

BIPROGY Inc.

Corporate Governance Report

Note) This is an English translation of the Corporate Governance Report of BIPROGY Inc. prepared for reader's convenience. Should there be any inconsistency between the translation and the original Japanese text, the latter shall prevail.

Last Update:	June 25, 2026
Company:	BIPROGY Inc.
Representative:	Noboru Saito Representative Director, President & CEO
Contact:	Planning Sect., Legal Dept.
Phone:	+81-3-5546-4111
Securities Code:	8056
URL:	https://www.biprogy.com/e/

The following is an overview of corporate governance of BIPROGY Inc. (the “Company”).

I. Basic Views on Corporate Governance, Capital Structure, Corporate Profile and Other Basic Information

1. Basic Views

A mechanism of corporate governance which enables management to make prompt and sound management decisions under appropriate and effective supervision is indispensable for enabling the BIPROGY Group (the “Group”) to continuously grow and increase its mid-and long-term corporate value, and the Company shall create, maintain and ceaselessly improve this mechanism.

Furthermore, the Company believes that a company’s “raison d’être” lies in its contribution to society. Based on this belief, the Company stipulates as part of its corporate philosophy ‘Listen sincerely to our stakeholders to improve our corporate value’ in order to create relationships of trust with all stakeholders, and shall proceed with its business activities in accordance with this principle.

[Reasons for Non-compliance with the Principles of the Corporate Governance Code]

The Company complies with every principle of the Corporate Governance Code.

[Disclosure Based on the Principles of the Corporate Governance Code]

Updated

[Principle 1-4 / Supplementary Principle 1-4[1] Cross-Shareholdings]

(1) Policy related to ‘Cross-Shareholdings’

The Company may sometimes hold shares of its business partners, if they are found to contribute to the enhancement of the Company’s corporate value, such as leading to the expansion of its revenue base through maintaining or strengthening relationships with such business partners.

The Company acquires such shares after adjudicating the appropriateness of acquiring them pursuant to its internal regulations. After acquiring the shares, the Company's Board of Directors examines the appropriateness of holding such shares each year, and based on such examination, the Company proceeds the reduction of cross-shareholdings. The number of listed stocks held increased by 1 stock from the end of the previous fiscal year to 19 stocks, due to the listing of an unlisted stock already held. In addition, we acquired unlisted stocks to expand our business in the Company's focus areas, resulting in the total amount of cross-shareholdings on the balance sheet was 8.5% of the total equity (March 31, 2025: 6.8%). Although the number of listed stocks held increased, there has been no change to our policy of reducing cross-shareholdings, and we will continue in the future to sell stocks where the significance in holding them has diminished.

(2) Contents Examined by the Board of Directors

The Company examines the appropriateness of each and every listed stock that it holds at Board of Directors meetings by taking into consideration purposes for holding, consistency with its business strategies and business related profits, etc.

The Company verified the stocks that it held as of the end of March 2026 at the Board of Directors meeting convened in June 2026. The results are stated below.

- The Company examined if the holdings of those stocks are still meaningful and in compliance with the business strategies from a mid-to-long-term perspective.
- In addition, the Company examined the business related profits from the perspective of capital cost, and it confirmed that holding them is economically rational.

(3) Responses to Indications to Sell the Company's Shares by Cross-Shareholders

When cross-shareholders that hold the Company's shares indicate their intension to sell the Company's shares, the Company will never prevent them from selling them. It will appropriately respond to their indication of sales.

(4) Concepts on Exercising Voting Rights relating to "Cross-Shareholdings"

With respect to the voting rights related to shareholdings, the Company decides to vote for or against an individual proposal based on the content of that proposal and from the viewpoint of shareholder value of portfolio companies and consistency with its business strategy. The Company exercises voting rights for each proposal by itself.

[Principle 1-7 Procedure for Transactions between Related Parties]

(1) Transactions involving conflict of interests with directors or corporate officers of the Company are checked by the departments concerned (such as the Legal Department) before being approved by the Board of Directors. The results of these transactions are reported to the Board of Directors.

(2) Transactions between the Company and its *shuyokabunushi* (meaning a shareholder that holds voting rights constituting 10% or more of all shareholders' voting rights, pursuant to the definition by the Financial Instruments and Exchange Act; hereafter, the "Major Shareholder") other than the above are reported to or approved by the Board of Directors pursuant to standards put in place in advance.

[Principle 2-4 / Supplementary Principle 2-4[1] Ensuring Diversity in the Promotion to Core Human Resources, etc.]

■ Policies for Ensuring Diversity in the Promotion to Core Personnel, etc.

The Group aims to make Vision 2030 a reality with "Develop and strengthen human resources to create a new future and promote diversity and inclusion" positioned as a core materiality that supports business growth. In order to create innovation for the future, we are working to form an organization composed of a diverse workforce with various values and backgrounds (intrapersonal diversity), and we are promoting the appointment of such individuals to management positions.

■ Voluntary and Measurable Targets for Securing Diversity

(1) Women

The Company has been working to promote gender diversity, and we set a KPI to achieve over 18% women in management positions for the entire Group by April 1, 2026. By that time, we achieved 12.6% women in management positions for the entire Group. In fiscal year 2026, we will position this period as a time to review numerical targets related to the percentage of women in management positions and formulate strategies to

further promote gender diversity. This will involve reassessing key issues and considering necessary structural reforms. Additionally, we plan to set and announce new numerical targets by fiscal year 2027.

For the Company on a stand-alone basis, under our General Employer Action Plan, which is based on the Act on Promotion of Women's Participation and Advancement in the Workplace, we have set a goal to achieve a percentage of women in company officer positions of 26% by fiscal year 2029.

(2) Foreign nationals

The Company is pursuing plans to roll out its business globally. However, we are currently in the process of expanding our business, and the level of our recruitment and promotion of foreign human resources remains limited. Accordingly, we have not set specific and measurable targets for the recruitment or appointment of foreign human resources at this time.

(3) Mid-career recruitment

The Company aims to build an environment where individuals with diverse experiences and skills are attracted to the Group, can quickly become active members of the organization, and contribute to its growth. We are actively promoting mid-career recruitment, and since fiscal year 2022, we have been hiring nearly the same number of mid-career recruits as new graduates.

Among the mid-career recruits, many are already thriving in management positions. However, as we are currently in the phase of expanding mid-career recruitment to further business growth, we are focusing on initiatives that emphasize the retention and early success of recruits. Therefore, we have not set specific and measurable targets for the recruitment or appointment of mid-career recruits at this time.

■ Measurable Targets, Human Resources Development Policy, Internal Environment Development Policy, and Implementation Status

(1) Women

We position gender diversity as one of the important issues for the Group. We have developed plans for the appointment of organizational leaders within each Group company, and we have established mechanisms for monitoring and reporting through the Social Committee, the higher-level Sustainability Committee, and the Board of Directors. This is to actively promote the appointment of officers and managers and to enhance the formation of a human resource pipeline. Additionally, we have been conducting diversity training for managers and female employees and mentoring program with external role models, as well as implementing support measures for balancing work and life events, such as child-rearing support systems.

The updated details are scheduled to be provided on the website page below.

・ (Sustainability information (gender diversity))

<https://biprogy.disclosure.site/ja/themes/107#229> (in Japanese only)

(2) Foreign nationals

With regard to foreign human resources, we hire talented new graduates and mid-career hires regardless of nationality. Also, we are making new attempts to hire new graduates from universities of engineering and technology overseas. In light of our current business situation, which is mainly focused on Japanese domestic market, we will promote the recruitment and promotion of foreign nationals along with borderless businesses development pursuant to our new management policies.

(3) Mid-career recruits

The Company actively recruits mid-career professionals from different industries and enhances onboarding initiatives such as training, surveys, and training for supervisors to support their retention and success. We also conduct continuous follow-ups. Mid-career recruits are evaluated comprehensively, just like new graduates, based on their performance, achievements, and demonstrated expertise and leadership. They are appointed to managerial and leadership positions accordingly. By providing, at an early stage, opportunities for these individuals to take on significant roles that align with their skills, regardless of their time of joining or background, we promote the creation of an organization where diverse human resources can thrive.

[Principle 2-6 Function as a Corporate Pension Asset Owner]

- The Company together with its Group company UNIADDEX, Ltd., has joined the BIPROGY Company Pension Fund. The Company has assigned personnel appropriately skilled for operating the pension and managing the Fund to the fund secretariat.
- The Fund has been making efforts to encourage secretariat personnel to acquire expertise and enhance their skills, such as obtaining certifications approved by the Japan Association for Financial Planners.

- The Fund operates in accordance with the “Key Policies for the Management of Pension Assets” established pursuant to the Fund’s provisions. The Fund makes it a rule to have registrations/cancellations of investment products examined by the ‘Asset Management Committee’ before having them submitted to and examined by the council, which is partly comprised of delegates appointed by the Company. Such registrations/cancellations are approved thereafter.
The ‘Asset Management Committee’ is operated by the two councilors of the Fund as well as personnel from the Accounting Department/Financial Department due to their expertise in asset management. Furthermore, the ‘Asset Management Committee’ has been using an external pension consulting company to complement its expertise and reliability.
- The Fund conducts quantitative and qualitative assessments on a quarterly basis, including on its stance on acceptance of Japan’s Stewardship Code in order to monitor institutions contracted to undertake asset management.
- As an asset owner, the Fund expresses its support for the principles of the “Asset Owner Principles,” which are common principles related to the management, governance, and risk management of asset owners, and declares its commitment to accept and implement them.

[Principle 3-1 (i) Management Philosophy, Management Strategies, and Management Plan]

■ Corporate Philosophy

The Company sets out below its corporate philosophy, which is the basis for its management and rooted in the social responsibility which the Group bears as a whole.

Our Mission

Work with all people to contribute to creating a society that is friendly to people and the environment.

Our Vision

Be a group that strives to be sensitive to the expectations and needs of society and that thinks through how ICT can contribute to meet them.

Our Values

1. Pursuit of High Quality and High Technology
Always have the latest knowledge that is useful for society while improving our skills.
2. Respect for Individuals and Importance of Teamwork
Identify each other’s good points, encourage each other to improve those good points and harness the strengths of each person.
3. Attractive Company for Society, Customers, Shareholders, and Employees
Listen sincerely to our stakeholders to improve our corporate value.

■ Purpose, Vision 2030, and Management Policies (2024-2026)

Based on the Group Purpose defined as “creating a sustainable society using foresight and insight to unlock the full potential of technology,” the Company has formulated Management Policies (2024-2026) aimed at the achievement of Vision 2030, which prescribes the direction which the Group should be going up to the year 2030. Please refer to the following our company website.

(https://www.biprogy.com/e/about/management_policy.html)

The outline is as follows.

Vision 2030, which says “We will develop the Digital Commons which is a platform that helps create a society where everyone can live happily”, aims to create and provide a business ecosystem and platform that can connect various services, products, companies, and users as a Digital Commons, a common asset of society in order to enable a sustainable society with the power of technology.

The Management Policies (2024-2026) for achieving Vision 2030 establish the following three basic policies. Based on the management resources that we have accumulated thus far, we will carry out proactive growth investments, and will push forward with management that leverages both our core and growth businesses and create a new business foundation.

1. Increase corporate value by establishing a sustainable business portfolio
2. Optimize the allocation of management resources
3. Strengthen the Group’s management base

Based on these basic policies, we will carry out the following as key strategies of the Group. In core businesses, we will consolidate management resources in focus areas and improve the value that we provide, and we will carry out measures to improve productivity and further expand our service businesses. In growth businesses, we will acquire market share in new service areas and growth markets, accelerate social digital transformation, and expand our global business centering on ASEAN countries. For the foundation underpinning our businesses, we will innovate to create a flexible Group's value chain, carry out various policies linked to business strategies, and conduct proactive investments in growth.

[Principle 3-1 (ii) Basic Approach to and Policy for Corporate Governance]

■ Basic Approach of Corporate Governance

The basic approach to corporate governance is as described in '1 Basic Views' of 'I. Basic Views on Corporate Governance, Capital Structure, Corporate Profile and Other Basic Information' of this report.

■ The basic policy on corporate governance is set out in 'Corporate Governance and Internal Control Principles', which can be found posted on the below website:

<https://www.biprogy.com/invest-e/com/governance.html>

[Principle 3-1 (iii) Policy and Procedure for Setting Remuneration for Directors]

The remuneration for executive directors shall consist of a) fixed remuneration (monthly salary), b) bonus linked to a short-term business performance, and c) restricted stock remuneration linked to medium-to-long-term business performance (the Restricted Stock Remuneration). The ratio of a):b):c) is set at 4:4:2.

The above ratio assumes that 100% of the short-term business performance profit target is achieved in the final year of the evaluation period for c) stock remuneration and 100% of each condition of stock remuneration is achieved.

In addition, non-executive directors, such as outside directors, are paid only fixed remuneration that is not linked to business performance.

The Nomination and Remuneration Committee is delegated to decide contents of remunerations for each director in order to reflect objective and fair opinions outside of the Company.

[Principle 3-1 (iv) / Supplementary Principle 4-3[3] Policy and Procedure for Appointing/Dismissing Senior Management and Nominating Director/Auditor Candidates]

■ Nomination of Director Candidates

For director candidates who are concurrently serving as corporate officers (hereinafter referred to as 'senior management'), the Company will select those who have the appropriate knowledge and experience with high motivation and ethical sense and carry out the Company management accurately and efficiently.

Director candidates from outside the Company are nominated, by taking diversity into consideration, from individuals who have extensive management experience and expertise and who are capable of advising on and overseeing the overall management from an external, objective and professional point of view.

For senior management and director positions, candidates are nominated by the Nomination and Remuneration Committee, the majority of which consists of independent outside directors, pursuant to the selection standards and procedures it has established. The Board of Directors then respects the nominations and appoints the successful candidates.

■ Nomination of Auditor Candidates

For auditor candidates, the Company will select those who have the appropriate knowledge and experience to audit directors' execution of duties from a fair and objective perspective and who also have a high ethical sense. The candidates are nominated by the Nomination and Remuneration Committee, the majority of which consists of independent outside directors, pursuant to the selection standards and procedures it has established. Auditor candidates are approved by the Audit & Supervisory Board and then appointed by the Board of Directors. At least one of the auditor candidates shall have the appropriate expertise in finance and accounting.

■ Dismissal of Senior Management including CEO

In the event that a member of senior management, including the CEO, violates laws and regulations or the articles of incorporation, commits an act of fraud, act of tort, or act of betrayal, or it is judged that they have not sufficiently served their office or fulfilled their function, the Company will remove such member[s]

from their senior management position[s] if it determines that the removal is justifiable based on deliberations by the Board of Directors.

[Principle 3-1 (v) Reasons for Appointing and Dismissing Senior Management as well as Nominating Director and Auditor Candidates]

Reasons for appointing and dismissing senior management and nominating director and auditor candidates are described in the reference documents that accompany the notice of the General Meeting of Shareholders (<https://www.biprogy.com/invest-e/stock/meeting.html>).

[Principle 3-1 / Supplementary Principle 3-1[3] Initiatives on Sustainability, etc.]

■ Initiatives on Sustainability

The Group is working to resolve a variety of social issues based on corporate activities which incorporate the perspectives of the environment, society, and governance. We aim to be a sustainable corporate group that creates social value and economic value through the creation of a sustainable society. With each member of the Group possessing a long-term perspective and ambition, we will move forward with the introduction of Digital Commons into society by fusing our experience and knowledge of solving issues faced by society with a network of people who possess the same ambition and digital technology based on our many years of experience.

Details of our initiatives related to sustainability are described on the following website.

- BIPROGY Group Sustainability Information Site <https://www.biprogy.com/sustainability/> (in Japanese only)

■ Sustainability Promotion System

For addressing sustainability issues that affect the entire Group, we have established a system to promote these efforts based on the recognition that appropriate governance, involving both supervision of management and its execution, is important. We have established not only the Sustainability Committee, a decision-making body chaired by the Chief Sustainability Officer (CSO) who is an executive director, but also an Environment Contribution Committee and Social Committee as subordinate organizations for the respective fields.

A response to sustainability issues that is material to the corporation is discussed and decided by the Executive Council. In addition, The Board of Directors regularly receives reports from the CSO regarding the status of initiatives related to sustainability and conducts supervision through advice and guidance.

■ Investment in Human Capital

The value creation drivers for the BIPROGY Group are our people. So that we can continue to be an enterprise that creates social value through the power of technology, we are committed to enhancing the human capital represented by our diverse people and further enhancing it to maximize our organizational strength.

In the BIPROGY Group Human Resources Strategy (2024-2026), we have set four key strategies from the perspectives of “individuals” and “organization.” Through the promotion of various measures that serve as key drivers of these strategies, we aim to improve engagement, achieve our Management Policies (2024-2026), working toward the realization of our Human Resources Vision 2030.

In addition to acquiring and developing the human resources necessary to drive business, such as business production human resources, which we consider to be a material issue, we will actively invest in areas that are priority strategies. Furthermore, from the perspective of promoting DE&I and boosting motivation, we will actively invest in facility transformation over the course of the three years from fiscal year 2024 to fiscal year 2026.

See the following website for more detailed information and data.

- BIPROGY Group Human Resources Strategy Report 2025
https://www.biprogy.com/pdf/sustainability/human_resources_strategy_report2025.pdf (in Japanese only)

■ Investment in Intellectual Properties

The Management Policies (2024-2026) call for a technical strategy to strengthen technologies for accelerating core business and growth business strategies. For promoting digital transformation of development in core businesses and accelerating high-value-added proposals and advances in the market development area, we will invest in strengthening technology to underpin managed services, advancing applied technologies for customer digital transformation support and digital transformation operations, and acquiring means of resolving customer/social issues through AI that are applicable in various fields. We

also aim to achieve continual business growth through investment in technologies for real-world implementation of next-generation digital infrastructure, as well as quantum computing and other frontier technologies. Furthermore, in identifying, acquiring, strengthening, and implementing technologies, we recognize the positive and negative impacts of AI on human beings and society, and we have established and are operating the BIPROGY Group AI Ethics Guidelines to properly address these issues. To deal with ethical, legal, and social issues (ELSI) that arise in conjunction with rapid developments of science and technology, various internal committees are working in collaboration with the “Business Ethics Center,” an organization whose role is to support these efforts.

- The BIPROGY Group AI Ethical Guidelines

https://www.biprogy.com/e/com/ai_ethics_principles_BIPROGY_group_e.pdf

- Ethical Initiatives Related to Business

https://www.biprogy.com/com/tech/business_ethics.html (in Japanese)

■ Impacts that risks and profit opportunities related to climate change will have on our company’s business activities, profits, and other matters

The Company recognizes that addressing climate change is an important management issue that will affect the business value of the Group in a variety of forms, and also recognizes the importance of having strategies and flexibility that will allow us to adapt to uncertain changes in conditions. Regarding the impacts of risks and opportunities related to climate change on the business and profit opportunities of the Group, we have established a company-wide cross-lateral project within the Environment Contribution Committee. We will identify risks and profit opportunities related to climate change through scenario analysis (impact assessment), and will apply the assessment results to all strategies including materiality.

Regarding disclosure of information related to these matters, we declared our support for the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) in April 2020, and conduct disclosure utilizing a framework (governance, strategy, risk management, and indicators and targets) that is consistent with these recommendations. We also are working for continual improvements in order to improve the quality and quantity of this information.

Additionally, we declared our support for the recommendations of the Task force on Nature-Related Financial Disclosures (TNFD) in February 2025. We are conducting an evaluation using the LEAP approach, which addresses nature-related dependencies, impacts, risks and opportunities, recommended by TNFD to assess the relationship between the BIPROGY Group’s business activities and natural capital.

Details of our initiatives related to climate change are described on the following website.

- the annual securities report (yuka shoken hokokusho) (Climate Change) <https://www.biprogy.com/invest-j/financial/sr.html> (in Japanese only)

- Integrated Report 2025 (Environment) <https://www.biprogy.com/invest-e/financial/ar.html>

- TCFD/TNFD Report 2025 <https://www.biprogy.com/sustainability/report.html> (in Japanese only)

- BIPROGY Group Sustainability Information Site (Climate Change)

<https://biprogy.disclosure.site/ja/themes/101> (in Japanese only)

[Principle 4-1-1 Scope of Matters Delegated to Management]

The Company’s Board of Directors has the role of supervising management as a whole, including the performance by directors and corporate officers of their professional duties, as well as deliberating on and deciding key management policies and other matters important for management.

To this end the board deliberates on matters as set out in laws and regulations as well as in the Company’s Articles of Incorporation, and even matters that need consideration from various viewpoints including those of outside directors.

The Board of Directors delegates decision-making authority for matters other than those resolved or reported by it, in order to enable prompt and efficient decision-making. This delegation is implemented according to the importance of individual items and pursuant to the Company’s internal rules, such as internal rules for Executive Council.

[Principle 4-1-3 Succession Plan for Chief Executive Officer]

In order to ensure the transparency of the selection process of senior management including the Chief Executive Officer, the Nomination and Remuneration Committee, which is chaired by an independent outside director, deliberates on a plan regarding successors of management personnel (‘Succession Plan’) and reports it to the Board of Directors.

We are operating a system to build a pool of diverse executive candidates with the aim of systematically and continuously developing future leaders of the BIPROGY Group and creating a more diverse management team to realize our Purpose and Vision 2030.

We define “next-generation management talent” as individuals who have high aspirations for enhancing the BIPROGY Group’s value, think and act without being bound by precedents, and lead transformation with an exciting vision, and have established a KPI (Successor candidate preparation rate* at 100% by the end of fiscal year 2026). The next-generation management talent includes not only candidates for the next executive management but also the entire management layer that could become candidates.

$$\text{*Successor candidate preparation rate} = \frac{\text{Number of candidates in successor pool}}{\text{Number of important posts}} \times 100$$

Beginning in fiscal year 2024, we have launched a two-tiered selective development program composed of three elements: assessment (multi-faceted diagnosis, basic management knowledge), development directly involving current management, and tough assignments.

[Principle 4-9 Standards for Judging Independence of Outside Directors/Auditors]

The Company’s “Standards on the Independence of Outside Directors/Auditors” are as follows.

■ Standards on the Independence of Outside Directors/Auditors

The Company deems that outside directors and outside auditors as defined by the Companies Act have independence if they satisfy the independence criteria stipulated by the Tokyo Stock Exchange and do not fall under any one of the categories below:

- (1) Major shareholders holding voting rights equivalent to 10% or more of the total voting rights of the shareholders of the Company, or in the case of a corporation or organization, an executive of that corporation or organization
- (2) A major client of the Company or its subsidiaries, or executive of a corporation or organization that deals with the Company or its subsidiaries as a major business partner (*1)
- (3) An executive of a financial institution to which the Company owes significant borrowings (*2)
- (4) A person who receives significant amounts of compensation or other economic benefit (*3) (other than their remuneration as a director) as a consultant, accountant, or lawyer for the Company or its subsidiaries, or where a corporation or organization, a person belonging thereto
- (5) An executive of a corporation or organization that receive significant donations (*4) from the Company or its subsidiaries
- (6) A person who served a corporation or organization falling under any of the categories (1) to (5) above as an executive within the past 3 years
- (7) A spouse or relative within two degrees of kinship of a person falling under any of the categories below:
 - A person falling under any of the categories (1) to (5) above
 - A person who is a director or executive of a subsidiary of the Company

*1 Classification into the category of ‘major client of the Company or its subsidiaries’ is judged according to the net sales that the Company or its subsidiaries had with the client in the fiscal year immediately before: whether or not they exceed 2% of the consolidated net sales of the Company.

Classification into the category of a ‘corporation or organization that deals, as their major clients, with the Company or its subsidiaries’ is judged according to the net sales that the corporation or organization had with the Company or its subsidiaries in the fiscal year immediately before: whether or not they exceed 2% of the consolidated net sales of the corporation or organization that deals with the Company or its subsidiaries, or ¥10 million, whichever is higher.

*2 Classification into the category of ‘significant borrowings’ is judged according to the amount of those borrowings: whether or not they exceed 2% of the gross assets of the Company for the fiscal year immediately before.

*3 Classification into the category of ‘significant amounts of compensation or other economic benefit’ is judged according to the benefit that the person has received from the Company (other

than their remuneration as a director) in the fiscal year immediately before: whether or not the person has received remuneration or other economic benefit of ¥10 million or more; or where the person belongs to a corporation or organization, whether or not that corporation or organization has received from the Company or its subsidiaries remuneration or other economic benefit that exceeds 2% of the consolidated net sales of the corporation or organization for the fiscal year immediately before or ¥10 million, whichever is higher.

*4 Classification into the category of ‘significant donations’ is judged according to the amount of donations that have been received from the Company or its subsidiaries: whether or not they exceed ¥10 million a year or 2% of the annual total costs of the corporation or organization of the fiscal year immediately before, whichever is higher.

[Principle 4-10 / Supplementary Principle 4-10[1] Role of the Nomination and Remuneration Committee, etc.]

As described in “Supplementary Explanation” of “1. Organizational Composition and Operation” of “II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight in Management”.

[Principle 4-11-1 Balance, Diversity and Extent of Knowledge, Experience, and Capabilities of the Board of Directors]

The Company has appointed directors and corporate auditors with diverse knowledge and experience, including ESG/Sustainability and global business, necessary to achieve Vision 2030 and the Management Policy (2024-2026).

The skill matrix of the Company’s directors and corporate auditors is described in the reference documents of the notice of the ordinary General Meeting of Shareholders. Please refer to the following URL.

(<https://www.biprogy.com/invest-e/stock/meeting.html>)

The Board of Directors is consisted of directors who have a diverse and rich experience and deep knowledge, including several outside directors. It maintains the appropriate number of directors to enable the Board to function effectively and efficiently.

The term of directorship is set at 1 year in order to secure a flexible management structure capable of responding promptly to changes in business environment, and to clarify the responsibilities of each director.

[Principle 4-11-2 Directors and Auditors Concurrently Holding Positions as Executives of other Companies]

The directors and auditors who concurrently hold the positions of executives of other listed companies are described in the annual securities report (*yuka shoken hokokusho*) (<https://www.biprogy.com/invest-i/financial/sr.html> (in Japanese only)) and the “1. Organizational Composition and Operation [Directors] and [Auditors] Relationship with the Company (2)” in the “II Business Management Organization and Other Corporate Governance Systems regarding Decision-Making, Execution of Business, and Oversight in Management” of this report.

[Principle 4-11-3 Evaluation of Effectiveness of the Board of Directors]

We recognize that it is crucial to strengthen governance through the Board of Directors adequately fulfilling its function in order to increase our corporate value continuously. We have implemented self-evaluation since the fiscal year 2015 in order to improve the effectiveness of the Board of Directors.

In the fiscal year 2025, we conducted a non-anonymous questionnaire survey to all directors and auditors, including the following evaluation items, and after compiling the results internally, we had an outside consultant analyze them. Based on the results of such analysis, the Company deliberated and evaluated the current status of the Board of Directors and areas for improvement.

1. Evaluation Method

We have analyzed the responses after receiving answers to the following questionnaire from all directors and auditors who are members of the Board of Directors. Based on this analysis, the Board of Directors grasped and evaluated the current situation, deliberated on how the Board of Directors should be in the future, and decided on Actions for the Fiscal Year 2025.

Respondents: all directors (9) and all auditors (5)

Response method: non-anonymous (38 questions in total)

Evaluation Items:

- a. Management issues and roles/functions of the Board of Directors
- b. Progress of actions for the fiscal year 2025
- c. Size and composition of the Board of Directors
- d. Operation of the Board of Directors
- e. Composition and role of the Nomination and Remuneration Committee
- f. Operation of the Nomination and Remuneration Committee
- g. Directors/auditors training
- h. Support system for outside directors
- i. Roles of auditors and expectations for auditors from the perspective of directors
- j. Roles of auditors
- k. Relationships with investors and shareholders
- l. The overall effectiveness of our corporate governance system and the Board of Directors
- m. Self-assessment

2. Evaluation Results (summary)

As a result of discussion by the Board of Directors based on the results of the questionnaire, the rankings for the evaluation items were generally high, and the initiatives for our Actions for Fiscal Year 2025 were also highly recognized, as described below. However, there were the following points for improvement and other matters where initiatives are needed to further enhance the effectiveness of the Board of Directors, centering on “management issues and the roles and functions of the Board of Directors.”

- (1) The following have been identified as key management issues: human resources strategies, including securing talent for global expansion; responding to the development of AI technology; enhancing management control, including PMI of large-scale investments; strengthening governance in group management; and risk management to achieve management policies. It is necessary to further enhance the monitoring and discussion of these issues, taking their priority into account.
- (2) Regarding the roles and functions of the Board of Directors, it is particularly important to exercise supervisory functions over management strategy, risk management, capital allocation, and human resources strategy. Additionally, from the perspectives of management speed and flexibility, as well as further enhancing the effectiveness and supervisory functions of the Board of Directors, discussions should be deepened on the possibility of further delegation of authority to the executive side and on establishing a more desirable corporate governance structure for the Group.

3. Actions Taken in the Fiscal Year 2025 and Evaluation Results

- (1) With our Vision 2030 in mind, we will prioritize the following key management issues and risks, deepen discussions both inside and outside the Board of Directors, and continue efforts to enhance information sharing, set agendas throughout the year, and devise materials:
 - Our areas of expertise considering medium- to long-term competitive conditions and market trends
 - Evaluation and verification of the steady execution of business strategies
 - Risk tolerance and risk mitigation measures in advancing investment strategies and overseas strategies
 - Global strategy
 - Human resource development and securing (including promoting diversity in the medium- to long-term management layer, succession plans for the CEO and other senior management)
 - Medium- to long-term trends in technology and innovation considering changes in the external environment
 - Strengthening group management in M&A and subsidiary establishment, including overseas
- ⇒ Through the setting of annual agendas and appropriate information sharing, opportunities for discussions on important issues have been expanded. We will continue to prioritize and conduct effective discussions on topics such as global strategy, investment strategy, human resources strategy, and risk management.

- (2) Enhance the effectiveness of monitoring by improving information provision related to efforts to reform organizational culture and instill compliance and risk management awareness at the operational level.

⇒ Through the expansion of information provision regarding organizational culture reform and the instillation of compliance and risk management awareness, monitoring opportunities have increased, and it is evaluated that effectiveness is being improved. We will continue to strive for deeper monitoring.

4. Actions for the Fiscal Year 2026

We will implement the actions below in the fiscal year 2026 in order to strengthen further the governance system of the Company on the basis of the evaluation results above.

- (1) In addition to the ongoing initiatives within the Board of Directors, we will prioritize the monitoring of the following key management issues and risks, and strive to deepen discussions both within and outside the Board of Directors:

- Management strategy in the AI era
- Strengthening core businesses and establishing new revenue bases in growth businesses
- Enhancing group management, including follow-up on investment projects
- Developing and securing human resources to promote the above

- (2) We will revisit and discuss the ideal form of corporate governance (including organizational design and succession plans) for the Group.

[Principle 4-14-2 Training to Directors and Auditors]

- 1) The Company strives to help outside directors and outside auditors understand sufficiently the nature of the Group's business, financial situation, and organizational structure as well as management issues through explanations provided to them by management and related departments on the occasion of their assuming the office and thereafter as needed.
- 2) The Company helps directors and auditors to sufficiently fulfill their roles and duties by providing opportunities for training given by outside expert on industry and technological trends, financial and legal strategies, and so forth.

[Principle 5-1 Constructive Dialogues with Shareholders]

1. Basic Principles

The Company's President/CEO and CFO take the lead in conducting IR (investor relations) activities, so that timely and appropriate information is delivered to all shareholders and investors.

2. IR Activities

The Company has established a department dedicated to IR, and collaborate with related departments and each Group company to make appropriate disclosure of information.

3. Methods for Dialogue

The Company provides institutional investors with opportunities for dialogue, such as briefing sessions about financial results and operations, as well as facility tours and explains our business management and activities.

4. System for Sharing Opinions and Concerns Expressed by Stakeholders

The Company provides appropriate feedback to management executives and the Board of Directors concerning the opinions and concerns expressed by shareholders and investors.

5. Management of Insider Information

The Company sets a certain period of time as a silence period before making an announcement of financial results, in order to prevent any information leaking before the announcement and ensure fairness. During this period, the Company refrains from responding to questions or inquiries about or commenting on financial results. Furthermore, the Company has put in place the 'Insider Trading Management Regulations' and strives to prevent insider information from being leaked.

[Dialogue with Shareholders]

For the dialogue with shareholders, please see the following website.

<https://www.biprogy.com/invest-e/com/dialogue.html>

[Actions for achieving management based on an awareness of capital cost and share price]

Content of Disclosure	Disclosure of Initiatives (Update)
Availability of English Disclosure	Available
Date of Disclosure Update	Updated June 25, 2026

Explanation of Actions	Updated
------------------------	---------

The Group has established the following as the basic policies in its Management Policies (2024-2026).

1. Increase corporate value by establishing a sustainable business portfolio
2. Optimize the allocation of management resources
3. Strengthen the Group's management base

We will identify focus areas, establish the areas where our strengths can be utilized, and increase the value which we provide. We will also construct a new earnings base through proactive investments.

As our investment strategy, in order to establish a sustainable business portfolio, we are actively investing in growth including through R&D, open innovation investment, and M&As. We plan to continue investing in fiscal year 2026 and beyond.

At the same time, on April 30, 2025, we upwardly revised the performance targets for the fiscal year ending March 31, 2027, which is the final year of the Management Policies (2024-2026), changing ROE from a "target of 15%" to "17% or higher." We will conduct management with an awareness of capital efficiency, including decision-making based on business profitability and investment return, and will aim to continuously improve our ROE.

In terms of inorganic strategies, as we have a strong financial base, in general we will utilize our own capital, sourced from retained earnings and operating cash flow. We will also keep in mind the possibility of conducting additional growth investments at some point in the future, and will carry out dynamic procurement based on appropriate financial discipline, including consideration of the equity ratio.

Maintaining a minimum dividend payout ratio of 40%, we will decide and carry out the timing and scale of share repurchases while considering factors such as the cash earnings conditions, balance of cash and cash equivalents, and progress on growth investments.

The above actions for achieving management based on an awareness of capital cost and share price have been released in the "Results for the Fiscal Year Ended March 2026 and Management Policies (2024-2026)" on the Company website.

https://www.biprog.com/invest-e/uploads/presentation2026q4_e.pdf

2. Capital Structure

Foreign Shareholding Ratio	30% or more
----------------------------	-------------

[Status of Top 10 Shareholders]

Updated

Name / Company Name	Number of Shares Owned	Percentage (%)
Dai Nippon Printing Co., Ltd.	20,727,410	21.44
The Master Trust Bank of Japan, Ltd. (Trust account)	11,106,240	11.49
Custody Bank of Japan, Ltd. (Trust account)	10,882,638	11.26
THE BANK OF NEW YORK MELLON 140044	2,139,220	2.21
JPMorgan Securities Japan Co., Ltd.	1,940,648	2.00
JP MORGAN CHASE BANK 385781	1,904,035	1.97
STATE STREET BANK AND TRUST COMPANY 505001	1,768,523	1.82
STATE STREET BANK AND TRUST COMPANY 505103	1,742,388	1.80
STATE STREET BANK AND TRUST COMPANY 505301	1,686,077	1.74
Custody Bank of Japan, Ltd. (Trust Account 4)	1,502,100	1.55

Controlling Shareholder (except for Parent Company)	—
Parent Company	None

Supplementary Explanation

Updated

1. The [Status of Top 10 Shareholders] table above describes the situation as of March 31, 2026. Besides the above, the Company holds 2,312,639 shares of treasury stock (2.33% of the total number of issued shares).
2. The ratios are calculated by deducting treasury shares and expressed by rounding down to two decimal places.
3. Nomura Securities Co., Ltd., its co-owner NOMURA INTERNATIONAL PLC, and Nomura Asset Management Co., Ltd. jointly hold the shares of our Company listed below as of February 27, 2026, according to change report No. 4 made available for public inspection dated March 5, 2026. The Company could not confirm the actual number of shares held by the companies as of March 31, 2026. Thus, the Company does not list the companies in the [Status of Top 10 Shareholders] above.

Name: Nomura Securities Co., Ltd.

Address: 1-13-1 Nihonbashi, Chuo-Ku, Tokyo

Number of Shares Held (shares): 125,308

Percentage of Shares Held (%): 0.12

Name: NOMURA INTERNATIONAL PLC

Address: 1 Angel Lane, London EC4R 3AB, United Kingdom

Number of Shares Held (shares): 106,013

Percentage of Shares Held (%): 0.11

Name: Nomura Asset Management Co., Ltd.

Address: 2-2-1 Toyosu, Koto-Ku, Tokyo

Number of Shares Held (shares): 4,515,700

Percentage of Shares Held (%): 4.49

Total

Number of Shares Held (shares): 4,747,021

Percentage of Shares Held (%): 4.72

3. Corporate Attributes

Listed Stock Market and Market Section	Prime Market, Tokyo Stock Exchange
Fiscal Year-End	March
Type of Business	Information & Communication
Number of Employees (consolidated) as of the End of the Previous Fiscal Year	More than 1000
Sales (consolidated) as of the End of the Previous Fiscal Year	From ¥100 billion to less than ¥1 trillion
Number of Consolidated Subsidiaries as of the End of the Previous Fiscal Year	From 10 to less than 50

4. Policy on Measures to Protect Minority Shareholders in Conducting Transactions with Controlling Shareholder

—

5. Other Special Circumstances which may have Material Impact on Corporate Governance Updated

Dai Nippon Printing Co., Ltd. holds 20,727,410 shares of the Company's stock (proportion of voting rights: 21.46% as of March 31, 2026). It is a Major Shareholder of the Company.

On August 9, 2012 the Company entered into a "Business Alliance Agreement" with Dai Nippon Printing Co., Ltd. which forms business alliances in the areas of cloud and new platform services business, as well as marketing and sales.

One of the Company's nine directors concurrently serves as Managing Director at Dai Nippon Printing Co., Ltd.

The Company preserves independence in carrying out its business activities and making management decisions by making its own business judgments in pursuit of an increase in corporate value and profit for the shareholders as a whole.

Business between the Company and Dai Nippon Printing Co., Ltd. is reported to or approved by the Board of Directors based on predetermined standards.

II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight in Management

1. Organizational Composition and Operation

Organization Form	Company with <i>Kansayaku</i> Board (Audit & Supervisory Board)
-------------------	---

[Directors]

Maximum Number of Directors Stipulated in Articles of Incorporation	The maximum number is not stipulated.
Term of Office Stipulated in Articles of Incorporation	1 year
Chairperson of the Board	President
Number of Directors	9
Election of Outside Directors	Elected
Number of Outside Directors	5
Number of Independent Directors	5

Outside Directors' Relationship with the Company (1)

Updated

Name	Attribute	Relationship with the Company*											
		a	b	c	d	e	f	g	h	i	j	k	
Nalin Advani	From another company												
Yoshinori Ikeda	Tax Accountant												
Asako Osaki	From another company								o				

Yuichi Katayama	From another company									△			
Yasuko Teraura	Lawyer												

* Categories for “Relationship with the Company”

* “○” when the director presently falls or has recently fallen under the category;

“△” when the director fell under the category in the past

* “●” when a close relative of the director presently falls or has recently fallen under the category;

“▲” when a close relative of the director fell under the category in the past

- a. Executive of the Company or its subsidiaries
- b. Non-executive director or executive of a parent company of the Company
- c. Executive of a fellow subsidiary company of the Company
- d. A party whose major client or supplier is the Company or an executive thereof
- e. Major client or supplier of the Company or an executive thereof
- f. Consultant, accountant, or legal professional who receives a large amount of monetary consideration or other property from the Company besides compensation as a director/*kansayaku*
- g. The Major Shareholder of the Company (or an executive of the said Major Shareholder if the shareholder is a legal entity)
- h. Executive of a client or supplier company of the Company (which does not correspond to any of d, e, or f) (the director himself/herself only)
- i. Executive of a company, between which and the Company outside directors/*kansayaku* are mutually appointed (the director himself/herself only)
- j. Executive of a company or organization that receives a donation from the Company (the director himself/herself only)
- k. Others

Outside Directors’ Relationship with the Company (2)

Updated

Name	Designation as Independent Director	Supplementary Explanation of the Relationship	Reasons of Appointment
Nalin Advani	○	—	The Company has again appointed Mr. Advani as outside director. Mr. Advani obtains global business experience mainly based on the Asia Pacific region as well as technical expertise about AI and robots after having served multiple technology companies mainly in Japan, Singapore, and India in light of business management and investment. The Company expects Mr. Advani to utilize his global experience as well as knowledge and expertise about the industry to which the Company belongs in giving effective advice on and support for the Company’s business management and we propose to elect him as Outside Director again. Mr. Advani is designated as independent director since he neither comes into conflict with the “Independence Criteria” stipulated in the TSE rules on the listing of securities, nor the “Standards on the Independence of

			Outside Directors/Auditors” stipulated by the Company.
Yoshinori Ikeda	○	—	The Company has appointed Mr. Ikeda as outside director. Mr. Ikeda has accumulated experience in serving the National Tax Agency at important positions for many years. He has overseas experience, and he is well-versed specifically in the field of international taxation. Mr. Ikeda has sophisticated professional knowledge and expertise in the field of tax accounting as evidenced in his playing active roles as Tax accountant and university professor after retiring from the National Tax Agency. The Company expects Mr. Ikeda to give effective advice on and support for the Company’s business management based upon his expertise and experience. The Company proposes to elect him as Outside Director again. Mr. Ikeda is designated as independent director since he neither comes into conflict with the “Independence Criteria” stipulated in the TSE rules on the listing of securities, nor the “Standards on the Independence of Outside Directors/Auditors” stipulated by the Company.
Asako Osaki	○	The Company paid Gender Action Platform, a specified non-profit corporation for which Ms. Osaki serves as Director, a speaking fee and related compensation for lecturing at a seminar given by Ms. Osaki and held by the Company during the fiscal year immediately before, however the amount paid by the Company to Gender Action Platform is insignificant at ¥330,000.	Ms. Osaki has extensive international experience, including work at the United Nations. She is also playing an active role as an expert on gender in various fields such as government, local government, and academia. Also, Ms. Osaki has sophisticated professional knowledge and expertise not only in the field of gender and human rights, but also in the field of ESG/sustainability. The Company expects Ms. Osaki to give effective advice on and support for the Company’s business management in promoting ESG management based upon her expertise and experience. The Company proposes her continued appointment as Outside Director. Ms. Osaki is designated as independent director since she neither comes into conflict with the “Independence Criteria” stipulated in the TSE rules on the listing of securities, nor the “Standards on the Independence of Outside Directors/Auditors” stipulated by the Company.

Yuichi Katayama	○	Mr. Katayama had been an executive officer at Oriental Land Co., Ltd., a business partner of the Company, within the past ten years. Although system service and other business is conducted between this company and the Company, the amount of this business is small, at less than 1% of consolidated sales of the Company during the fiscal year immediately before, and less than 0.2% of the consolidated sales of Oriental Land Co., Ltd.	Mr. Katayama has held important positions during his many years of experience at financial institutions, and has extensive experience related to finance and accounting. At Oriental Land Co., Ltd., he has served as a director for many years and has extensive knowledge and experience as a member of management as well. For these reasons, the Company expects Mr. Katayama to give effective advice on and support for management of the Company based upon his expertise and experience. The Company proposes his continued appointment as Outside Director. Mr. Katayama is designated as independent director since he neither comes into conflict with the “Independence Criteria” stipulated in the TSE rules on the listing of securities, nor the “Standards on the Independence of Outside Directors/Auditors” stipulated by the Company.
Yasuko Teraura	○	—	As an attorney-at-law, Ms. Teraura has specialized and advanced knowledge in legal affairs and risk management, as well as extensive experience as an outside officer at listed companies and other companies. The Company expects Ms. Teraura to give effective advice and support based upon her expertise and experience thereby further strengthening the supervisory function of the Board of Directors. The Company proposes her election as Outside Director. Ms. Teraura is designated as independent director since she neither comes into conflict with the “Independence Criteria” stipulated in the TSE rules on the listing of securities, nor the “Standards on the Independence of Outside Directors/Auditors” stipulated by the Company.

Voluntary Establishment of Committee(s) Corresponding to Nomination Committee or Remuneration Committee	Established
---	-------------

Committee’s Name, Composition, and Attributes of Chairperson

	Committee Corresponding to Nomination Committee	Committee Corresponding to Remuneration Committee
Committee’s Name	Nomination & Remuneration Committee	
All Committee Members	5	

Full-time Members	0
Inside Directors	1
Outside Directors	4
Outside Experts	0
Other	0
Chairperson	Outside Director

Supplementary Explanation

Updated

• In order to discuss and report matters relating to personnel and remuneration of our executives, the Company has established the Nomination and Remuneration Committee, chaired by an independent outside director, as an advisory committee of the Board of Directors, and the role of the committee is as below. In order for the Nomination and Remuneration Committee to make decisions, it is essential to have the attendance of an independent outside director member, and a resolution can only be adopted by the unanimous approval of the members in attendance, including the independent outside director member.

- 1) The committee examines and makes recommendations on criteria for the selection and the procedures for appointing and dismissing as well as other specific personnel proposals relating to directors, auditors, and corporate officers of the Company.
- 2) The committee discusses and makes recommendations on the basic policy on remuneration for directors and executive officers of the Company, the remuneration system and standards, the relevant decision-making procedures, as well as policies for deciding on a method for calculating remunerations for auditors.

• Members and a chairperson are selected from among the Company's directors by a resolution of the Board of Directors. Four independent outside directors (Nalin Advani, Yoshinori Ikeda, Asako Osaki, and Yuichi Katayama) have been elected as members and one of them has been elected as a chairperson in order to ensure transparency, fairness, and objectivity in deciding personnel matters and remuneration, and at the same time one Inside Director (Taeko Sawakami) who is familiar with the industry and in-house conditions and who has experience in key positions in the Company has been elected as a member.

• The Nomination and Remuneration Committee of the fiscal year 2025 comprised four independent outside directors (Nalin Advani as a chairperson, Yoshinori Ikeda, Asako Osaki, and Yuichi Katayama) and one inside director (Taeko Sawakami). Fourteen meetings for the committee were held with the secretarial office playing the role of secretariat. All members attended all the meetings and deliberated mainly upon electing candidates for director and corporate officer, deciding bonus amounts for directors and corporate officers, and issuing and allocating restricted stocks as remuneration.

[Kansayaku (Audit & Supervisory Board Member)]

Establishment of <i>Kansayaku</i> Board	Established
Maximum Number of <i>Kansayaku</i> Stipulated in Articles of Incorporation	The maximum number is not stipulated.
Number of <i>Kansayaku</i>	4

Updated

Cooperation among *Kansayaku*, Accounting Auditor, and Internal Audit Departments

Updated

Group Internal Audit Department has been established as an independent internal organization. The organization audits the effectiveness and efficiency of internal control for the entire Group.

The state of cooperation among auditors, the Accounting Auditor, and Group Internal Audit Department are described below.

- The auditors (including part-time auditors; the same shall apply hereinafter), the Accounting Auditor, and the Group Internal Audit Department meet in person periodically in order to exchange their opinions.

- The Full-time auditors participate in internal audit review meetings held by Group Internal Audit Department, and state their opinions regarding the reports.
- Group Internal Audit Department reviews and audits the state of activities within the internal organization and Group subsidiaries.
- At least two times a year, the Group Internal Audit Department reports the internal audit results at meetings of the Board of Directors attended by outside directors and auditors. Opinions are also exchanged with non-executive directors and auditors as needed.

Appointment of Outside <i>Kansayaku</i>	Appointed
Number of Outside <i>Kansayaku</i>	3
Number of Independent <i>Kansayaku</i>	3

Outside *Kansayaku*'s Relationship with the Company (1)

Updated

Name	Attribute	Relationship with the Company*												
		a	b	c	d	e	f	g	h	i	j	k	l	m
Satoshi Matsunaga	From another company							△						
Masahiro Fuchizaki	From another company							△			△			
Masako Inoue	Certified Public Accountant													

* Categories for "Relationship with the Company"

* "○" when the *Kansayaku* presently falls or has recently fallen under the category;

"△" when the *Kansayaku* fell under the category in the past

* "●" when a close relative of the *Kansayaku* presently falls or has recently fallen under the category;

"▲" when a close relative of the *Kansayaku* fell under the category in the past

a. Executive of the Company or its subsidiary

b. Non-executive director or accounting advisor of the Company or its subsidiaries

c. Non-executive director or executive of a parent company of the Company

d. *Kansayaku* of a parent company of the Company

e. Executive of a fellow subsidiary company of the Company

f. A party whose major client or supplier is the Company or an executive thereof

g. Major client or supplier of the Company or an executive thereof

h. Consultant, accountant or legal professional who receives a large amount of monetary consideration or other property from the Company besides compensation as a *kansayaku*

i. The Major Shareholder of the Company (or an executive of the said Major Shareholder if the shareholder is a legal entity)

j. Executive of a client or supplier company of the Company (which does not correspond to any of f, g, or h) (the *kansayaku* himself/herself only)

k. Executive of a company, between which and the Company outside directors/*kansayaku* are mutually appointed (the *kansayaku* himself/herself only)

l. Executive of a company or organization that receives a donation from the Company (the *kansayaku* himself/herself only)

m. Others

Outside *Kansayaku*'s Relationship with the Company (2)

Updated

Name	Designation as Independent <i>Kansayaku</i>	Supplementary Explanation of the Relationship	Reasons of Appointment
Satoshi Matsunaga	○	Mr. Matsunaga has been an executive officer of The Norinchukin Bank, which is a major business partner and lender of the Company, for the past ten years. However, Mr. Matsunaga retired from The Norinchukin Bank and four years have passed since then.	Mr. Matsunaga has business experience at financial institutions for many years, and has considerable expertise in finance and accounting. He also serves as an outside auditor at a listed company. Thus, the Company believes he will be able to utilize his expertise and experience for auditing the overall management of the Company from an independent, outside viewpoint. Therefore, the Company has appointed him as Outside Auditor. Mr. Matsunaga is designated as independent auditor since he neither comes into conflict with the “Independence Criteria” stipulated in the TSE rules on the listing of securities, nor the “Standards on the Independence of Outside Directors/Auditors” stipulated by the Company.
Masahiro Fuchizaki	○	Mr. Fuchizaki was formerly an executive officer of Sumitomo Mitsui Banking Corporation, a major lender to the Company. However, Mr. Fuchizaki retired from Sumitomo Mitsui Banking Corporation and ten years have passed since then. Mr. Fuchizaki had been an executive officer at The Japan Research Institute, Limited, a business partner of the Company, within the past ten years. Although system service and other business is conducted between The Japan Research Institute, Limited and the Company, the amount of this business is small, at less than 1% of consolidated sales of the Company during the fiscal year immediately before, and less than 0.1% of the sales of The Japan Research Institute, Limited.	Mr. Fuchizaki has many years of business and management experience at financial institutions and think tanks. He has also served as CIO at a financial institution and has abundant knowledge and experience about the industry which the Company belongs to, as well as experience as an outside director at a listed company. Thus, we believe he will be able to utilize his expertise and experience for auditing the overall management of the Company from an independent, outside viewpoint. Therefore, the Company has appointed him as Outside Auditor. Mr. Fuchizaki is designated as independent auditor since he represents a superb example of independence as evidenced by the fact that he neither comes into conflict with the “Independence Criteria” stipulated in the TSE rules on the listing of securities, nor the “Standards on the Independence of Outside Directors/Auditors” stipulated by the Company.

Masako Inoue	○	—	Ms. Inoue has long-standing experience in statutory audits such as audits under the Financial Instruments and Exchange Act and audits under the Companies Act at an audit corporation, as well as being in charge of non-audit services such as audit attestation services for voluntary audits, advice on financial reporting, and support for stock listings. She has broad and abundant knowledge and experience in finance, corporate accounting, governance, and other areas. We believe she will be able to utilize her expertise and experience to audit the execution of duties by Directors from an independent, outside viewpoint. Therefore, the Company has appointed her as Outside Auditor. Ms. Inoue is designated as independent auditor since she neither comes into conflict with the “Independence Criteria” stipulated in the TSE rules on the listing of securities, nor the “Standards on the Independence of Outside Directors/Auditors” stipulated by the Company.
--------------	---	---	--

[Independent Directors/*Kansayaku*]

Number of Independent Directors/ <i>Kansayaku</i>	8
---	---

Matters relating to Independent Directors/*Kansayaku*

This Company has designated all outside directors/*kansayaku* who meet the qualifications for independent director/*kansayaku* as independent directors/*kansayaku*.

[Incentives]

Incentive Policies for Directors	Performance-linked Remuneration
----------------------------------	---------------------------------

Supplementary Explanation Updated

• Remuneration for executive directors consists of the business performance-based remuneration stated below in addition to fixed remuneration (a monthly salary).
The business performance-based remuneration comprises a.) bonus linked to a short-term business performance, and b.) the Restricted Stock Remuneration linked to medium-to-long-term business performance.
Fixed remuneration, bonus linked to a short-term business performance and the Restricted Stock Remuneration linked to medium-to-long-term business performance are in the ratio 4:4:2.
The above ratio is based on the assumption that the Company achieves a short-term business earnings target 100% in the final fiscal year for the assessing period of the Restricted Stock Remuneration, and the Company satisfies 100% each of the conditions for the Restricted Stock Remuneration in the same fiscal year.

• a.) Bonus linked to a short-term business performance is summarized as below.

(i) The total bonus amount shall be decided by the Board of Directors pursuant to standard coefficients and standard amounts by title determined by the Nomination & Remuneration Committee on the basis of net income attributable to owners of parent. The total bonus amount shall not exceed ¥400 million approved at the 77th Ordinary General Meeting of Shareholders.

In a case of a net loss attributable to owners of parent, bonus shall not be paid. In a case of a net income less than ¥5.0 billion, only standard amounts by title shall be paid. In a case of a net income of ¥5.0 billion or more, a standard amount by title and an amount calculated in accordance with a standard coefficient determined by the Nomination & Remuneration Committee shall be paid.

A standard coefficient shall not exceed 0.5% for the time being.

<Standard Coefficient>

Profit attributable to owners of parent	Standardized coefficient
Less than ¥5.0 billion	0%
¥5.0 billion or more and less than ¥10.0 billion	0.2%
¥10.0 billion or more and less than ¥15.0 billion	0.3%
¥15.0 billion or more and less than ¥20.0 billion	0.4%
¥20.0 billion or more	0.5%

(ii) A bonus amount for each executive director will be calculated on the basis of the total payment amount above by using a standard coefficient determined by the Nomination and Remuneration Committee on the basis of responsibilities. The amount will be paid in June in principle.

The profit attributable to owners of parent is appropriate to indicate contribution of executive directors to a short-term business performance.

<Achievements for Bonus Linked to Business Performance Indicator>

As the actual result of profit attributable to owners of the parent for the fiscal year ended March 2026 was ¥31.2 billion, the Company paid a total amount of ¥155 million as the bonus calculated by using a standard coefficient of 0.5% as well as base amounts by managerial position.

The total bonus amount is below the maximum limit of ¥400 million per year as resolved at the General Meeting of Shareholders.

• b.) The Restricted Stock Remuneration linked to medium-to-long-term business performance is summarized as below.

The method for deciding the Restricted Stock Remuneration is described below.

(i) Executive directors shall receive issuances or dispositions of the Company's common shares within the range of ¥200 million per year and 66,000 shares per year as approved at the 77th Ordinary General Meeting of Shareholders.

(ii) The Company shall allocate to each executive director restricted shares in June every year in principle after deliberations by the Board of Directors on a number of allocated shares to each executive director calculated using standard coefficients decided by the Nomination and Remuneration Committee in accordance with responsibilities on the basis of the total remuneration amount above.

(iii) Executive directors may not assign nor transfer the restricted shares while they hold positions determined by the Board of Directors of the Company.

(iv) The allocated shares are consisted of those conditional on achievement of ① tenure condition and ② KPI such as a performance indicator and an ESG indicator for a certain period of time. The number of allocated shares to be lifted from transfer restriction will vary depending on how much these conditions are satisfied.

(v) The performance indicator (the medium-to-long-term business performance conditions) described in iv) ② above is a percentage of a Total Shareholder Return of the Company's shares compared with a TOPIX growth rate. The ESG indicator (the long-term business performance conditions) is a percentage of achieving targets (KPIs) of ESG material issues (materiality) to be worked on in order to achieve the Vision 2030 of the Company. The Company decides the number of allocated shares to be lifted from transfer restrictions based on these percentages.

(vi) The tenure condition referred to in iv) ① above for the allotted shares assigned in the period ended March 2026 shall be to continue to be in service immediately before the conclusion of the Ordinary General Meeting of Shareholders to be held in the year 2026. The medium-to-long-term business performance conditions referred to in iv) ② above shall be to lift transfer restrictions in accordance with achievement degrees as of

March 31, 2028. The long-term business performance conditions referred to in iv) ② above shall be to lift transfer restrictions in accordance with achievement degrees as of March 31, 2027.

(vii) The Company shall automatically acquire a portion of allocated shares yet to be lifted from transfer restriction without compensation due to unsatisfied conditions. The same shall be applicable in such cases where executive directors violate laws and regulations.

The Company has adopted the tenure condition as described in iv) above for the purpose of sharing the perspective with shareholders through holding shares and the condition of performance indicator of the iv) ② above for the purpose of reflecting a medium-to-long-term performance as well as measuring how much its corporate value is increased in light of TOPIX comparison without considering impacts of the entire market. In addition to the above, with the condition of ESG indicator, the Company will work on to achieve its material ESG targets.

Recipients of Stock Options	
-----------------------------	--

Supplementary Explanation

[Director Remuneration]

Disclosure of Individual Directors' Remuneration	Only for a certain director
--	-----------------------------

Supplementary Explanation	Updated
---------------------------	---------

The Company discloses remunerations for directors in the securities reports. The remunerations for the fiscal year ended March 2026 (from April 1, 2025 to March 31, 2026) are stated below.

a. Total amount of remunerations for directors and auditors

• Directors (excluding outside directors)

Total amount: ¥348 million

(Fixed remuneration ¥138 million, bonuses ¥155 million, restricted stock remuneration ¥54 million)

• Auditors (excluding outside auditors)

Total amount: ¥37 million

(Fixed remuneration ¥37 million)

• Outside directors and outside auditors

Total amount: ¥96 million

(Fixed remuneration ¥96 million)

b. Total amount of remunerations for a person whose remuneration is ¥100 million or more

• Director, Noboru Saito

Total amount: ¥163 million

(Fixed remuneration ¥62 million, bonuses ¥74 million, restricted stock remuneration ¥26 million)

• Director, Koji Katsuya

Total amount: ¥106 million

(Fixed remuneration ¥38 million, bonuses ¥51 million, restricted stock remuneration ¥16 million)

Notes

- One non-executive director is not eligible to receive bonuses and restricted stock remuneration.
- Auditors and outside directors are not eligible to bonuses and restricted stock remuneration.
- Figures shown in millions of yen have been rounded down to the nearest million.
- The amount of restricted stock remuneration listed above is the amount recorded as an expense in the current consolidated fiscal year out of the cost related to restricted stock remuneration granted to three executive directors.

5. The officer retirement benefit plan was cancelled as of June 30, 2006 as resolved at a meeting of Board of Directors convened on April 28, 2006.
6. The above includes remunerations for three auditors who retired at the conclusion of the 81st Ordinary General Meeting of Shareholders held on June 25, 2025.

Policy on Determining Remuneration Amounts and Calculation Methods	Adopted
--	---------

Disclosure of Policy on Determining Remuneration Amounts and Calculation Methods

The policy and procedure for deciding the remuneration for directors and auditors are as follows. a. Remuneration for Directors ▪ Remunerations for executive directors shall be composed of a) fixed remuneration (monthly salary), b) bonus linked to a short-term business performance, and c) Restricted Stock Remuneration linked to a medium-to-long-term business performance, etc. These three are in the ratio 4:4:2. - The above ratio is based on the assumption that the Company achieves a short-term business earnings target 100% in the final fiscal year for the period of assessing the stock remuneration, and the Company satisfies 100% each of the conditions for the stock remuneration in the same fiscal year. - The c) Stock Remuneration (non-monetary remuneration, etc.) linked to a medium-to-long-term business performance consists of those conditional upon achievement of tenure condition, mid-long term business performance target, and specified KPIs such as ESG targets. The ratio of the above three is 3:1:2. ▪ The Company shall provide non-executive directors such as outside directors with monthly remuneration (which is fixed and not linked to performance) alone. ▪ It was resolved at the 49th Ordinary General Meeting of Shareholders held on June 25, 1993 that the total monthly remuneration amount for directors is within ¥35 million per month. ▪ The policy and procedures of bonuses for directors and stock options as stock-based compensation are described in the ‘Supplementary Explanation’ for [Incentives] at ‘1. Organizational Composition and Operation’ of ‘II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight in Management’. b. Remuneration for Auditors Remuneration paid to Auditors are not linked to business performance in order to ensure the effectiveness of auditing from an independent perspective. Their fixed monthly remuneration is decided as a result of discussions among auditors. It was resolved at the 62nd Ordinary General Meeting of Shareholders of June 22, 2006 that the total monthly remuneration amount for auditors is within ¥8 million per month.	
--	--

[Supporting System for Outside Directors and/or *Kansayaku*]

Outside directors and outside auditors are provided in advance with materials on key matters to be discussed at meetings of the Board of Directors, and explanations are provided to them as required by the departments concerned with those matters.

[Status of Persons Retired from Representative Director and President, etc.]

Names, etc., of Senior Corporate Adviser (“*Sohdanyaku*”) and Corporate Advisers (“*Komon*”) who have formerly served as Representative Director and President, etc.

Updated

Name	Title/Position	Role/Activity	Working Conditions (Full-time/Part-time, Paid/Unpaid)	Date of Retirement	Term
—	—	—	—	—	—

Total number of Senior Corporate Advisers (“ <i>Sohdanyaku</i> ”) and Corporate Advisers (“ <i>Komon</i> ”) who have formerly served as Representative Director and President, etc.	0 persons
---	-----------

Updated

Others	Updated
--------	---------

- The Company abolished its *sohdanyaku* system and revised its *komon* system effective from the closing of the Ordinary General Meeting of Shareholders of June 27, 2018. The revised system stipulates that the Company will commission a person retired from Representative Director and President to assume an office of *komon* designed to engage in material external activities for the Company for two (2) years on the proviso that such commission is approved by the Nomination & Remuneration Committee and the Board of Directors. A *komon* is not involved in the decision-making process regarding the management of the Company.
- A *komon* is to perform part-time duties. He or she is paid the amount of remuneration as stipulated in the internal regulations of the Nomination & Remuneration Committee.
- The Company currently has no *komon*.

2. Matters on Functions of Business Execution, Auditing, Oversight, Nomination and Remuneration Decisions (Overview of Current Corporate Governance System)

Updated

The Company has adopted the corporate governance system which has the Audit & Supervisory Board. It creates and maintains the following system in order to enable effective corporate governance for stakeholders such as shareholders.

a. The Board of Directors

The Board of Directors for the fiscal year ending March 2027 consists of nine directors (including three female directors), with five of them being independent outside directors who bring diverse backgrounds, including advanced expertise and extensive experience and knowledge in venture investment, global business, international taxation, gender, ESG, legal, risk management, sustainability, and management. These independent outside directors account for the majority of the Board of Directors.

In principle, the Board of Directors is convened monthly to deliberate and make decisions on the basic policies of the Company’s management and other important matters, as well as overseeing overall management, including the execution of duties by directors and corporate officers.

The term of directors is set for one (1) year in order to establish a flexible management system capable of responding to changes in the management environment and to clarify the management responsibilities of directors.

(Members) Noboru Saito (Chairperson/Representative Director, President),

Koji Katsuya, Taeko Sawakami, Takahito Kanazawa,

Nalin Advani, Yoshinori Ikeda, Asako Osaki, Yuichi Katayama, and Yasuko Teraura

* Nalin Advani, Yoshinori Ikeda, Asako Osaki, Yuichi Katayama, and Yasuko Teraura are independent outside directors.

(Auditors) Mikinori Kobayashi, Satoshi Matsunaga, Masahiro Fuchizaki, and Masako Inoue

* Satoshi Matsunaga, Masahiro Fuchizaki, and Masako Inoue are independent outside auditors.

The attendance of each director at the Board of Directors meetings for the fiscal year ended March 2026 is as follows.

Name	Position	Attendance
Noboru Saito	Inside Director	12 times/12 meetings
Koji Katsuya	Inside Director	12 times/12 meetings
Taeko Sawakami	Inside Director	12 times/12 meetings
Takahito Kanazawa	Inside Director	12 times/12 meetings
Nalin Advani	Outside Director	12 times/12 meetings
Yoshinori Ikeda	Outside Director	12 times/12 meetings

Asako Osaki	Outside Director	12 times/12 meetings
Yuichi Katayama	Outside Director	12 times/12 meetings
Yasuko Teraura	Outside Director	10 times/10 meetings

b. The Audit & Supervisory Board

The Audit and Supervisory Board in the fiscal year ending March 2027 is composed of four Audit and Supervisory Board members.

They include three independent outside auditors (including a certified public accountant) holding a majority, and one of them is woman. Two of the Audit and Supervisory Board members are full-time auditors.

Auditors attend key meetings (such as those of the Board of Directors), examine the state of the Company's performance and assets, and audit directors in their performance of their duties. They are assisted in accomplishing their duties by dedicated personnel assigned to the Auditor's Office (two dedicated members) in order to enhance the effectiveness and smoothness of audit operations by auditors.

(Members) Mikinori Kobayashi (Chairperson/ Full-Time Auditor), Satoshi Matsunaga, Masahiro Fuchizaki, and Masako Inoue

* Satoshi Matsunaga, Masahiro Fuchizaki, and Masako Inoue are independent outside auditors.

The attendance of each auditor at the Audit & Supervisory Board meetings for the fiscal year ended March 2026 is as follows.

Name	Position	Attendance
Mikinori Kobayashi	Full-Time Auditor	16 times/16 meetings
Satoshi Matsunaga	Full-Time Auditor	11 times/11 meetings
Hirofumi Hashimoto	Inside Auditor	16 times/16 meetings
Masahiro Fuchizaki	Outside Auditor	11 times/11 meetings
Masako Inoue	Outside Auditor	11 times/11 meetings
Masaya Oishi	Outside Auditor	5 times/5 meetings
Harumi Kojo	Outside Auditor	5 times/5 meetings
Keiko Mizuguchi	Outside Auditor	5 times/5 meetings

c. Accounting Auditor

The Company has appointed Deloitte Touche Tohmatsu LLC as the Accounting Auditor from which it receives an audit of its accounts.

d. Nomination & Remuneration Committee

The Company has established the 'Nomination & Remuneration Committee' as an advisory committee to the Board of Directors. The Committee reviews appointments of and remunerations for directors and auditors as well as corporate officers of the Company and reports the result to the Board of Directors. The Committee of the fiscal year ending March 2027 is composed of five directors including four independent outside directors. An adoption of resolution requires an attendance by an independent outside director member and at the same time a unanimous approval by members in attendance including the independent outside director member.

(Members) Nalin Advani (Chairperson/Independent Outside Director), Yoshinori Ikeda (Independent Outside Director), Asako Osaki (Independent Outside Director), Taeko Sawakami (Inside Director), and Yuichi Katayama (Independent Outside Director)

The attendance of members at the Nomination & Remuneration Committee of the fiscal year ended March 2026 was as follows.

Name	Position	Attendance
Nalin Advani	Outside Director	14 times/14 meetings
Yoshinori Ikeda	Outside Director	14 times/14 meetings
Asako Osaki	Outside Director	14 times/14 meetings
Taeko Sawakami	Inside Director	14 times/14 meetings
Yuichi Katayama	Outside Director	11 times/11 meetings

e. System for Business Execution

- System of Corporate Officers (for *shikkoyakuin* and *gyomu-shikkoyakuin*)

The Company has adopted a system of corporate officers (for *shikkoyakuin* and *gyomu-shikkoyakuin*), which enables the appropriate delegation of authority in order to separate supervision of management from its execution and to enable prompt business execution.

- Executive Council

We have established the Executive Council as a body for deciding important matters of business execution. The Council is composed of members who are corporate officers concurrently serving as directors and who are appointed by the president. Auditors can attend the meetings, and full-time auditors usually attend.

(Members) Noboru Saito (Chairperson/Representative Director, President),

Koji Katsuya, Taeko Sawakami, Naoshi Nagashima, Shinichi Inoue, and Yasuhiro Imai

- Various Committees

Various committees have been established in order to deliberate on specific management issues relating to business execution by the directors from practical perspectives. These are the R&D/Investment Committee, the Project Review Committee, the Information System Strategy Committee, the Technology Strategy Committee, the Sustainability Committee, the Environmental Contribution Committee, the Social Committee, the Compliance Committee, the Risk Management Committee - Business Continuity Project, the Information Security Committee and Life Science Research Ethics Committee.

- Collective Decision-Making (*Ringi*) System

The Company has established and operates a system that enables key management issues to be decided based on consultation among those officers responsible, among those officers responsible and related officers, and among members of decision-making bodies (committees) and/or the Executive Council after having first obtained an expert opinion on the issues from the corporate staff heads of each relevant division.

- Group Internal Audit Department

Group Internal Audit Department has been established as an independent internal body to assess the effectiveness and efficiency of internal controls across the Group.

Pursuant to Article 427 (1) of the Companies Act of Japan, the Company has executed an agreement with non-executive directors as well as auditors to limit their liability as set out in Article 423 (1) of the Act. The limit of liability is ¥5 million or the amount stipulated by law, whichever is higher. The limitation of liability is only recognized in cases where such directors and auditors performed their duties in good faith and without gross negligence.

3. Reasons for Adoption of Current Corporate Governance System

The Company has judged that an audit system which includes outside auditors is effective for supervising management, and thus has adopted the corporate governance system which has the Audit & Supervisory Board.

Given the drastically changing nature of the Company's industry, its Board of Directors consists of three directors (concurrently serving as corporate officers) well-versed in the state of the Company and its industry, and also six persons from outside the Company as directors (including five outside directors) who are expected to use their abundant experience of management, give advice on management as a whole from their external, objective and expert perspectives, and operate as an efficient supervisory body to management. We think this makes the Company capable of ever more objective and broad-based decision-making, and ever more effective supervision of its business execution.

III. Implementation of Measures for Shareholders and Other Stakeholders

1. Measures to Vitalize the General Meeting of Shareholders and Smooth Exercise of Voting Rights

Updated

	Supplementary Explanations
Early Notification of General Meeting of Shareholders	The Company sent the notice of the 82nd ordinary General Meeting of Shareholders of June 24, 2026, 22 days before the date thereof. Furthermore, the Company had disclosed it on its website and the Tokyo Stock Exchange website before it sent the document.
Scheduling AGMs Avoiding the Peak Day	The Company holds General Meeting of Shareholders on days other than the day on which the largest number of companies hold their meetings. It held the General Meeting of Shareholders on June 24, 2026, two days before the day on which many other companies held their meetings.
Allowing Electronic Exercise of Voting Rights	The Company has enabled individual shareholders to exercise their voting rights by personal computer or smartphone through a designated website.
Participation in Electronic Voting Platform	The Company has participated in an electronic voting platform operated by ICJ, Inc. whereby institutional investors can exercise their voting rights, since the 63rd Ordinary General Meeting of Shareholders held in June 2007.
Providing Notice in English	The Company provides an English version of the notice for the General Meeting of Shareholders.
Other	The Company prepares visual content for General Meeting of Shareholders, and it sends the notice of General Meeting of Shareholders via e-mail. The Company discloses a notice of General Meeting of Shareholders on its website and the website of the Tokyo Stock Exchange, etc. before sending the notice to shareholders. The Company conducted a hybrid virtual General Meeting of Shareholders (live-streamed) for its 82nd ordinary General Meeting of Shareholders.

2. IR Activities

Updated

	Supplementary Explanations
Preparation and Publication of Disclosure Policy	The Company has published its Disclosure Policy on its external website (https://www.biprogy.com/invest-e/disclosure-policy/)
Regular Investor Briefings for Investors	Quarterly performance briefing sessions are held. The briefing sessions below were held for the fiscal year ended March 2026. (1) Briefing session for Q1 of the fiscal year ended March 2026 Date: July 31, 2025 Number of Participants: 70 Explained by: Senior Corporate Officer (CFO) (2) Briefing session for Q2 of the fiscal year ended March 2026 Date: November 5, 2025 Number of Participants: 85 Explained by: Representative Director, President & CEO (3) Briefing session for Q3 of the fiscal year ended March 2026 Date: February 4, 2026 Number of Participants: 84 Explained by: Representative Director, President & CEO and Senior Corporate Officer (CFO) (4) Briefing session for the fiscal year ended March 2026 Date: April 30, 2026 Number of Participants: 66 Explained by: Representative Director, President & CEO
Posting of IR Materials on Website	The Company has posted consolidated financial statements, annual securities reports (yuka shoken hokokusho), semi-annual securities report, integrated reports, results briefing materials, business briefing materials, notice of

	General Meeting of Shareholders, and notices of resolutions of the General Meeting of Shareholders.
Establishment of Department and/or Manager in Charge of IR	Name of the department responsible for investors relations: IR Office, Finance

3. Measures to Ensure Due Respect for Stakeholders

Updated

	Supplementary Explanations
Stipulation of Internal Rules for Respecting the Position of Stakeholders	The Group has set as part of its corporate philosophy that it will ‘Listen sincerely to our stakeholders to improve our corporate value’. It has taken into consideration all stakeholders: shareholders, investors, customers, partners, employees, and local communities, and has endeavored to have an open dialogue with them in view of creating relationships of trust.
Implementation of Environmental Activities, CSR Activities etc.	■ Enhancing Environmental Management to Achieve a Zero Emissions Society The Group recognizes that climate change, biodiversity, and establishment of a circular economic system are critical issues for the creation of a sustainable society, as well as a responsibility to future generations, and we are continually working to strengthen our environmental management. We aim to achieve the goal of a zero-emissions society presented in “Long-Term Environmental Vision 2050” through reducing GHG emissions from our business activities and through environmental contributions via the provision of services to customers and via the Digital Commons which the Group has constructed and participates in. The Environment Contribution Committee that was established as a subordinate organization of the Sustainability Committee studies action policies related to environmental contributions, manages and supervises the design and implementation status of mechanisms for carrying out environmental contributions, and is strengthening initiatives for making environmental contributions visible. It also operates an environmental management system compliant with ISO14001, which is the foundation of these activities, conducts training to improve employee environmental awareness, and conducts other initiatives. Based on Vision 2030, we have set KPI and reduction targets for the reduction of GHG emissions in the value chain as a materiality, and are working to achieve them. To promote the reduction of emissions (Scope 1+2 and Scope 3) in the value chain and the switch to renewable energy for electricity purchased by the Company, we calculate emissions for each scope based on the GHG Protocol and obtain and publish assurance statements on environmental data from third parties. The Group has received Science Based Targets (SBT) certification for our GHG emissions reduction target in July 2024, confirming that they are aligned with the goals of the Paris Agreement. In terms of evaluation of our efforts, we were selected as an “A List Company,” the highest rating, in the 2025 climate change sector evaluation by CDP, an international non-profit organization that operates the world’s largest environmental information disclosure platform. (Participation in initiatives) In order to achieve the zero emissions society that is a goal in our “Long-Term Environmental Vision 2050”, the Group recognizes that engagement with a wide range of stakeholders is essential. Based on this recognition, we declared our support for the TCFD recommendations (April 2020), joined the RE100 (July 2020), declared our support for the TNFD recommendations (February 2025) and have actively participated in various other partnerships and initiatives related to climate change and biodiversity in Japan and overseas.

	■ Respect for Human Rights The Group positions respect for human rights as a key management issue and has formulated and published the “BIPROGY Group Human Rights Policy” based on the United Nations Guiding Principles on Business and Human Rights. In accordance with this policy, we conduct human rights due diligence, identifying, evaluating, addressing, and monitoring human rights risks. These human rights risks can lead to reputational, financial, operational, and legal risks, potentially impacting corporate value. Furthermore, through the “BIPROGY Group Sustainable Procurement Guidelines,” we request our business partners to understand and cooperate with initiatives that include human rights. Based on these policies, we promote efforts to respect human rights across the entire value chain, including employees, and continuously manage and improve these efforts. As a result of these initiatives, no significant human rights violations have been identified, and we continue to work on enhancing effectiveness. ■ External Evaluations We have received a variety of external evaluations for the initiatives of our Group in carrying out sustainability management. For example, the Company was selected as a “Sustainability Yearbook Member” for four consecutive years with an evaluation score in the top 15% of the industry in the “Sustainability Yearbook 2026” from S&P Global that lists the best corporations in terms of sustainability. In addition, in the “MSCI Japan ESG Select Leaders Index” constructed by MSCI Inc., which selects the companies with the top ESG ratings in each industry among the top 500 market cap companies in Japan, we have received the highest grade of “AAA” for three consecutive years since 2023. Details of the Company’s initiatives related to overall sustainability are described on the following website. • BIPROGY Group Sustainability Information Site https://www.biprogy.com/sustainability/(in Japanese only)
Development of Policies on Information Provision to Stakeholders	The Company promotes communication with stakeholders through IR activities pursuant to the Disclosure Policy.

IV. Matters Related to the Internal Control System

1. Basic Views on Internal Control System and the Progress of System Development

Updated

The Company group has strived to establish, operate and continuously improve its internal control system as follows in order to smoothly and effectively achieve the four aims of internal control. These aims are: “improving the effectiveness and efficiency of business”, “ensuring the reliability of financial reports”, “compliance with laws and regulations on business activities”, and “preservation of company assets”. The intention is to improve the efficiency and transparency of management and ensure the Company’s compliance with laws and regulations.

a. Improving the Effectiveness and Efficiency of Business

The Group has established a management policy and specific management targets, and strives to develop systems that will improve operational effectiveness and efficiency.

- The Group has established the business strategies and profit plans in order to achieve its management policy, and confirms and assesses the extent of progress against them at quarterly management reviews.
- Key matters on business execution are decided by the Executive Council and various committees, and authority is delegated to business divisions as appropriate in order to enable prompt business execution.

- The R&D/Investment Committee deliberates on and assesses the appropriateness of business plans about products/services and business investment such as capital participation in order to ensure the efficiency of investment pertaining thereto. Furthermore, the Project Review Committee deliberates on and assesses the appropriateness of implementation plans for material system service projects in order to ensure the profitability of service businesses.

b. Ensuring the Reliability of Financial Reports

The Company's management and employees have conducted themselves in compliance with the basic policy for appropriate financial reporting established by the Group set forth for ensuring the reliability of financial reporting.

- The Company has established a department that implements the internal control of financial reports under the supervision of the Chief Financial Officer (CFO). It helps relevant departments to put internal control measures in place, and assesses the extent to which they have been implemented and how they are being run. The results of these assessments are reported by the relevant departments to management each time an assessment is conducted, so that management can confirm their efficacy. In an event that inadequacies are found, corrections are made promptly by the relevant department.
- The Group constantly keeps in mind the fact that appropriate financial reporting is a corporate social responsibility. It strives to enhance internal control through measures such as yearly e-learning training sessions ('in order to properly understand internal control') run by the department in charge of internal control.

c. Compliance with Laws and Regulations on Business Activities

In recognition of compliance as one of the most critical issues to execution of business operation, the Group has established the 'Charter of Corporate Code', the 'Group Compliance Regulations', and the 'Group Code of Conduct', based on which all officers and employees of the Group act ethically in compliance with laws and regulations, social norms and internal regulations.

In order to insure these, the Group has established the 'Compliance Committee' to promote compliance programs under the supervision of the Chief Compliance Officer (CCO). Education and awareness activities are continually carried out in order to ensure that an awareness of compliance takes root and grows in all officers and employees of each company within the Group through measures such as conducting e-learning and training seminars.

Additionally, a communication route has been set up for reporting on and asking for advice on compliance matters, and the Compliance Committee and auditors have also established their own direct route (hotline) for reporting and consultation. Strict measures have also been put in place to make sure that hotline users are not retaliated.

d. Preservation of Company Assets (Risk Management)

The Group has established a 'Risk Management Committee' chaired by the Chief Risk Management Officer (CRMO) to unify, lead and manage risk management across the entire Group.

The Risk Management Committee has established a risk profiling in order to share and centralize the management of risks throughout the entire Group. The profiling currently has approx. 130 risk categories such as information management risks, system development risks, and disasters or accident related risks. Staff departments or committees responsible for controlling such risk items have established internal regulations to manage those risks as well as specific preventive measures and countermeasures in an event of a risk arising.

In an event of a material risk arising despite these measures, the organization where such risk arises or relevant committee promptly reports to the Risk Management Committee - Business Continuity Project. A Risk Response HQ is then established according to the severity of the risk in order to deal with the situation appropriately.

In the case of business continuity risks due to factors such as earthquakes or infectious diseases such as a novel strain of influenza, the Business Continuity Project Team headed by the CRMO develops a business continuity plan (BCP) and continuously reviews and improves its content while taking into account a range of viewpoints such as ensuring safety, restoring internal operations, and dealing with customers.

In the event of a crisis, the CRMO (the first in line to the chief of disaster countermeasures HQ for the main office) promptly establishes a disaster countermeasures HQ and commences business continuity support activities.

Regarding the Company's systems to ensure the appropriateness of subsidiaries' business operations, the Company appropriately and effectively manages its group companies through each department designated to manage each of such group company pursuant to its regulations for managing affiliated companies, while respecting each group company's autonomy; the Company has established such regulations in order to improve the corporate value and ensure a sustainable growth of the Group by improving the management efficiency and sharing the Company's corporate philosophy with each group company.

The Company supervises the business operations of directors of the subsidiaries and affiliated companies by dispatching the Company's officers and employees to the subsidiaries and affiliated companies as the directors and auditors. Furthermore, we are advancing the review of related regulations and the consideration of governance-related matters to further strengthen the Group's governance structure.

Systems to ensure the proper operation of a stock company (Internal Control System) other than above were also decided by resolution of the Board of Directors pursuant to the Companies Act, and is disclosed on the Company's external website (<https://www.biprogy.com/invest-e/com/governance.html>).

2. Basic Views on Eliminating Anti-Social Forces

1. Basic Approach

The Company strongly refuses any anti-social forces and groups that threaten the order and safety of civil society.

2. Extent of Current Measures

- The Company has a policy of 'having no relationship with anti-social forces and eliminating any activities to promote them' as part of its aforementioned "System to ensure the properness of operations of a stock company (Internal Control System)" (<https://www.biprogy.com/invest-e/com/governance.html>)
- The Company has an examination system that involves confirmation by the person in charge of a deal and examination of that deal by a dedicated department, in order to avoid any dealings with anti-social forces.
- The Company has included a provision on the elimination of anti-social forces in its standard agreement for the purposes of preventing dealings with anti-social forces and enabling immediate discontinuation of deals in an event where a business partner is found to be part of anti-social forces.
- In an event that a business partner is found to belong to anti-social forces, the Company shall establish a response team and promptly discontinue the relevant deal.
- The Company has made the compliance guidebook to show the specific examples of compliance issues to raise awareness of employees.

V. Other

1. Adoption of Anti-Takeover Measures

Adoption of Anti-Takeover Measures	Not Adopted
------------------------------------	-------------

Supplementary Explanation

The Company has not adopted measures for preventing takeovers.

2. Other Matters Concerning Corporate Governance System

Updated

[Corporate Governance]

The corporate governance system of the Company is as described in the [Organizational Chart for Corporate Governance and Internal Control]

[Timely Disclosure System]

The internal system for timely disclosure of corporate information is as follows.

1. Basic Policy on Timely Disclosure of Corporate Information

The Group will make timely disclosure of facts or financial information capable of significantly impacting investment decisions by investors (hereinafter referred to as ‘material facts’) by appointing its Chief Financial Officer (CFO) as the “Person Responsible for Handling Information” pursuant to the regulations on timely disclosure stipulated in the rules on the listing of securities of the Tokyo Stock Exchange (hereinafter referred to as the ‘Rules on Timely Disclosure’), and also establishing and operating a system of internal information management that is applicable to subsidiaries also, pursuant to the internal regulations on the management and disclosure of internal information.

Furthermore, the Company discloses proactively and fairly all other information deemed to be effective for the better understanding of the Company.

2. Information concerning the Company

(1) Information on decisions made

- Key decision matters are decided by the Board of Directors (which holds a monthly meeting in principle) or the Executive Council, which consists of corporate officers concurrently serving as directors and who are appointed by the president.
- With regard to key matters that have been resolved, the Person Responsible for Handling Information and the departments concerned such as Corporate Communications and Legal Department deliberate on the necessity of disclosure pursuant to the Rules on Timely Disclosure, and if it is decided that disclosure is necessary action is promptly taken.

(2) Information concerning the occurrence of certain facts

- Where a fact that is or is presumed to be material as regarding the Company occurs or is expected to occur, the departments concerned with that fact communicate it promptly to Corporate Communications and the Legal Department.
- Where disclosures is required of the material fact which has occurred, a disclosure procedure is promptly followed by Corporate Communications and the Legal Department after first reporting to the Person Responsible For Handling Information (CFO).

(3) Information concerning the financial results

- For information concerning the financial results, the relevant departments such as Corporate Communications and Legal Department promptly follow a disclosure procedure after first reporting to and obtaining approval from the Board of Directors. Where a performance forecast is revised, disclosure is made promptly as soon as the details of the revision become clear.

3. Information concerning subsidiaries

Material information on individual subsidiaries is promptly communicated by the departments in charge to Corporate Communications and the Legal Department. If it is decided to make disclosure of that information, then Corporate Communications and Legal Department promptly do so.

- * In a case where the materiality of a fact as stipulated in 2 and 3 above is in doubt, the Person Responsible for Handling Information makes a decision on the basis of discussions with the relevant departments.

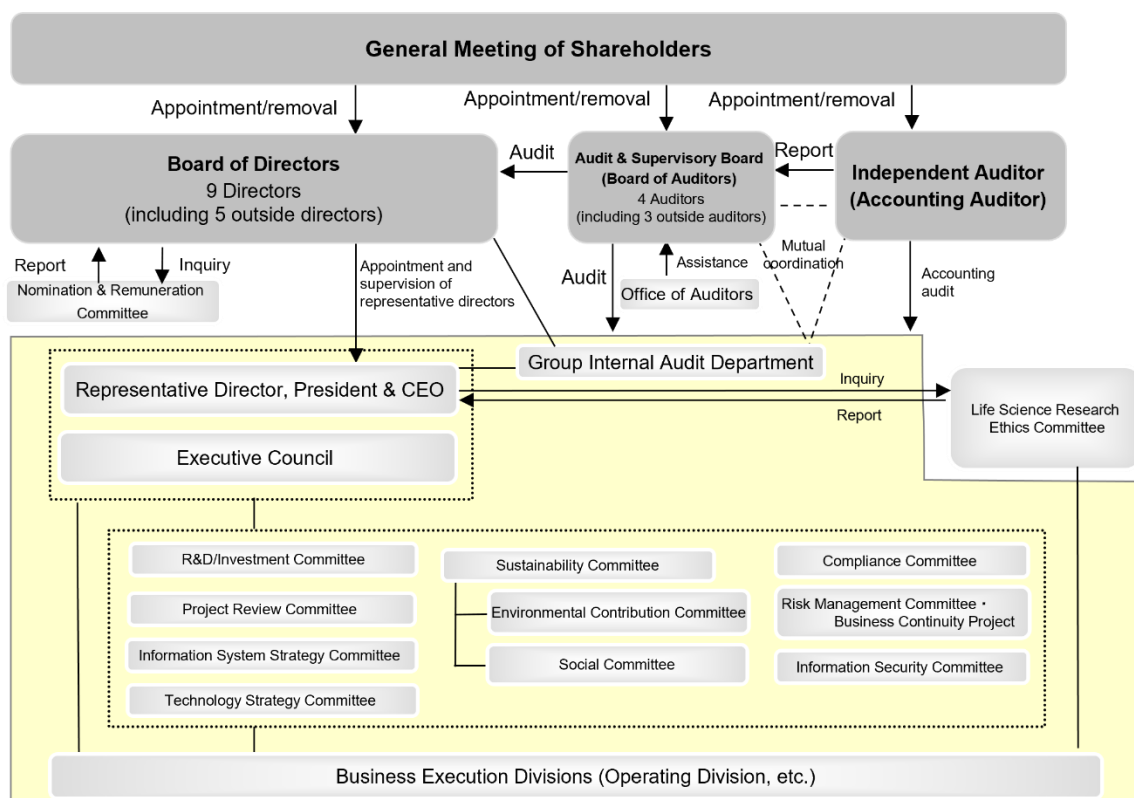
- * Disclosure of material matters as stipulated in the Financial Instruments and Exchange Act is made in securities reports (*yuka shoken hokokusho*) and extraordinary reports (*rinji hokokusho*) which are submitted to the Director-General of the Kanto Finance Bureau through an electronic disclosure system (EDINET: Electronic Disclosure for Investors’ Network).

4. Procedure for Disclosing Material Facts

The Person Responsible for Handling Information and the relevant departments such as Corporate Communications and Legal Department disclose material facts promptly on the basis of their discussions.

Material facts are disclosed by Corporate Communications through TDnet (Timely Disclosure System), a system of timely disclosing and communicating information operated by the Tokyo Stock Exchange, and by posting materials to and holding press conferences at the Kabuto Club of the Tokyo Stock Exchange. Inquiries from investors and the press about information that has been disclosed are responded to mainly by Corporate Communications.

【 Organizational Chart for Corporate Governance and Internal Control 】



【 Organizational Chart for the Timely Disclosure System 】

