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## Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2023 [Japanese GAAP]



February 9, 2024

Company name: Business Engineering Corporation  
 Stock exchange listing: Tokyo Stock Exchange, Prime Market  
 Code number: 4828  
 URL: <https://www.b-en-g.co.jp/>  
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 Scheduled date of filing quarterly securities report: February 13, 2024  
 Scheduled date of commencing dividend payments: –  
 Availability of supplementary briefing materials on quarterly financial results: None  
 Schedule of quarterly financial results briefing session: None

(Amounts of less than one million yen are rounded down.)

### 1. Consolidated Financial Results for the Nine Months Ended December 31, 2023 (April 1, 2023 to December 31, 2023)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Nine months ended December 31, 2023	14,589	6.2	3,122	23.5	3,132	23.6	2,132	24.3
December 31, 2022	13,733	3.7	2,529	32.2	2,535	32.2	1,715	31.5

(Note) Comprehensive income: Nine months ended December 31, 2023: ¥2,144 million [24.1%]  
 Nine months ended December 31, 2022: ¥1,728 million [46.1%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2023	177.93	–
December 31, 2022	143.00	–

(Note) The Company split its common shares at a ratio of two shares for one share on June 1, 2022. The basic earnings per share were calculated based on the assumption that the share split had taken place at the beginning of the fiscal year ended March 31, 2023.

### (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of December 31, 2023	14,331	10,451	72.9
As of March 31, 2023	13,408	9,287	69.3

(Reference) Equity: As of December 31, 2023: ¥10,451 million  
 As of March 31, 2023: ¥9,287 million

## 2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
Fiscal year ended March 31, 2023	Yen —	Yen 21.00	Yen —	Yen 43.00	Yen 64.00
Fiscal year ending March 31, 2024	—	32.00	—		
Fiscal year ending March 31, 2024 (Forecast)				44.00	76.00

(Note) Revision to the most recently announced dividends forecast: No

## 3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2024 (April 1, 2023 to March 31, 2024)

(% represent changes from the previous fiscal year for full year)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
Full year	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
	19,000	2.7	3,800	17.1	3,800	16.9	2,550	9.5	212.78

(Note) Revision to the most recently announced financial results forecast: No

**\* Notes:**

- (1) Changes in significant subsidiaries during the nine months ended December 31, 2023: No  
(Changes in specified subsidiaries resulting in changes in scope of consolidation)  
New subsidiaries: – Excluded subsidiaries: –
- (2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: Yes
- (3) Changes in accounting policies, changes in accounting estimates and retrospective restatement
- 1) Changes in accounting policies due to the revision of accounting standards: No
  - 2) Changes in accounting policies other than 1) above: No
  - 3) Changes in accounting estimates: No
  - 4) Retrospective restatement: No
- (4) Total number of issued shares (common shares)
- 1) Total number of issued shares at the end of the period (including treasury shares):  
December 31, 2023: 12,000,000 shares  
March 31, 2023: 12,000,000 shares
  - 2) Total number of treasury shares at the end of the period:  
December 31, 2023: 25,644 shares  
March 31, 2023: 198 shares
  - 3) Average number of shares during the period:  
Nine months ended December 31, 2023: 11,987,477 shares  
Nine months ended December 31, 2022: 11,999,843 shares

(Note)1. The Company split its common shares at a ratio of two shares for one share on June 1, 2022. The total numbers of issued shares at the end of the period (including treasury shares), the total numbers of treasury shares at the end of the period and the average numbers of shares during the period were calculated based on the assumption that the share split had taken place at the beginning of the fiscal year ended March 31, 2023.

2. “Total number of treasury shares at the end of the period” and “Average number of shares during the period” are calculated by including the Company’s shares held by stock grant trust for directors in the treasury shares that are deductible.

\* These quarterly financial results are outside the scope of quarterly review by certified public accountants or audit firms.

\* Explanation of the proper use of financial results forecast and other notes

The earnings forecasts and other forward-looking statements herein are based on the information currently available to the Company and certain assumptions that are deemed reasonable. They are not a pledge by the Company to achieve the forecasted results. Actual results, etc. may differ significantly from these forecasts due to a wide range of factors. For more details on the above forecasts, please refer to “1. Qualitative Information on Quarterly Financial Results for the Period under Review (3) Explanation of Consolidated Financial Results Forecast and Other Forward-Looking Information” on page 3.

## Table of Contents

1. Qualitative Information on Quarterly Financial Results for the Period under Review .....	2
(1) Explanation of Operating Results .....	2
(2) Explanation of Financial Position .....	3
(3) Explanation of Consolidated Financial Results Forecast and Other Forward-Looking Information ....	3
2. Consolidated Quarterly Financial Statements .....	4
(1) Consolidated Quarterly Balance Sheets .....	4
(2) Consolidated Quarterly Statements of Income and Comprehensive Income .....	6

## 1. Qualitative Information on Quarterly Financial Results for the Period under Review

### (1) Explanation of Operating Results

During the nine months ended December 31, 2023, the Japanese economy gradually recovered as corporate earnings and business sentiment improved, although the country was affected by a slowdown in the pace of overseas economic recovery.

In the information service industry, customers' willingness to invest in digital transformations (DX) is robust, and investments in information technology in the manufacturing industry are expected to remain strong.

Under the management plan "Management Vision 2026 Revised Version" for the six years through the fiscal year ending March 31, 2027, the Group has worked to resolve management issues such as the promotion of DX and global expansion in the manufacturing industry, in order to support its main customers facing changes in the business environment of the manufacturing industry with products and services that leverage the strengths of the Group. At the same time, the Group has been working to contribute to sustainability.

The financial results during the nine months ended December 31, 2023 are as follows.

Orders received were ¥13,985 million (down 1.6% year on year) and net sales were ¥14,589 million (up 6.2% year on year), reflecting growth supported by robust investments in information technology, with net sales setting a consecutive record high. In addition, owing to robust license sales, sales of mcframe licenses were ¥3,115 million (up 10.1% year on year), setting a consecutive record high. In terms of profits, owing to factors such as the improvement of project profitability and growth in license sales in addition to profit growth from increased net sales, operating profit was ¥3,122 million (up 23.5% year on year), ordinary profit was ¥3,132 million (up 23.6% year on year), and profit attributable to owners of parent was ¥2,132 million (up 24.3% year on year), achieving record-highs in each profit indicator for six consecutive quarters.

Operating results by business segment are as follows.

The Group implemented organizational changes on April 1, 2023, and has transferred some projects from the Products Business to the Solutions Business. For comparison and analysis with the nine months ended December 31, 2022, we used figures after retrospective application of the organizational changes.

#### (i) Solutions Business

The Solutions Business mainly engages in the consulting and system construction services, which are based on ERP package products developed by other companies. We provided complex solutions that contribute to the resolution of customers' issues, and actively engaged in proposal activities based on customer needs. Orders received for this segment were ¥9,286 million (down 4.0% year on year), and net sales were ¥9,718 million (up 4.8% year on year). Net sales increased on the back of robust investments in information technology. Segment profit was ¥2,504 million (up 23.3% year on year) due to the improvement of project profitability in addition to profit growth from increased net sales.

#### (ii) Products Business

The Products Business mainly engages in sales of the in-house developed ERP package "mcframe" series products through business partners as well as consulting and system construction services based on these products. We continued our efforts to strengthen our relationships with customers and business partners, focused on license sales, and implemented initiatives to continuously enhance brand power. As a result, license sales remained robust. Orders received for this segment were ¥4,394 million (up 2.5% year on year), net sales were ¥4,587 million (up 10.1% year on year), and segment profit was ¥1,460 million (up 15.0% year on year).

(iii) Systems Support Business

The Systems Support Business mainly engages in operation and maintenance services of systems introduced to customers, and offering proposals and additional development through these services. This business segment is operated by Business System Service Corporation, a subsidiary of the Company. We continued to work on enhancing life cycle support for customers' systems. As a result, orders received for this segment were ¥304 million (up 20.6% year on year), net sales were ¥283 million (down 3.1% year on year) and segment profit was ¥393 million (up 6.1% year on year).

(2) Explanation of Financial Position

(Assets)

Current assets increased by ¥544 million from the end of the previous fiscal year to ¥11,365 million. This was mainly attributable to an increase in cash and deposits and a decrease in notes and accounts receivable - trade, and contract assets. The ratio of current assets to total assets at the end of the third quarter under review was 79.3%.

Non-current assets increased by ¥379 million from the end of the previous fiscal year to ¥2,966 million. This was mainly attributable to purchase of intangible assets, which exceeded the depreciation of intangible assets, an increase due to purchase of investment securities, and depreciation of property, plant, and equipment, which exceeded the purchase of property, plant, and equipment.

As a result, total assets at the end of the third quarter under review increased by ¥923 million from the end of the previous fiscal year to ¥14,331 million.

(Liabilities)

Liabilities at the end of the third quarter under review decreased by ¥240 million from the end of the previous fiscal year to ¥3,880 million. This was mainly attributable to a decrease in provision for bonuses, an increase in income taxes payable, and an increase in advances received.

(Net assets)

Net assets at the end of the third quarter under review increased by ¥1,163 million from the end of the previous fiscal year to ¥10,451 million. This was mainly attributable to an increase owing to the recording of profit attributable to owners of parent, a decrease due to dividends of surplus, and a decrease due to purchase of treasury shares.

As a result, the equity ratio at the end of the third quarter under review increased by 3.6 percentage points from the end of the previous fiscal year to 72.9%.

(3) Explanation of Consolidated Financial Results Forecast and Other Forward-Looking Information

The full-year financial results forecast for the fiscal year ending March 31, 2024 announced on November 10, 2023 remains unchanged.

**2. Consolidated Quarterly Financial Statements**  
**(1) Consolidated Quarterly Balance Sheet**

	(thousands of yen)	
	FY03/2023 (As of Mar. 31, 2023)	3Q FY03/2024 (As of Dec. 31, 2023)
Assets		
Current assets		
Cash and deposits	6,966,947	7,604,675
Notes and accounts receivable - trade, and contract assets	3,261,012	3,201,945
Work in process	2,487	13,376
Other	591,179	545,907
Total current assets	10,821,627	11,365,906
Non-current assets		
Property, plant and equipment	130,885	123,240
Intangible assets		
Software	1,341,840	1,564,233
Other	5,524	5,117
Total intangible assets	1,347,364	1,569,351
Investments and other assets		
Other	1,114,287	1,278,980
Allowance for doubtful accounts	5,499	5,499
Total investments and other assets	1,108,787	1,273,480
Total non-current assets	2,587,038	2,966,072
Total assets	13,408,665	14,331,979

	(thousands of yen)	
	FY03/2023 (As of Mar. 31, 2023)	3Q FY03/2024 (As of Dec. 31, 2023)
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	498,809	473,511
Short-term borrowings	100,000	—
Income taxes payable	406,246	627,226
Advances received	1,128,019	1,248,605
Provision for bonuses	693,722	248,704
Provision for bonuses for directors (and other officers)	80,000	—
Reserve for guarantee for after-care of products	22,507	23,569
Provision for loss on orders received	23,334	—
Other	1,168,783	1,259,354
Total current liabilities	<u>4,121,422</u>	<u>3,880,972</u>
Total liabilities	<u>4,121,422</u>	<u>3,880,972</u>
<b>Net assets</b>		
Shareholders' equity		
Share capital	697,600	697,600
Capital surplus	565,273	565,273
Retained earnings	8,033,699	9,266,657
Treasury shares	304	81,175
Total shareholders' equity	<u>9,296,267</u>	<u>10,448,355</u>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	11,979	37,403
Foreign currency translation adjustment	21,005	34,752
Total accumulated other comprehensive income	<u>9,025</u>	<u>2,650</u>
Total net assets	<u>9,287,242</u>	<u>10,451,006</u>
Total liabilities and net assets	<u>13,408,665</u>	<u>14,331,979</u>



**(2) Consolidated Quarterly Statements of Income and Comprehensive Income**  
**Consolidated Quarterly Statement of Income(For the Nine-month Period)**

(thousands of yen)

	3Q FY03/2023 (Apr. 1, 2022 – Dec. 31, 2022)	3Q FY03/2024 (Apr. 1, 2023 – Dec. 31, 2023)
Net sales	13,733,011	14,589,554
Cost of sales	8,525,335	8,605,021
Gross profit	5,207,675	5,984,533
Selling, general and administrative expenses	2,678,525	2,861,651
Operating profit	2,529,150	3,122,881
Non-operating income		
Dividend income	9,964	14,588
Subsidy income	106	250
Other	1,585	1,304
Total non-operating income	11,656	16,143
Non-operating expenses		
Interest expenses	1,329	1,314
Foreign exchange losses	641	822
Commission expenses	3,013	3,765
Other	520	592
Total non-operating expenses	5,505	6,495
Ordinary profit	2,535,301	3,132,529
Profit before income taxes	2,535,301	3,132,529
Income taxes	819,347	999,585
Profit	1,715,953	2,132,943
Profit attributable to owners of parent	1,715,953	2,132,943

**Consolidated Quarterly Statement of Comprehensive Income(For the Nine-month Period)**

(thousands of yen)

	3Q FY03/2023 (Apr. 1, 2022 – Dec. 31, 2022)	3Q FY03/2024 (Apr. 1, 2023 – Dec. 31, 2023)
Profit	1,715,953	2,132,943
Other comprehensive income		
Valuation difference on available-for-sale securities	32,546	25,423
Foreign currency translation adjustment	19,959	13,747
Total other comprehensive income	12,587	11,676
Comprehensive income	1,728,540	2,144,620
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,728,540	2,144,620
Comprehensive income attributable to non-controlling interests	—	—