



Company Profile

March 31, 2020

OBIC BUSINESS CONSULTANTS CO., LTD.

Code No. 4733, TSE 1st Section

www.obc.co.jp

This document contains forward-looking statements. These statements involve risks and uncertainties and do not guarantee future financial results. There are a number of factors that could cause actual future results to differ materially from planned values. This document is produced solely for the purpose of providing information and is not intended to encourage the purchase of any service or product.

OBC's Core Competencies




- 1 Focus on business services for enterprise operations (accounting, personnel, salary, etc.)**
- 2 Focus on middle-ranking and small and medium-sized enterprises**
- 3 Focus on Microsoft technologies**
- 4 Focus on partner strategies**
- 5 Focus on brand strategies**

OBC's Business Model

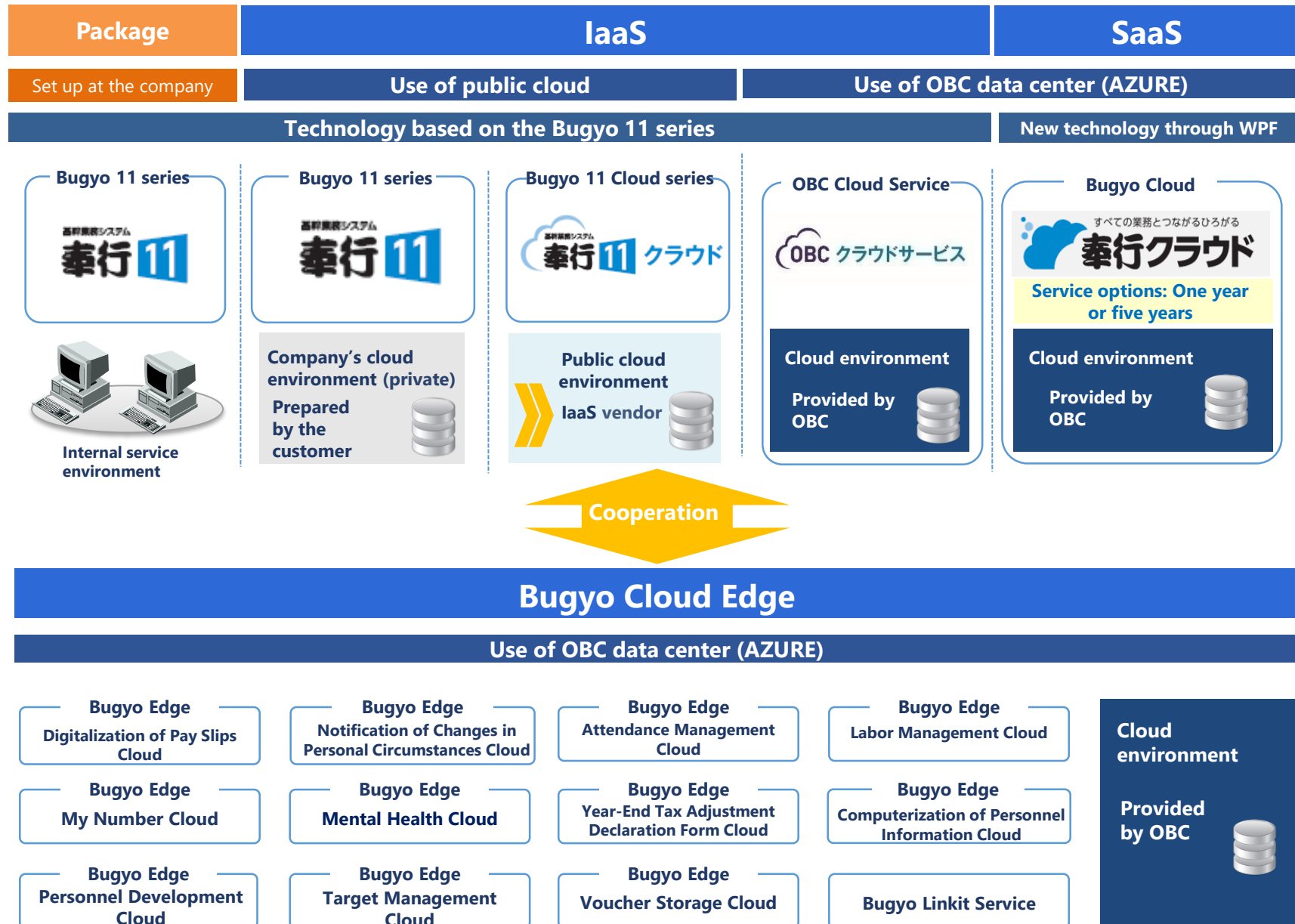
	OBC
Products and systems handled	<ul style="list-style-type: none"> ● Basic business systems (12 products in the Bugyo series) ● Centering on software packages
Sales method	<ul style="list-style-type: none"> ● Through sales partners (Office equipment partners including Ricoh, Canon and Xerox; manufacturing partners including Fujitsu, NEC and IBM; and local independent sales dealers)
Development Methods	<ul style="list-style-type: none"> ● Packages: In-house development
Target areas	<ul style="list-style-type: none"> ● Nationwide (with the support of sales partners)
Target customers	<ul style="list-style-type: none"> ● Middle-ranking and small and medium enterprises

System integrators
<ul style="list-style-type: none"> ● Systems for individual users and projects ● Software & hardware
<ul style="list-style-type: none"> ● Direct sales
<ul style="list-style-type: none"> ● In-house development (Outsourced development partly introduced)
<ul style="list-style-type: none"> ● Centered on urban areas
<ul style="list-style-type: none"> ● Large and middle-ranking enterprises

Lineup of the Bugyo Series

	 Bugyo Cloud The SaaS version of the Bugyo series that can be used server-free and can flexibly handle a wide range of fundamental tasks	Bugyo  series A package system for fundamental tasks that improves the productivity of a wide range of tasks through a diverse portfolio of lineups	Bugyo  11 An ERP system that enables high-performance operations for growth companies
Accounting and tax	Kanjyo Bugyo Cloud A cloud accounting system that can be used with accountants Kotei Shisan Bugyo Cloud Facilitates centralized cloud management of fixed assets and lease assets Shinkoku Bugyo Cloud (Corporate and Local Taxes Version) Improves the efficiency of preparing declaration documents related to corporate and local taxes by connecting to the accounting system Shinkoku Bugyo Cloud (Detailed and Summary Statements Version) Substantially shortens the preparation time for detailed and summary statements Saiken Bugyo Cloud Improves the efficiency of managing payment and collection reconciliation Saimu Bugyo Cloud Improves the efficiency of business operations, from payment schedules to bank transfers Kanjyo Bugyo Cloud (Specific Cost Management Version) A cloud accounting system that allows specific cost management	Kanjyo Bugyo 11 Provides a wide range of support in accounting tasks, from financial accounting to managerial accounting Kotei Shisan Bugyo 11 Automates depreciation calculations and declaration tasks in relation to fixed assets Shinkoku Bugyo 11 (Corporate and Local Taxes Version) Improves the efficiency of preparing declaration documents in relation to corporate and local taxes Shinkoku Bugyo 11 (Detailed and Summary Statements Version) Substantially shortens the preparation time for detail and summary statements Kanjyo Bugyo 11 (Specific Cost Management Version) A financial accounting system that allows specific cost management Kanjyo Bugyo 11 (Construction Industry Version) A financial accounting system that is compatible with construction accounting and allows construction cost management	Bugyo V ERP Accounting Centrally manages and improves the efficiency of accounting tasks through diverse functions that meet various business requirements • Financial accounting/managerial accounting • Credit and debt management • Fixed assets/lease management • Functions in a multi-currency environment • Payment records/My Number • BI/data utilization
Personnel and labor relations	Kyuyo Bugyo Cloud A cloud salary calculation system that can respond promptly to system revisions Somu Jinji Bugyo Cloud Standardizes non-routine tasks in administrative and personnel affairs and improves productivity Hotei Chosho Bugyo Cloud A cloud system that automates the declaration of legal records after the year-end tax adjustments	Kyuyo Bugyo 11 Improves the efficiency of salary and bonus calculation, social insurance and year-end tax adjustment Jinji Bugyo 11 Provides comprehensive support for personnel tasks based on information on the organization and its employees and simulations of personnel changes, etc. Hotei Chosho Bugyo 11 Substantially improves the efficiency of preparing payment records and legal records Shugyo Bugyo 11 Improves the efficiency of attendance management by automatically calculating attendance, paid leave and overtime	Bugyo V ERP Personnel and Labor Relations Centralizes personnel and labor relation tasks, further improves business efficiency through function expansion and manages a wide range of information • Personnel management • Salary calculation • My Number management • Attendance management • Personnel development • Computerization of personnel information • Target management
Sales management	Akinai Bugyo Cloud Substantially improves the convenience of order receiving, sales and invoicing tasks through a cloud server Kura Bugyo Cloud Allows access to stocking and inventory information from various places through the cloud	Akinai Bugyo 11 Improves the efficiency of a series of tasks, including order receiving, sales, invoicing and receipt of money Kura Bugyo 11 Improves the efficiency of stocking, procurement and purchasing tasks and automatically calculates inventory information	Bugyo V ERP Sales Management A sales and stocking management system that offers various functions for optimizing a company's business processes • Sales management • Stocking/purchasing management • Delivery and shipment/inventory management • Tailored to industries • Data utilization/analysis
Electronic banking system		OFFICE BANK OFFICE BANK (Fund concentration and allocation system)	

Positioning of OBC Cloud Strategies



Price Comparison of the Bugyo Series

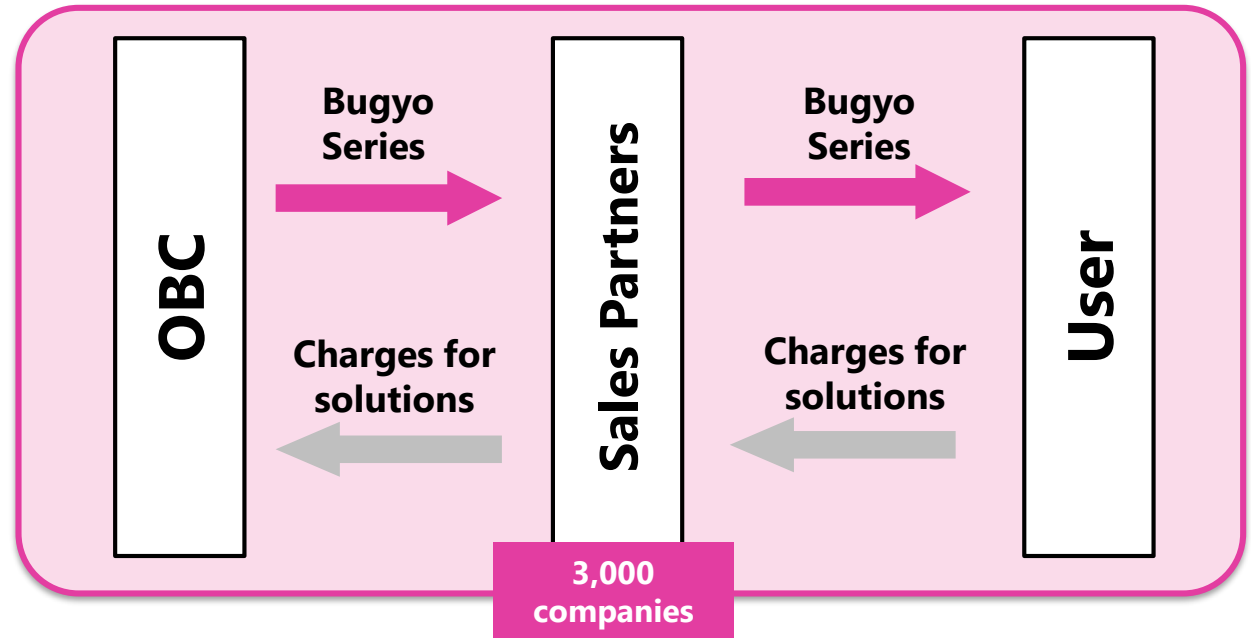
The figures in parentheses are the annual OMSS maintenance contract fees

		Package	IaaS		SaaS
		Bugyo 11	Bugyo 11 Cloud	OBC Cloud Service	Bugyo Cloud
i series	Standalone version	From ¥250,000 (Annual fee from ¥54,000)	—	—	Annual fee from ¥160,000 *Annual license fee type *1 license *Includes the fee for the cloud environment
	Network version	From ¥1,120,000 (Annual fee from ¥158,000) *3 licenses	Annual fee from ¥500,000 *Annual license fee type *3 licenses *An additional fee is required for the cloud environment	Annual fee from ¥1,392,000 *Annual license fee type *3 licenses *Includes the fee for the cloud environment	Annual fee from ¥462,000 *Annual license fee type *3 licenses *Includes the fee for the cloud environment
VERP series	Standalone version	From ¥740,000 (Annual fee from ¥77,000)	—	—	Under development
	Network version	From ¥1,730,000 (Annual fee from ¥232,000) *3 licenses	Annual fee from ¥750,000 *Annual license fee type *3 licenses *An additional fee is required for the cloud environment	Annual fee from ¥1,702,000 *Annual license fee type *3 licenses *Includes the fee for the cloud environment	Under development

OBC's Business Model

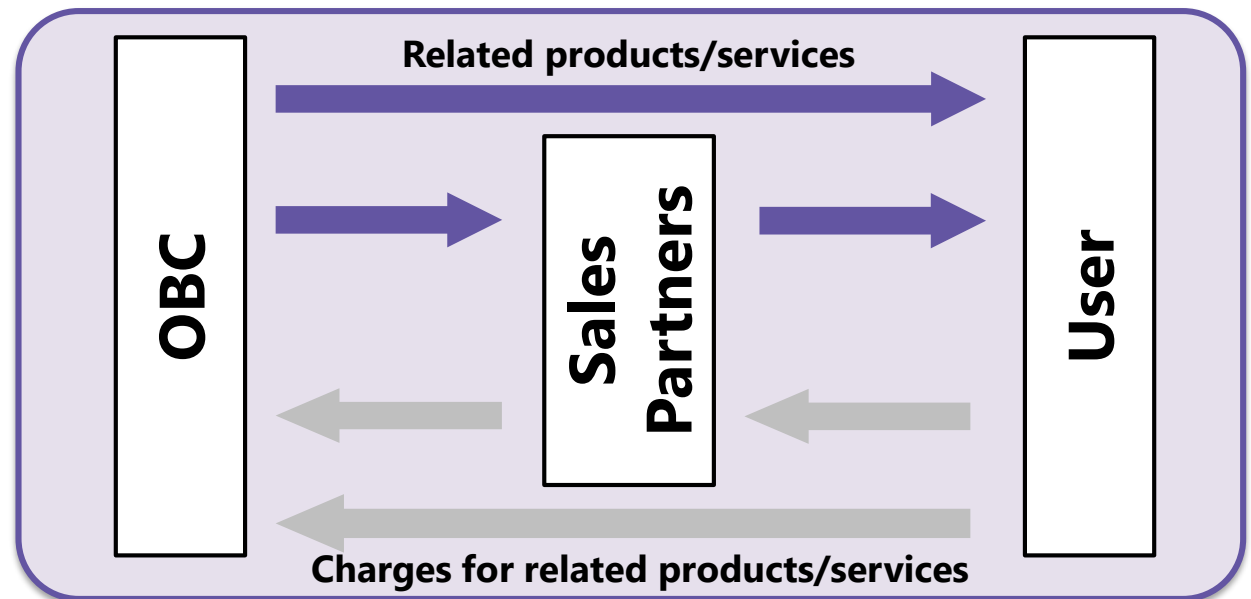
Flow Business

- Solutions
 - Bugyo V ERP series
 - Bugyo i series
 - Bugyo J series
 - EB for regional banks (Office Bank)



Stock Business

- Solutions
 - Bugyo 11 Cloud
 - OBC Cloud Service
 - Bugyo Cloud
- Related products
 - Supplies (special forms)
 - Other companies' products linked with the Bugyo series
 - Consigned development of EB for city banks
- Services
 - Maintenance contract fees (OMSS)
 - Bugyo Edge Series (Cloud)
 - Revenues from schools (useware)
 - Guidance fees (useware)
 - Monthly charges for the use of EB by city banks

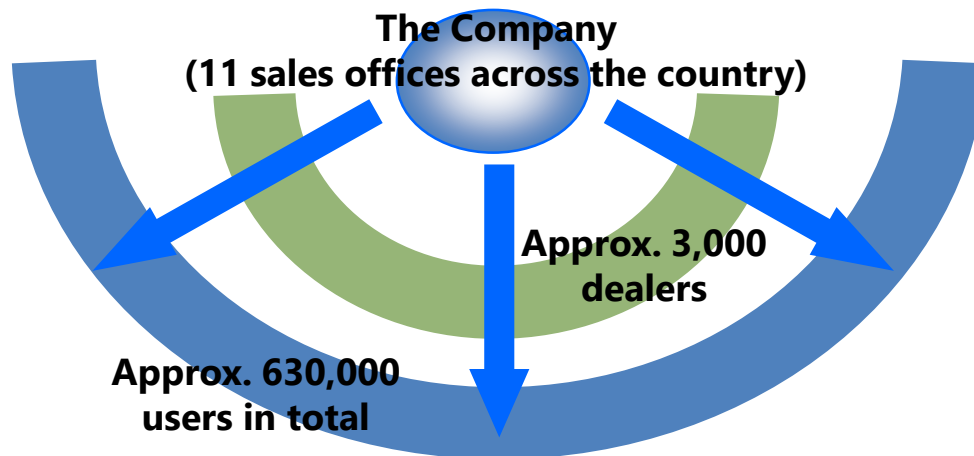


Sales System

Knowledge-intensive

- ◆ All sales personnel hold JCCI Bookkeeping Level 2 qualification and the Microsoft Certified qualification.
⇒ They are not just salespersons; they are also system consultants.
 - The Company's sales force (system consultants) and sales partners make proposals to customers.
 - The Company and its sales partners jointly hold unique events.

Community-based



Marketing

1. **TV commercials and other ads**
2. **Seminars**
In tie-ups with accountants, IT coordinators and financial institutions
3. **Exhibitions**
4. **Free hands-on workshops**

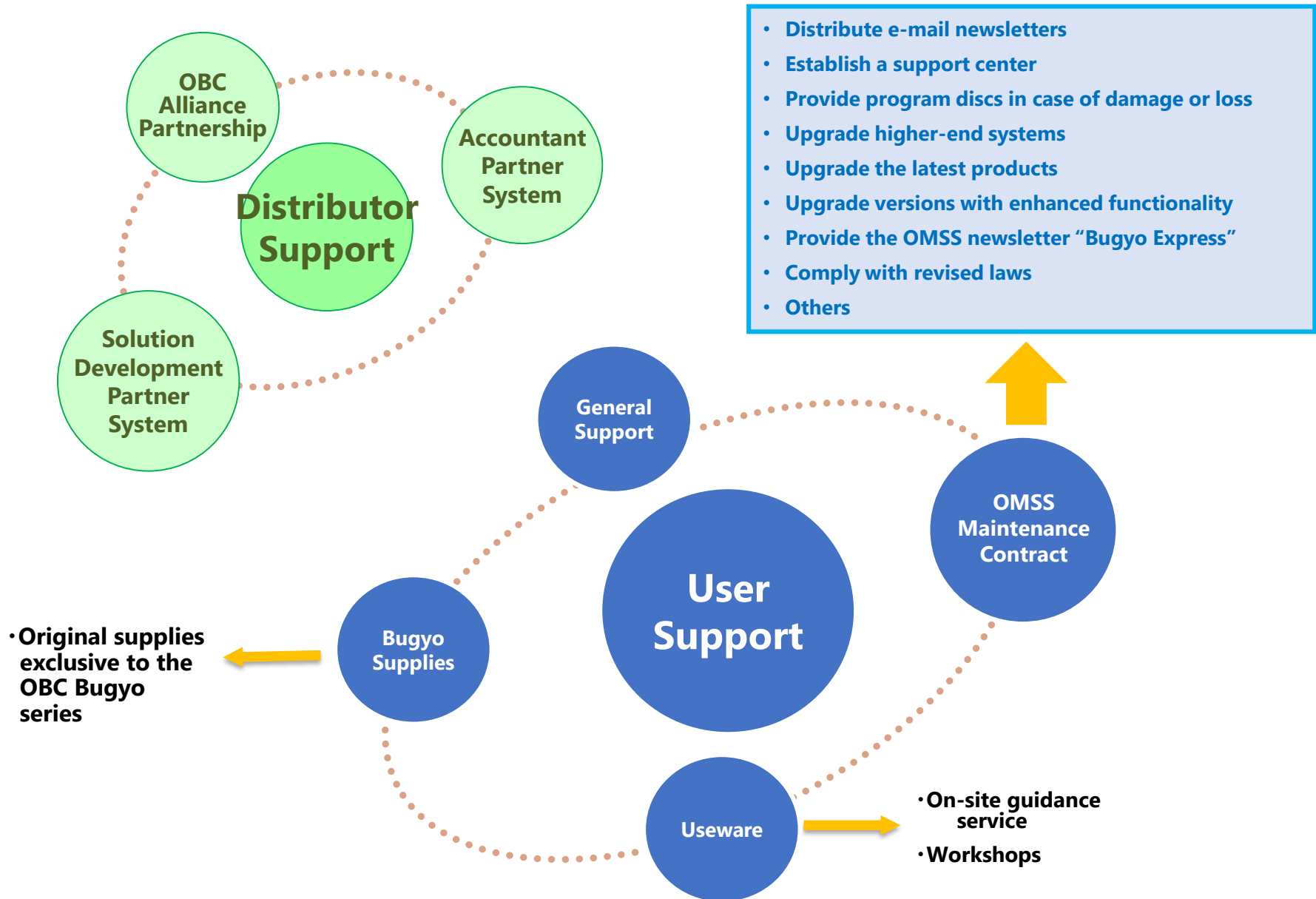


- ◆ Seminars held include:

OBC Strategy Seminar

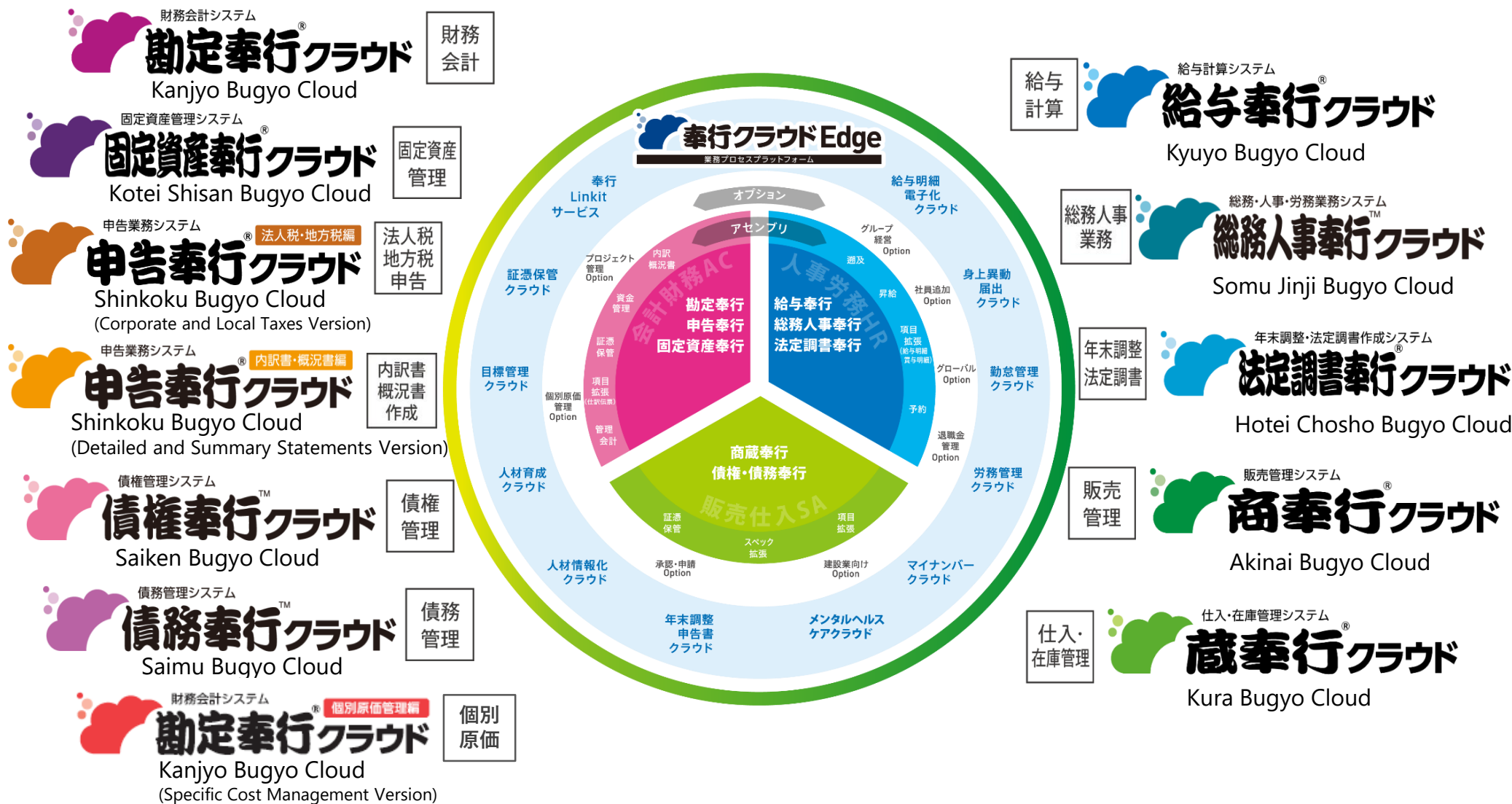
Bugyo Forum

Service and Support System



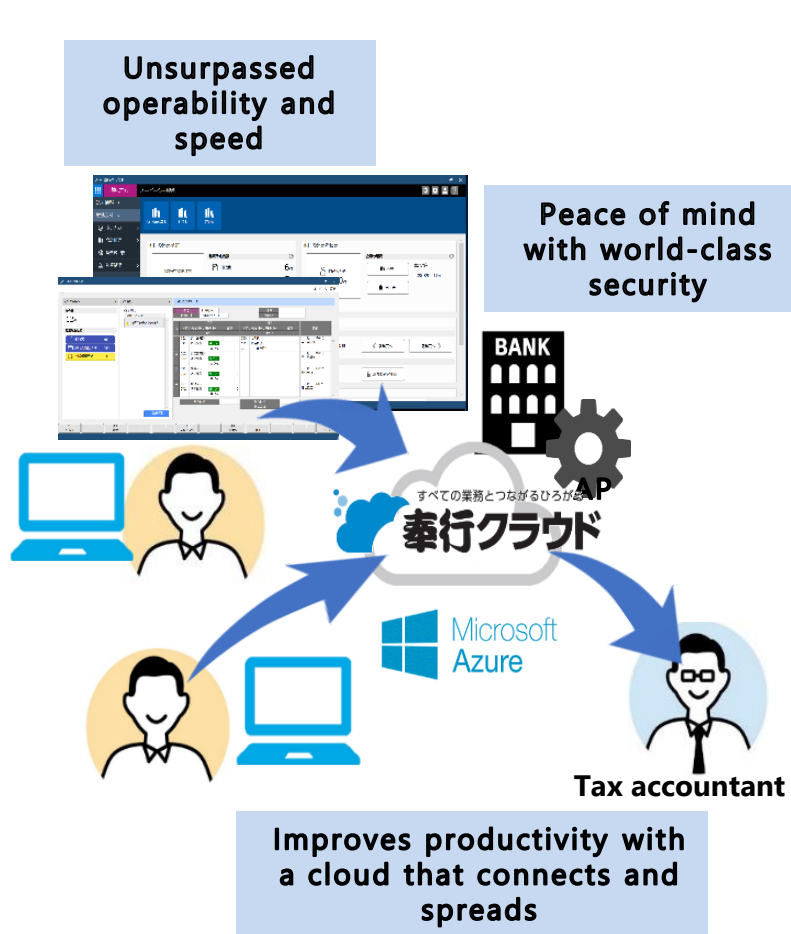
Cloud business lineup

Lineup of the Bugyo Cloud



Characteristics of Bugyo Cloud (SaaS)

“Connect and spread to all business operations” by providing world-class security that offers great peace of mind, safety and trust.



Exceptional operability and speed with Windows + cloud

Improves productivity through automated and learning functions

Freely expand functions, specs and data capacity at any time

Easily networked by adding users!

Use together with experts such as accountants, tax accountants and social security consultants

Link to various cloud services through an API

Integrated into a single program to facilitate the use of one ID

World-class security and availability

Delivers global-standard disaster recovery in Japan

Expert Licenses

Expert Licenses
Connecting to other people

Provide expert licenses as standard*

so that Bugyo Cloud can be used together with experts, such as tax accountants and social security consultants.

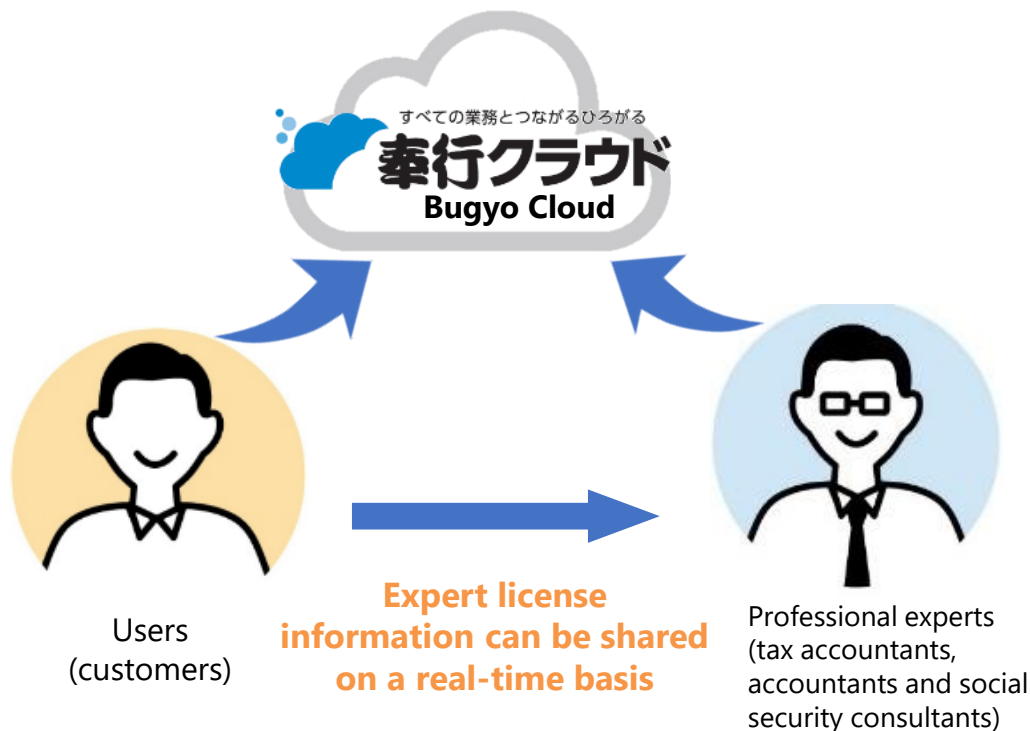
* **Only Bugyo Cloud provides** such expert licenses **for free as standard!**

Able to provide licenses to various experts



Easily share data with experts

Once an expert license has been provided, the expert can use Bugyo Cloud and quickly share the customers' data.

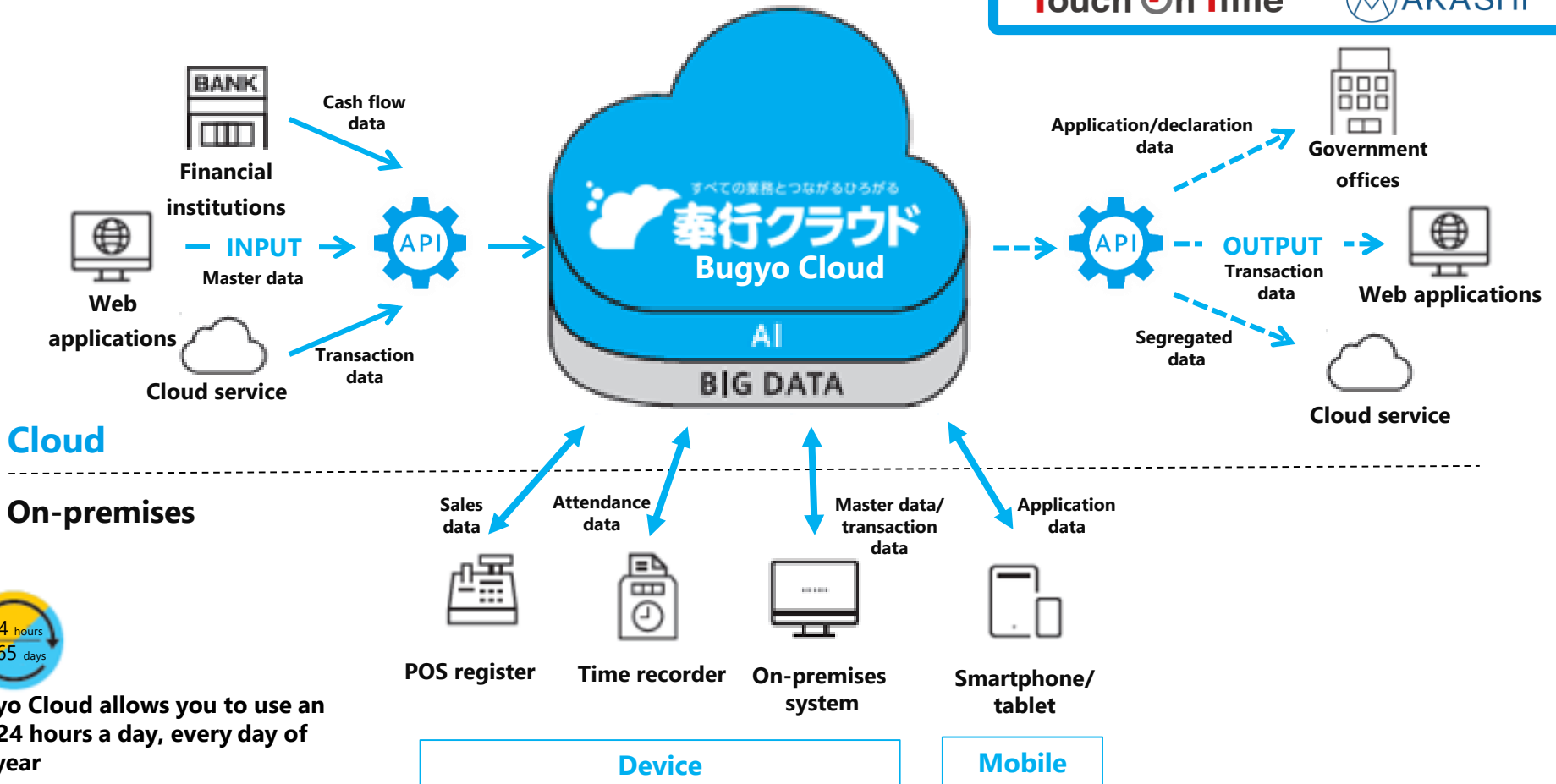


Ecosystem for Connecting and Spreading

 With the use of an API, data can be automatically linked easily and seamlessly, crossing over systems.

The speed of daily operations can be increased by using cloud services and by linking data with on-premises systems or devices interactively.

Scheduled to link sequentially with approximately 200 types of Bugyo solutions



Lineup of the Bugyo Cloud

Use of a SaaS model renders servers unnecessary. With OMSS (maintenance support) included, Bugyo Cloud provides a reliable cloud service that can be used to respond to systemic revisions and/or environmental changes.

Licenses can be added on a unit basis. This service can be used anytime and anywhere, regardless of whether you are in the office or at an off-site location.

(All prices exclude tax)

Kanjoyo Bugyo Cloud i

Select a system based on functionality

System A ¥160,000

- Journal entries
(Journal entries for receipts, bank statements, account ledgers and journal slips)
- Accounting ledgers and vouchers, financial closing ledgers and vouchers, preparation of general data and acceptance of general data
- Dashboard, expert license × 1 attached, and filing of consumption taxes
- Journal slip reservation, authority registration, and ledgers and vouchers pattern

System B ¥200,000

- System A's functions plus:
- Departmental authority, restrictions on input period, and business analysis (equivalent to Kanjoyo Bugyo 10 S)

Kyuyo Bugyo Cloud i

Select a system based on the manageable number of employees

System A: Manageable no. of employees = 50 ¥96,000

System B: Manageable no. of employees = 100 ¥180,000

System S: Manageable no. of employees = 300 ¥240,000

Common functions:

- Processing of salary, bonus, social insurance and year-end adjustments
- Dashboard, preparation of general data and acceptance of general data
- Expert license × 1 attached and My Number storage function

Akinai Bugyo Cloud i

System A ¥180,000

- Sales management
(Sales order slips, sales order details sheet, sales slips, and sales details sheet)
- Receivables management
(Receivables slips, collection schedule changes, closing dates for claims, bills [original forms], FB data, information on money received, paying-in slips, reversal of receivables, and advances received)
- Management ledgers and vouchers
(Accounts receivable ledger, orders received spreadsheet, sales spreadsheet, receivable balances list, collection schedule, and money received spreadsheet)

Kura Bugyo Cloud i

System A ¥180,000

- Purchasing management
(Purchase order slips, purchase order details sheet, purchase slips, and purchase details sheet)
- Payables management
(Payables slips, payment schedule changes, closing dates for settlement, payment details sheet [original forms], bank transfers [FB data], information on money paid, payment slips, reversal of payables, and advances paid)
- Management ledgers and vouchers
(Accounts payable ledger, orders placed spreadsheet, purchases spreadsheet, stocks list, payment schedule, payments spreadsheet, and bank transfers list)

Characteristics of Bugyo Cloud Edge

Bugyo Cloud Edge

- ◆ Bugyo Cloud Edge is a range of services provided by OBC that handles various types of businesses that cannot be operated using systems for fundamental tasks. These services are fast and cost effective.
- ◆ They can be seamlessly linked and synced with other related Bugyo products.
- ◆ They can be utilized as tools for improving the response capabilities of an entire company.

Three characteristics

1

Covers a wide range of businesses and improves the productivity of the enterprise as a whole

⇒ Improve the completeness of the business

2

Eliminates costs involved in remodeling packages to respond to the business

⇒ Offers high cost effectiveness since the required services can be selected and introduced only if necessary

3

Facilitates immediate responses to changes in systemic revisions, etc. if services are provided promptly

⇒ Facilitates simultaneous responses to both fundamental tasks and enterprise businesses

Peripheral Business Services Linked to the Bugyo Series

■ Bugyo Edge My Number Cloud	<p>[Tailored to the My Number system]</p> <p>Efficiently and securely handles business processes to comply with the My Number system.</p>
■ Bugyo Edge Mental Health Cloud	<p>[Developing a mental healthcare system for employees - compliant with mandatory stress checks]</p> <p>Utilizes stress checks to help improve the work environment and decrease the occurrence of health-related absences.</p>
■ Bugyo Edge Attendance Management Cloud	<p>[Compliant with the revised Labor Standards Act]</p> <p>Employees can record, request and approve attendance-related matters on smartphones and computers. This service minimizes labor risks by supporting attendance management tasks.</p>
■ Bugyo Edge Personnel Development Cloud ■ Bugyo Edge Computerization of Personnel Information Cloud ■ Bugyo Edge Target Management Cloud	<p>[Compliant with support for personnel development]</p> <p>Improves employee training and organizational capacity.</p> <p>Provides an environment for managing goals based on the training policy and smoothly conducting personnel evaluations.</p>
■ Bugyo Edge Labor Management Cloud	<p>[Improving the efficiency of labor management tasks]</p> <p>Equipped with work scenario functions and facilitates completion of tasks based on understanding of the labor task processes involved. This service also simplifies employee information collection tasks, automatically prepares documents and improves the efficiency of electronic application tasks.</p>
■ Bugyo Edge Year-End Tax Adjustment Declaration Form Cloud	<p>[Improving the efficiency of year-end tax adjustment tasks]</p> <p>Significantly improves the efficiency of application and declaration tasks related to the declaration form for exemption of dependents and others and the return form for insurance premium deductions by processing year-end tax adjustments online.</p>
■ Bugyo Edge Digitalization of Pay Slips Cloud	<p>[Improving the efficiency of pay slip distribution]</p> <p>Reliably reduces the time and costs involved in distribution of pay slips.</p>

Reference (Glossary)

No.	Terms	Descriptions
1	Microsoft Azure	A cloud platform that is run from a Microsoft data center. It provides an operating environment for applications, middleware services, databases, etc. It is being adopted as a cloud platform for the OBC Cloud Service, Bugyo Cloud and Bugyo Cloud Edge.
2	SaaS	A type of cloud service where software is provided and used as a service via the Internet. Bugyo Cloud and Bugyo Cloud Edge services are provided using this type of cloud service.
3	IaaS	A type of cloud service where the servers and other forms of equipment and network infrastructure that are required to operate information systems are provided as a service on the Internet. OBC Cloud Service and Bugyo 10 Cloud services are provided using this type of cloud service.
4	WPF Rich Client UI	A type of SaaS client user interface that is created in Microsoft's next-generation Windows client development environment. It provides better operability and functionality than Web-based user interface applications.
5	Open API	An interface that allows software functions to be accessed via external applications. Bugyo Cloud is scheduled to provide OBC Open API in cooperation with external services.
6	OBCiD	An integrated user authentication infrastructure for Bugyo Cloud services. The user can use multiple Bugyo Cloud services with one OBCiD. Moreover, mutual authentication with other cloud services, such as Office 365, allows single sign-on for both services if either one of the accounts is authenticated.
7	RPA	Robotic process automation (RPA) can identify applications performed on screens and system screens, memorize the operations like human beings do, and then execute them. RPA is not necessarily developed in a programming language. It is operated according to execution procedures established in advance.
8	5G	The fifth-generation mobile communication system is being developed with a view to its commercialization in 2020. Its transmission speed is dozens of times or 100 times faster than existing 4G services. 5G is expected to be used for IoT and autonomous driving technologies.

On-premises business lineup

OBC Software Packages (Bugyo i Series by Model)

Product	Description	Sales (FY ended Mar. 2020)	Catalog price
New ERP	<ul style="list-style-type: none"> Package designed to further enhance the functions of the Bugyo series 	353 copies	¥1,370,000– ¥5,100,000 (3–20 clients)
Network Edition	<ul style="list-style-type: none"> Can be used by connecting a database server to a client PC via a network A model that supports networks used by multiple operators for the integrated management of data not only within a single branch or business facility but also, when used in conjunction with a WAN (exclusive line, dial-up, VPN, etc.), across multiple branches and business facilities 	4,833 copies	¥970,000– ¥4,630,000 (3–20 clients)
Standalone	<ul style="list-style-type: none"> Standard model used for one PC Designed to support the businesses of small enterprises, individuals in charge of particular tasks, and operations within a department 	11,488 copies	¥220,000– ¥750,000
J Series	<ul style="list-style-type: none"> For small enterprises 	1,918 copies	¥80,000
EB (Electronic Banking)	<ul style="list-style-type: none"> Bank transaction management system used in the business facilities of large and middle-ranking enterprises that use city banks or local banks 		

OBC Software Packages (Bugyo V ERP Series by Model)



Advanced Edition

Price (excluding tax)	From ¥2,090,000
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The Advanced Edition is a high-grade model of the Bugyo V ERP series that can be linked closely with existing systems. It takes into consideration the need for gradual development and the establishment of links starting from the necessary parts, and responds flexibly to the introduction phase adopted by an enterprise.

Standard Edition

Price (excluding tax)	From ¥1,760,000
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The Standard Edition makes it possible for slips to be entered and administrative materials to be printed from multiple PCs using the in-house network environment and broadband. It is a basic model that allows the workload to be distributed and data to be centralized.

Single Edition

Price (excluding tax)	From ¥640,000
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The Single Edition is designed to be operated on one computer. It can be used by customers operating stand-alone business systems, customers aiming to make an efficient investment based on the assumption of future expansion, including the introduction or pilot operation of systems in line with the enterprise size, etc.

Reference: Prices for Kanjiyo Bugyo VERP 10. The prices for the Standard Edition and the Advanced Edition are reference prices for five licenses.

Characteristics of Optional Products (Bugyo Options)

Optional products (Bugyo Options)

- ◆ Bugyo Options are various optional products that are compatible with the Bugyo series dedicated to businesses.
- ◆ Introducing these optional products in combination with the Bugyo series facilitates the development of systems that are in line with the customer's business and industry.

Five characteristics

- 1 Data is directly linked because the products are fully compatible with the Bugyo series.
- 2 The products can be operated immediately because customization is not necessary.
- 3 Quick delivery is possible because the products are packaged.
- 4 The products provide full support in responding to maintenance, tax system revisions, etc.
- 5 Comprehensive on-site guidance services are provided following the introduction of the products.

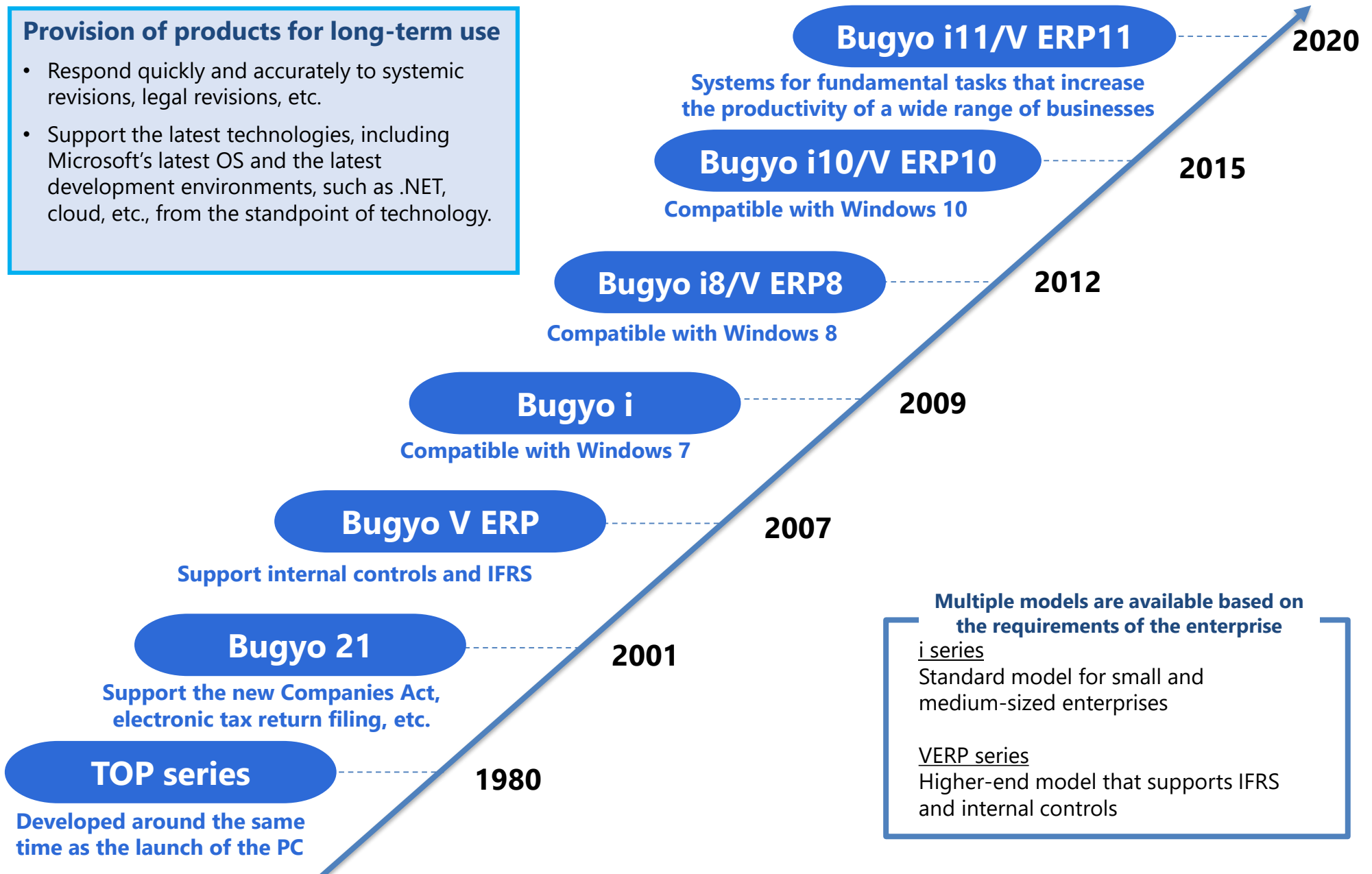
List of Optional Products

Product	Corresponding products
<ul style="list-style-type: none"> ● Receipt of money management option ● Payment management option ● Management accounting option ● Foreign currency input option ● Densai (electronically recorded monetary claims) and notes receivable management option ● Densai and notes payable management option 	<ul style="list-style-type: none"> ● Kanjyo Bugyo ● Kanjyo Bugyo (Specific Cost Management Version) ● Kanjyo Bugyo (Construction Industry Version) ● Kanjyo Bugyo (Construction Industry Version)
<ul style="list-style-type: none"> ● Distribution of pay slips option 	<ul style="list-style-type: none"> ● Kyuyo Bugyo
<ul style="list-style-type: none"> ● Wage revision option 	<ul style="list-style-type: none"> ● Jinji Bugyo
<ul style="list-style-type: none"> ● Individual project management option ● Simultaneous input option for orders placed and received ● Simultaneous input option for sales and purchases ● Reversal of receivables option ● Reversal of payables option 	<ul style="list-style-type: none"> ● Akinai Bugyo ● Kura Bugyo

History of On-Premises

Provision of products for long-term use

- Respond quickly and accurately to systemic revisions, legal revisions, etc.
- Support the latest technologies, including Microsoft's latest OS and the latest development environments, such as .NET, cloud, etc., from the standpoint of technology.

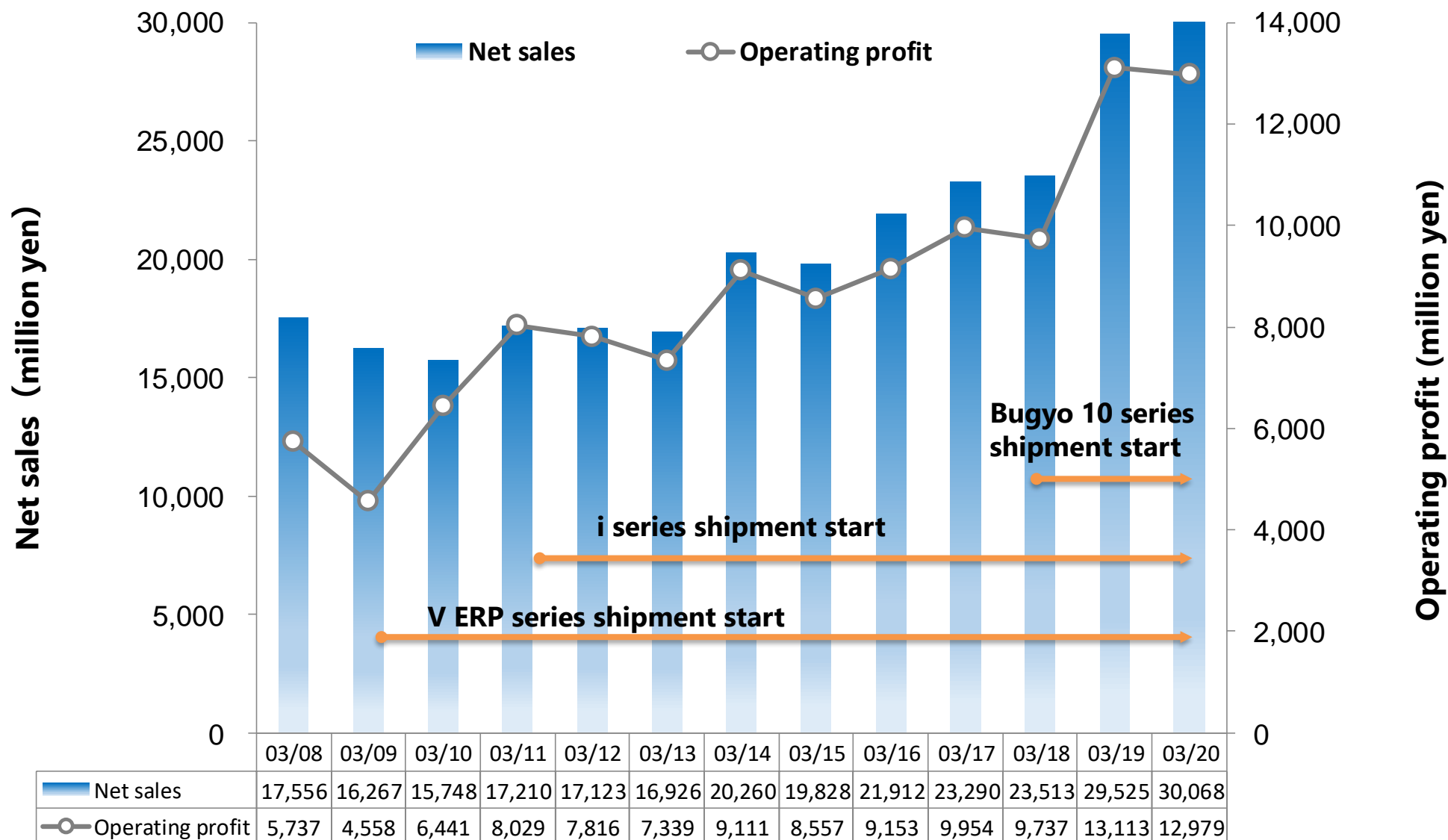


The background of the slide is a photograph of a bright blue sky filled with fluffy white clouds. A semi-transparent light blue rectangular box is positioned on the left side of the slide, containing the text.

Finance conditions

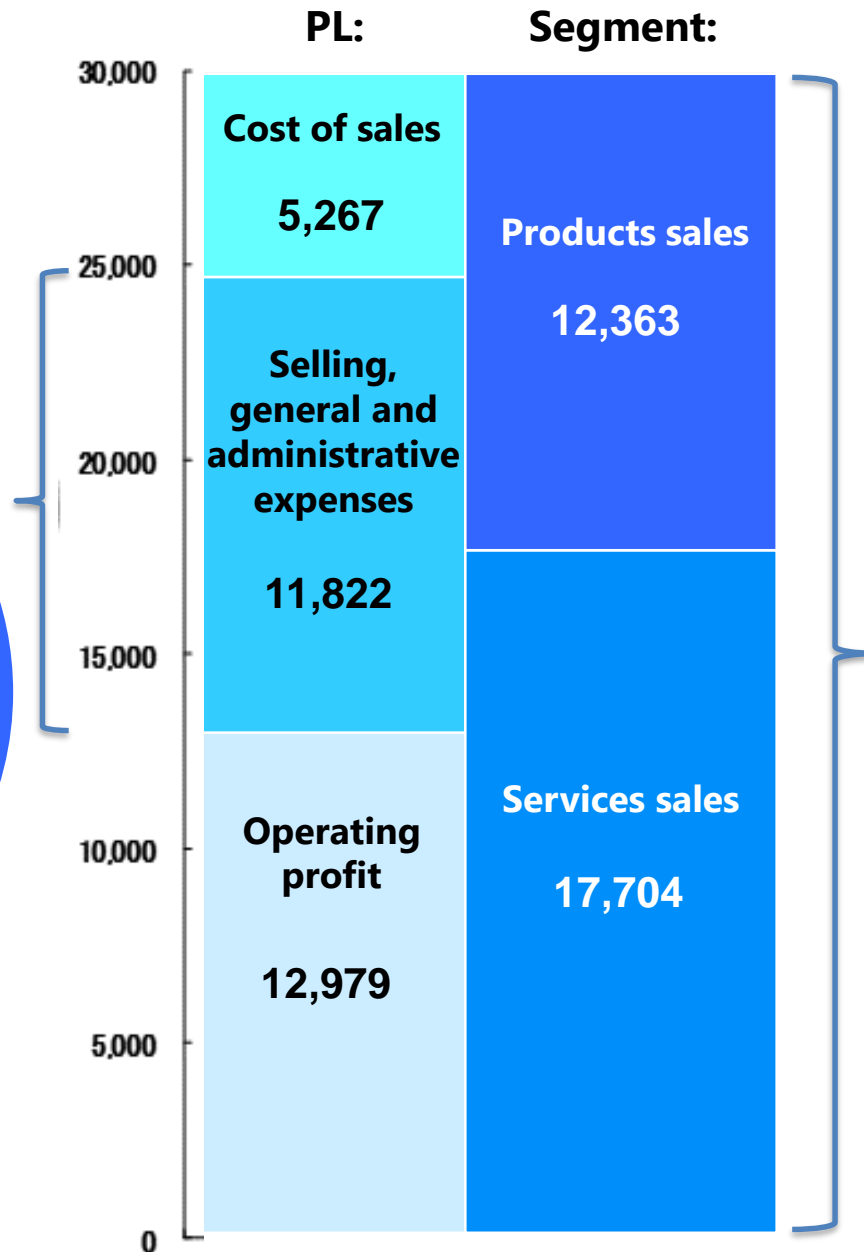
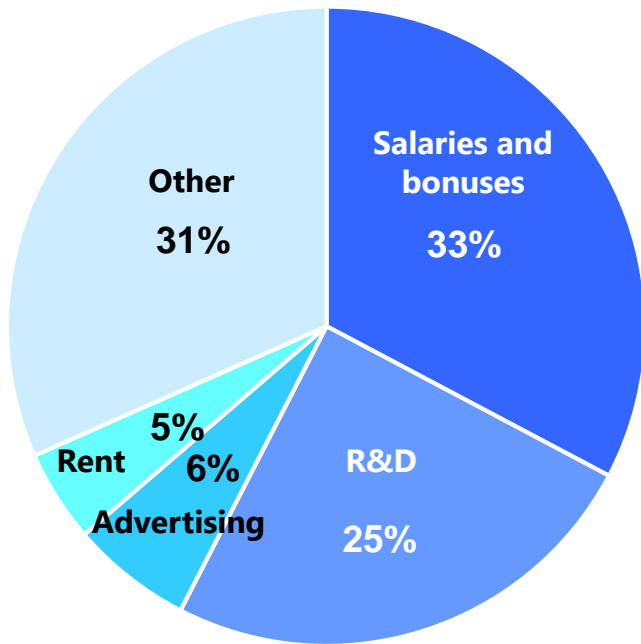
Market share

Performance Trends (Full-year Basis)

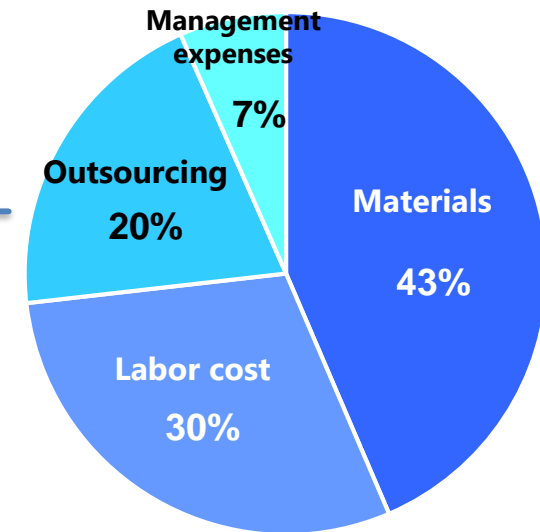


OBC's Profit and Loss Breakdown (FY Ended Mar. 2020)

◆ Selling, general and administrative expenses



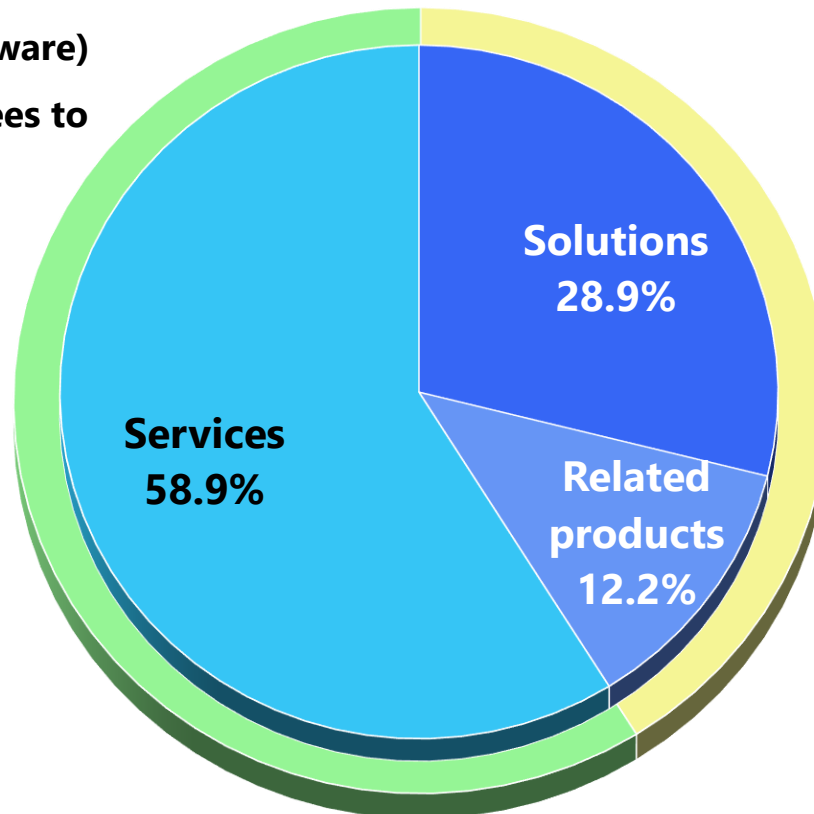
◆ Cost of sales



Sales Composition by Segment (FY Ended Mar. 2020)

■ Services

- Maintenance contract (OMSS) fees
- [Bugyo Cloud Edge services \(cloud service\) fees](#)
- Workshop sales (useware)
- Guidance fee sales (useware)
- Monthly subscription fees to EB for city banks



■ Products

(1) Solutions + (2) Related Products

(1) Solutions

Package model:

- **Packaged software**
(Bugyo V ERP, Bugyo i series [New ERP, Network Edition, Standalone] and J series)

• Optional product

- **Electronic banking systems**
(Office bank)

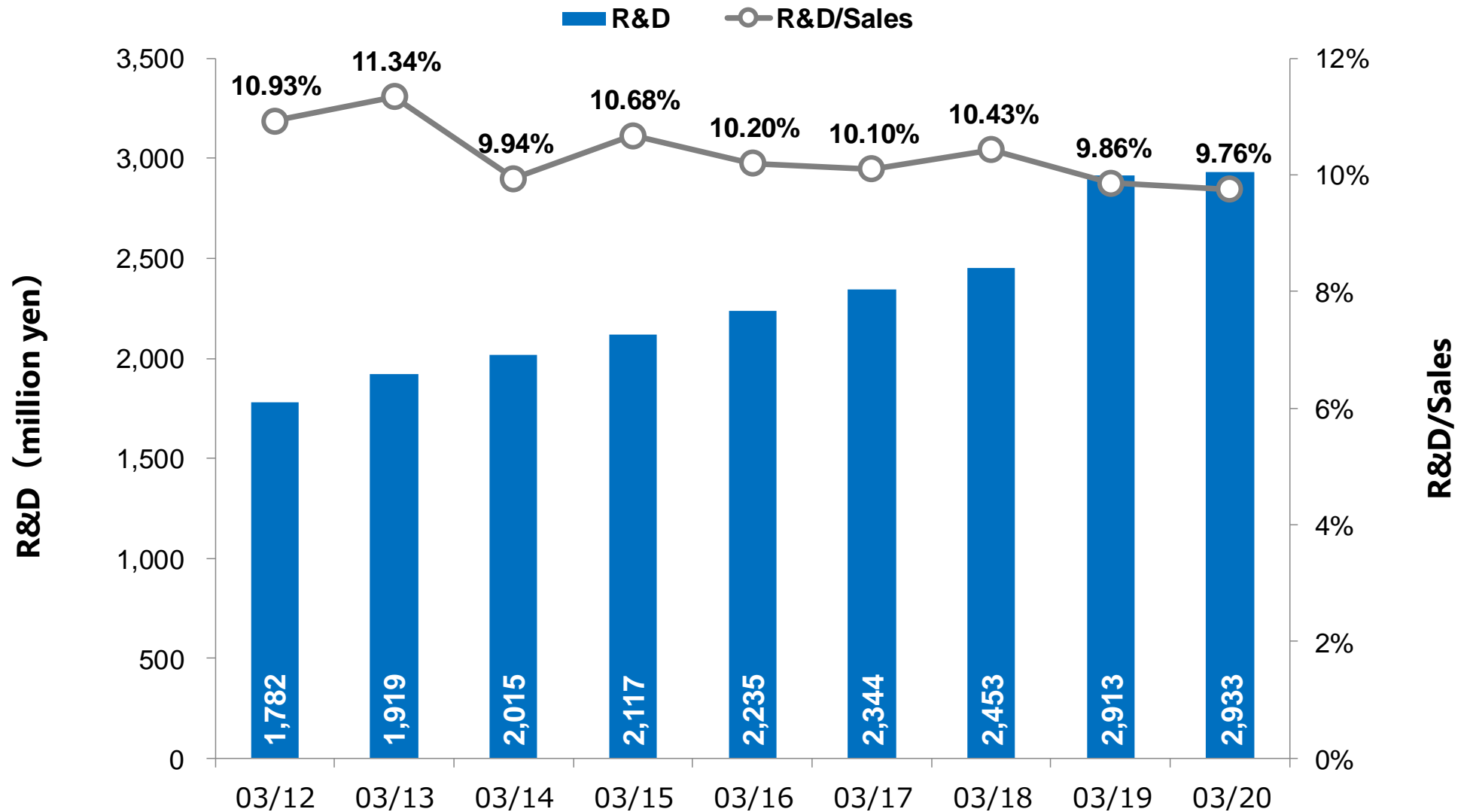
Cloud model:

- [Bugyo 10 Cloud](#)
- [OBC Cloud Service](#)
- [Bugyo Cloud](#)

(2) Related products

- Supplies (special forms)
- Other companies' products linked with the Bugyo series
- Outsourced development of EB for city banks

Focus on Research and Development



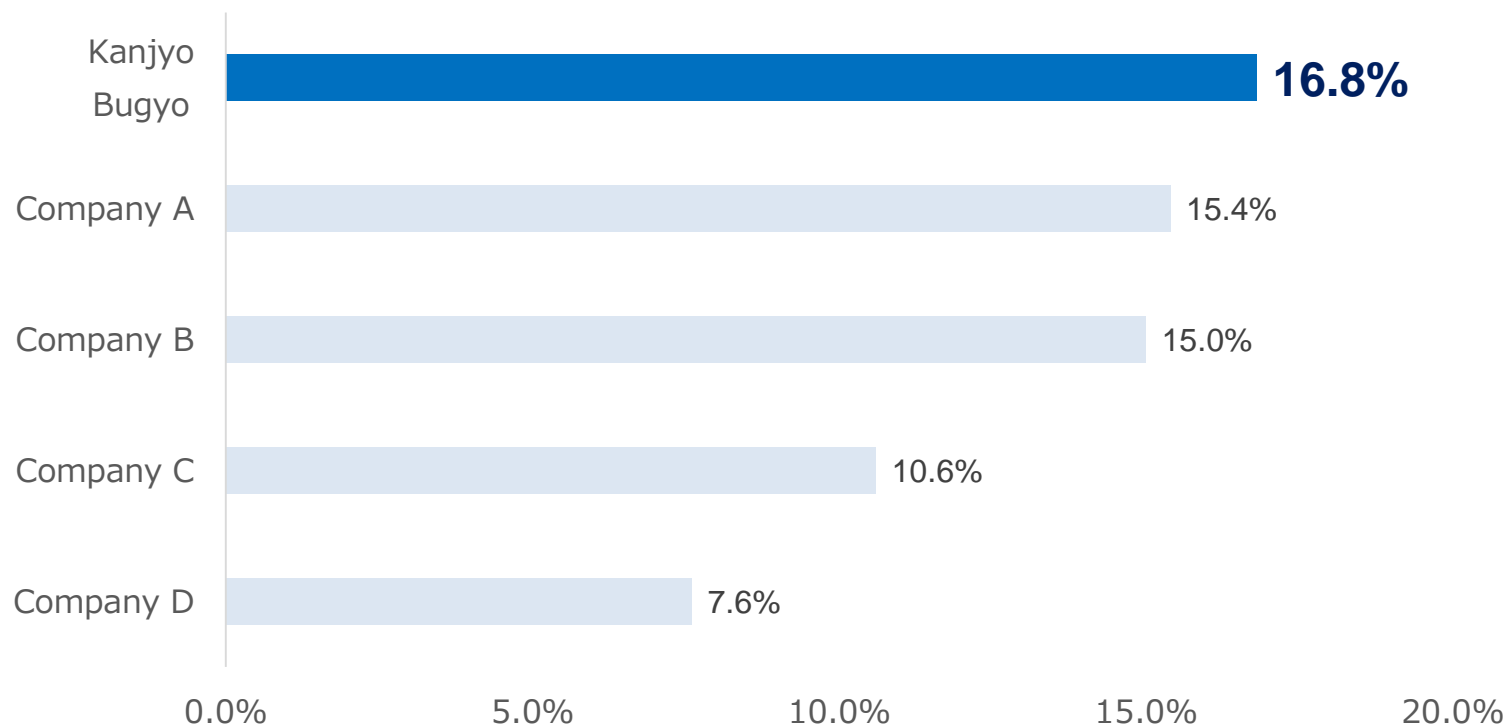
Market Share 1

Financial accounting system (2019)

●Investigation period: July–August 2019

●Target: SMEs with annual sales of less than 50 billion yen

Market share:

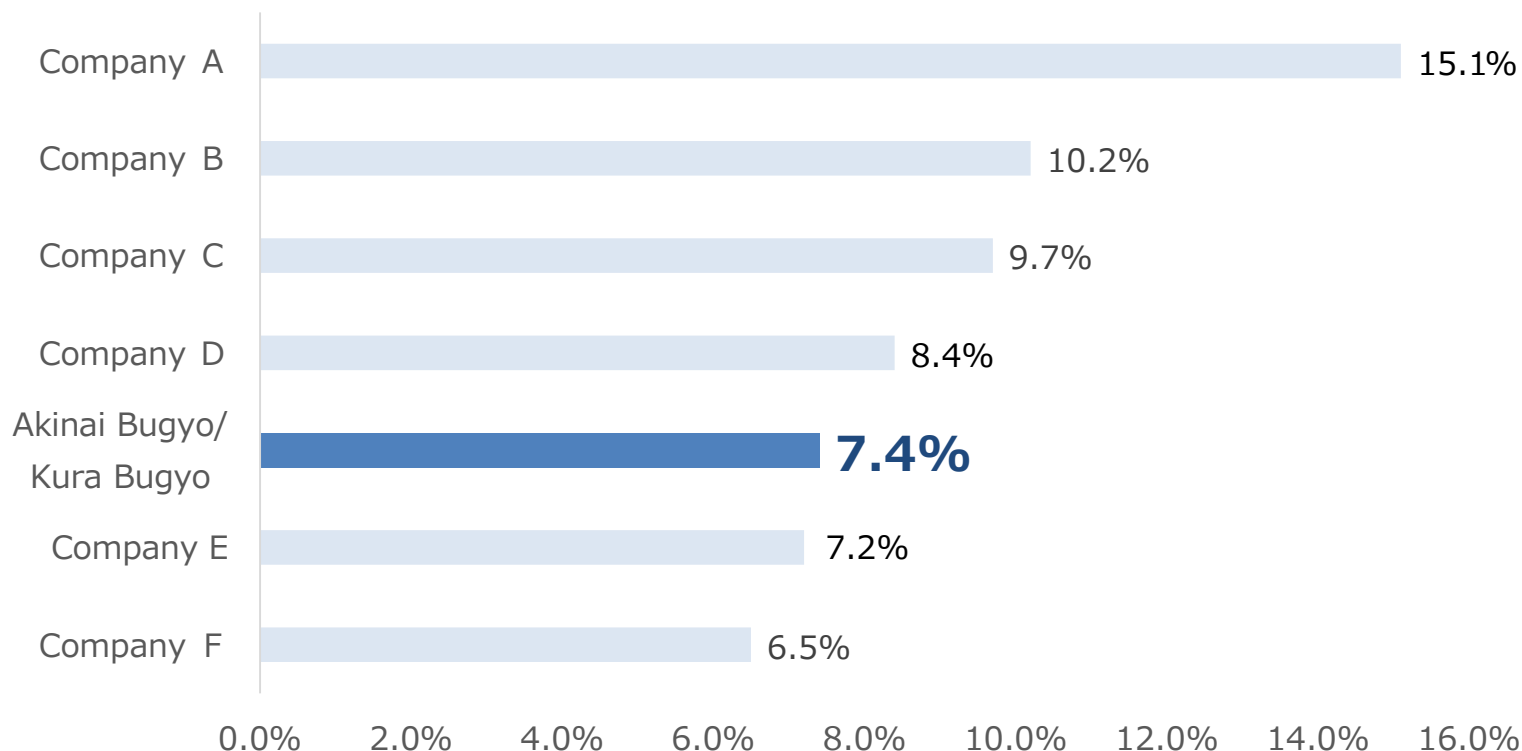


Sales/purchasing management system (2019)

- Investigation period: July–August 2019

- Target: SMEs with annual sales of less than 50 billion yen

Market share:

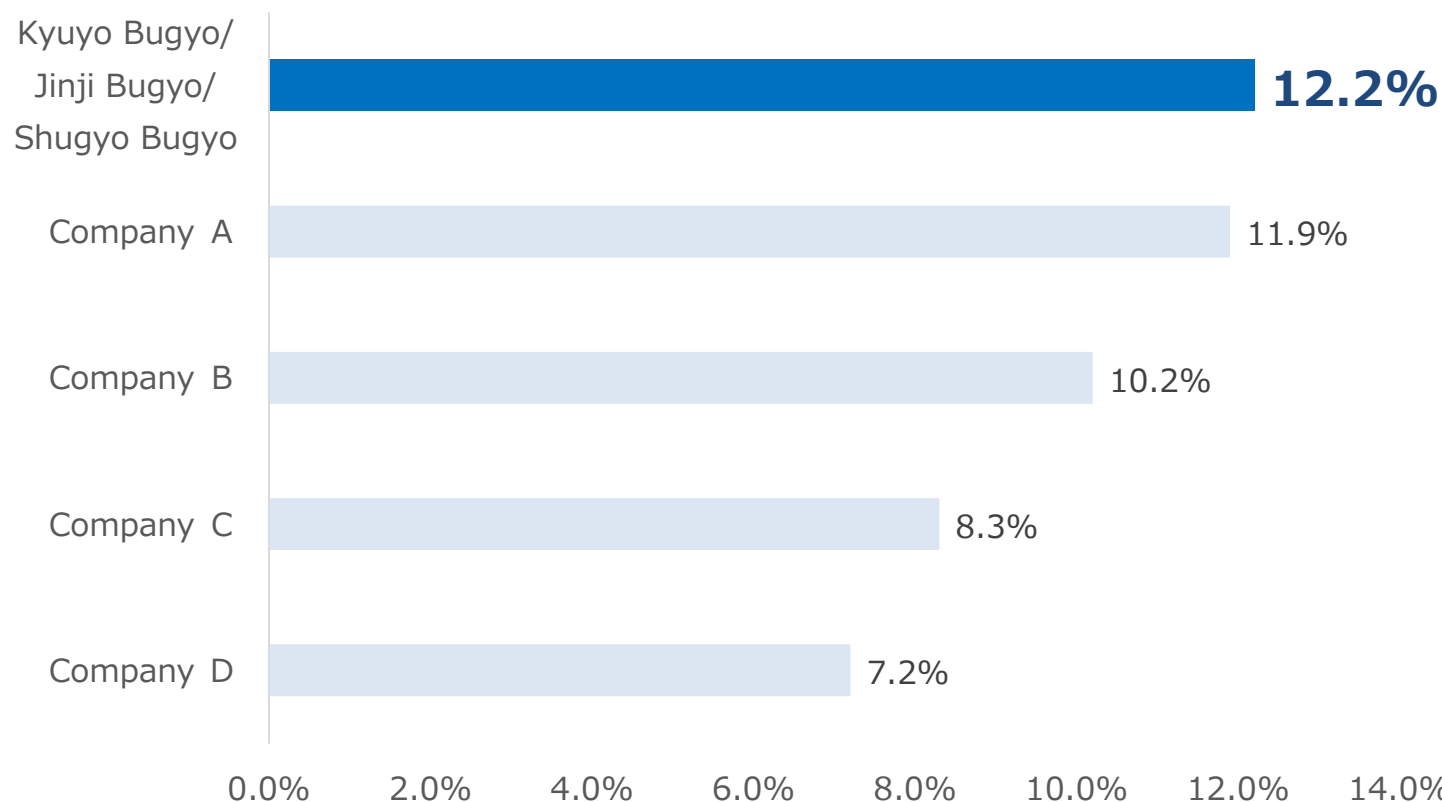


Human resources/payroll system (2019)

●Investigation period: July–August 2019

●Target: SMEs with annual sales of less than 50 billion yen

Market share:

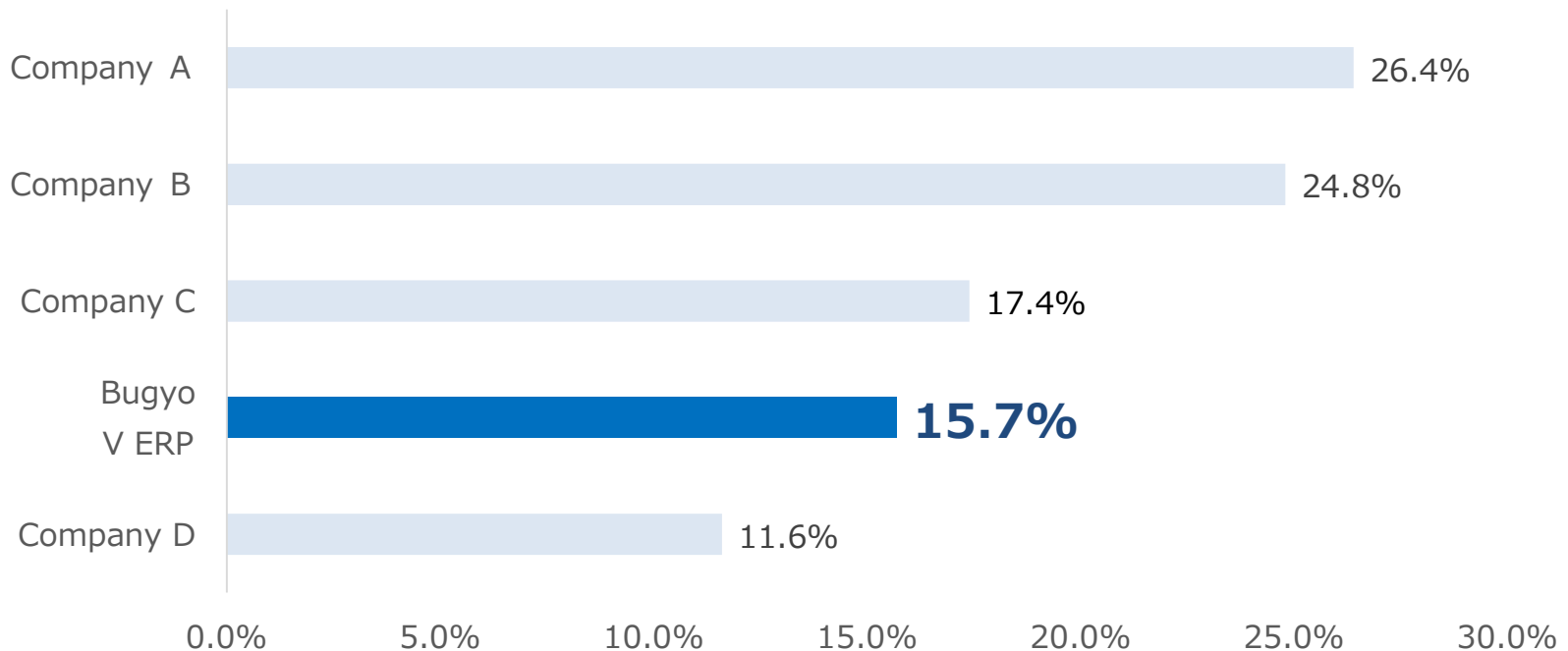


Market Share 4

ERP System (2019)

- Investigation period: July–August 2019
- Target: SMEs with annual sales of less than 50 billion yen

Market share:



Company Profile

Company Profile

- ◆ **Founded:** **December 1980**
- ◆ **Total assets:** **143,129 million yen** (as of the end of March 2020)
- ◆ **Net assets:** **118,525 million yen** (as of the end of March 2020)
- ◆ **Businesses:**
 - **Solutions**
 - **Related products**
 - **Services**
- ◆ **Representative :** **Shigefumi WADA, President**
- ◆ **Non-consolidated financial results in the fiscal year ended March 2020**
 - **Net sales :** **30,068 million yen**
 - **Ordinary profit :** **14,030 million yen**
 - **Profit :** **9,957 million yen**

Evolving while remaining true to our core values

The concept that OBC has remained committed to since its foundation is its **Customer-First Policy.**

This is because IT is essential to improving the operational efficiency of our customers and contributing to the growth of their enterprises.

As the business environment in which enterprises operate changes from one moment to the next, customers' business needs and system needs also continue to change.

We have been listening to the views of our customers and introducing the latest technologies while maintaining our existing businesses in order to pursue new business opportunities in line with the changing times.

As we evolve while remaining true to our core values, we will continue to pursue the unending goal of improving customer satisfaction.

Value Creation Process

INPUT

Human Resources (HR)

By providing good education to high-quality HR and ensuring that they play an active role in an open and fair environment, we help individuals and organizations to grow. These are OBC's strengths.

Research and Development (R&D)

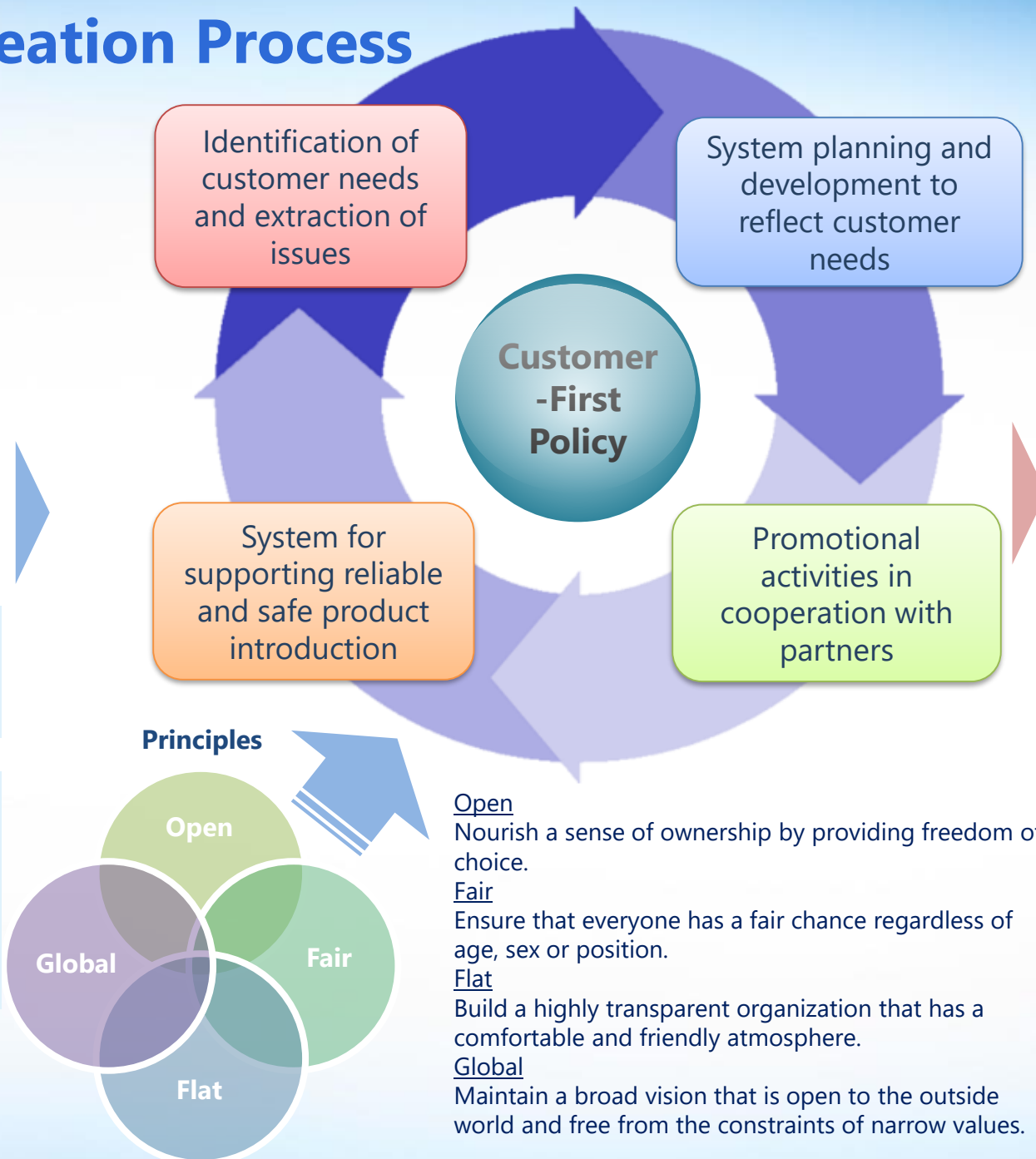
R&D forms the basis for our pursuit of new technologies and the provision of optimal solutions for our customers.

Brand

Our long-cultivated brand, Bugyo. We continue to think highly of this brand and remain committed to delivering Bugyo products.

Partners

OBC and its partners each promote the selection of and focus on strong businesses, divide up their responsibilities, and cooperate with the aim of contributing to their customers. Partner businesses are essential to OBC making valuable contributions to its customers.



OUTCOME

Contribute to an advanced information society






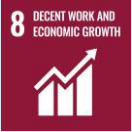
Respond to the shortage of human resources in society caused by the declining working population

Promote innovation through IT

Pursue economic growth through the development of middle-ranking and small and medium-sized enterprises

Create a healthy and comfortable society

Activities in Support of ESG

ESG	Materiality	Initiatives	SDGs
Environment	Promote reductions in the usage of resources	Reduce paper use by distributing pay slips and legal records electronically	 
	Reduce CO ₂ emissions	Reduce CO ₂ emissions arising from movement by conducting remote demonstrations, providing remote support, etc.	
Society	Improve quality and customer satisfaction	Provide support through our marketing and development members and reflect customer requirements in our products	 
	Resolve the issue of the declining working population; improve productivity per person; and improve the QOL	Reduce manual entries by introducing advanced systems for fundamental tasks, automating business processes, and providing remote access via the cloud	
	Maintain employee health	Have the Company cover the expenses incurred for gastrocamera and flu vaccinations and invite industrial physicians to provide health-related lectures	
	Give consideration to employment and working conditions	Encourage employees to take childcare leave and limit long working hours	
	Promote diversity	Promote the employment of handicapped persons and increase the number of female hires	
	Improve education and training activities	Provide training courses on bookkeeping, training courses for managers and training courses on the seven habits while also adopting an ability improvement support system	
Governance	Improve compliance	Comply with the Basic Policy in the Compliance Manual	 
	Strengthen the information security level	Comply with the Personal Information Protection Policy (Privacy Policy) and acquire SOC1® Type2 and SOC2® Type2 reports	
	Develop a check system for enterprise management	Establish an Internal Control Committee and perform JSOX (internal audits)	
	Promote BCP	Establish a Disaster Management Department and develop a disaster response manual	

Non-Financial Summary

		FY ended Mar. 2018	FY ended Mar. 2019	FY ended Mar. 2020
Society	Number of employees (persons)	739	794	842
	Percentage of female employees (%)	33.5	34.3	34.9
	Number of hires (person)	43	67	73
	Average service years (years)	10.1	10.1	10.1
	Turnover ratio (%)	3.7	2.3	3.1
	Number of employees who took childcare leave (persons)	41	53	45
	Number of employees who used the childcare shortened hours system (persons)	39	50	65
	Percentage of annual paid vacation taken (%)	54.6	60.4	64.2
	Average monthly overtime per person (hour)	22.2	23.0	22.3
Governance	Total number of directors (persons)	10	10	10
	Number of outside directors (persons)	5	5	5
	Number of meetings of the board of directors held (times)	11	12	*
	Average attendance rate of outside directors at meetings of the board of directors (%)	96	85	*
	Average attendance rate of outside auditors at meetings of the board of directors (%)	100	100	*
	Attendance rate for compliance training courses (e-learning) (%)	100	100	100
	Attendance rate for information security education programs (%)	100	100	100

* Please refer to the Notice of the General Meeting of Shareholders, which is scheduled to be posted on our website by around June 2020.

Evaluations by External Organizations

Customer Satisfaction Research 2019–2020
Nikkei Computer issued on August 22, 2019
Customer Satisfaction Survey 2019–2020
ERP section **1st place**
Kanryo Bugyo

	Overall satisfaction level	Performance/evaluation	Reliability	Operability	Cost	Support	Desire to continue
Level of importance		56.7	60.2	57.8	49.5	45.9	
Overall average (effectiveness index is a total value)	56.0	60.5	66.1	55.7	41.2	53.5	58.9
OBIC Business Consultants Co., Ltd. (Bugyo V ERP, etc.)	69.0	68.0	74.5	73.7	60.3	66.6	70.6



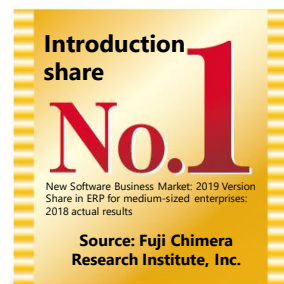
Bugyo series Introduction share
Source: Nork Research 2016, 2017 and 2018

Won **1st place**

3rd year in a row

Introduction share in:

- Accounting management; and
- Salary, personnel, attendance and work management of middle-ranking and small and medium-sized enterprises



Introduction share

Source: Fuji Chimera Research Institute, Inc.

Number of shipments in ERP for middle-ranking enterprises

Won **1st place**



Introduction share

Source: MIC Research Institute Ltd.

Number of shipments of ERP packages for middle-ranking enterprises

Won **1st place**



Introduction share

Source: MIC Research Institute Ltd.

Number of shipments of ERP packages for medium-sized enterprises

Won **1st place**



Microsoft Partner of the Year 2019
Application Innovation Award: highest award

Won the prize

for the **2nd** year in a row

Nork Research "Actual State of IT Application Usage and Evaluation Report of Mid-Sized and Small and Medium-sized Businesses in the 2018 Version" "Kanryo Bugyo" and "Kyuyo Bugyo, Jinji Bugyo and Shugyo Bugyo"

New Software Business Market: 2019 Version
Number of shipments in ERP for middle-ranking enterprises: 2018 actual results

MIC Research Institute Ltd.
Market outlook in terms of software packages for reforming fundamental tasks by expanding the cloud and resources (2019 version)

MIC Research Institute Ltd.
Market outlook in terms of software packages for reforming fundamental tasks by expanding the cloud and resources (2019 version)

Microsoft Partner of the Year is held to select partner enterprises that achieved superior performance in the 23 field awards from among those enterprises that participate in the Microsoft Partner network.

Promotion of Health-Focused Management and Work-Life Balance

Declaration of Health-Focused Management

OBIC Business Consultants Co., Ltd. believes that the key to promoting the development of an enterprise is ensuring that its employees are physically and mentally healthy and capable of performing at their full potential.

Given this, together with all of our employees and their family members, we are committed to continuing our efforts to discuss and promote measures aimed at enhancing health in line with changing social needs with a view to establishing open and fair working conditions.

The principles and goals that the Company and its employees have adopted in order to realize and continue its health-focused management are as follows.

OBC's health promotion principles

- Further promote our customer-first policy through health-focused management.
- Establish an environment in which employees have a desire to work and are able to grow healthily, both physically and mentally.
- Work to improve productivity and aim to establish working conditions that promote a healthy work-life balance and enable employees to live fulfilling lives.
- Each employee proactively endeavors to promote health.
- Strive to enhance the ability of a team to work as an organization as well as further improve customer and employee satisfaction by implementing the above principles.

Main measures and goals

- Reduce the incidence of abnormal findings at regular health checkups.
- Hold health-related lectures on a regular basis based on the results of regular health checkups.
- Aim to reduce the number of employees who are temporarily absent due to injury or illness to zero.
- Provide learning opportunities to improve health literacy.
- Comply strictly with the "No Overtime Day" policy.
- Encourage employees to take paid vacation.
- Hold an athletic meet every year to promote health.
- Perform radio gymnastic exercises every day.

Certified as one of the leading health-focused management companies for 2020

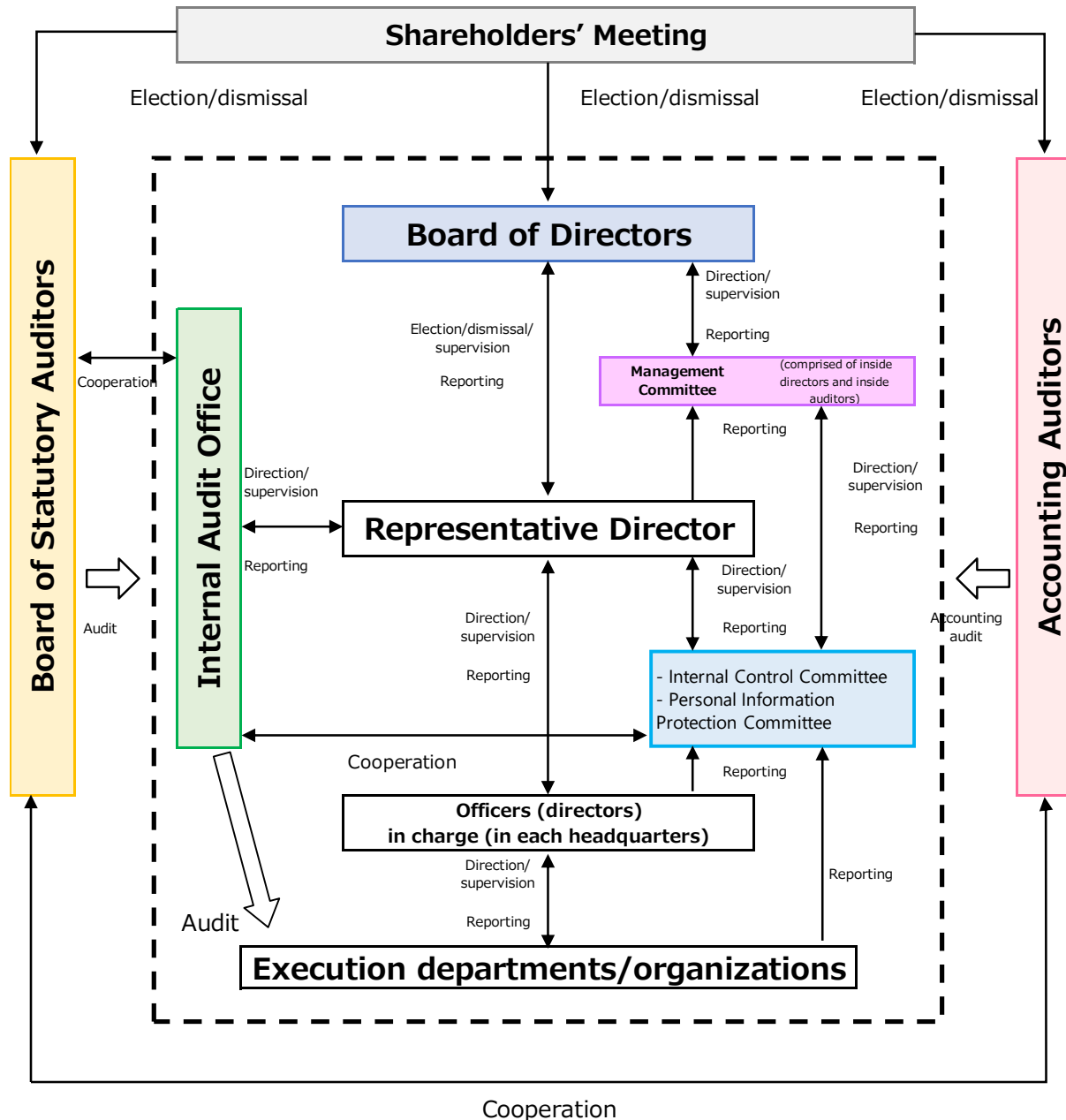
In accordance with the Declaration of Health-Focused Management, OBC has been steadily and consistently implementing measures to support the promotion of employee health, such as holding health-related lectures, paying expenses for optional health checkups, conducting in-house flu vaccinations, and distributing health-related news. Following an evaluation of these initiatives, OBC was certified as one of the leading health-focused management companies for 2020 by the Ministry of Economy, Trade and Industry and Nippon Kenko Kaigi.



Received Kurumin certification as a leading company supporting childcare from the Minister of Health, Labour and Welfare

OBC allows employees on childcare leave to access its internal portal to ensure that they know what's going on in the Company on a real-time basis. Moreover, before an employee returns from childcare leave, their superior always interviews them to confirm that they have the necessary support and provide them with mindset and skills support for returning to work. In addition, based on the opinions of employees who are raising children, OBC has extended the duration of reduced working hours from "up to three years old," which is a legal period, to "up to the third grade at elementary school." With regard to how many hours a day they work, OBC responds flexibly by taking into consideration the environment of employees who are raising children. In light of these highly rated initiatives, OBC has received Kurumin certification, which is awarded by the Minister of Health, Labour and Welfare to leading companies who support childcare.

Governance Structure



Shareholders' Meeting

The Company's highest decision-making body. It resolves matters stipulated in the Companies Act and the Articles of Incorporation.

Board of Directors

This body makes business-related decisions to improve the corporate value of the Company and supervises the business execution function as a management supervisory body.

Management Committee

This body discusses and determines basic policies and strategies in relation to management and determines important matters related to management execution.

Board of Statutory Auditors

This body is responsible for the function of auditing and, in line with the Company's management policies and in accordance with the auditors' auditing standards, conducts audits to help the Company to achieve its management goals as well as improve and enhance management controls.

Internal Control Committee Personal Information Protection Committee

To support cross-organizational activities and perform continuous monitoring, this body reports the audit results to the Board of Directors and the Board of Statutory Auditors.

Internal Audit Office

This body conducts accounting audits and operational audits in-house, makes operational improvement proposals and reports the audit results to the Board of Statutory Auditors.

Accounting Auditors

Based on advice and recommendations from the Accounting Auditor, Statutory Auditors and Internal Auditors ascertain the status of internal controls, etc. and report their findings to the Board of Statutory Auditors.



Summary of Financial Results of the Fiscal Year Ended March 31, 2020

Summary of Financial Results of the Fiscal Year Ended March 31, 2020

(Million yen)		Percentage of net sales (%)	Initial forecast		Percentage of net sales (%)	Increase/ Decrease	YoY change (%)
Net sales	29,525	100.0	32,000	30,068	100.0	543	1.8
Gross profit	24,803	84.0	26,610	24,801	82.5	-1	0.0
SG&A expenses	11,689	39.6	12,110	11,822	39.3	132	1.1
Operating profit	13,113	44.4	14,500	12,979	43.2	-133	-1.0
Non-operating income and expenses	937	3.2	1,000	1,050	3.5	113	12.1
Ordinary profit	14,051	47.6	15,500	14,030	46.7	-20	-0.1
Profit	10,070	34.1	10,700	9,957	33.1	-112	-1.1

Net Sales by Segment

(Million yen)	FY ended Mar. 2019		FY ended Mar. 2020	FY ended Mar. 2020		YoY change (%)
		Percentage of net sales (%)	Initial forecast		Percentage of net sales (%)	
Solutions	10,654	36.1	10,300	8,686	28.9	-18.5
Related products	3,413	11.6	3,800	3,677	12.2	7.7
Services	15,457	52.4	17,900	17,704	58.9	14.5
Total	29,525	100.0	32,000	30,068	100.0	1.8

Solutions

- Although net sales increased in the first half since support for the Bugyo i/V ERP series (for Windows 7) ended in April 2019 and the consumption tax was revised in October 2019, net sales decreased significantly in the second half due to a reaction to the special demand.

Related products

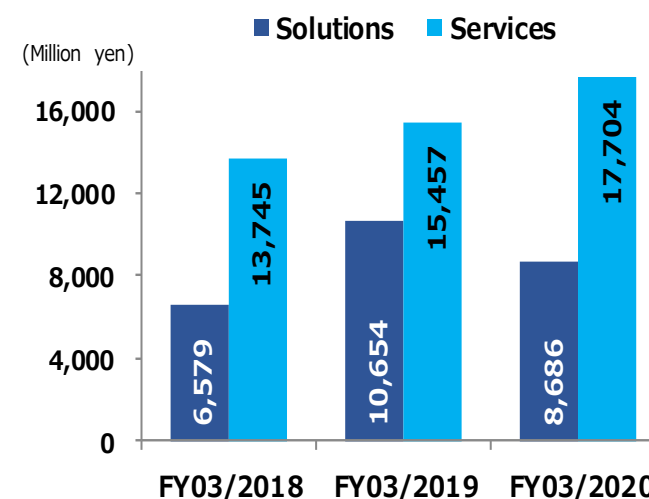
- Sales of solutions linked with the Bugyo series rose by 136 million yen.

Services

- Maintenance contract fees for the Bugyo series increased 1,933 million yen.*
- Revenue from instructor guidance fees increased 333 million yen.

* Includes the increase of Bugyo Cloud Edge

[Changes in Solutions and Services]



Shipment Volume by Software Package

(based on number of copies, including upgrades)

	FY ended Mar. 2019		FY ended Mar. 2020		
(Unit: Copies)		Percentage of net sales (%)		Percentage of net sales (%)	YoY change (%)
Bugyo V ERP	2,661	9.6	2,127	10.3	-20.1
NETWORK Edition	7,522	27.0	5,186	25.0	-31.1
Standalone	16,866	60.6	11,488	55.4	-31.9
J System	783	2.8	1,918	9.3	145.0
Total	27,832	100.0	20,719	100.0	-25.6

*The new ERP is included in Network Edition (345 copies for FY ended March 31, 2019 and 353 copies for FY ended March 31, 2020)

Comparison from the previous year	Number of new copies	Number of upgrades
Bugyo V ERP	13.7% increase	39.5% decrease
NETWORK Edition	11.3% decrease	34.1% decrease
Standalone	1.0% increase	39.3% decrease
J System	145.6% increase	138.7% increase

*The new ERP is included in Network Edition (the number of new copies increased by 125.0% and the number of upgrades decreased by 5.2%)

Breakdown of SG&A Expenses

(Million yen)	FY ended Mar. 2019		FY ended Mar. 2020		YoY change (%)
		Percentage of net sales (%)		Percentage of net sales (%)	
Net sales	29,525	100.0	30,068	100.0	1.8
SG&A expenses	11,689	39.6	11,822	39.3	1.1
Personnel	3,790	12.8	3,871	12.9	2.1
R&D	2,912	9.9	2,933	9.8	0.7
Advertising	824	2.8	725	2.4	-12.0
Rent	534	1.8	551	1.8	3.3
Depreciation	243	0.8	222	0.7	-8.5
Other	3,385	11.5	3,517	11.7	3.9

Note: Growth rates represent year-on-year changes.

Personnel and R&D expenses

- 70 new employees joined the Company, while the allowance for bonuses provided at the end of the fiscal year decreased year-on-year, and as a result, personnel and R&D expenses slightly increased.

Advertising expenses

- A decrease in TV commercial broadcasting fees

Other expenses

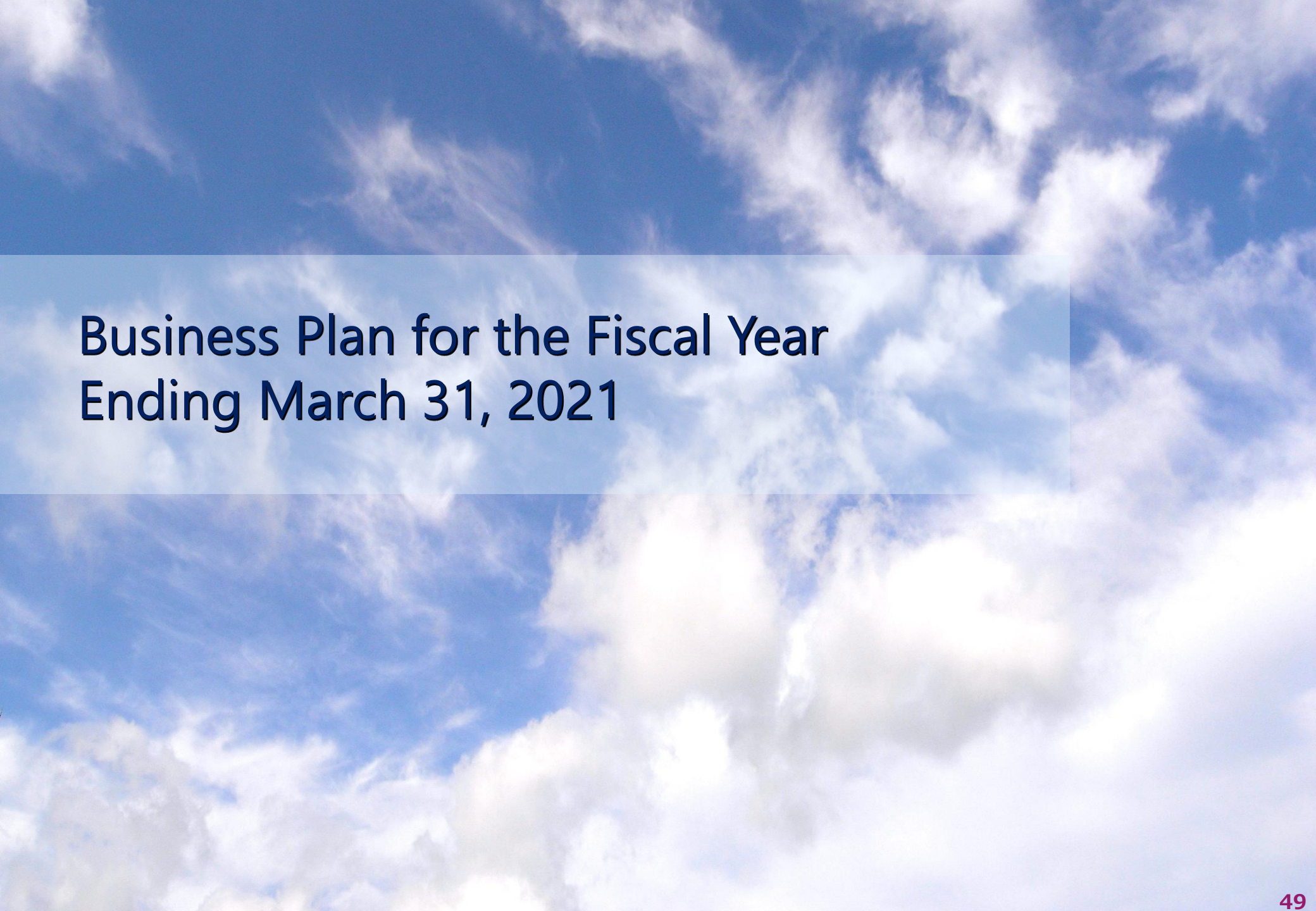
- An increase in rebates paid to partners (such as commissions paid)

Balance Sheet—Liabilities, net assets

	FY ended Mar. 2019		FY ended Mar. 2020		
(Million yen)		Percentage of net sales (%)		Percentage of net sales (%)	Increase/ Decrease
Current assets	108,300	77.4	116,152	81.2	7,851
Cash and deposits	97,839	70.0	106,700	74.5	8,860
Notes receivable-trade	2,363	1.7	1,724	1.2	-639
Accounts receivable-trade	7,724	5.5	7,356	5.1	-368
Inventory assets	191	0.1	208	0.1	17
Other	197	0.1	166	0.1	-31
Allowance for doubtful accounts	-16	0.0	-3	0.0	12
Non-current assets	31,562	22.6	26,976	18.8	-4,585
Property, plant and equipment	447	0.3	505	0.4	57
Intangible assets	456	0.3	417	0.3	-38
Investments and other assets	30,658	21.9	26,053	18.2	-4,604
Total assets	139,863	100.0	143,129	100.0	3,265

Balance Sheet—Liabilities, net assets

	FY ended Mar. 2019		FY ended Mar. 2020		
(Million yen)		Percentage of net sales (%)		Percentage of net sales (%)	Increase/ Decrease
Total liabilities	24,425	17.5	24,603	17.2	178
Accounts payable-trade	316	0.2	289	0.2	-26
Accounts payable-other	800	0.6	763	0.5	-36
Income taxes payable	3,014	2.2	2,212	1.5	-801
Unearned revenue	12,546	9.0	14,909	10.4	2,363
Provision for retirement benefits	2,153	1.5	2,493	1.7	339
Other	5,593	4.0	3,933	2.7	-1,660
Total net assets	115,438	82.5	118,525	82.8	3,087
Capital stock	10,519	7.5	10,519	7.3	0
Capital surplus	18,949	13.6	18,957	13.2	8
Retained earnings	78,621	56.2	84,821	59.3	6,199
Valuation difference on available-for-sale securities	12,698	9.1	9,575	6.7	-3,122
Treasury shares	-5,349	-3.8	-5,347	-3.7	0
Total liabilities and net assets□	139,863	100.0	143,129	100.0	3,265



Business Plan for the Fiscal Year Ending March 31, 2021

Assumptions for the Plans

Net sales	30.5 billion yen, an increase by 1.4% YoY		
(Million yen)	First-half plan	Second-half plan	Full-year plan
Solutions	3,490	4,650	8,140
Related products	1,490	1,730	3,220
Services	9,330	9,810	19,140
Total	14,310	16,190	30,500

(Reference: Actual results for the previous fiscal year)

First half	Second half	Full year
5,238	3,447	8,686
1,816	1,861	3,677
8,599	9,105	17,704
15,654	14,414	30,068

Operating profit	12.7 billion yen, a decrease by 2.2% YoY
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- ◆ SG&A expenses are expected to increase by 0.98 billion yen due to an increase in personnel expenses associated with 73 new employees, expansion of the floor space of the Tokyo head office, etc.

Ordinary profit	13.5 billion yen, a decrease by 3.8% YoY
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- ◆ Dividend income of 0.8 billion yen from listed REITs is expected.

Profit	9.1 billion yen, a decrease by 8.0% YoY
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* In regard to the forecast of financial results, it is difficult to estimate the impact of the novel coronavirus pandemic and the declaration of a state of emergency at this point in time; therefore, the forecast is not included in the plan.

Full-Year Business Plan for the Fiscal Year Ending March 31, 2021

(Million yen)	FY ended Mar. 2020		FY ending Mar. 2021 (Plan)			
		Percentage of net sales (%)		Percentage of net sales (%)	Increase/Decrease	YoY change (%)
Net sales	30,068	100.0	30,500	100.0	431	1.4
Gross profit	24,801	82.5	25,500	83.6	698	2.8
SG&A expenses	11,822	39.3	12,800	42.0	977	8.3
Operating profit	12,979	43.2	12,700	41.6	-279	-2.2
Non-operating income and expenses	1,050	3.5	800	2.6	-250	-23.9
Ordinary profit	14,030	46.7	13,500	44.3	-530	-3.8
Profit	9,957	33.1	9,160	30.0	-797	-8.0

The effective corporate tax rate for the fiscal year ending March 2021: 30.6%

Net Sales by Segment

(Million yen)	FY ended Mar. 2020		Plan for FY ending Mar. 2021			
		Percentage of net sales (%)		Percentage of net sales (%)	Increase/Decrease	YoY change (%)
Solutions	8,686	28.9	8,140	26.7	- 546	-6.3
Related products	3,677	12.2	3,220	10.6	- 457	-12.4
Services	17,704	58.9	19,140	62.8	1,435	8.1
Total	30,068	100.0	30,500	100.0	432	1.4

Solutions

- Take advantage of demand for updates arising from the end of support for the Bugyo 8 series. (Support will end in April 2022)
- Take advantage of demand related to personnel and labor relations in connection with work-style reforms.
- The on-premises business is forecasted based on net sales of solutions for the fiscal year ended March 2018 and, in addition to them, net sales of the Bugyo Cloud are expected to increase.

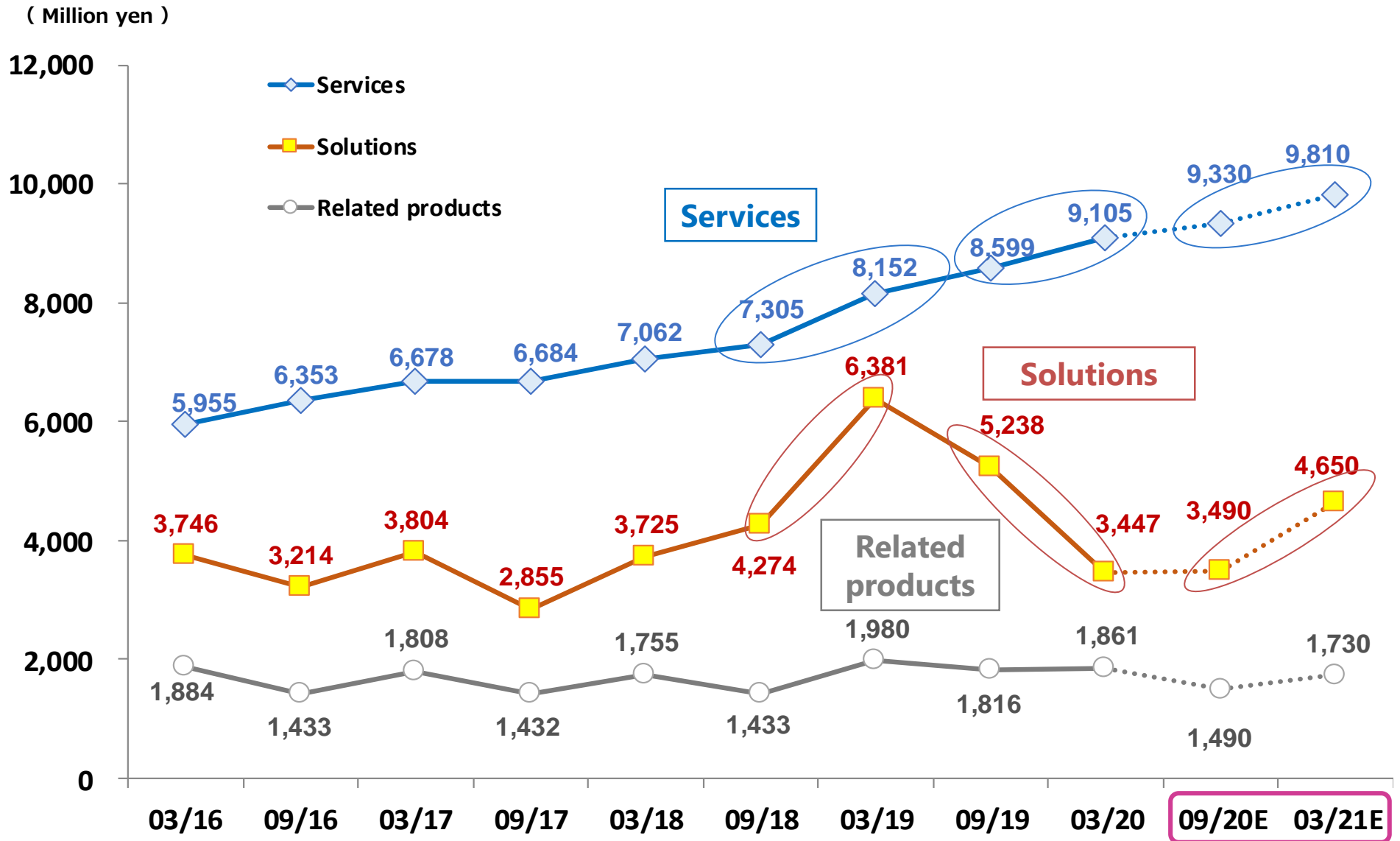
Related products

- Demand for Bugyo series-related solutions is expected to become stable; and therefore, the same level as the fiscal year ended March 2018 has been set for the plan.

Services

- Unearned revenue as of the end of March increased by 1,578 million yen year on year.
- Demand is expected to grow for Bugyo Edge (administrative and personnel affairs, attendance management, year-end tax adjustment, and distribution of pay slips) due to a response to the digitalization of social insurance and work-style reforms.

Net Sales by Segment (Half-year basis)





OBIC BUSINESS CONSULTANTS CO., LTD.

www.obc.co.jp

This document contains forward-looking statements. These statements involve risks and uncertainties and do not guarantee future financial results. There are a number of factors that could cause actual future results to differ materially from planned values. This document is produced solely for the purpose of providing information and is not intended to encourage the purchase of any service or product.