FY2023.



Forecast of Net Sales of mcframe License (YoY)

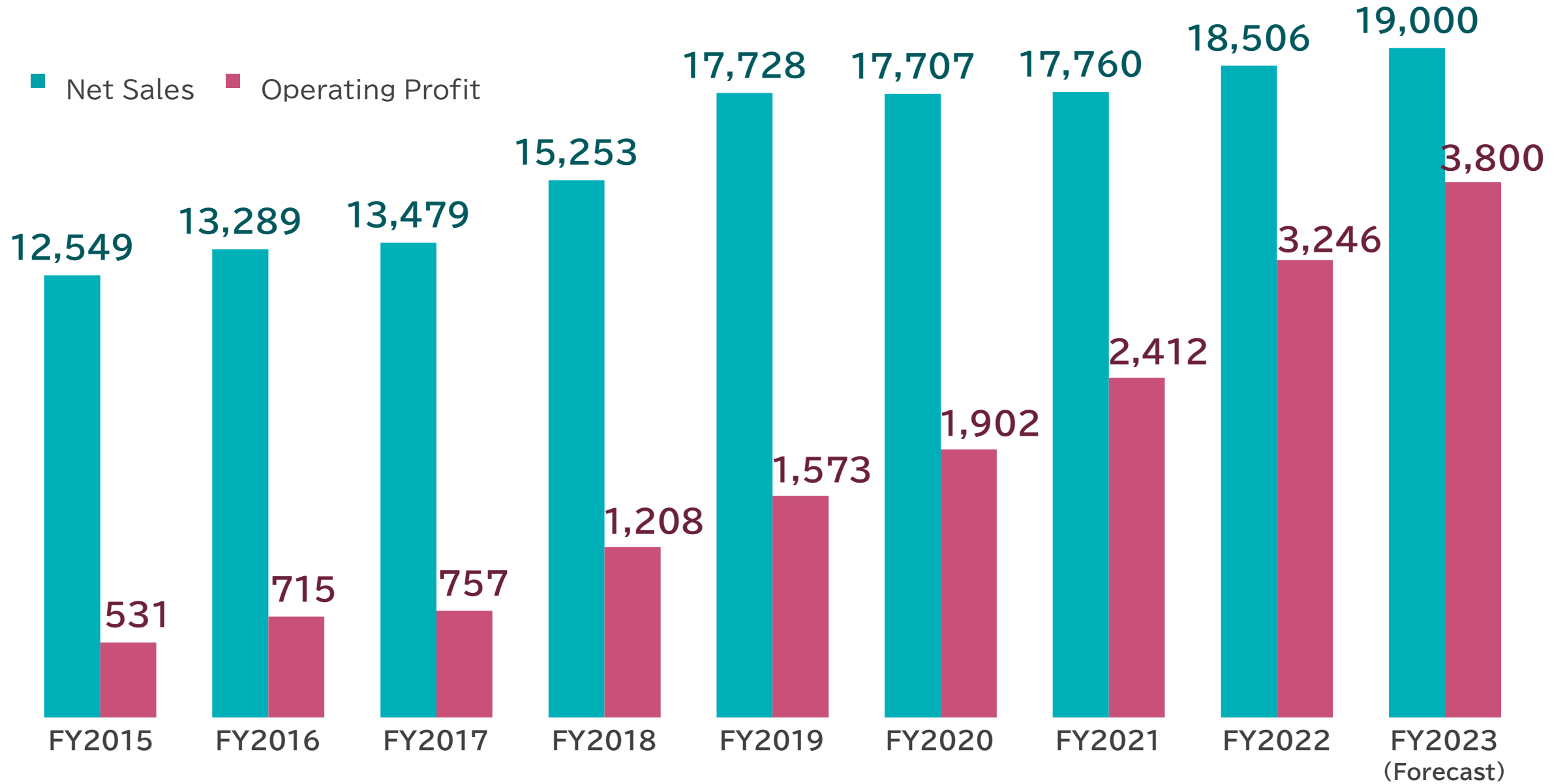


(Million yen)



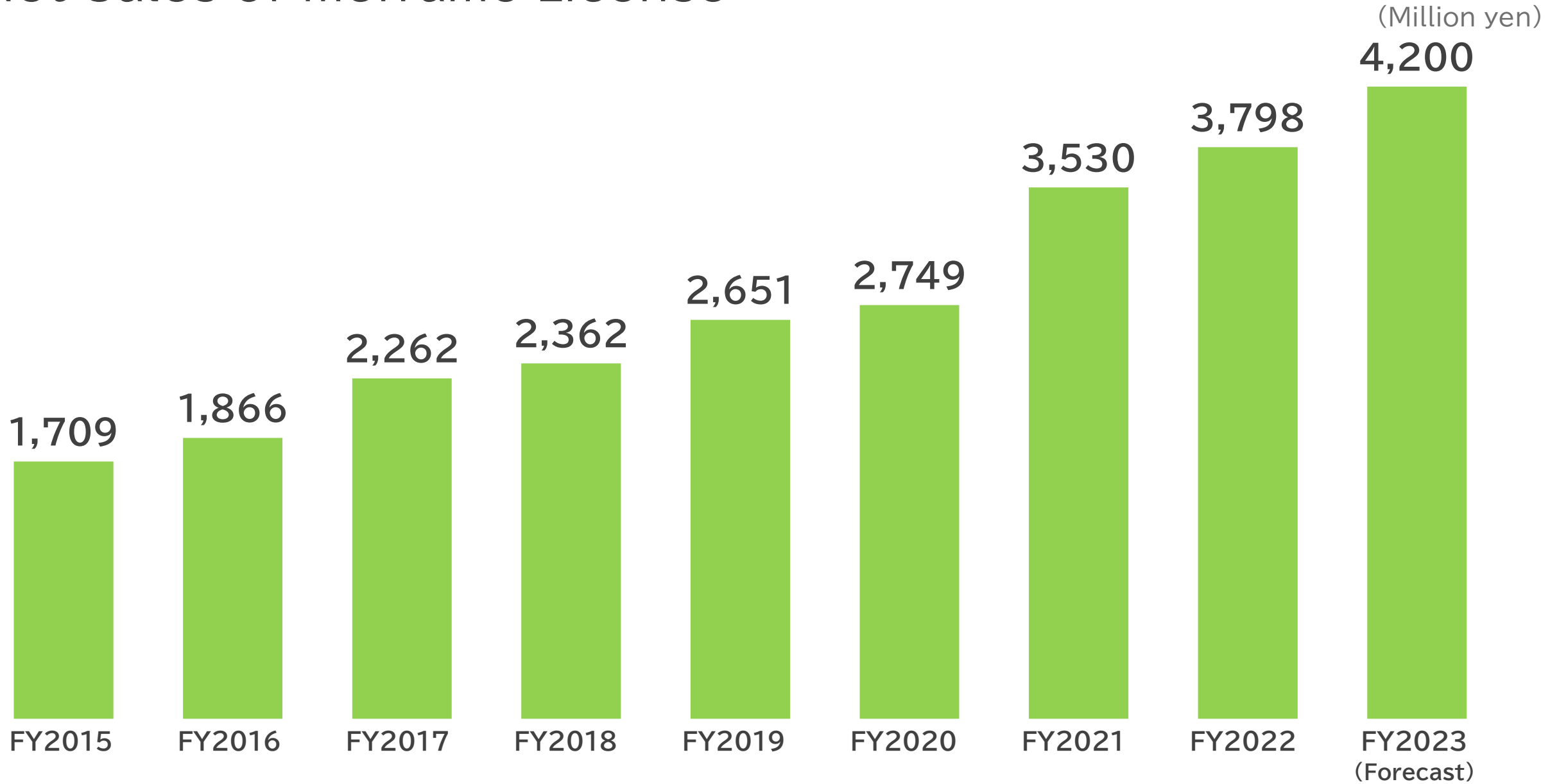
Net Sales and Operating Profit

(Million yen)



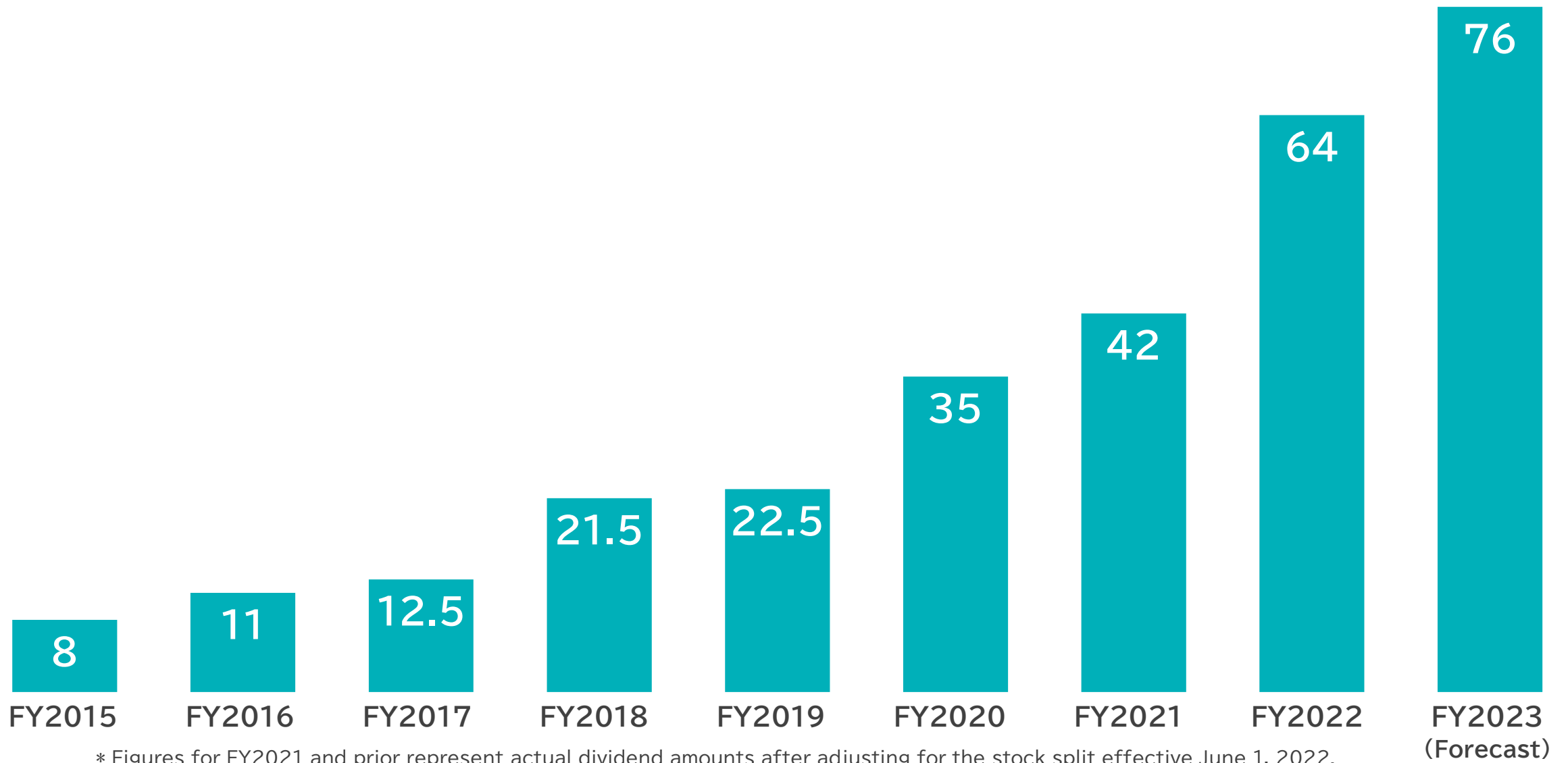
*Results for FY2019 and earlier are before the retrospective application of the Accounting Standard for Revenue Recognition.

Net Sales of mcframe License



Dividends (Annual dividend per share)

(Yen)



* Figures for FY2021 and prior represent actual dividend amounts after adjusting for the stock split effective June 1, 2022.

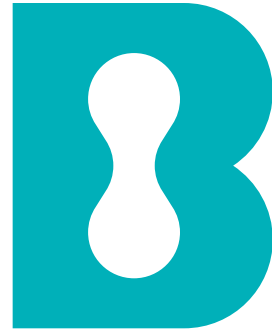


4. Management Vision 2026 Strategy Revision

On November 10, 2023 we announced the revision of our six-year management plan, Management Vision 2026, which was formulated in August 2021.

Please visit our corporate website for more details.

<https://www.b-en-g.co.jp/ir/vision.html>



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<Disclaimer>

The forward-looking statements, including earnings forecasts, contained in this document are based on information currently available to our company and certain assumptions that our company considers reasonable. Actual results may differ significantly due to a variety of factors.