OBIC

Organization for Business Innovation and Communication

Integrated Report 2024

オービック

OBIC Co., Ltd.

TOP MESSAGE



Chairman and CEO

Masahiro Noda



President and COO

Shoichi Tachibana

The OBIC Group will continue to change and grow with customers, continuing to move forward with powerful steps

Creating New Value with Technology Innovation and by Taking on Challenge

OBIC has taken "innovation" as its corporate philosophy. Indeed, "I" of OBIC, the Company's name, represents "innovation. "We believe that sustainable growth can be achieved when each and every employee always tries to find issues and continues to make improvements. It is a user-oriented approach that supports this philosophy, and we always put ourselves in the shoes of customers and continue to consider what services are truly expected.

One-stop solution service including in-house development and direct sales is our strength and a business model based on this approach. In addition, based on the belief, "Company growth starts with employee growth," we carefully take time to develop employees and support their growth from a long term perspective. It is because we think creating an environment where employees can realize their growth will lead to the growth of the entire Company.

We want to be a company that is trusted by customers by being sensitive to technological advancement and continuing to create new value. By encouraging the growth of each and every employee and continuing to take on new challenges without being afraid of change, we aim for even greater heights.

Direction of Management toward Enhancing Corporate Value

In the present day, when IT is vital to the infrastructure of society, OBIC wants to be an irreplaceable partner for our customers who provides optimal solutions looking ahead to the future. Considering that customers' business success is the very thing that gives meaning to our existence, we have continued to take on challenges toward its realization.

Under our corporate philosophy of "Innovation 'Destruction and Creation'," we will pursue constant reform and evolution without sticking to the customs and successful experiences of the past. Establishment of OBIC7 Cloud, a private cloud developed in-house, and OBIC7 Cloud Academy, a training facility for customers, are examples of our efforts.

Our strength lies in the provision of one-stop solution service, as well as in a wealth of expertise in various industries and businesses we have accumulated over 55 years. Through utilizing an integrated in-house system that enables us to provide all processes ranging from proposal, development, and installation to support after starting operation in a responsible manner, we propose optimum solutions that meet customers' various needs flexibly and appropriately.

Toward Achieving Medium- to Long-term Targets

We will complete our cloud shift in the fiscal year ending March 31, 2025, and actively work on the provision of new services providing strong support for customers' digital transformation (DX) such as by expanding the functions of OBIC7, our cloud-based enterprise resource planning (ERP), and developing solutions to improve operational efficiency.

Taking advantage of our strength as an independent company, we will conduct weather-impervious management unaffected by changes in economic conditions of specific businesses. By providing services to customers of a wide range of businesses in a balanced fashion, we reduce the risk of our business environment being affected by economic conditions of specific businesses, and aim to achieve stable growth.

Our goal for the future is to realize our mission of "contributing to the growth of Japan's economy and society." We help our customers to generate management efficiency through providing solutions as their business partner, and will contribute to society. To this end, it is vital to continue to transform ourselves without getting satisfied with the present situation. When each and every employee continues to take on challenges for his or her own growth and the Company's growth, it will be a driving force that enables the OBIC Group to continue to evolve.

Strengthening Corporate Management with Information System

VISION STATEMENT

Company growth starts with employee growth Innovation –Destruction and Creation–

Since our foundation, we have concentrated on personnel development based on the idea that company growth starts with employee growth. Each individual employee possesses an innovative spirit and works hard to improve their skills and expertise, not limiting themselves to their past experiences of success or conventional methods. In this way, they aim for continuous growth.

MISSION STATEMENT

Support customers' business reform through the provision of information systems and contribute to the establishment of sustainable management foundations

As IT services have become an integral part of social infrastructure, OBIC offers customers integrated services from provision of systems to support after implementation. We believe our mission is to help our corporate customers achieve sustained growth. We support customers' business reform as their business partner, and contribute to the establishment of sustainable management foundations, thereby sparking innovation of corporate management throughout Japan.



History of Value Creation That Has Supported the Management of Japanese Companies for Half a Century

Establishment–1970s



1968
- Company founded in Osaka as Osaka Business Co., Ltd.

1974
- Company name changed to OBIC Co., Ltd.

1976
- OBIC Office Automation Co., Ltd. founded

1979
- Number of office computers (MELCOM 80 series) delivered exceeds 3,000 units

1980s



1980
- Office computer "OFFICE80" developed
- OBIC Business Consultant Co., Ltd. founded

1981
- OBIC Business Solution Co., Ltd. founded

1982
- OBIC System Engineering Co., Ltd. founded

1990s



1996
- OBIC Support Center opens

1997
- OBIC7 series of comprehensive corporate ERP software products developed

1998
- Listed on the Second Section of the Tokyo Stock Exchange

2000s



2000
- Designated to the First Section of the Tokyo Stock Exchange

2005
- OBIC Tokyo headquarters building completed (Kyobashi, Chuo-ku)

2006
- Acquires ISO/IEC27001(ISMS) certification Enters into Certified Gold Partner Agreement with Microsoft Corporation

2010s

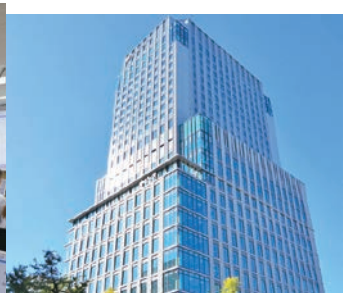


2013
- Launch of OBIC Cloud

2017
- OBIC Cloud Academy Tokyo opens

2018
- 50th anniversary of the foundation Total number of companies using the OBIC7 series exceeds 20,000

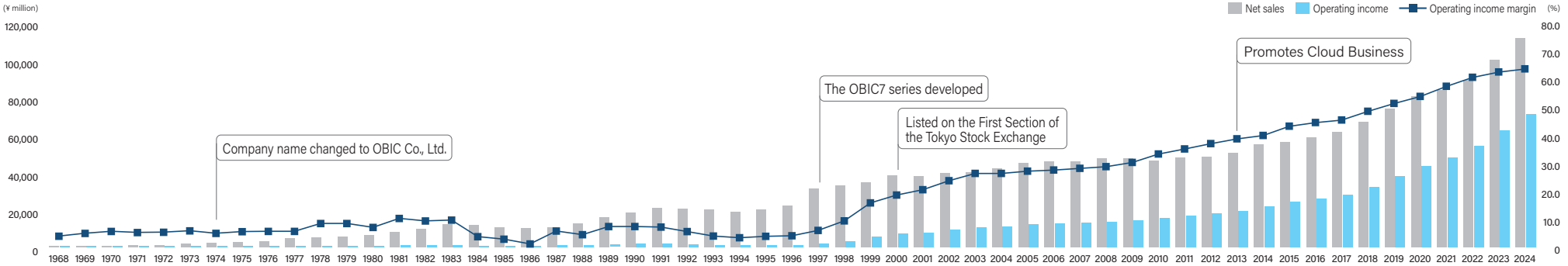
2020s



2020
- Market capitalization exceeds ¥2 trillion
- The OBIC Midosuji Building completed (Hiranomachi, Chuo-ku, Osaka)
- OBIC Cloud Academy Osaka opens

2021
- OBIC Cloud Academy Nagoya opens

2024
- Receives the Intellectual Property Achievement Award from the Commissioner of the Japan Patent Office



1960

1968
Kawabata Yasunari awarded the Nobel Prize in Literature

1970

1970
Japan World Exposition held in Osaka

1972
First giant panda brought to Japan

1976
Apple Computer, Inc. (now Apple Inc.) founded

1978
Treaty of Peace and Friendship Between Japan and the People's Republic of China signed

1980

1983
Tokyo Disneyland opens

1986
Act on Securing, Etc. of Equal Opportunity and Treatment between Men and Women in Employment goes into effect

1989
Heisei era begins, Berlin Wall falls, and the Cold War ends

1990

1995
Great Hanshin-Awaji Earthquake

1998
Nagano Winter Olympic Games held

2000

2000
Financial Services Agency established; ¥2,000 note issued

2002
FIFA World Cup Korea/Japan begins

2008
Bankruptcy of Lehman Brothers (2008 inancial Crisis)

2009
Dematerialization of share certificates of listed companies

2010

2011
Great East Japan Earthquake

2012
Tokyo Skytree opens

2019
New era "Reiwa" is announced

2020

2020
Outbreak of the (COVID-19) pandemic

2021
Tokyo 2020 Olympic Games held

1960s

Founded on a user-oriented approach; started with ¥2 million in capital stock and an office of approx. 20 square meters

Osaka Business (currently OBIC) was founded in 1968 during the period of rapid economic growth in Japan. At the time, many large companies had installed accounting machines and large computers to handle the increasing volume of bookkeeping calculation work. Accounting machines cost ¥several million at the time, which was quite expensive for SMEs, so they would outsource complicated and extensive paperwork to outside calculation centers.

While working as a sales representative for an import and sales company of accounting machines, Masahiro Noda (currently Chairman and CEO) held a fervent desire to encourage SMEs to use accounting machines to streamline their administrative processes. He started an accounting machine leasing business, in which he would acquire used accounting machines that were stored in the warehouses of large companies at low prices, refurbish them, and rent them to SMEs for a fixed monthly fee. He founded the company as a husband and wife team with stock capital of ¥2 million.



Building during the "Osaka Business" period (Higashi-ku (currently Chuo-ku), Osaka)

1970s–90s

Transitioned to open systems and developed the OBIC7 series

In the 1970s, office computers for SMEs were launched one after another. When Mitsubishi Electric Corporation introduced its MELCOM series, the first domestically produced office computer, we signed a distribution agreement and became the No. 1 dealer for sales of MELCOM80. Later, when the focus of office computer sales shifted from hardware to software, we announced our in-house developed office computer OFFICE80 based on the know-how we had accumulated through lease sales, and it was adopted by customers in various businesses and industries.

In the 1990s, Windows took the PC industry by storm, which led to a rapid shift from the heyday of office computers to open systems. In order to quickly shift the focus of our business from office computers to PCs, we provided PCs to approximately 1,000 employees, trained them in their operation, and began developing an ERP system. At the time, ERP software was mainly created for large companies and was entirely dominated by major foreign manufacturers until OBIC released the OBIC7 series, which targeted SMEs and was suited to Japanese business practices. The software received high acclaim for its extensive functions and thorough support.



Launch of OFFICE80, the Company's proprietary brand of office computer

2000s

Listed on the First Section of the Tokyo Stock Exchange

After listing on the Second Section of the Tokyo Stock Exchange in 1998 and on the First Section in 2000, we took various steps to further enhance the management efficiency of our customers. To this day, we have continued to implement our unique proposal style of an integrated production, sales and service system, in which sales and SE staff work together in an open-plan office space to address customer issues.

In 2005, construction of the Tokyo headquarters was completed, and a bamboo grove and a small stone wall were placed in the front garden as a reminder that our employees, who are as flexible and pliable as bamboo, shall work together and press on, as expressed in the quote "The people are your castle and your stone walls." We also strengthened our ties with society by sponsoring the OBIC Seagulls American football team and holding the "OBIC Special Concert" featuring world-renowned conductor Ken-Ichiro Kobayashi.



American football team OBIC Seagulls is formed
In 2021, won the top league championship for the eighth time, and first time in seven years



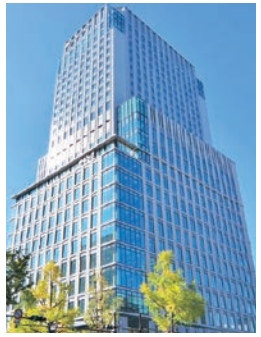
The first OBIC Special Concert held

2010s–20s

Promotes Cloud Business

Starting from 2013, we began providing OBIC7 Cloud, a private in-house cloud service. It has been highly commended as a solution that enables early system startup and Group-wide optimization, as well as quick adaptation to changes in the business environment. In addition, in 2017, we opened the OBIC7 Cloud Academy, a training facility for customers, which has generated further benefits of system implementation by using the OBIC7 Cloud to improve project efficiency and hold system operation learning sessions.

In 2018, the year of our 50th anniversary, the cumulative number of companies that have installed the OBIC7 series exceeded 20,000, and its use has spread to corporate customers of various industries and sizes. We will continue to strive to contribute to our customers and society through sincere customer service and continued innovation.



The OBIC Midosuji Building completed in Osaka, the site of the Company's founding

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Editorial policy

The OBIC Group publishes the Integrated Report with the aim of enhancing communication with our stakeholders, and improving their understanding of the OBIC Group's medium- to long-term value creation through financial and non-financial information.

Period covered by the report

April 1, 2023 to March 31, 2024
(The report includes some information of years other than the relevant year.)

Scope covered by the report

In principle, this Integrated Report provides information about OBIC Co., Ltd. and the OBIC Group (one consolidated subsidiary and two equity method affiliates).

Reference guidelines

The International Integrated Reporting Framework by the IFRS Foundation, and Guidance for Collaborative Value Creation by the Ministry of Economy, Trade and Industry are used as reference.

Matters that require attention regarding future outlook

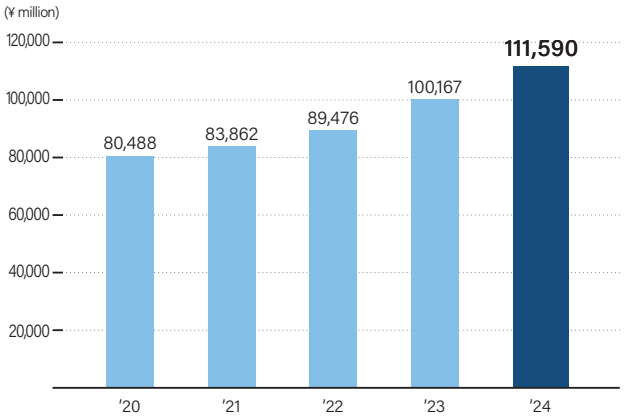
This Integrated Report includes information concerning future outlook and future forecast based on plans. These descriptions do not guarantee future performance; as they include various risks and uncertainties, actual financial results, performance, achievement degree, and financial condition in the future can be different from the present outlook.



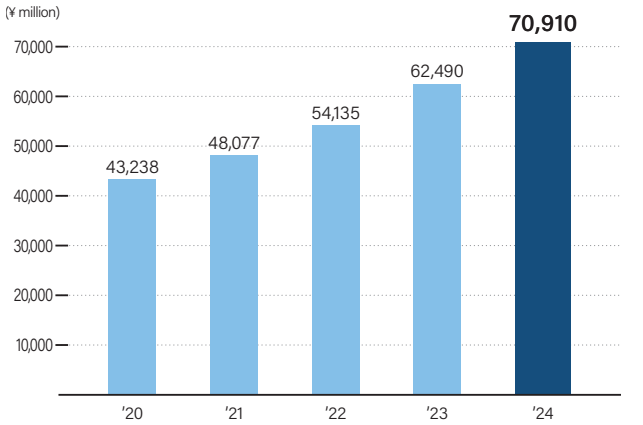



Financial and Non-Financial Highlights

Net Sales ¥111,590 million (consolidated)

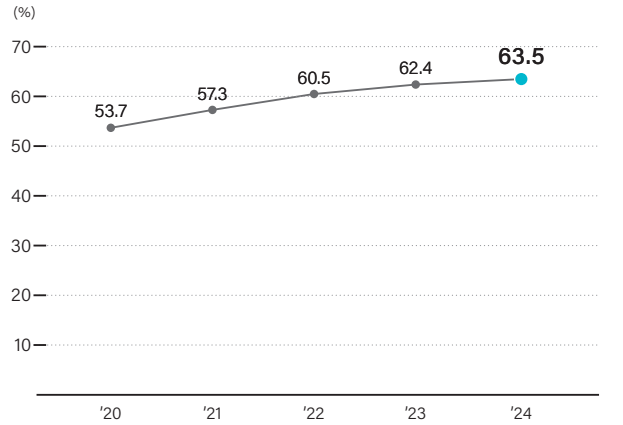


Operating Income ¥70,910 million (consolidated)

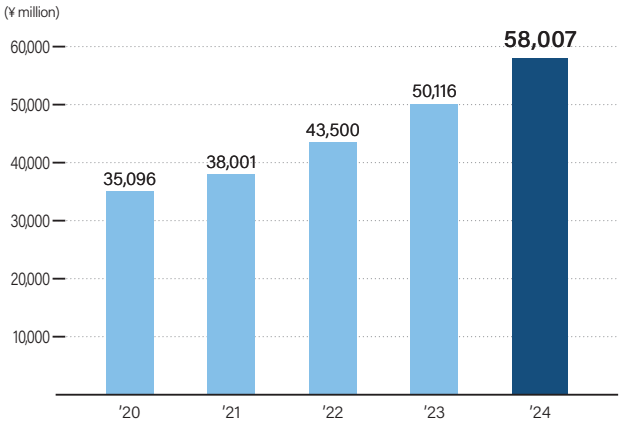


* Increase in operating income for 30 consecutive years

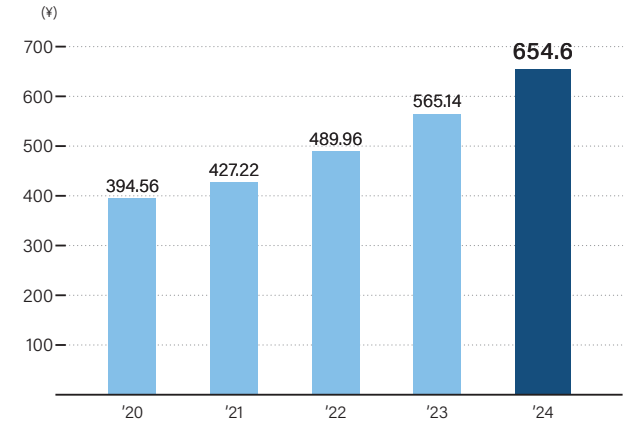
Operating Income Margin 63.5% (consolidated)



Net Income Attributable to Owners of the Parent ¥58,007 million (consolidated)

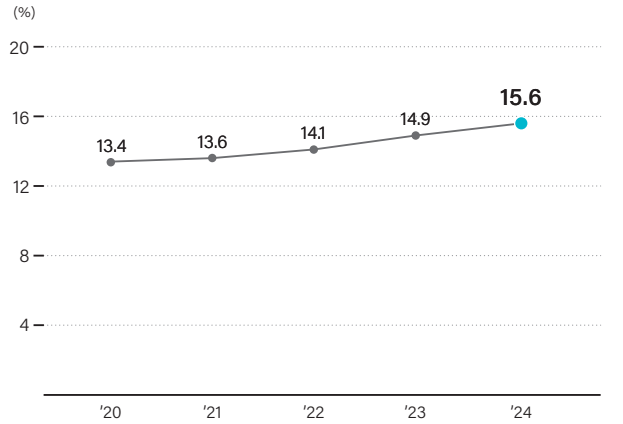


Net Income per Share (ESP) ¥654.60 (consolidated)



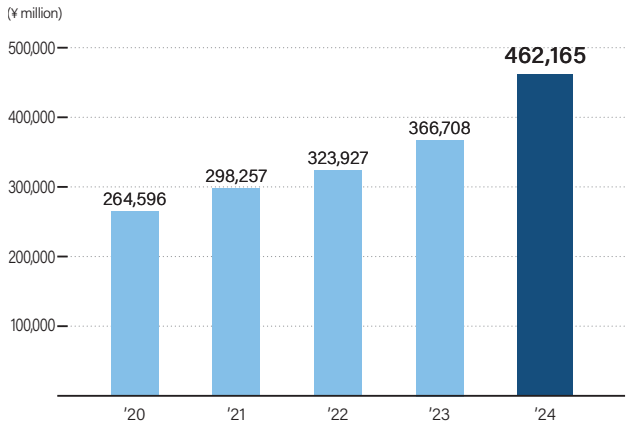
* Increase in operating income for 30 consecutive years

Return on Invested Capital (ROIC) 15.6% (consolidated)

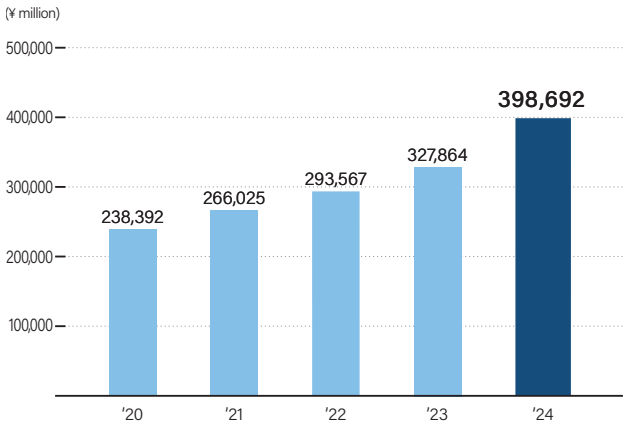


* Return on invested capital (ROIC) = operating income after tax / (shareholders' equity + interest-bearing debt)

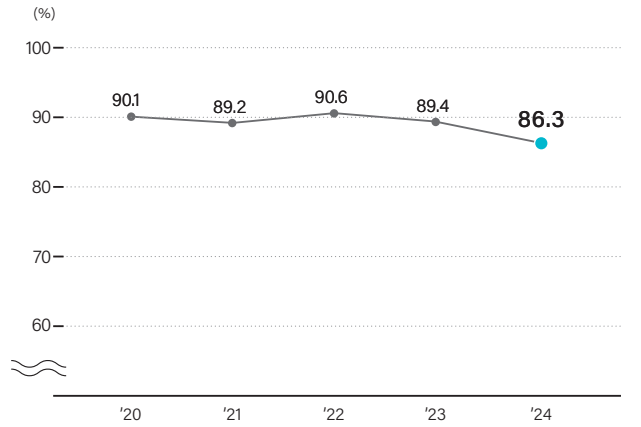
Total Assets ¥462,165 million (consolidated)



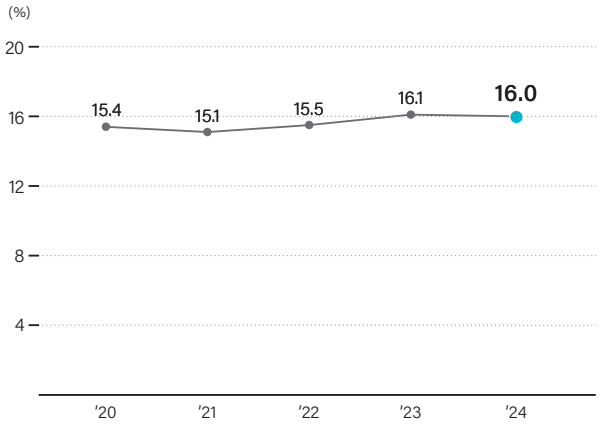
Net Assets ¥398,692 million (consolidated)



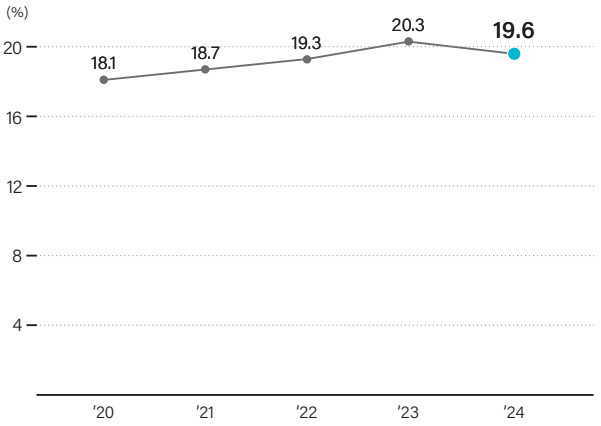
Equity Ratio 86.3% (consolidated)



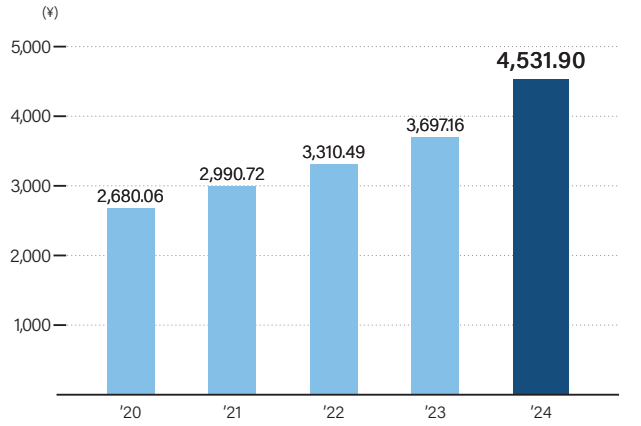
Return on Equity (ROE) 16.0% (consolidated)



Return on Assets (ROA) 19.6% (consolidated)

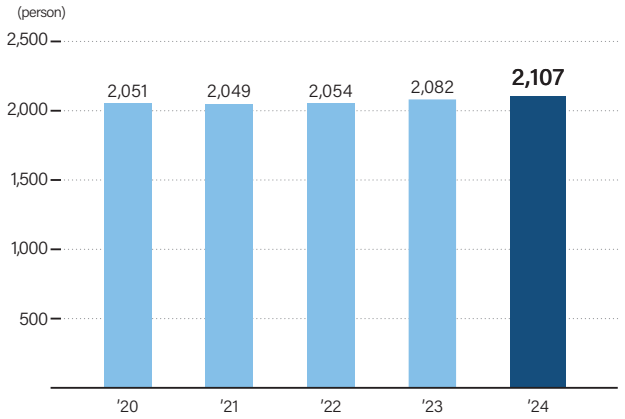


Net Assets per Share (BPS) ¥4,531.90 (consolidated)

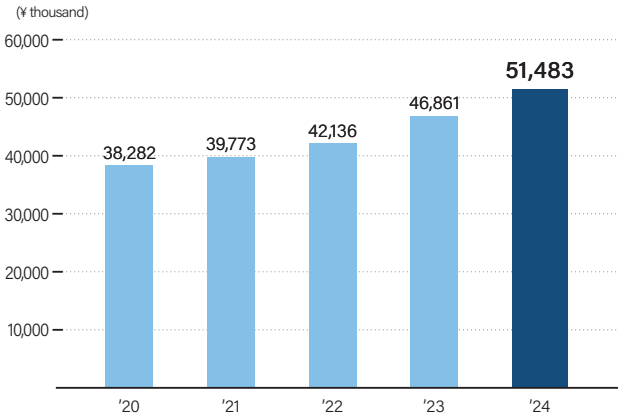


Financial and Non-Financial Highlights

Total number of employees 2,107 persons (consolidated)

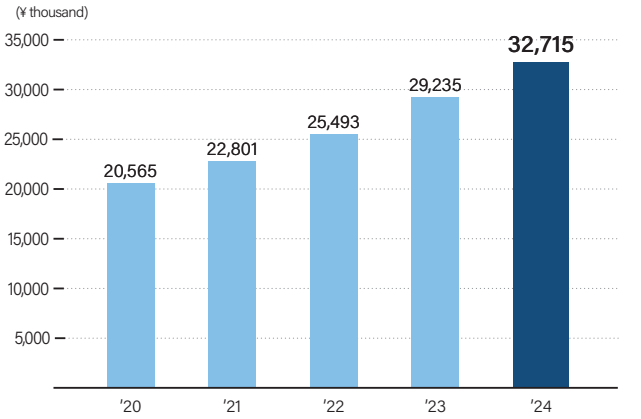


Net Sales per Employee ¥51,483 thousand (consolidated)



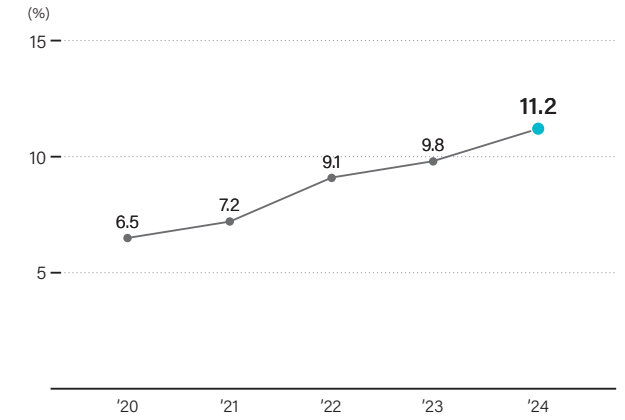
*Calculated on the basis of the average number of employees for the year

Operating Income per Employee ¥32,715 thousand (consolidated)

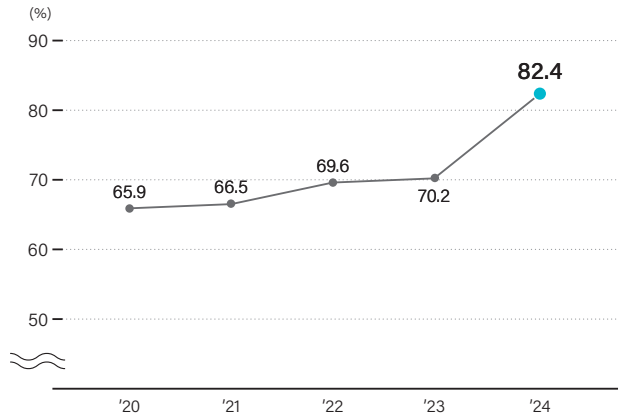


*Calculated on the basis of the average number of employees for the year

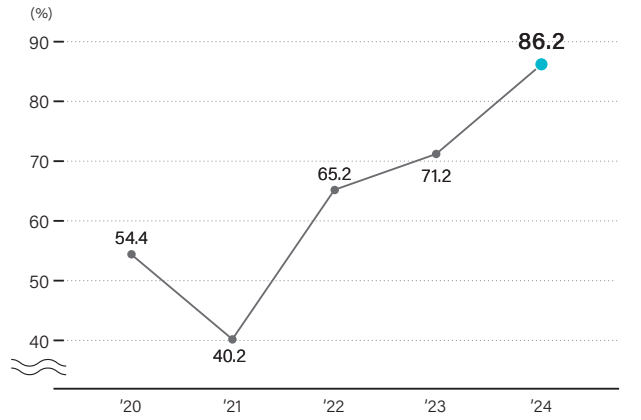
Ratio of Women in Managerial Posts 11.2% (non-consolidated)



Paid Leave Acquisition Rate 82.4% (non-consolidated)



Acquisition Rate of Male Employees Taking Childcare Leave, etc. 86.2% (non-consolidated)



Taking on the Challenge of Expanding Business with Active Investment While Maintaining Strong Financial Foundation

Operating Income Rose for 30th Consecutive Fiscal Year

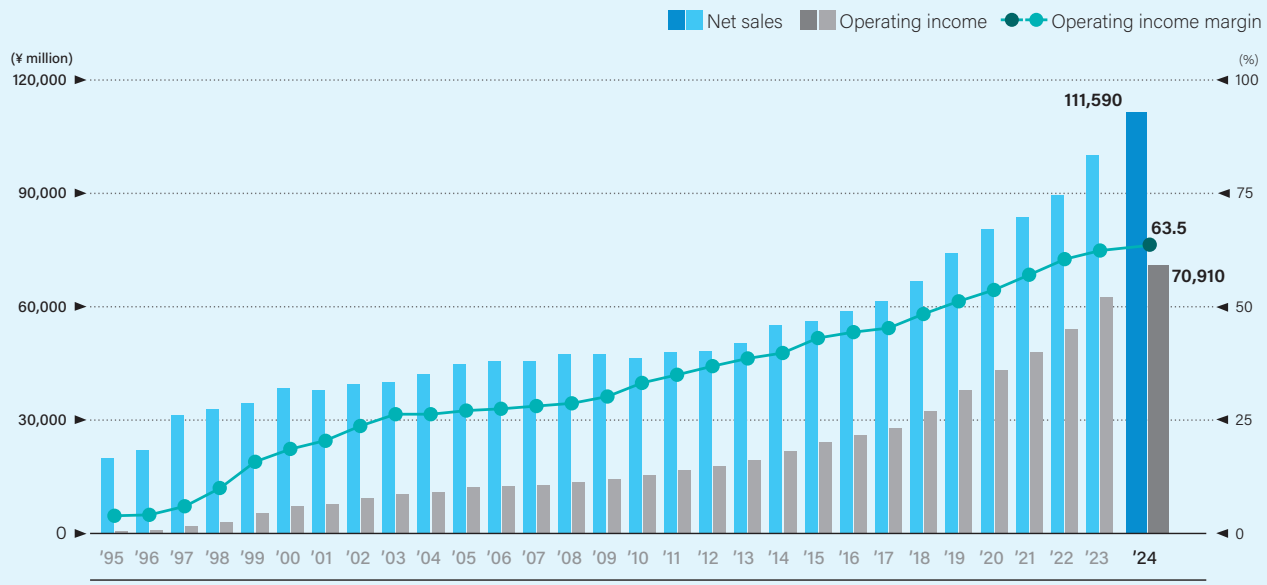
Since its establishment, OBIC has pursued quality in management with a focus on operating income, and continued to grow even during various global financial crises, such as when the bubble economy burst and Lehman Brothers failed. Recently, factors such as tense overseas conditions, surging resource costs and global monetary restraints have changed the world dramatically. Nevertheless, the Company's employees pulled together and pushed ahead with business. As a result, we achieved operating income growth for the 29th consecutive fiscal year and a record operating income margin of 63.5%.

Going forward, we will work to secure a strong management foundation and strive to grow earnings and enhance corporate value by sufficiently investing in human resources, cloud-related facilities, and so forth with a target of maintaining ROE at 10% or more.

Furthermore, we regard returning profits to shareholders as one of our key priorities. We believe appropriate reflection of our corporate value in our share price will enable us to meet share-holders' expectations.

We plan to pay dividends at a consolidated payout ratio of roughly 40% for the foreseeable future.

Net sales/Operating Income (¥ million)/Operating Income Margin (%)



Growth

Operating income Year over year

113.5%

Profitability

Operating income margin

63.5%

Efficiency

Return on equity (ROE)

16.0%

Safety

Equity ratio

86.3%

Continuity

Period of consecutive operating income growth

30 fiscal years

Enhancement of Financial Characteristic and Improvement of Capital Efficiency

Looking back on the fiscal year ended March 31, 2024, we can see that the promotion of cloud shift and the cultivation of major companies were factors that had largest impact on the Company's financial performance. The ratio of cloud users reached 88%, which greatly contributed to an sales increase. This was achieved as a result of the Company's efforts to properly identify a growing demand for cloud service and actively work on investment and development.

We also directed our efforts to cloud investment and the returning of human resources, and strengthened the foundation to provide high quality services. In particular, we work to further strengthen our competitiveness by securing and developing talented human resources.

Under the fiscal 2025 business strategy, we will aim to achieve an increase in operating income for 31 consecutive years, and strive to further strengthen our financial foundation. While continuing to focus on quality in management, this fiscal year, we will aim to create operating income exceeding that of the previous fiscal year, considering that we achieved the increase in operating income for 30 consecutive years in the previous fiscal year.

As an independent company, placing a significance on maximizing financial security, we have continued non-debt management. Equity ratio was 86.3% as of the end of the previous fiscal year, remaining high. This strong financial characteristic is supporting our management foundation that can flexibly responds to changes in the external environment.

In addition, by directly listening to the voices of customers and maintaining a direct sales structure that can quickly capture a market trend, we will flexibly and promptly respond even in this dynamically changing time. As close communication with customers is an essential factor for the improvement of our services, we will continue to accept their voices with sincerity and work to deliver better services.

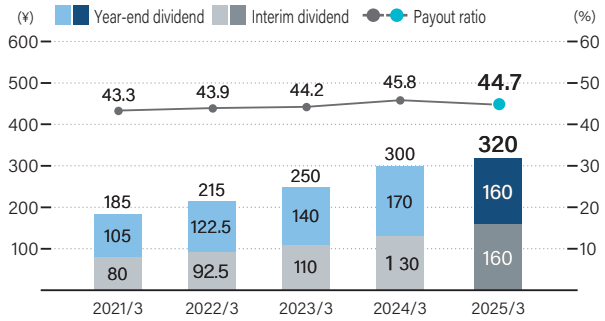
Improvement of Our Share Price and Shareholder Returns

We believe it is the Company's basic approach to secure a strong management foundation by producing high performance and continue reinvestment and shareholder returns stably in the medium- and long-term. We are convinced that this will lead to the improvement of corporate value and the maintenance of an appropriate stock price level. Regarding the efficiency of capital, we are managing to secure return on equity (ROE) at 15% or more, with the cost of shareholder's equity calculated by the Company based on the capital asset pricing model (CAPM) remaining at about less than 10%. The fact that ROE is being maintained at 15% or more shows that we are utilizing our capital efficiently and securing high profitability. We will continue to strive for business growth and the improvement of profitability, and maintain ROE at this high level through adequate decision on investment and efficient management, with the aim of achieving further sustainable improvement.

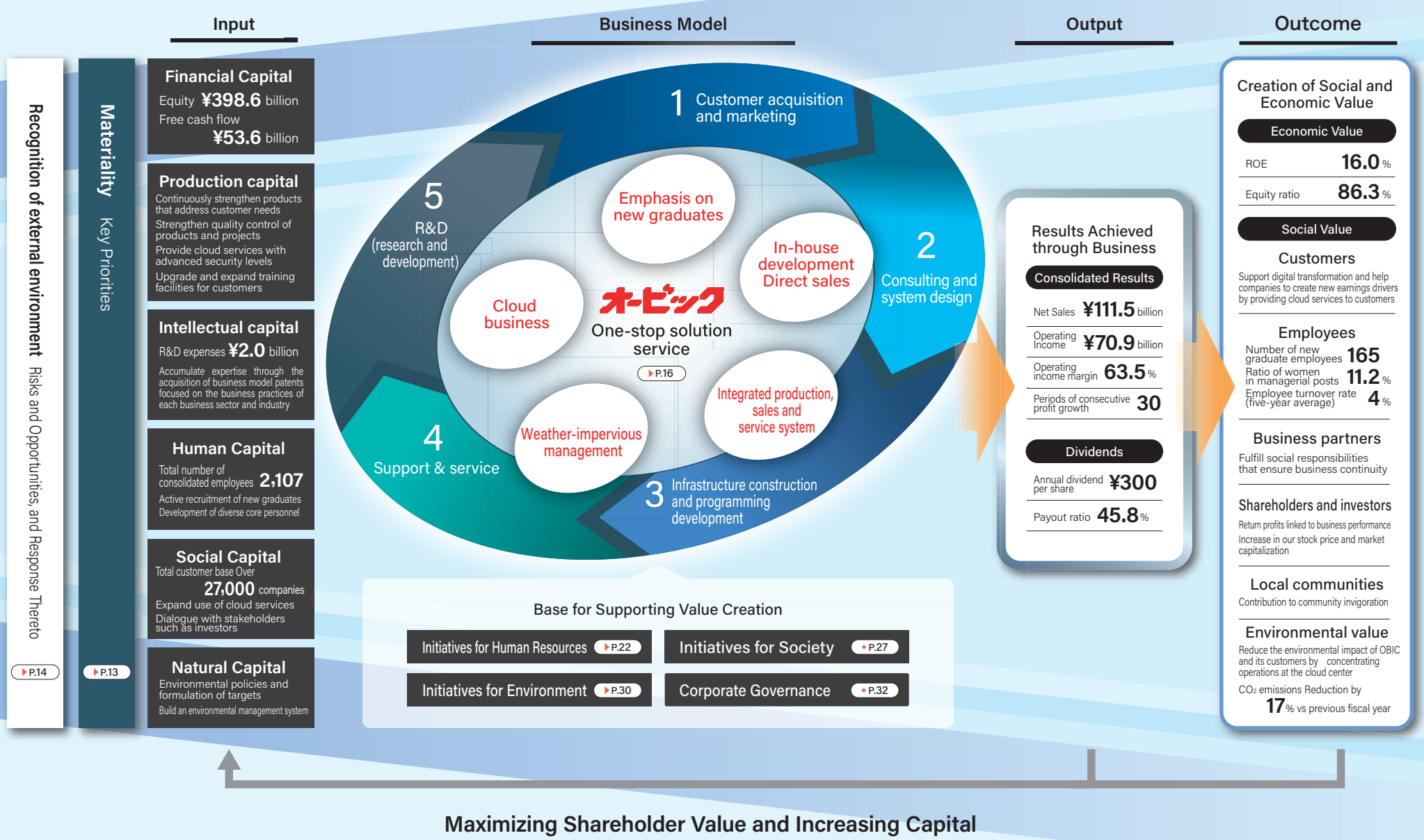
Regarding shareholder returns, we have continued to raise the dividend basically by returning dividends under the policy of "long-lasting stability and continuation." Under this policy, we pay a dividend of ¥300 per share per year in fiscal 2024, with ¥130 as an interim dividend and ¥170 an year-end dividend. We are planning to pay a dividend of ¥320 per year with ¥160 as an interim and year-end dividends respectively.

Over the past few years, we have worked on the improvement of dividend payout ratio, and the dividend payout ratio of the previous fiscal year reached 45.8%. We plan to gradually improve dividend payout ratio while raising the absolute amount of a dividend.
We will continue to work on the improvement of corporate value while striking a balance between the enhancement of shareholder returns and growth investment so as to deliver dividends in a stable manner.

Dividend Record



Value Creation Process

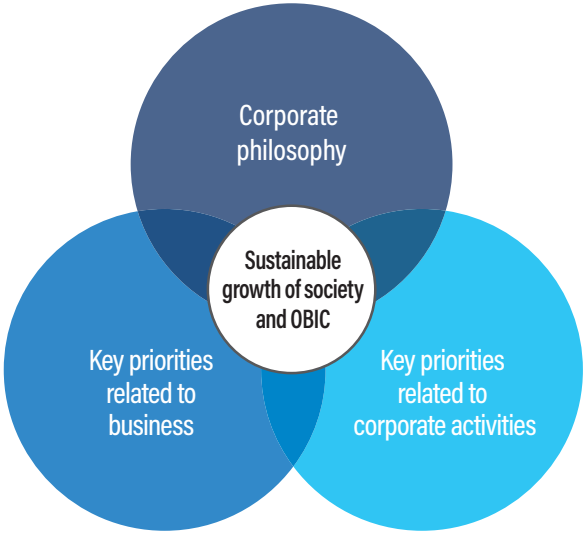


Materiality

Corporate philosophy

"Company growth starts with employee growth"

"Innovation -Destruction and Creation-"



Process of Identifying Issues

Step1 Grasp the current situation surrounding the OBIC Group

▼

Step2 Select key priorities to respond to social demands

▼

Step3 Confirm validity and identify materiality

Targets to Work on Related to Materiality Items

	Category	Key priorities	Concrete measures	Related SDGs
Key priorities related to business	Production capital	Technology innovation and product development	●Development of OBIC7 series of comprehensive corporate ERP software products ●Provision of private cloud services	7, 8, 9, 12
		Information security enhancement	●Meeting certification standards for information security management ●Obtaining an SOC 1 Type 2 and SOC 2 Type 2 Report in compliance with the U.S. Statement on Standards for Attestation Engagements No. 18 (SSAE No. 18) for OBIC cloud services	16
		Business continuity plans	●Development of a telework environment ●Establishment of duplicate cloud computing center sites ●Arranging a manual for responses during large-scale disasters and conducting periodic training	11
	Intellectual capital	Increasing added value through accumulation of know-how	●Acquisition of business model patents focused on the business practices of each business sector and industry ●Data utilization harnessing the latest digital technology such as AI	8, 9
Key priorities related to corporate activities	Human capital	Securing and training human resources	●Fostering new graduate employees from the very beginning of their professional careers ●Identification and improvement to employee engagement by implementing a feedback system for operations and operational processes	4
		Ensuring diversity through employee growth	●Development of diverse core personnel through a direct sales structure ●Arranging a wide variety of education and training programs and skills development, such as for IT, accounting or specific industries, matching employees' characteristics	5
		Realization of employee work-life balance	●Promotion of flexible work styles such as paid holidays in one-hour increments, staggering work hours and telework ●Acquisition of the Platinum Kurumin certification for being a company that excels at supporting childcare	3
	Natural capital	Environmental preservation, including climate change response	●Meeting certification standards for environmental management systems ●Information disclosure based on the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)	13, 14, 17
	Rigorous corporate governance		●Enhancing transparency, fairness, and objectivity by establishing a Nomination and Remuneration Advisory Committee ●Formulating and thoroughly implementing each policy concerning compliance with ethics, laws and regulations, etc. ●Solving compliance violations, etc. at an early stage and preventing them from occurring beforehand by establishing an internal reporting system	10, 15, 16

Risks and Opportunities, and Response Thereto

Ever-changing political climate and market circumstances pose various risks to corporate activities.
In modern society with globalization and diversification advancing, OBIC builds a structure that can properly respond to risks having a potential impact on our corporate value, and aims to achieve sustained growth and contribute to society.

	Risk factors	Risks	Countermeasures	Opportunities	Corresponding materiality
Economy	**Deterioration of an economic environment due to business recession, price fluctuation, etc.**	●Reduction of investing activities associated with decline in earnings ●Deterioration of an employment environment	・Cost reduction and promotion of efficiency ・Improvement of productivity ・Development of close relationships with customers	・Expansion of market share due to the weakening of competitors ・Promotion of innovation ・Improvement of corporate value	●Technology innovation and product development ●Increasing added value through accumulation of know-how
Technology	**Cybersecurity threats**	● Damage to corporate image ● Suspension of business	・Enhancement of security measures ・Improvement of employees' security awareness ・Quick response to the occurrence of information leakage	・Protection of information assets ・Securing of business continuity ・Acquisition of competitive advantage	●Information security enhancement
Society	**Occurrence of large-scale natural disasters**	●Restrictions on business activities ●Damage to facilities, etc.	・Formulation and enhancement of a business continuity plan (BCP) ・Analysis and management of supply chain risks ・Enhancement of initiatives for environment issues	・Enhancement of risk management ・Improvement of reputation from the international community	●Measures for business continuity plans (BCP) ●Environmental preservation, including climate change response
Human resources	**Shortages of human resources or decline in motivation**	●Loss of competitive advantage ●Decrease in productivity ●Compliance violations	・Active recruiting activities ・Enhancement of training systems ・Creation of satisfying work environment ・Diversity & inclusion	・Acquisition of talented human resources ・Improvement of employee engagement ・Enhancement of innovation ・Acquisition of competitive advantage ・Realization of sustainable growth	●Securing and training human resources ●Ensuring diversity through employee growth ●Realization of employee work-life balance
Organization	**Inadequacy of governance system**	●Decline in employees' motivation ●Decrease in customer satisfaction ●Loss of competitive advantage	・Enhancement of corporate governance system ・Demonstration of leadership by management personnel ・Enhancement of information disclosure ・Enhancement of internal controls ・Clarification of responsibilities of management personnel and officers	・Management transparency and efficiency improvement ・Improvement of reputation from the investors ・Prompt response to ESG issues	●Rigorous corporate governance

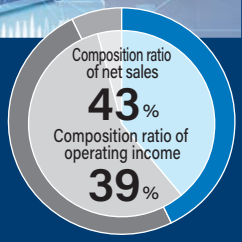
The OBIC Group's unique total solution and synergy that accelerate corporate growth



System Integration Services

Net sales ¥47,296 million
(increase by 6.4% vs previous fiscal year)

Operating income ¥27,982 million
(increase by 9.8% vs previous fiscal year)



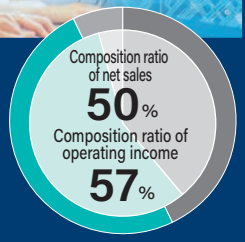
Major services	Provision of core operating integration systems
Major companies	OBIC Co., Ltd.



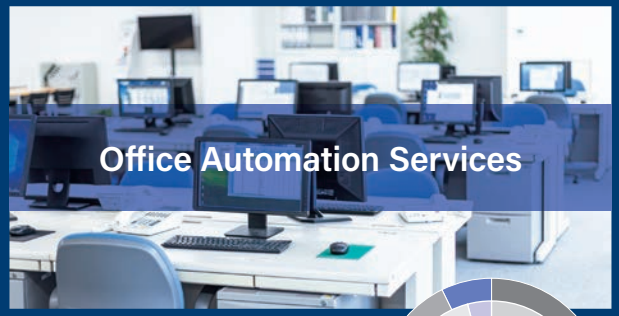
System Support Services

Net sales ¥56,101 million
(increase by 14.8% vs previous fiscal year)

Operating income ¥40,428 million
(increase by 14.8% vs previous fiscal year)



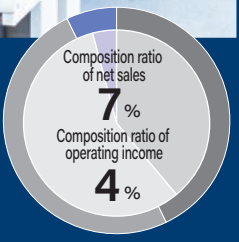
Major services	Operation support, maintenance, etc. of core operating integration systems Operation support, maintenance, etc.
Major companies	OBIC Co., Ltd.



Office Automation Services

Net sales ¥8,191 million
(increase by 20.0% vs previous fiscal year)

Operating income ¥2,499 million
(increase by 38.4% vs previous fiscal year)

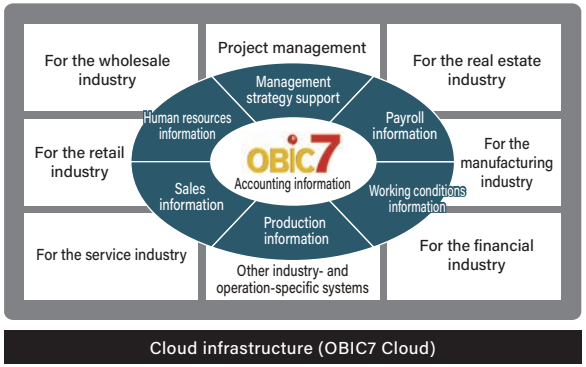


Major services	Provision of office automation equipment in general and computer supplies
Major companies	OBIC Office Automation Co., Ltd.

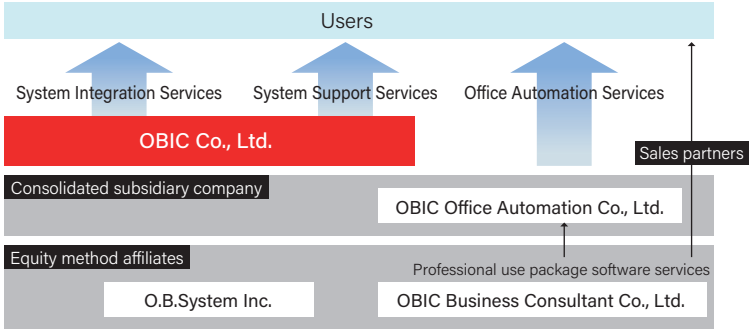
*Net sales and operating income by segment above are results of the fiscal year ended March 2024.

OBIC7 Series

The OBIC7 series is a component-based ERP product that integrates information systems, such as those for personnel, payroll, management of working conditions, sales and production, with a primary focus on accounting information systems. The product is designed in such a way that by utilizing the advantages of a component-based system developed in-house, it becomes possible to customize it according to the characteristics of customer business types and business formats and maintain integration at an introduction stage. This makes it possible to achieve total optimization in a short time frame, contributing to optimizing investment for the informatization of the entire business group. The OBIC7 series has been installed by many companies since its launch in 1997 and has gained the top market share.



Business Structure



*Since the professional use package software services are carried out by an affiliate company, they are not included in any segment for services.

Business Model

Customer acquisition and marketing

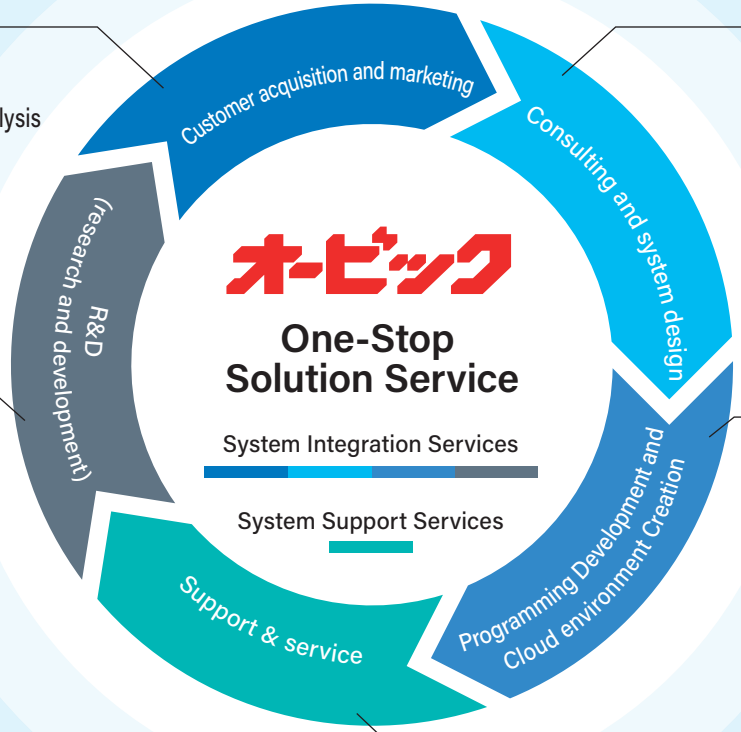
Discovery of strategic customers' needs based on market analysis

While looking into the market from various points of view, such as economic atmosphere, industry trends, and law revision, we strive to discover the needs of new and existing customers in a strategic manner.

R&D (research and development)

Development of new technologies and services to increaseour competitiveness

We will direct our efforts to the development of new technologies and services in order to increase our industry-leading competitiveness in a sustainable manner. Through innovative research and development, we will create the next-generation products and solutions, and provide new value to the market.



Consulting and system design

Proposal of customized solutions and systems design toward solving issues

We propose optimal solutions for customers' issues. We examine specific realization methods utilizing the latest functions or past know-how before designing a system.

Programming Development and Cloud environment Creation

Creation of high-security and high-performance systems utilizing cloud technology

We perform programming based on a design document. We create a high-security and high-performance system usage environment with the OBIC7 Cloud.

Support & service

Full support for smooth system operation and follow-up service after installation

We provide total service that will allow our customers to experience comfortable operation and feel great peace of mind, ranging from operation support and education to outsourcing.

Innovating customers' business with seamless one-stop service

OBIC has remained committed to a user-oriented approach since its foundation in April 1968. Considering things from the customer's viewpoint, OBIC has continuously delivered "the expertise that generates management efficiency"as required by its customers. Such efforts have given rise to the one-stop solution service, a solutions platform that only OBIC can deliver, which has enjoyed a high recognition among customers as a business model unique to OBIC.

Strengths of the OBIC Group

Strength 01 Emphasis on new graduates

OBIC recruits only new graduates as employees. We work to provide the best solutions for customers' business issues by investing considerable time in developing employees' techniques and skills.



"People are the real assets of Osaka Business"
(from a corporate brochure published in 1973)

Strength 02 In-house development and direct sales

We identify ever-changing needs and issues of the market in a timely manner by coming face-to-face with customers, not through sales agents. We constantly provides optimal solutions and achieve business solutions by utilizing our expertise for direct sales and reflecting such expertise in our system development.

Strength 03 Integrated production, sales and service system

Sales and SE staff work closely together to serve customers in an integrated production, sales and service system. Our open and flat organizational structure allows employees to work across boundaries of job categories and job responsibilities, which contributes to their strong solidarity.

Strength 04 Weather-impervious management

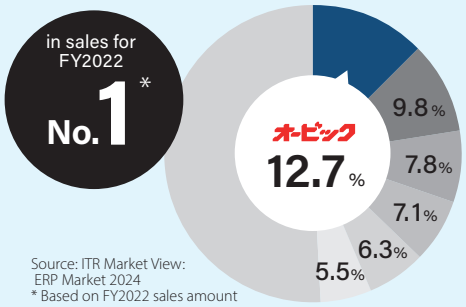
OBIC offers its solutions to all companies. Therefore, we can cover a wide range of customers from every line of businesses and industries, ranging from major enterprises and leading medium-sized enterprises to SMEs in terms of company size. This is why we have been able to establish a strong management foundation unaffected by economic trends.

Strength 05 Cloud business

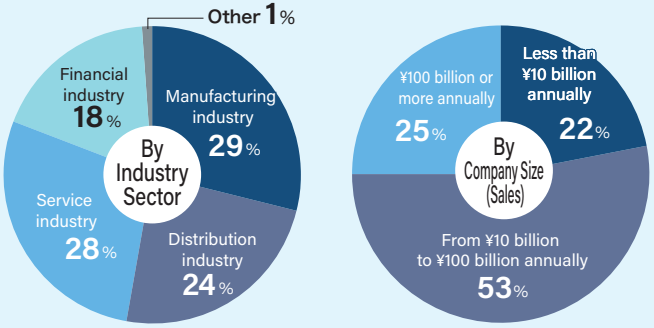
Our private in-house cloud service dramatically reduces customers' maintenance and upgrade work. Ensuring rapid stable operation and advanced security, this cloud service responds to the optimization of work styles and rapid changes in the business environment.

Share of net sales for ERP market

OBIC ranked No. 1 (12.7%) in terms of market share by vendor sales in fiscal 2022 in"ITR Market View: ERP Market 2024," a market research report published by ITR Corporation. In addition, we ranked first in accounting operations (13.6%) and sales operations (18.5%) for market share by business field in fiscal 2022, as well as in various other market shares.



Source: ITR Market View: ERP Market 2024
* Based on FY2022 sales amount

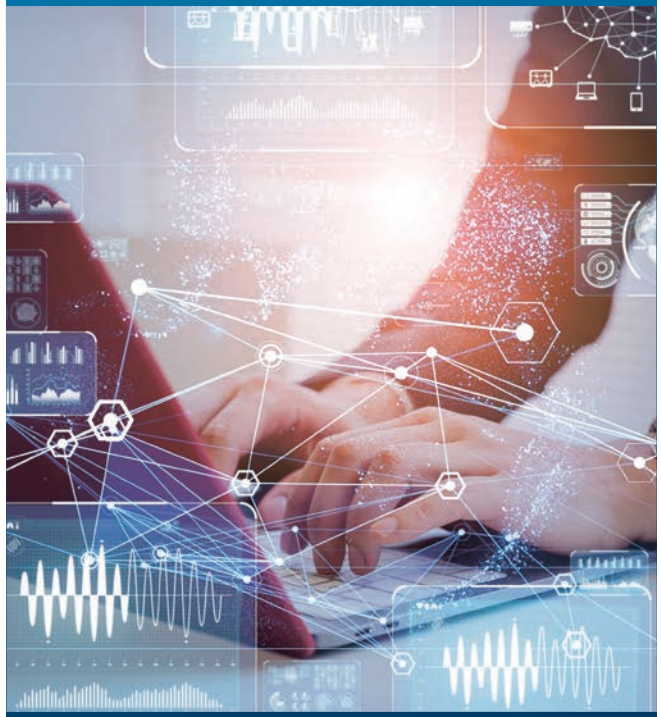


*The graphs show the results of System Integration Services based on net sales. (Fiscal year ended March 31, 2024)

System Integration

System Integration Services

Supporting customers' business reform through the provision of information systems



Characteristics and Strength of the Services

Through our system integration services, we provide business consulting service for corporations, systems design, program development, and installation support, with a primary focus on the OBIC7 series, our flagship comprehensive corporate ERP software products.

OBIC has two major strengths related to these services.

The first is a one-stop solution service. In the system development industry, it is common for a prime contractor to re-entrust services to multiple layers of companies such as subcontractors and sub-sub contractors. However, we perform all steps by our own employees without re-entrusting them, and strive to promote projects smoothly through prompt and appropriate communication with customer companies.

The second is our expertise in various industries and businesses. OBIC has been addressing the functional enhancement of products and services as well as the accumulation of know-how in human resources through doing business with companies in various industries and businesses for more than 50 years since its foundation. In projects of major and leading medium-sized enterprises, which are our main projects, we are required to satisfy various business requirements in line with the business practices of industries and businesses. The OBIC7 series has enjoyed a high reputation among our customers for its ability to cover a wider range of area than competitors' products in its standard conditions as well as for its usability that allows users to reduce the burden of customized development as much as possible while securing the quality and rapid operations, all of which are the product of our years of effort to enhance the functions of the OBIC7 series according to the needs of each industry and business.

Principal products and services



OBIC7 Series



OBIC Cloud Academy

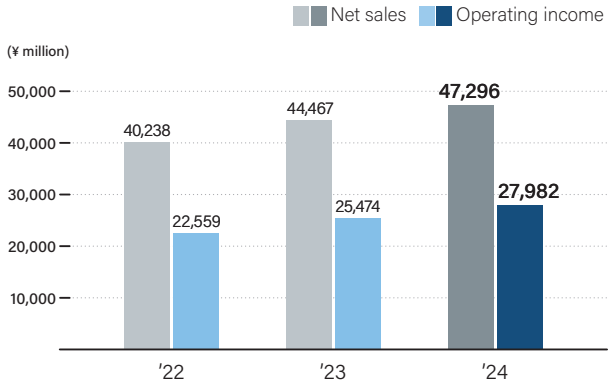
Results and issues in the fiscal year ended March 31, 2024

In this fiscal year, our flagship products, the OBIC7 series of comprehensive corporate ERP software products, were appreciated by companies of various industries and businesses as an ERP system to manage information in an integrated manner. As a general tendency, we promoted the acquisition of new customers among major and leading medium-sized enterprises, as a result of which the sales of system building of the OBIC7 series with high added value remained strong.

We have conventionally promoted the expansion of market share, the accumulation of expertise, and the enhancement of proposal capabilities in the market of leading medium-sized enterprises. In recent years we have also been developing our business in the market of major enterprises. At the OBIC Cloud Academy, our training facility, which we use to introduce the example of system introduction and the effects of their introduction to our client companies according to their business type, we held seminars about how to respond to legal changes including the introduction of the invoice system, lecture meeting for our users, and other events with various contents, which were attended by many visitors.

We will continue to address the expansion of our market share in the market of major enterprises by improving our added-value proposal capabilities and productivity.

Net Sales/Operating Income



System Support

System Support Services

Continuing to support information systems growing with the development of companies into the future



Characteristics and Strength of the Services

Our system support services include operation support after the beginning of system operation, maintenance, the measurement of the effect of system utilization, etc. OBIC has three major strengths related to these services.

The first is reliable operation and quick recovery. Nowadays, there are a lot of client companies using our system in their in-house private cloud environment, which has a higher level of hardware redundancy than a conventional on-premise environment and realizes reliable operation. In addition, since supporting applications and an infrastructure in-house in an integrated manner enables us to clearly identify a cause in case of failure and allows quicker recovery than the case where multiple vendors provide support, which is highly evaluated.

The second is a high level of security. Since our flagship products, the OBIC7 series of comprehensive corporate ERP software products, are core systems that handle highly confidential information assets related to management, they need to satisfy requirements of high-level security. Our OBIC7 Cloud is adopted by large financial institutions with strict security requirements, and has been introduced by many major and leading medium-sized enterprises.

The third is our continuous proposal activities. Our sales and SE staff engage in continuous proposal activities such as by measuring the effect of system utilization even after system installation, through which we work to build lasting relationships with customers.

Principal products and services



Information system operation support



Cloud solutions

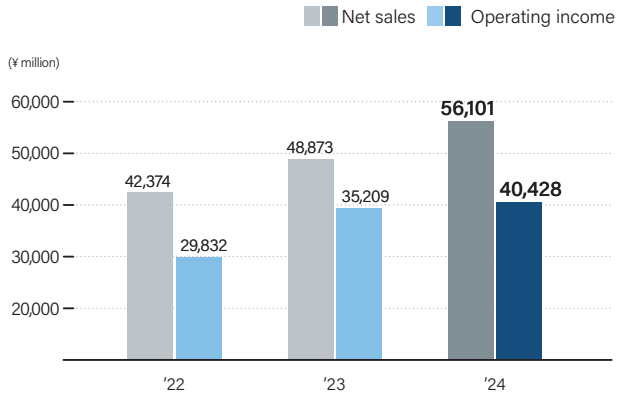
Results and issues in the fiscal year ended March 31, 2024

In this fiscal year, our services for software and hardware operation support, maintenance, etc. showed a favorable trend, with a primary focus on cloud solutions.

OBIC aims to achieve total cloud migration by using the OBIC7 series in fiscal 2025, and cloud introduction ratio has increased by eight points from the beginning of the current fiscal year, rising up to 88%. Since it is not necessary for SE staff to go to client companies for system support, employee productivity is also improving.

In order to continue to respond to high demand from the market of major and leading medium-sized enterprises, we will work on the improvement of the support system and service quality as well as the further enhancement of cloud service by making cloud-related prior investments actively.

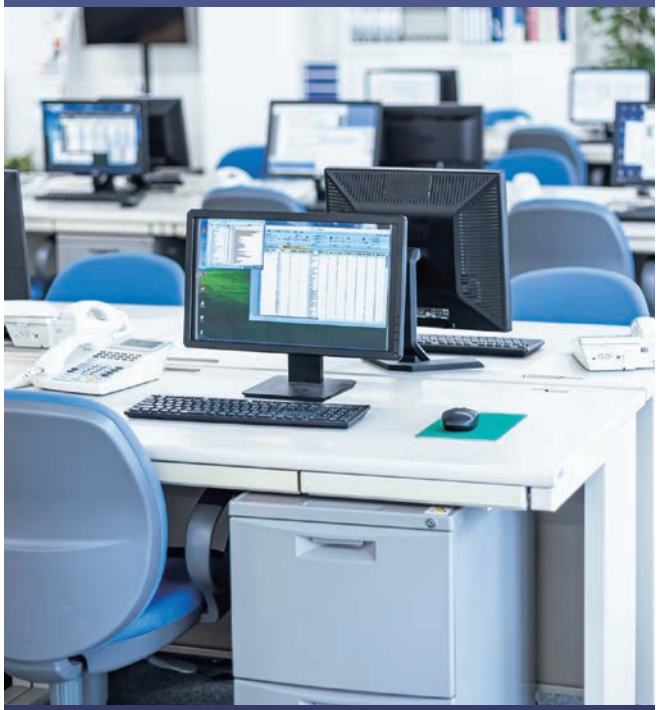
Net Sales/Operating Income



Office Automation

Office Automation Services

Aiming at the creation of ideal office environment and operational improvement



Characteristics and Strength of the Services

Our office automation services include the provision of system hardware to SMEs, and sales of office supplies, office furniture, etc.

OBIC has two major strengths related to these services.

The first is our group-integrated support system. Our flagship products, the Bugyo series of ERP package products for SMEs are ones developed by OBIC Business Consultant Co., Ltd.(OBC), our equity method affiliate company, which are highly evaluated because the OBIC Group can respond to system construction and provide support after installation in an integrated manner.

The second is our total office solution service. We provide adequate solutions to complex issues that can occur in an office such as the improvement of operation efficiency and work environment. We not only select software, hardware, security devices, etc. used in an office, but also propose optimum products and services including related office supplies and office furniture out of the options offered by a wide range of manufacturers. Our know-how that enables to provide such services is highly evaluated by SMEs.

Principal products and services

すべての業務とつながるひろがる
奉行クラウド

Bugyo Series



Hardware, and network and security devices



Office supplies



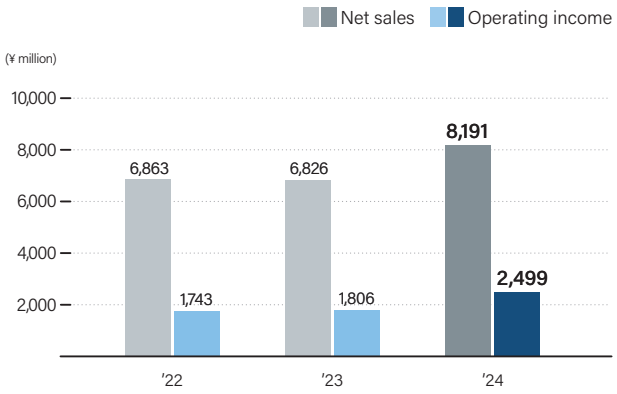
Office design

Results and issues in the fiscal year ended March 31, 2024

This fiscal year, in addition to replacement demand following the expiration of maintenance support service for the old version of the Bugyo series, there was a growing need for digitization including electronic invoices among SMEs, as a result of which the sales of our main professional use package software products remained brisk.

We will continue to address the expansion of the share of the market targeting SMEs by maximizing the synergistic effect of the OBIC Group and promoting the improvement of operation efficiency of SMEs.

Net Sales/Operating Income



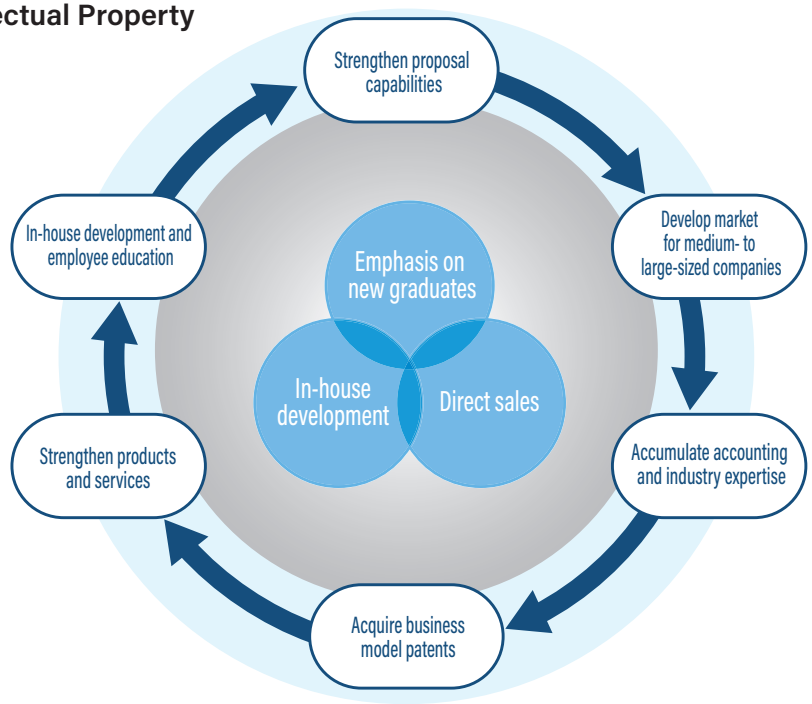
Initiatives to Enhance Intellectual Capital

Patent Strategy

OBIC, which has provided solutions to customers through in-house development and direct sales activities over many years, has accumulated a wealth of expertise of various industries and businesses. To visualize and increase the added value of this expertise leading to differentiation from the competition and bolstering of knowledge intensive business, the Company has been working for over two decades on acquiring business model patents.

Business model patents are patents that are granted for frameworks that utilize systems and other devices to solve business issues. We believe our strength in providing integrated in-house services for customers ranging from consulting to business process improvement proposals, systems design, and support after installation is reflected in the number of these patents that we have acquired.

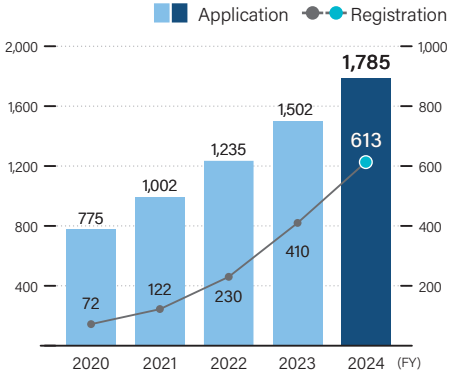
Process for Accumulating Intellectual Property



Patent Acquisition Framework

OBIC's patent strategy emphasizes acquiring patents linked to management strategy. We are working to acquire patents that are valuable to customers by incorporatingthe process of acquiring business model patents within various sales, marketing, anddevelopment strategy processes, such as strengthening products and services in linewith marketing for industries and businesses, and employee education. In addition, our patent acquisition activities extend throughout the entire Companyas we have established an implementation team in each business division, centered onthe Solution Business Division's Intellectual Property Strategy Team headed by thePresident and COO. OBIC has applied for and obtained over 1,800 business model patents in accumulated total as of March 31, 2024, which is a high level for the IT sector. Going forward, we will keep endeavoring to provide services that offer even higher added value and contribute to a sustainable society by actively using patented technology and encouraging constant innovation by employees.

Total Number of Patent Applications and Registrations



External Evaluations

Contributing to SDGs with patented technology

OBIC received a high external assessment of its activities towards a sustainable society from the Japan Patent Information Organization (Japio), ranking 5th in the Japio-SDGs Patent Index Company Ranking* among companies in the information and communications industry category.

WEB Please scan the QR code to visit a reference website.
Japio-SDGs Patent Index Company Ranking

Receives the FY2024 Intellectual Property Achievement Award from the Commissioner of the Japan Patent Office

The Intellectual Property Achievement Awards are presented to companies and individuals who have made effective use of the intellectual property rights system and contributed to its smooth operation and development by the Patent Office under the Economy, Trade and Industry Ministry. This time, OBIC was highly evaluated as a good-standing company utilizing the intellectual property rights system for its intellectual property-related activities in the field of patents.

WEB Please scan the QR code to visit a reference website.
FY2024 Intellectual Property Achievement Award

Initiatives for Human Resources

Under the Company's management philosophy of "Company growth starts with employee growth" and "Innovation –Destruction and Creation–," we strives to address the recruitment and development of human resources and the creation of pleasant working environment.



Creation and Development of Human Resources

Since its foundation, OBIC has emphasized the view that company growth starts with employee growth. By taking the time to really cultivate the attributes of new graduate employees from medium- to long-term perspectives without being restrained by stereotypical frameworks such as membership-type and job-type employment models, we are working to bolster our organizational capabilities by fostering our corporate culture, while enhancing individual employees' expertise.

Priority Issues and Priority Measures

Priority Issues

- Securing and training human resources
- Ensuring diversity through employee growth
- Realization of employee work-life balance

Priority Measures

- Active recruitment of new graduates
- Promotion of the development of digital human resources
- Development of next-generation executive managers
- Creation of a system that enables everyone to work with vigor and enthusiasm
- Implementation of employee engagement surveys
- Initiatives for Health and Productivity Management

Recruitment and Training

Securing and training human resources

Acquisition and development of new graduates
(target for the fiscal year ending March 31, 2025)

Number of new graduate employees
165

Development of diverse core personnel

Active appointment of women in managerial positions
(target for the fiscal year ending March 31, 2028)

Ratio of women in managerial posts
15 % or more

VISION
Company growth starts with employee growth
Innovation
–Destruction and Creation–

Creation of a pleasant working environment

Promotion of flexible work style

Support for balance of work and childcare
(target for the fiscal year ending March 31, 2028)

Acquisition ratio of male employees taking childcare leave
100 %

Improvement of employee engagement and promotion of health and productivity management

Creation of an environment where employees can work with good health
(target for the fiscal year ending March 31, 2028)

Paid leave acquisition rate
100 %

Securing and training human resources

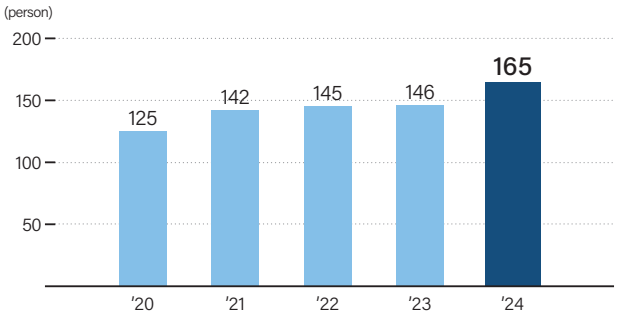
Emphasis on new graduates

OBIC recruits only new graduates as employees. Believing that employees' ability to make proposals, communication skills, and other human skills are crucial to exploring and finding the best solutions for customers' business issues, we invest considerable time in developing such human resources. Being strongly committed to recruiting new graduates as employees, OBIC fosters such new graduates from the very beginning of their professional careers, and works to rigorously develop and motivate human resources.

What We Are Looking for in Employees

Guided by our philosophy of "contributing to the growth of Japan's economy and society," we wish to contribute to corporate and social development by solving our corporate clients' management issues and contributing to sustainable growth. To continue to address the diverse array of issues faced by our customers as their management partners, we believe it is important to have unconventional flexibility and playful ideas as well as a drive to contribute to society without being bound by precedents or past successes. Those are the ideal characteristics of people we are looking to hire.

Change in the number of new graduate employees



Education System

At the new employee training, participants learn about basic conduct including compliance and business manners, as well as basic knowledge on our business models at the common training for all new employees regardless of their job type. Then, they go to the next step and get training according to their job type, where they acquire knowledge necessary to individual job. We provide employee education based on our self-sufficiency policy, and we hold about six-month group training session for new employees, where about 200 employees serve as instructors and pass on OBIC's unique knowledge and know-how to new employees.

After assigning them to individual departments, we richly provide training programs and programs to support certification acquisition that will help them improve capabilities to young employees, middle-level employee, and senior business executives according to their characteristics. Such programs include ones related to basic business skills, specialist skills, and OBIC's unique expertise.

In addition, we provide training programs to acquire skills necessary for management level employees to middle- and higher-ranked employees to promote the development of next-generation executive managers.

Training Flowchart

New employees → **Younger employees** → **Middle-level employees and senior business executives**

New-employee training

Introduction and common
- Basic conduct
- Compliance
- Business manners
- Communication
- Business documents
- Understanding of OBIC
- Introduction to marketing
- Basics of security
- Understanding of business models
- Understanding of operating process
- Financial analysis
- Basics of infrastructure, etc.

Sales-related
- Basics of solution proposal
- Practice of marketing
- Understanding of in-house products
- Demonstrations, etc.

System-related
- Programming
- Data base
- Development process
- Quality control, etc

Management-related
- Cross-departmental OJT
- Execution of actual business practices

Phase1-1 Basic business skills
- Documentation
- Communication to understand each other
- Presentation
- Facilitation
- Logical thinking, etc

Phase1-2 Skills necessary for management level employees
- Follow-up training for new managerial staff
- Coaching
- Leadership, etc.

Phase2 Specialist skills
- IT skills
- Industry and business skills
- Financial analysis and bookkeeping skills
- Methodology
- Project management
- Acquisition of professional qualifications
- Information security, etc.

Phase3 OBIC's unique know-how
- Presentations on management objectives
- Meetings to study in-house products
- WGs for operational improvement
- Meetings to share case studies and exchange information
- WGs by industry and operation, etc.

Development of diverse core personnel

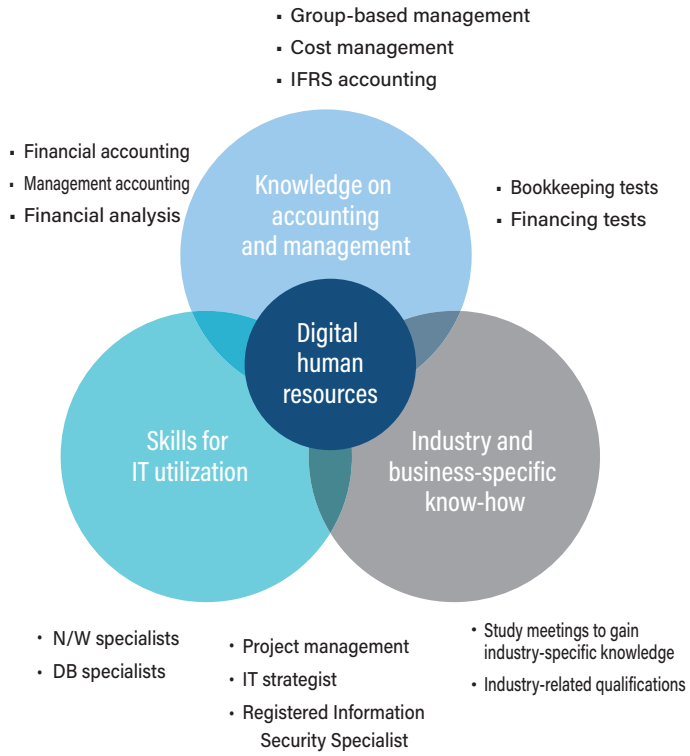
Promotion of the development of digital human resources

–Programs for improving basic business skills and specialist skills–

To support our customers' sustainable growth, it is necessary to develop digital human resources who have knowledge on accounting and management, extensive knowledge on business operations, and industry-specific know-how, in addition to skills for IT utilization. Under our robust education and training system, all employees work to improve a diverse range of knowledge and skills in accounting and other areas, regardless of their type of job.

As for training formats, we offer online training tailored to various areas of study and participants, in addition to in-person training, so that all sorts of employees can work to improve their abilities in a flexible manner without limiting themselves to their working styles. We also support employees' learning by providing assistance for obtaining certifications, paying certification allowances, and working on online education.

Moreover, all employees participate in presentations on management objectives that have been held since our founding, in addition to other seminars, which leads to the creation of innovations every year.



人的資本経営品質2023

OBIC was selected for Human Capital Management Quality 2023 (GOLD) as a good-standing company working on human capital management and information disclosure.

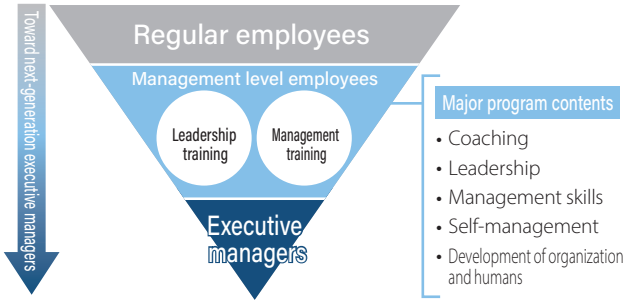
Going forward, as a leading company for its approach to human capital management and information disclosure, OBIC will continue to address sustainable corporate growth by achieving a good balance between the improvement of individual employees' expertise and the enhancement of organizational capabilities by fostering our corporate culture.

Development of next-generation executive managers

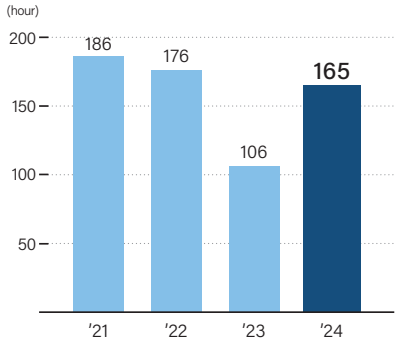
–Upskilling programs for management level employees–

OBIC provides opportunities for learning leadership skills, coaching skills, etc. through various training programs for management level employees and those ranked higher, working to develop next-generation executive managers who will support employees.

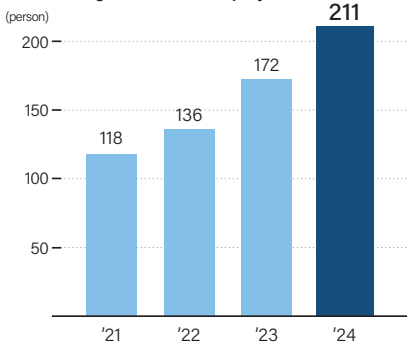
At the same time, in an effort to increase the diversity of core personnel, we actively promote the appointment to managerial positions focusing on the management abilities and attributes of individual employees. Going forward, with the aim of achieving a ratio of women in managerial posts of 15% or more, we will work to continually provide growth opportunities to employees.



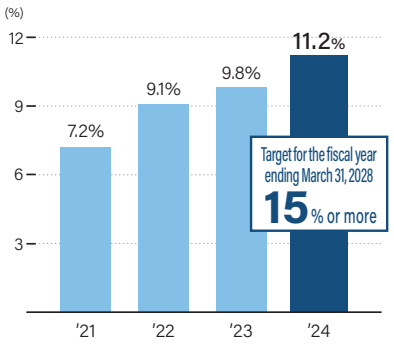
Average training hours per employee



Number of participants in upskilling programs for management level employees



Ratio of women in managerial posts



Promotion of flexible work style

Creation of a system that enables everyone to work with vigor and enthusiasm

We believe that individual employee growth combined with greater diversity creates a synergistic effect. To that end, we encourage employees to hone their respective skills and know-how and build on their individuality in an open corporate culture that emphasizes communication.

In addition, we promote flexible work styles so that all employees in various circumstances can use their abilities to the fullest, and have successful long-term careers. For instance, we offer paid holidays that can be used in one-hour increments, shortened working hours for employees raising children until their children finish the sixth grade of elementary school, staggered working hours, and working from home.

Most recently, we have set a target of achieving a childcare leave acquisition ratio of 100% for male employees as one of the indicators. We will continue to work to increase growth opportunities for employees.

Major initiatives

- Paid holidays that can be used in one-hour increments
- Shortened working hours (available to employees raising children until their children finish the sixth grade of elementary school)
- Introduction of a staggered shift system
- Introduction of telework
- Acquisition of male employees taking childcare leave, etc.



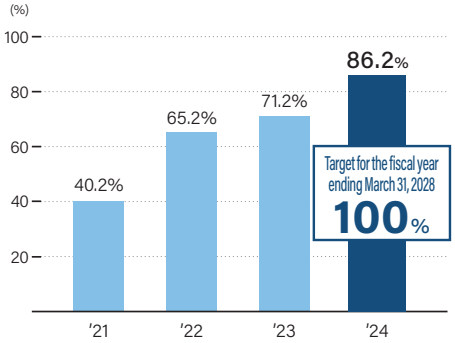
Platinum Kurumin certification

Platinum Kurumin certification is granted from the Minister of Health, Labour and Welfare to companies that have implemented initiatives at a particularly high level among the companies that have formulated and submitted action plans based on the Act on Advancement of Measures to Support Raising Next-Generation Children and received Kurumin certification as companies supporting childcare and satisfying certain requirements.

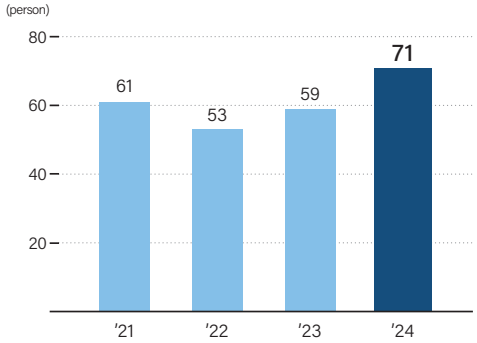
This time, Platinum Kurumin certification was given to OBIC in recognition of the ratio of female employees' returning to work, their retention rate after maternity leave and childcare leave, and the acquisition ratio of male employees taking childcare leave satisfying accreditation criteria as well as its various initiatives for supporting the career development of employees rearing children.



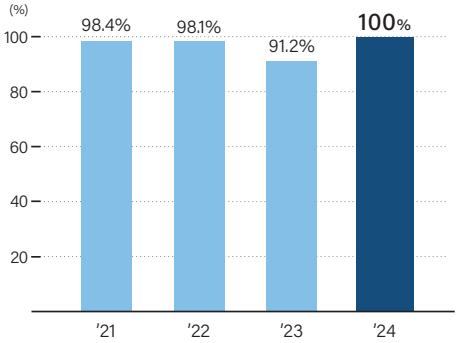
Acquisition Ratio of Male Employees Taking Childcare Leave



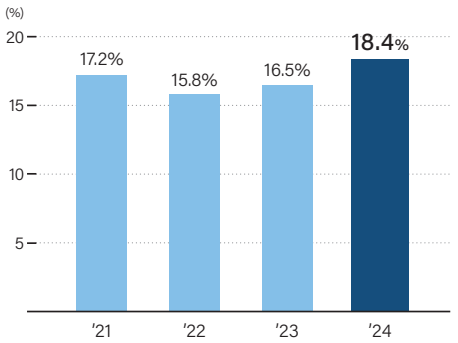
Number of Employees Acquiring Childcare Leave



Ratio of Employees Returning to Work after Childcare Leave



Ratio of Employees Using the Shorter Work Hour System



*The ratio of employees using the shorter work hour system is calculated for female employees only.

Improvement of employee engagement and promotion of health and productivity management

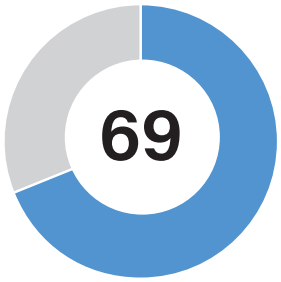
Implementation of employee engagement surveys

In efforts to visualize the status of organizations and individuals and foster the climate to promote organizational activation by all employees, we implement employee engagement surveys. In a survey, we adopt "wevox," an engagement measurement tool provided by Atrae, Inc., and have implemented measurement survey on OBIC's all employees once a week since January 2024.

The results of organization-based engagement score are made available to employees on the portal website of wevox, which are used for the planning and formulation of activities, and individual personnel management services toward the improvement of employee engagement within a workplace.

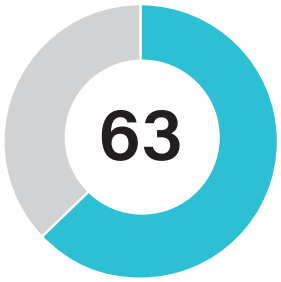
Going forward, by continuously monitoring weekly score results, we will work to establish a system that can grasp the conditions of organizations and individuals promptly, and properly carry out the management of human resources and organizations.

Overall score of OBIC



Average score of SIers and commissioned development companies

*Reference data on other companies



*As of April 2024

*The score is calculated for the regular and contract employees of OBIC alone (non-consolidated).

Initiatives toward the improvement of employee engagement

Christmas cakes

It has been our annual event to give a whole Christmas cake to all employees at Christmas to express our continuing gratitude.



OBIC Family Sports Festival

We hold the OBIC Family Sports Festival participated by employees and their family members every year throughout Japan.



One-on-one meetings

Employees have interviews with their supervisors several times a year, in which the achievement of individual employees' activity targets they set at the start of the fiscal year is confirmed, and that information is utilized in assigning the right people to the right jobs.

Feedback system

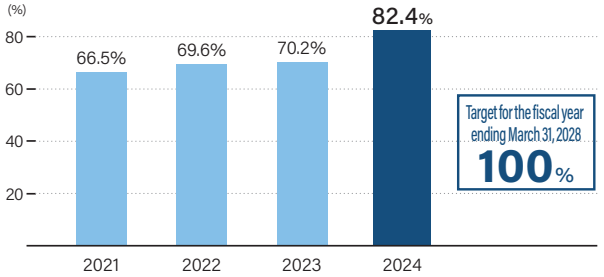
This system allows employees to obtain feedback not only from members in the same workplace or their project members but also from those in other departments who are related to them in work, through which we aim to accelerates our employees' growth and improve their motivation.

Initiatives for Health and Productivity Management

We have worked hard to maintain and improve the health of our employees based on the principle of family (an emphasis on new graduates) which we have cultivated since the early days of our foundation in 1968. We are considering and implementing cross-organizational measures extending from main departments to the work-life balance promotion team, centered on our goal of creating environments where employees can work with good health and grow.

As indicators of health and productivity management, we established a paid leave acquisition ratio of 100%, and have been seeing improvements every fiscal year through the encouragement of periodically taking leave and the introduction of a cool-down break. In recognition of these initiatives, we have been continually certified as a Health & Productivity Management Outstanding Organization since 2021.

Paid Leave Acquisition Rate per Employee



2024 健康経営優良法人 Health and productivity

OBIC was designated as a "Health & Productivity Management Outstanding Organization 2024" by the Ministry of Economy, Trade and Industry and the Nippon Kenko Kaigi. Based on the belief that employees constantly innovating and fully leveraging their abilities ends up supporting customers' sustainable growth, OBIC will continue striving to create environments where employees can work with good health and grow.

Initiatives for Society

Taking responsibility as a company that supplies IT services that have become an integral part of social infrastructure, we will provide services that guarantee a high level of information security and product quality.



Initiatives for Security

Responsibility for Information Security

OBIC provides comprehensive integration services to conduct system analysis and consultation for client companies as well as system support services for hardware maintenance and system operations We recognize that the information assets of customers and the Company to be handled by us in the course of these services are a critical component of our management foundation. To protect these information assets from various security risks, we have established a basic policy, and implement and promote it.

WEB Please scan the QR code to visit a reference website.
Information Security Basic Policy

ISO/IEC27001(ISMS)

We recognize that the information assets of both the Company and the customers that we serve are a critical component of our management foundation.

We hold information security seminars for all employees several times a year and work to improve employees' knowledge about security. In addition, to protect these information assets from various security risks, we acquired Information Security Management System (ISMS) certification in 2007, and have since then expanded the scope of acquisition. Furthermore, an audit is conducted each year by an independent third party for obtaining and maintaining ISMS certification.

We have secured appropriate measures against risks involving information security under the director in charge of information security.

QUALITY ASSURANCE JIC REGISTERED ORGANIZATION No.I152-ISO/IEC 27001

ISMS-AC ISMS ISR002

Scope of registration

System analysis, design, development, maintenance, operation, and services ordered by customers, design and development of integrated package software, and installation and support services, incorporated business units (Tokyo Headquarters, Tokyo Headquarters Kyobashi Edogrand, Osaka Headquarters, Yokohama Branch, Nagoya Branch, Kyoto Branch, Fukuoka Branch, and East Japan Data Center No. 2)

Development of Security Human Resources

We are also concentrating on measures to combat the recent surge in cyberattacks. We have established a dedicated security team in-house, drawn up security rules, and monitor quality. In addition, we enlist several external firms specializing in security to perform periodic vulnerability assessments, and OBIC7 and our cloud services are highly commended.

To develop security personnel, we encourage employees to acquire the national cybersecurity certification of Registered Information Security Specialist. At present, between 10 and 20 of our employees are registered as holding this certification and keeping it up to date.

We will spare no effort in ensuring security so that customers will feel comfortable entrusting us with installing and operating their systems.



Registered Information Security Specialist

Policy on Personal Information Protection

We deeply understand that it is our social responsibility as a company to appropriately handle our clients' personal information, and work to protect personal information based on the personal information protection policy we have established.

WEB Please scan the QR code to visit a reference website.
Policy on Personal Information Protection

Initiatives for Products and Service

Quality Responsibility

OBIC believes that providing high-quality products and services is crucial for achieving rapid installation and reliable operation. We have set a target of increasing the number of employees who have obtained a qualification for the basic level of SE to about 10% of all employees for the next couple of years by selecting leaders for quality improvement and the enhancement of development efficiency mainly from among persons with qualifications to hold study meetings conducted by such selected members. In addition, by considering the development of an in-house recognition system to promote qualification acquisition as well as utilizing technological capability for software tests in the entire project, we will address continuous initiatives aiming to realize early system startup and reliable operations at a high level of quality.

SOC1 and SOC2 Type 2 Report

We have obtained SOC1 Type 2 Report on internal controls related to contracted business in compliance with the U.S. standard AT-C Section 320 (SSAE No. 18) as well as SOC2 Type 2 Report on internal controls related to Trust service standards (among security standards) in compliance with the U.S. standards AT-C Section 105 and AT-C Section 205 (SSAE No. 18) and SOC2 Trust Service Criteria (Security).

OBIC is capable of providing highly transparent and highly trustworthy cloud services to its client companies, along with reducing the burden of audits of financial statements, audits of internal controls and other such processes, and has received objective evaluations of its response to information security risks.

OBIC Cloud Academy, a Training Facility for Customers

The OBIC Cloud Academy serves as a venue for concentrated testing by our customers and meetings to explain operations, as well as for planning the rollout of solutions in dedicated cloud service environments prepared for each customer. The OBIC Cloud Academy is available at all of the Company's bases across Japan, and we are considering various ways to use it as part of our services to assist customers' business continuation.



OBIC Cloud Academy

Cloud Services

All of the many solutions provided by OBIC are available as cloud services. We build dedicated environments for each customer in our in-house cloud center, which dramatically reduces their maintenance and upgrade work, while ensuring advanced security and rapid deployment of reliable operations. Our cloud services help our corporate customers optimize their groupwide operations, organizations and work styles by strengthening internal controls and enabling remote work. We also promptly respond to rapid changes in the business environment.



Cloud center

First ERP Vendor in the Country! Certified as JSTQB "Platinum Partner"

OBIC recognizes that providing high-quality products and services is important to achieve rapid installation and reliable operation. To realize high quality through the improvement of technological capability for software tests, we encourage employees to study for the JSTQB software testing qualification, and have acquired certification as a Platinum Partner, the highest rank in Japan.

ISTQB Platinum Partner
International Software Testing Qualifications Board

About the JSTQB Partner Program

JSTQB is an organization that awards certification to individuals demonstrating basic software testing knowledge and testing abilities that are appropriate for actual business operations. It holds exams for basic and advanced level qualifications and designates partners based on the number of employees at the partner organization who hold these qualifications.

Initiatives to Support Sports and Culture

OBIC Seagulls

American football requires level-headed insight, in-depth strategy and team-oriented tactics. These attributes have a lot in common with OBIC's approach to business, which involves working closely together with companies to help transform their businesses through information systems. OBIC has sponsored the OBIC Seagulls since 2003.The team is part of the National Football Association (commonly known as the X League) and won the American Football Japan Championship, Rice Bowl 74, in 2021, achieving the feat of winning for the eighth time overall.

The OBIC Seagulls are based in Narashino, Chiba Prefecture, and interact with the community and conduct activities to popularize American football. The team strives to contribute to society through sports through continuous participation in various events such as putting on performances at a community marathon and teaching elementary and junior high school students about the fun of American football in sports classes. Going forward, the team continues to be grateful to all for their support and will continue striving to be loved by many people.



In 2021, won the top league championship for the eighth time, and first time in seven years



A community interaction marathon with Seagulls players



Community interaction with Seagulls players

OBIC Special Concerts

OBIC has held the "OBIC Special Concert" series every year in Tokyo, Nagoya, Osaka and Fukuoka since the first concert was held in 1999. It is a popular series of concerts featuring accessible and authentic classical music. Fabulous performances are given by a first-rate orchestra under the passionate direction of Mr. Ken-Ichiro Kobayashi, who is known as a "fiery maestro." Concert halls are filled to capacity with audiences who are captivated by these musical performances.



OBIC Special Concert 2024 ©Taira Tairadate



Mr. Ken-Ichiro Kobayashi

Golf (Professional Golfer Isao Aoki at Mobara Country Club)

OBIC has long sought to help promote the sport of golf in various ways through Japanese professional golfer Isao Aoki. Since signing an agreement to appear in an OBIC TV commercial in 1982, Mr. Aoki has served as the public face for OBIC while continuing to lead an impressive career on the golf course. Mr. Aoki was inducted into the World Golf Hall of Fame in 2004, and was awarded the Order of the Rising Sun, Gold Rays with Rosette in 2015.



Mobara Country Club



Club pro Isao Aoki

Initiatives for Environment

OBIC recognizes the gravity of its social responsibility to conduct its operations in an environmentally friendly manner. Accordingly, OBIC will drive innovation in various technologies and improve management efficiency to help realize a society balancing environmental preservation and sustainable corporate growth.



Information Disclosure Based on the TCFD Recommendations

TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

Governance

We have established the Sustainability Promotion Committee that works under the direct supervision of the President and COO. The President and COO has also been designated as the person ultimately responsible for climate-related issues and receives daily reports from committee members regarding changes in the external environment and other issues concerning climate change, progress made on meeting the Company's targets, and proposals for new initiatives. If necessary, these reports and other information are shared with the Board of Directors and other relevant parties.

Strategy

1.Risks

Risks	Transition	Regulatory	Increase in the cost of business due to the introduction of new environmental regulations, such as carbon taxes
		Legal	Litigation and halts in operation due to serious violations of environmental laws and regulations, etc.
		Reputational	Damage to the Company's reputation due to an inability to conform to greenhouse gas emission regulations or the like
	Physical risks		Impact on business operations or damage to Company facilities, etc. due to a major natural disaster caused by climate change

2.Opportunities

Opportunities	Products and services	Increased demand for services through cloud centers that offer advanced environmental performance due to a growing need to reduce greenhouse gas emissions
	Resource efficiency	Reductions in operational costs accompanying more efficient use of energy, such as electricity
	Resilience	Increased demand for secure cloud centers that ensure business continuityin the event of a major natural disaster

3.Policy for Reduction of Greenhouse Gas Emissions

We recognize risks and opportunities in climate change, which are reflected in our policy to reduce greenhouse gas emissions and in our initiatives. With view to reducing the environmental impact of our Tokyo headquarters, we promoted a change to LED lighting for the entire building and a conversion to energy saving facilities, which have helped to reduce annual electricity consumption. Going forward, we will also gradually convert the electricity plans at offices in each location to the ones using renewable energy, thereby reducing CO_2 emissions on a continual basis.

Risks and Management

We conduct risk management through a committee and a risk management system. Each quarter, relevant departments compile climate-related data at the committee's request and this information is used by committee members for monitoring purposes, including to confirm the state of progress, conduct analysis, and identify issues. This ensures the continuous monitoring and management of risk.

Indicators and Targets

We have set the targets below for cutting greenhouse gas emissions (Scope 1 + 2*).

◆2030
50% reduction in emissions compared to fiscal 2017

◆2050
100% reduction in emissions compared to fiscal 2017

* Scope 1: Direct emissions from fuel consumption at Company facilities
Scope 2: Indirect emissions from the use of electricity and heat at Company facilities

Climate Change Initiatives

Action Guidelines for Climate Change

1. We recognize the finite nature of resources and energy and strive to use them effectively.
2. We sufficiently consider the conservation and protection of the natural environment and biodiversity.
3. We strive to reduce environmental impact by providing cloud services to customers.
4. We promote work styles that do not require employees to commute or travel, such as working from home.
5. We act in compliance with environmental laws and regulations, regional ordinances and conventions, and agreements with stakeholders.
6. We work to improve environmental performance by building and operating an environmental management system, regularly evaluating the progress made on achieving targets, and continuously making improvements.

Environmental Targets

Effective use of the Company's environmental resources	Reduce CO_2 emissions (reduce by 10% vs previous fiscal year)
	Reduce CO_2 emissions per unit of net sales (reduce by 20% vs previous fiscal year)
	Reduce waste per employee (reduce by 5% vs previous fiscal year)
Enhance management resource efficiency at partner companies and safeguard business continuity	Provide cloud services (cloud utilization rate of at least 90%)
Provide flexible and diverse workplace environments	Develop remote working environments (environment completion rate: 100%)
Legal compliance	Comply with environmental laws and regulations (zero violations)

Environmental Performance Data

	Data item	Unit	2018/3 Base year	2019/3	2020/3	2021/3	2022/3	2023/3	2024/3 Latest reporting year	2024/3 Reduction rate (vs base year)	2030/3 Reduction rate target (vs base year)	2050/3 Reduction rate target (vs base year)
Fuel consumption	Kerosene	ℓ	38,700	36,600	36,200	0	0	30,040	38,240			
	Diesel	kL	0.06	0.16	0.05	0.08	0.06	0.05	0.06			
	LPG	t	1.63	1.67	1.73	0.00	0.00	1.64	1.69			
	City gas	1000 Nm3	93	84	92	75	70	61	54			
Heat consumption (steam, cold water)		GJ	1,081	1,583	1,853	1,839	3,376	2,864	4,041			
Electricity consumption		MWh	4,771	4,695	4,525	4,392	4,175	3,936	3,473			
Water usage*1		m^3	12,791	12,873	13,668	12,177	11,714	11,421	11,771			
Waste	General waste*1	t	119.4	120.8	117.3	96.0	105.2	120.8	77.3			
	General waste recycling rate	%	62.2	64.1	57.4	64.3	66.9	71.6	61.7			
	Industrial waste*1	t	29.0	64.2	29.6	29.6	17.1	22.5	15.5			
	Industrial waste recycling rate	%	100	100	100	100	100	100	100			
Primary energy consumption*2		GJ	54,026	53,441	52,566	48,999	48,779	46,600	38,738	28.3%		
CO_2 emissions	Scope1*3	t-CO_2	307	282	300	166	156	217	218	29.0%		
	Scope2*3	t-CO_2	2,374	2,283	2,157	1,971	1,970	1,469	1,179	50.3%		
	Scope1+2*3	t-CO_2	2,681	2,565	2,457	2,137	2,126	1,686	1,397	47.9%	50%	100%
CO_2 emissions per ¥1 million of net sales(Scope1+2)*4			0.040	0.035	0.031	0.025	0.024	0.017	0.013	68.8%		
Scope3*3		t-CO_2	-	-	-	-	-	20,998	28,323			

*1 Water usage and waste is calculated for the Tokyo headquarters. *2 The amount of energy converted from fossil fuels, nuclear fuels and natural energy such as hydropower and solar power. *3 Scope 1 : Direct emissions from fuel consumption at Company facilities
Scope2 : Indirect emissions from the use of electricity and heat at Company facilities
Scope 3: Indirect emissions from the other sources (supply chain emissions) *4 CO_2emissions ÷ Consolidated net sales (¥ million)

WEB Please scan the QR code to visit a reference website.
Environmental Performance Data

Environmental management system

ISO 14001 Certification

ISO14001 is an international standard for environmental management systems. It provides organizations with a framework for protecting the environment and responding to changing environmental conditions, while striking a balance with socioeconomic needs.

‹Scope› Tokyo Headquarters
‹Services› System analysis, design, development, and maintenance services ordered by customers, design and development of integrated package software, and installation and support services

QUALITY ASSURANCE JIC REGISTERED ORGANIZATION No. E2550 - ISO14001
JAB MS CM002

External Evaluations

Response to CDP Questionnaires

CDP climate change surveys target the world's top companies by market capitalization and investigate factors such as their activities to reduce greenhouse gas emissions and initiatives for mitigating climate change. We responded to the CDP questionnaire for fiscal 2023 and received a A- rating.

CDP DISCLOSER 2023

Third-Party Assurance

We have obtained third-party assurance for CO_2 emissions from JIC Quality Assurance Ltd. (JICQA), an organization for third-party assurance. We will continue to work on highly reliable information disclosure.

Corporate Governance

OBIC recognizes that for the sustainable improvement of corporate value, it is extremely important to enhance business risk management and secure the transparency of corporate management.



System of Directors and Audit & Supervisory Board Members

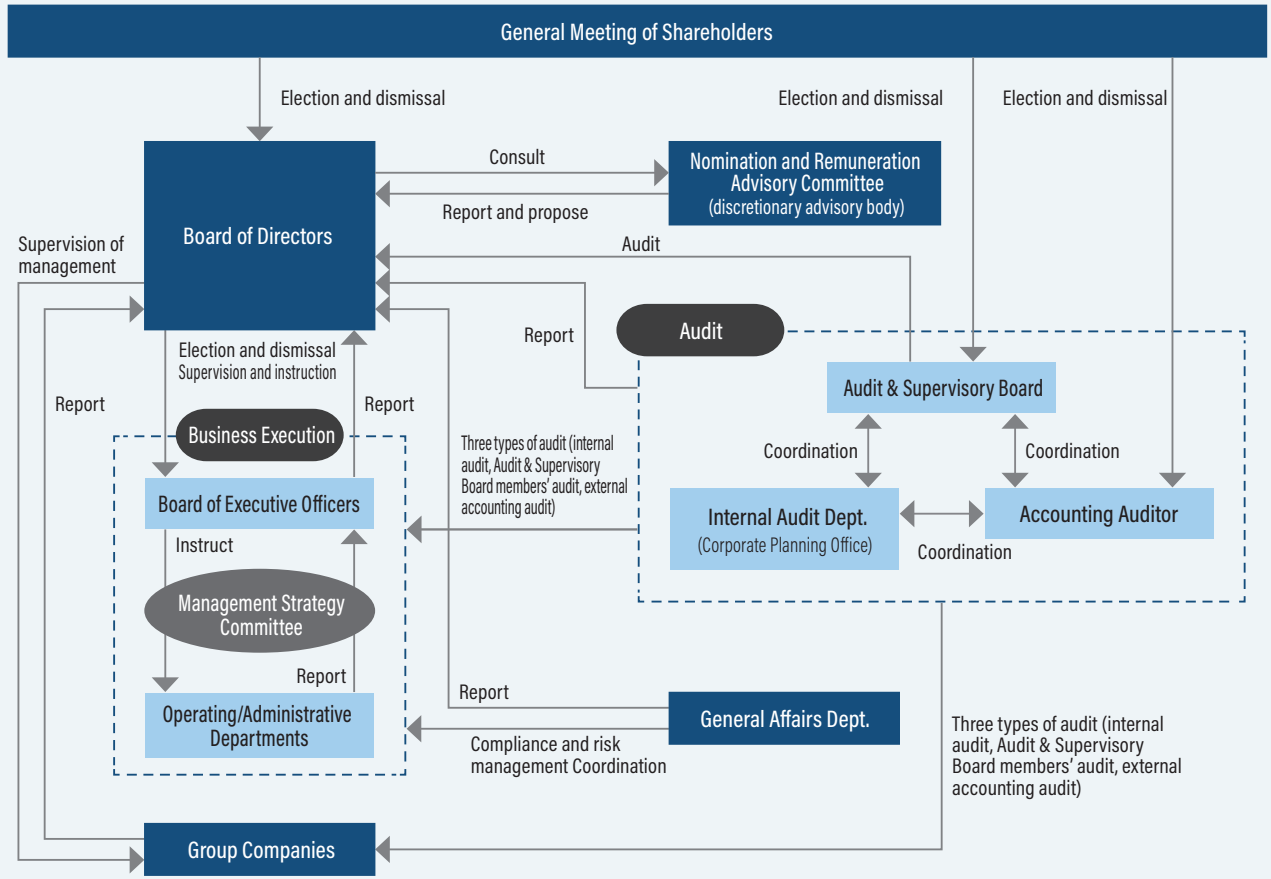
OBIC has built a corporate governance system that enlists the Board of Directors to serve as a managerial decision-making body, while also employing the Audit & Supervisory Board equipped with the managerial audit function, and an Executive Officer system to further strengthen the corporate structure.

The Board of Directors meets regularly once a month to deliberate on all important matters, and also discusses and explores countermeasures with respect to progress achieved in business performance.

The Company has 12 executive officers, who are not directors, in addition to three directors who concurrently serve as executive officers. Adoption of the Executive Officer system has culminated in a framework that separates the managerial decision-making and supervision functions from the business execution functions, which makes it possible to promptly address changes in the business environment. At meetings of the Management Strategy Committee, held on the same day as those of the Board of Directors, the current status of business performance in respective departments is reported, and after deliberation, committee members make decisions on specific measures, etc.

The Audit & Supervisory Board consists of three members including two outside Audit & Supervisory Board members and serves to strengthen the management monitoring function. Its members conduct daily audits, attend important meetings including those of the Board of Directors, and provide advice and recommendations as appropriate. The Audit & Supervisory Board works smoothly, seeking to ensure objectivity and neutrality.

Outline of Corporate Governance Framework



Board of Directors

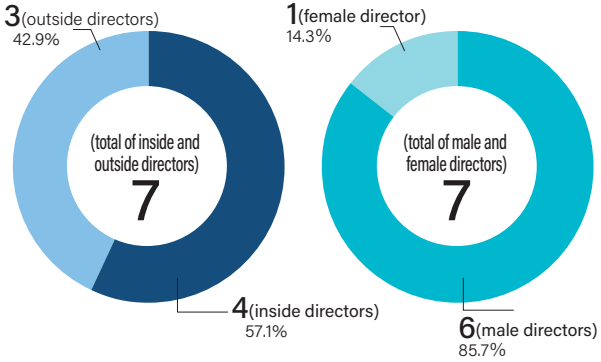
Roles of the Board of Directors

At the beginning of a fiscal year, directors, executive officers, and persons responsible for individual departments have a constructive discussion on management objectives and management plans for the entire Company, and individual business units and departments of that fiscal year, and formulate them.

The Board of Directors receives reports from individuals who execute operations, including executive directors, executive officers, persons responsible for individual departments on the execution status and issues of business operations they are in charge of each quarter, and monitors business conditions. The Board of Directors points out improvements and makes remarks as necessary after examining the reports from the individuals who execute operations. In addition, the Board of Directors makes decisions over matters that are highly important and have an impact on corporate management, in addition to matters stipulated by the Board of Directors regulations as matters to be resolved by the Board of Directors, and those prescribed by laws and regulations, and the articles of incorporation. Also company rules are separately set, and the Board of Directors delegates decision-making authority to management personnel depending on the size and characteristics of transactions and operations.

Composition of the Board of Directors

(As of June 27, 2024)



Nomination and Remuneration Advisory Committee

With the aim of ensuring the sustainable improvement of corporate value and securing business transparency, the Nomination and Remuneration Advisory Committee has been established as a voluntary advisory body of the Board of Directors. This committee functions to improve the transparency and objectivity of the process related to the nomination of directors and candidates for Audit & Supervisory Board members as well as a decision on director remuneration, consisting of one inside director and two outside directors, in which the inside director serves as a chairperson and a president.

Status of the fiscal year ended March 31,2024

Composition	Major roles and authorities
Inside director (chairperson) 2 outside directors	Submission of answers related to the adequacy of agenda items deliberated by the Board of Directors and the results of considerations ● Nomination of directors and candidates for Audit & Supervisory Board members ● Determination of director remuneration

Evaluating the Effectiveness of the Board of Directors

OBIC exchanges opinions about the effectiveness of the Board of Directors through individual consultations with outside officers. The Company held discussions at the Board of Directors based on the results of those consultations, and has determined that the effectiveness of the Board of Directors is largely secure.

Process of evaluation

Step 1 Conducting an interview with a candidate (outside officer)

Step 2 Conducting evaluation at the Board of Directors

Step 3 Analyzing the present status and identified issues

Step 4 Examining the policy to handle the issues

Summaries of the evaluation results

- OBIC's Board of Directors is well balanced and comprised of members who understand the Company's management philosophy and policies and have a wide variety of experiences and knowledge. It aims to carry out appropriate decision-making and supervise the execution of operations.
- Free and active discussion as well as constructive exchange of opinions are conducted by all of the attending directors including outside directors.
- The Nomination and Remuneration Advisory Committee, which is a voluntary advisory body, also receives appropriate advice and proposals from outside directors, and works effectively.

Officer Remuneration

Details of Officer Remuneration

Category	Type of remuneration	Eligibility	Limit
Directors	Basic remuneration (monthly fixed remuneration)	Inside and outside	Capped at ¥1,000 million annually (including no more than ¥90 million for outside directors)
	Bonuses (performance-linked remuneration)	Inside	Up to 0.5% of net income or ¥400 million annually
	Shares with restrictions on transfer	Inside	Up to ¥600 million annually
Audit & Supervisory Board members	Basic remuneration (monthly fixed remuneration)	Inside and outside	Up to ¥30 million annually

Director remuneration is comprised of monetary compensation as basic remuneration (monthly fixed remuneration) and bonuses (performance-linked remuneration), and non-monetary compensation as restricted stock compensation. Bonuses in the form of performance-linked remuneration are paid at a fixed period every year with net income on a non-consolidated basis, which is the ultimate profit from execution of duties to which the directors make direct contributions, as the performance index, thereby increasing the directors' ambition to improve performance.

The rate of performance-linked remuneration is approximately 20 to 30% in the case of standard performance. OBIC's non-consolidated net income for the fiscal year ended March 31, 2024 was ¥53,790 million. Remuneration for Audit & Supervisory Board members is basic remuneration (monthly fixed remuneration) only.

Total Remuneration, etc. for Each Officer Category

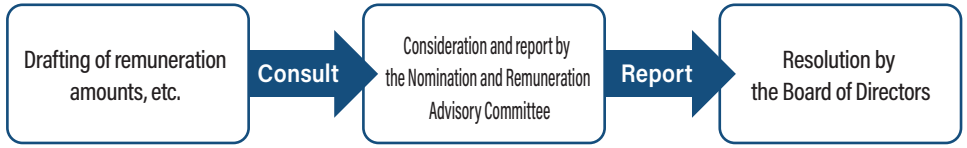
(¥ million)

Category	Total amount of remuneration, etc.	Total amount of remuneration, etc. by type		
		Basic remuneration	Bonuses	Shares with restrictions on transfer
Directors (outside)	988 (45)	671 (45)	216 (—)	100 (—)
Audit & Supervisory Board members (outside)	24 (12)	24 (12)	— (—)	— (—)
Total (outside)	1,012 (57)	695 (57)	216 (—)	100 (—)

Process for Determining Officer Remuneration

Original proposals for the amount of remuneration are drafted based on an additive and subtractive formula within a range determined at the General Meeting of Shareholders after giving consideration to the Company's performance based on remuneration according to position in relation to the status of execution of each executive's duties. Based on the results of an inquiry to the Nomination and Remuneration Advisory Committee, which is a voluntary advisory body in which outside directors make up a majority of the members, a decision is made by the Board of Directors.

Remuneration for Audit & Supervisory Board members is basic remuneration (monthly fixed remuneration) only. The amounts of remuneration for Audit & Supervisory Board members are calculated per discussions among the Audit & Supervisory Board members within the range resolved by the General Meeting of Shareholders.



April 2023	The Nomination and Remuneration Advisory Committee considered details of officer bonuses for the fiscal year ended March 31, 2023, and the individual amounts to be paid for basic remuneration and for the shares with restrictions on transfer plan for directors for the fiscal year ending March 31, 2024. The committee resolved to report to the June 2023 meeting of the Board of Directors on the draft produced as a result of the consideration.
June 2023	A meeting of the Board of Directors following the Ordinary General Meeting of Shareholders received the report from the Nomination and Remuneration Advisory Committee and passed a resolution on the officer bonuses for the fiscal year ended March 31, 2023, and the individual amounts to be paid for basic remuneration and the shares with restrictions on transfer plan for directors in the fiscal year ending March 31, 2024.
March 2024	The Nomination and Remuneration Advisory Committee considered details of officer bonuses for the fiscal year ended March 31, 2024, and the individual amounts to be paid for basic remuneration and for the shares with restrictions on transfer plan for directors for the fiscal year ending March 31, 2025. The committee resolved to finalize the draft sometime after April 2024.
April 2024	The Nomination and Remuneration Advisory Committee considered details of officer bonuses for the fiscal year ended March 31, 2024, and the individual amounts to be paid for basic remuneration and for the shares with restrictions on transfer plan for directors for the fiscal year ending March 31, 2025. The committee resolved to report to the June 2024 meeting of the Board of Directors on the draft produced as a result of the consideration.
June 2024	A meeting of the Board of Directors following the Ordinary General Meeting of Shareholders received the report from the Nomination and Remuneration Advisory Committee and passed a resolution on the officer bonuses for the fiscal year ended March 31, 2024, and the individual amounts to be paid for basic remuneration and the shares with restrictions on transfer plan for directors in the fiscal year ending March 31, 2025.

Introduction of Officers

System of Directors and Audit & Supervisory Board Members

Directors

Chairman and CEO	President and COO (Chairman of the Board of Directors)	Managing Director General Manager of Kansai Business Div.	Director General Manager of Capital Area Business Div.
Masahiro Noda	**Shoichi Tachibana**	**Takao Fujimoto**	**Takeshi Okada**
(Born on August 24, 1938)	(Born on April 26, 1961)	(Born on April 07, 1971)	(Born on July 01, 1981)

Outside Director	Outside Director	Outside Director
Yasumasa Gomi	**Takashi Ejiri**	**Mime Egami**
(Born on February 08, 1943)	(Born on May 16, 1942)	(Born on September 14, 1957)

Audit & Supervisory Board members

Audit & Supervisory Board member(standing)	Audit & Supervisory Board member (part-time)	Audit & Supervisory Board member (part-time)
Akira Koyamachi	**Yasuo Tanaka**	**Shigetsugu Yamada**
(Born on March 04, 1958)	(Born on December 12, 1973)	(Born on July 04, 1974)

Skill Set of System of Directors and Audit & Supervisory Board Members

Name	Business Execution	Skills					
		Corporate management	Innovation ~Destruction and Creation~	Business and industry experience	Accountingand finance	Legal	ESG
Masahiro Noda		●	●	●	●		
Shoichi Tachibana	●	●	●	●	●		●
Takao Fujimoto	●		●	●			
Takeshi Okada	●		●	●			
Yasumasa Gomi (Independent outside)		●			●		●
Takashi Ejiri (Independent outside)						●	●
Mime Egami (Independent outside Female)			●				●
Akira Koyamachi			●	●			
Yasuo Tanaka (Independent outside)						●	●
Shigetsugu Yamada (Independent outside)					●		●

Executive Officers (12) Excludes three directors serving concurrently as executive officers

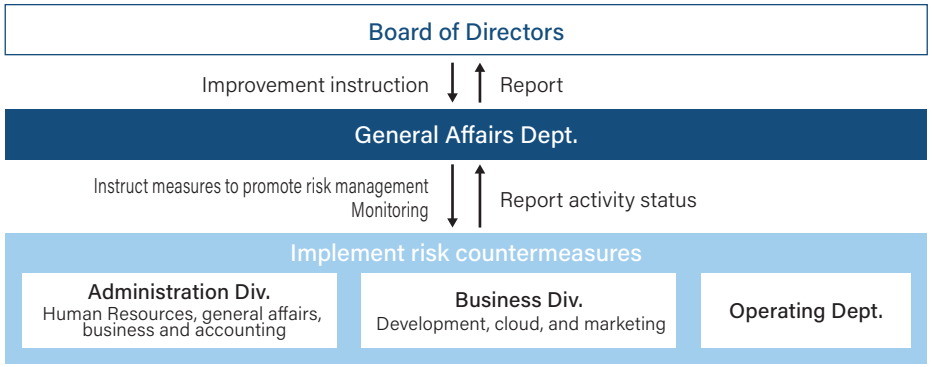
Tomonori Anan	Executive Officer	Administrator of Business Planning Office and Accounting Div.
Kosuke Ishikawa	Executive Officer	Administrator of Human Resources Dept.
Toru Kanasugi	Executive Officer	Administrator of Purchasing Div.
Takashi Omori	Executive Officer	Administrator of Capital Area Business Dept. 1 and Business Dept. 2 and Administrator of System Dept.
Tetsuji Yamagishi	Executive Officer	Administrator of Capital Area Business Dept. 1 and Business Dept. 2 and Administrator of Sales Dept.
Shinichi Furuya	Executive Officer	Administrator of Capital Area Business Dept. 3, Business Dept. 4 and Business Dept. 5 and Administrator of System Dept.
Masakazu Hirose	Executive Officer	Administrator of Capital Area Business Dept. 3, Business Dept. 4 and Business Dept. 5 and Administrator of Sales Dept.
Keigo Fujihata	Executive Officer	Deputy General Manager of Kansai Business Div. and Administrator of System Dept.
Yosuke Matsuno	Executive Officer	Deputy General Manager of Kansai Business Div. and Administrator of Sales Dept.
Yuta Hanada	Executive Officer	General Manager of Chubu Nagoya Business Div.
Tomoyuki Kajiura	Executive Officer	Administrator of Sales Promotion Div., Solutions Business Div.
Fumio Fukushima	Executive Officer	Administrator of Marketing Promotion Div., Solutions Business Div.

Risk Management

Risk Management System

Under a risk management system, review of risks is regularly conducted, and in this system, the General Affairs Dept. plays a key role in exercising overall control throughout the entire Company, and ensuring rigorous compliance in business as a whole, as well as working to prevent risks and ensure prompt response on the occurrence of risks.

Organizational Chart of Risk Management System



Countermeasures for Priority Risks in FY2024

Risks	Countermeasures
Technology innovation and research & development	Strives to engage in research and development activities related to the latest technology trends in a wide range of fields, including network technology and communications technology, verification of new hardware products or verification of software and middleware.
Loss of human resources and expertise	Spends significant time and money each year on securing and developing talented human resources and working to develop human resources with strong future potential.
Information Security	Strives to strengthen and ensure customer data management and to prevent leaks by establishing information management rules, ensuring that all employees are made aware of these through training, and strengthening security of software and infrastructure.
Environmental and climate change	Strives to implement business continuity plan measures, such as setting up a teleworking environment for employees and establishing duplicate cloud computing center sites. Furthermore, by concentrating our cloud computing centers with advanced environmental performance, we are working to reduce greenhouse gas emissions of OBIC and customer companies.

Compliance

To enhance credibility from society, OBIC has formulated various policies concerning the observance of ethics, laws and regulations, etc., while ensuring rigorous compliance in business as a whole, as well as working to prevent risks and ensure prompt response on the occurrence of risks.

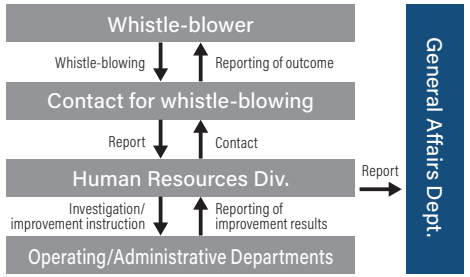
● Three policies



● Internal reporting system

OBIC has established an internal reporting system for the early detection of compliance violations, and correction and prevention thereof. There are two reporting routes,inside Compliance Counselling Counter and outside attorneys, with whom whistleblowers can contact via a number of ways, such as telephone calls, regular mail, e-mails. (anonymous acceptable in both cases)

For the proper operation of the system, we have set company rules to protect the privacy of whistle-blowers and people involved and the confidentiality of reported information, as well as to ensure that such whistle-blowers will not suffer disadvantages for whistle-blowing, etc.



Compliance Counselling Counter Operational

results for the fiscal year ended March 31, 2024

	Number of consultations
Number of new consultations	3
Number of consultations continuing from the previous fiscal year	0

WEB Please scan the QR code to visit a reference website.
Compliance initiatives

Stakeholder engagement



Basic Approach

OBIC believes that dialogues with various stakeholders such as customers, shareholders and investors, employees, and communities are important for the Company's sustainable growth, and is working to clarify the responsibilities and issues of the OBIC Group through communication and working on daily business activities while striving for improvement.

Going forward, by further deepening dialogue with stakeholders, we will continue to address society's expectations and issues with sincerity and apply what we have learned from such dialogue in the Company's business activities.

Status of Major Activities in FY2023

Stakeholders	Major responsibilities /issues	Contents of activities	Details of contents	Results/indicators
Customers	Development of customer satisfaction, and creation of lasting relationships with customers	Enhancement of interactive communication with customers	*Holding of events for customers : Holding seminars, users meetings, customers social gatherings *Enhancement of customer support system: Enhancement of call center system and improvement of online support	*Improvement of the number of companies visiting events : 27,000 companies *Improvement of customer loyalty : Continued usage rate of 97% or more *Improvement of sales by system support services : Increase by 10% or more
		Improvement of product/service quality	*Market research : Conducting market research to grasp customer needs *Development of products and services: Developing products and services to satisfy customer needs *Quality control : Establishing a quality control system for improving the quality of products and services *Enhancement of follow-up service system : Enhancement of the call center system and improvement of online support	
Shareholders and investors	Securing of the transparency of management information and acquisition of appropriate evaluation	Improvement of the timeliness and quality of information disclosure	*Announcement of quarterly results : Implementation of meetings for the announcement of financial results, and prompt and timely publication of disclosed information *Provision of English version of disclosure documents : Translation of summary of financial results and IR materials into English *IR activities for overseas investors : Conducting personal interviews with overseas investors	*Stable transition of share prices : Improvement of credibility in the market
		Enhancement of personal interviews and briefings	*Personal interviews : Conducting personal interviews with domestic and overseas investor's (150 times or more per year) *Briefing : Conducting financial results briefings (twice per year) *Enhancement of the question-and-answer system : Prompt and polite replies at personal interviews and a question-and-answer session in briefings.	*Establishment of trustful relationships with investors : Promoting interactive communication through personal interviews and briefings *Improvement of understanding and evaluation from the investors: Promoting the understanding of the Company's management strategies and financial situation by politely replying to questions and opinions from investors through personal interviews and briefings.
		Enhancement of IR activities for overseas investors	*Creation of an IR website for overseas investors : Posting IR information in English *Assignment of IR personnel for overseas investors : Responding to inquiries from overseas investors *Information dissemination with overseas media : Responding to requests for interviews with overseas media	*Expansion of interest and investment from overseas investors : Increasing interest and expanding investment from overseas investors through overseas IR activities *Establishment of lasting relationships with overseas investors : Establishing trustful relationships through constant communication with overseas investors
Employees	Improvement of employee satisfaction and development of human resources	Creation of a pleasant working environment Career path support	*Employee engagement: Conducting monitoring on a regular basis (engagement surveys and stress checks) *Events for employees: Holding in-house social gatherings and family sports festivals *Enhancement of training systems: Introduction of e-learning system and enhancement of external training programs *Promotion of diversity: Holding various study meetings including working style sharing meetings	*Reduction of an employee turnover rate *Improvement of employee engagement
Local communities	Contribution to local communities and cooperation with communities	Contribution to the solution of local issues Contribution to community invigoration	*Local contribution activities : Volunteer activities, support for local events, and donation to local organizations *Cooperation with communities : Cooperation with local governments and regional companies *Information dissemination : Information dissemination to communities and interactive communication with local residents	*Improvement of the rate of participation in local contribution activities
Administrative agencies	Compliance with laws and regulations	Compliance with laws and regulations	*Enhancement of the internal auditing system : Establishing an internal audit office to conduct a periodic audit *Collection and analysis of law revision information : Collecting and analyzing law revision information to evaluate the impact of such law revision on the company structure *Prompt response to legal violations : Promptly implementing investigation into the cause, the development of recurrence prevention measures, and the report thereof to related organizations upon the occurrence of legal violations	*Number of legal violations 0 *Publication of corporate governance reports *Positioning compliance with laws and regulations as one of the highest-priority issue in the promotion of company-wide initiatives

Summarized Financial and Non-Financial Data

	Unit	2015/3	2016/3	2017/3	2018/3	2019/3	2020/3	2021/3	2022/3	2023/3	2024/3
Earnings conditions											
Net sales	¥ million	56,344	58,738	61,453	66,814	74,163	80,488	83,862	89,476	100,167	111,590
Gross operating profit	¥ million	35,336	37,514	39,839	44,517	50,941	56,328	60,840	67,958	77,224	86,428
Selling expense and general administrative expenses	¥ million	11,051	11,405	11,989	12,192	13,002	13,090	12,762	13,822	14,734	15,518
Operating income	¥ million	24,285	26,108	27,850	32,325	37,939	43,238	48,077	54,135	62,490	70,910
Operating income margin(%)	%	43.1	44.4	45.3	48.4	51.2	53.7	57.3	60.5	62.4	63.5
Net income attributable to owners of the parent	¥ million	18,776	23,157	23,359	26,268	32,223	35,096	38,001	43,500	50,116	58,007
Ratio of net income attributable to owners of the parent(%)	%	33.3	39.4	38.0	39.3	43.4	43.6	45.3	48.6	50.0	52.0
Status of free cash flow											
Cash flow by operating activities	¥ million	20,980	16,656	21,311	26,107	29,843	31,999	41,677	38,972	52,960	55,831
Cash flow by investing activities	¥ million	1,570	4,377	2,314	-6,320	-8,209	-9,238	-5,422	-44,053	1,282	-2,206
Free cash flow	¥ million	22,550	21,033	23,625	19,787	21,634	22,761	36,255	-5,081	54,242	53,625
Cash flow by financing activities	¥ million	-5,381	-10,117	-8,005	-8,450	-11,119	-13,120	-15,121	-22,965	-20,619	-39,702
Financial conditions											
Total assets	¥ million	173,542	181,522	200,061	221,260	244,909	264,596	298,257	323,927	366,708	462,165
Net assets	¥ million	150,584	160,522	177,500	197,394	218,476	238,392	266,025	293,567	327,864	398,692
Cash and cash equivalents	¥ million	71,584	82,502	98,121	109,458	119,972	129,612	150,745	122,699	156,321	170,244
Equity capital	¥ million	150,584	160,522	177,500	197,394	218,476	238,392	266,025	293,567	327,864	398,692
Equity Ratio (%)	%	86.8	88.4	88.7	89.2	89.2	90.1	89.2	90.6	89.4	86.3
Other information											
Return on equity (ROE)(%)	%	13.2	14.9	13.8	14.0	15.5	15.4	15.1	15.6	16.1	16.0
Return on Assets (%)	%	17.0	16.6	16.9	16.9	18.0	18.1	18.7	19.3	20.3	19.6
Earnings per share (EPS) (¥)	¥	209.37	259.41	262.61	295.32	362.26	394.56	427.22	489.96	565.14	654.60
Net assets per share (BPS) (¥)	¥	1,679.12	1,804.63	1,995.50	2,219.15	2,456.16	2,680.06	2,990.72	3,310.49	3,697.16	4,531.90
Dividend per share (¥)	¥	65	85	90	115	135	160	185	215	250	300
Dividend on equity ratio (DOE) (%)	%	4.1	4.9	4.7	5.5	5.8	6.2	6.5	6.8	7.1	7.3
Payout Ratio (%)	%	31.0	32.8	34.3	38.9	37.3	40.6	43.3	43.9	44.2	45.8
Non-financial information (non-consolidated)											
Total number of consolidated employees	person	-	-	-	-	-	1,860	1,854	1,857	1,888	1,898
Ratio of female employees (%)	%	-	-	-	-	-	17.0	17.5	19.1	19.9	20.3
Ratio of women in managerial posts	%	-	-	-	-	-	6.5	7.2	9.1	9.8	11.2
Number of Employees Acquiring Childcare Leave	person	-	-	-	-	-	58	61	53	59	71
Acquisition rate of male employees taking childcare leave, etc.	%	-	-	-	-	-	54.4	40.2	65.2	71.2	86.2
Paid leave acquisition rate	%	-	-	-	-	-	65.9	66.5	69.6	70.2	82.4
Average training hours per employee	hour	-	-	-	-	-	122	186	176	106	165

Company Profile

Company name	OBIC Co., Ltd.
Trademark	オービック
Headquarters	2-4-15 Kyobashi, Chuo-ku, Tokyo
Date of establishment	April 8, 1968 (Showa 43)
Capital stock	¥19,178 million
Number of employees	Consolidated: 2,107 Non-Consolidated: 1,898 (As of March 31, 2024)
Net sales	Consolidated: ¥111,590 million Non-Consolidated: ¥103,401 million (Fiscal year ended March 31, 2024)
Stock listing	Tokyo Stock Exchange Prime Market (Securities Code: 4684)
Total number of shares issued	99,600,000 shares
Overview of operations	▪ System Integration Services ▪ System Support Services ▪ Office Automation Services
Group companies	OBIC Office Automation Co., Ltd. OBIC Business Consultant Co., Ltd. (Prime Market) O.B. System Co., Ltd. (Standard Market)

Financial Results Information (As of March 31, 2024)

Fiscal year	From April 1 through March 31 of the following year
Ordinary General Meeting of Shareholders	June each year
Date of record of the Ordinary General Meeting of Shareholders	March 31 each year
Date of record for dividends of surplus	Year-end dividend: March 31 each year Interim dividend: September 30 each year

Stock Information (As of March 31, 2024)

Total number of shareholders	7,092	
Number of shareholders holding full trading units	4,988	
Number of shares listed and registered	99,600,000	
Number of shares owned by non-residents	34,686,545	34.8%
Number of shares owned by Company directors and principal shareholders	59,696,487	59.9%
Number of floating shares (consolidated number of shares consisting of less than 50 trading units)	1,955,747	1.9%
Number of shares owned by investment trusts	6,758,507	6.7%
Number of shares owned by pension trusts	882,200	0.8%

Principal Shareholders (As of March 31, 2024)

Ranking	Name	Number of shares owned (thousand)	Ownership ratio (%)
1	MN Holdings Co., Ltd.	16,909	19.22
2	The Master Trust Bank of Japan, Ltd.	12,324	14.00
3	Custody Bank of Japan, Ltd.	6,029	6.85
4	Masahiro Noda	2,881	3.27
5	Mizuki Noda	2,781	3.16
6	JP Morgan Chase Bank 385632 (Standing proxy: Mizuho Bank, Ltd., Settlement & Clearing Services Division)	2,374	2.69
7	SSBTC Client Omnibus Account (Standing proxy: The Hongkong and Shanghai Banking Corporation Limited, Tokyo Branch, Custody Service)	2,032	2.31
8	State Street Bank and Trust Company 505234 (Standing proxy: Mizuho Bank, Ltd., Settlement & Clearing Services Division)	1,598	1.81
9	NORTHERN TRUST CO.(AVFC) RE FIDELITY FUNDS	1,063	1.20
10	DANOX Co., Ltd.	1,050	1.19

* OBIC held 11,625 thousand shares of common stock in treasury
* Numbers of shares stated above include shares held in trust as follows:

	(thousand)	
The Master Trust Bank of Japan, Ltd.	12,324	
Custody Bank of Japan, Ltd.	6,029	

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OBIC Co., Ltd.

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OBIC Bldg., 2-4-15 Kyobashi, Chuo-ku, Tokyo 104-8328
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https://www.obic.co.jp/

Securities Code: 4684