

New Medium-Term Management Plan

"BE GLOBAL 2028"

Review of previous Medium-Term Management Plan

The previous medium-term management plan, which ended in the fiscal year ended June 30, 2023, achieved its operational KPI targets for net sales and operating profit, with net sales growing 1.8x and operating profit doubling over the five-year period. We also achieved our financial KPI targets for ROE and dividends. However, we fell short of the strategic KPI targets set for the shift to a SaaS-type business model, namely the recurring sales proportion and sales growth rate + operating profit margin.

Although we believe our business has remained strong without any structural change, a shift to a software-based business is an unavoidable challenge for our group as we strive to

achieve long-term profitable growth. We think a major reason for the lack of progress in structural transformation during the previous medium-term management plan was that each of the operating companies were growing autonomously during the period. In light of this, we set the strategic materiality of becoming a software company that helps increase corporate value, which we think will help us grow as a group and contribute to society. Furthermore, we reorganized our businesses, and formulated a new medium-term management plan.

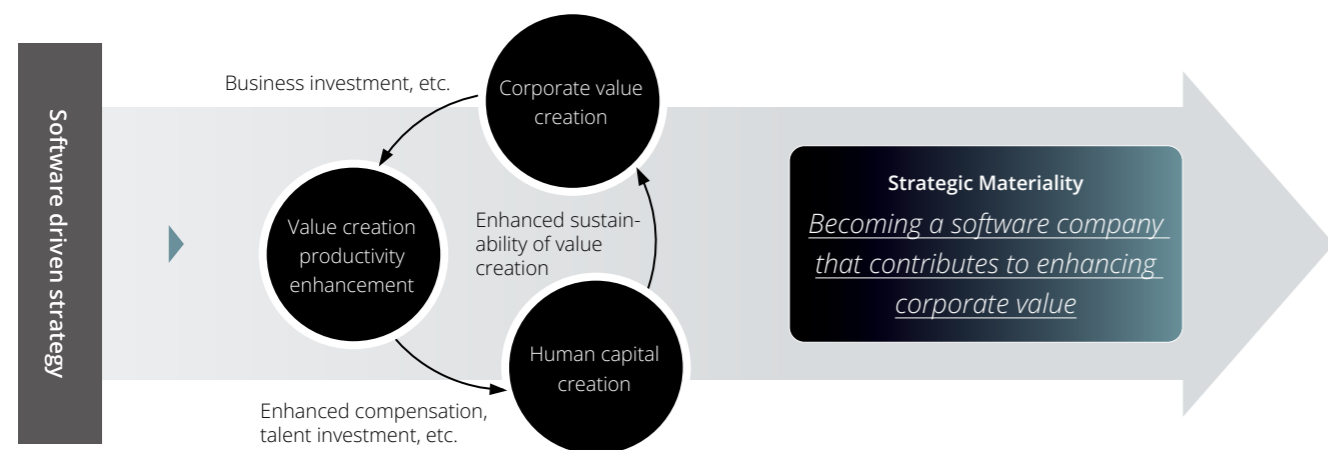
		18/6 (results)	23/6 (target)	23/6 (results)
Operational KPI	Net sales	¥12.11 billion	¥18.0–22.0 billion	¥21.42 billion
	Operating income	¥1.63	¥3.1–3.8 billion	¥3.28 billion
Strategic KPI	Recurring sales ratio	32.7%	70%	35.3%
	Sales growth rate + operating margin	28.5 points	40 points or more	29.9 points
Financial KPI	ROE	24.5%	20% or more	22.2%*
	Dividend	¥12	¥15 or more	¥15

* Averages for the period ended June 30, 2019 through June 30, 2023. However, new revenue recognition accounting rules were applied from the period ended June 30, 2022. Actual results for the fiscal year ended June 30, 2023: 18.3%.

Value Creation Cycle in the New Medium-Term Plan Created by Software Driven Strategy

As part of the new medium-term management plan BE GLOBAL 2028, the entire company will work together to address strategic materialities as outlined in the Software Driven Strategy, which positions software as the source of value creation. By raising the software sales ratio and profitability in our business, we will

increase value creation productivity (operating profit per employee). By sharing the returns and investing the benefits in our human resources, we will drive human capital value improvements, creating a virtuous cycle in which our corporate value will sustainably increase.



Quantitative Targets of the New Medium-Term Management Plan

The new medium-term plan targets average annual growth in net income of 25% or more, with the goal of doubling net sales and tripling operating profit and net income over a five-year period. The company intends to increase value-creating productivity by raising software gross profit through a software-driven strategy, thereby increasing profits more than sales. We will also be aware of capital efficiency while growing net income and maintaining ROE at 20% or above.

In addition, following a review of the previous medium-term plan, we decided to set these targets using a bottom-up rather than top-down approach, after taking into consideration the plans of each business company. We also have assumed organic growth and have not factored in any M&A.

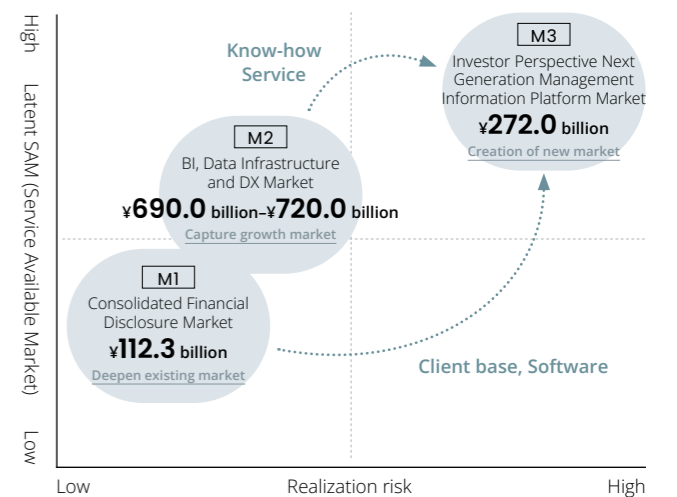
	23/6 (results)	24/6 (forecast)	28/6 (target)	5 year change/average
Net sales	¥21.4 billion	¥24.0 billion	¥40.0–45.0 billion	2x
Operating income	¥3.28 billion	¥3.85 billion	¥9.0–11.0 billion	3x
Operating income margin	15.4%	16.0%	20.0–24.0%	+5.0–9.0 points
Net income	¥2.09 billion	¥2.5 billion	¥6.0–7.0 billion	3.0x/CAGR 25%
Operating income/person	¥2.4 million	¥2.4 million	¥3.5–4.3 million	1.5x
Software gross profit	¥2.13 billion	¥2.17 billion	¥6.0–6.5 billion	3.0x
ROE	18.3%	19.3%	20% or more	Average 20%
DOE	4.9%	5.3%	8% or more	Average 7%
Dividend	¥15	¥19	¥51 or more	3.4x

Markets of Focus

In the new medium-term plan, we will position ourselves in three markets. The first is the consolidated financial disclosure market. Here, we intend to promote the deep cultivation of the existing market, where we have the largest market share in Japan. The second is the fast-growing BI, data infrastructure, and DX markets, and we aim to steadily capture that growth. The third is next-generation management data infrastructure market, taking into account an investor's perspective. This is an area where we will be creating a market by preparing data sets that will enable management to enhance corporate value that would be similar to an investor's perspective, and it will be the greatest challenge for our group in the new medium-term plan.

We will contribute to the enhancement of our clients' corporate value through three businesses: the Consolidated Financial Results Disclosure Business (operating companies are responsible for these markets and engage in dialog with investors); the Digital Transformation Promotion Business (which builds data platforms useful for various management decisions); and the Business Management Solutions Business (which develops information environments to enhance corporate value).

TAM (Total Addressable Market) and Positioning of Each Market



The entire group will contribute to the enhancement of our clients' corporate value through these three businesses.

Capital Allocation

We plan to allocate a total of approximately ¥20 billion in cash flow accumulated to date and from future business operations to minority investments and R&D for the first three years, and to

Details of financial strategies, including capital allocation ▶ P.26

growth investments, mainly M&A, for the two years thereafter. We plan to return a total of ¥5 billion to shareholders.