

## **BIPROGY Inc.**

### **Small Meeting for Institutional Investors (held on November 27, 2025)**

#### **Principal Questions and Answers**

(with certain details modified in an attempt to provide readers with a deeper understanding.)

[Questioner A]

Q: What were the factors that led to the emergence of unprofitable-risk projects? My understanding is that the project was received two years ago. Given that your cost management system has already been strengthened, do you now have a system in place to prevent unprofitable projects from arising going forward?

A: During the test phase, quality issues were identified. We are currently analyzing the causes that put the project at risk of becoming unprofitable and reviewing the costs with the intention of recording an impairment loss in Q3 (October to December). We are also reviewing the status of all other projects again, but at this point, we do not expect any other significant unprofitable projects besides this one. Our Group has a review system for development projects and maintains strict quality control. Based on the analysis results from this project, we will work to prevent unprofitable outcomes in other projects going forward.

[Questioner B]

Q: Regarding the potentially unprofitable project, is there any possibility that the planned impairment loss amount will exceed 1 billion yen? Also, when is full-scale operation scheduled to begin?

A: We are currently reviewing the costs, but at this point, we do not expect the amount to increase further. The scheduled start of full-scale operations is also currently under review.

Q: In the IT services market, there is a trend of parent companies taking information systems companies private to accelerate business development. How do you view the industry environment?

A: We view the fact that our Group is independent and not part of a parent company as a strength, as it allows us to pursue our business plans autonomously and provide optimal services without being constrained.

Q: Considering Vision2030, the industry environment, and changes in what is required of SI, how do you envision the next Management Policies?

A: Vision2030 defines the type of corporate group we aim to become. In order to be recognized

as a corporate group that works together to solve social issues, we identified the state we need to reach over the next three years and formulated the “Management Policies (2024–2026).” While the current Management Policies are progressing steadily, what we must do next to achieve 1 trillion yen in corporate value is critically important for us. We are currently in the midst of discussions on our next Management Policies. Although we are not yet at a stage to share specifics, we intend to outline concrete strategies for achieving this 1 trillion yen corporate value.

[Questioner C]

Q: How do you view the outsourcing growth rate?

A: While outsourcing services such as “BankVision” and those for individual corporate customers are progressing steadily, we recognize challenges in expanding our service-based business. In addition, although revenue from cloud services provided by other companies is increasing, their profit contribution remains limited. While our policy is to improve profit margins by adding our Group’s proprietary services, progress has been slower than expected, and we are currently implementing measures to catch up.

Q: Regarding changes in business models that are coming about as a result of the spread of AI, do you plan to include this in the next Management Policies?

A: We recognize the need to outline our goals for AI utilization in the next Management Policies. In addition to improving development productivity through AI, we believe that incorporating AI into our services will help differentiate us from competitors and enhance the added value we provide. We are also moving forward with investments in AI-related companies.

[Questioner D]

Q: I would like to know about the synergies you have with Dai Nippon Printing Co., Ltd. (DNP).

A: DNP holds approximately 20% of our shares, but even before that, we had a long-standing business relationship, which we understand is why they selected our Group as their DX partner. Our Group is helping accelerate DNP’s DX while jointly developing a variety of businesses. The top executives from DNP and our Group regularly review progress, and our collaboration is progressing very smoothly.

Q: Would you consider partnering with other IT service companies? Also, could you share your views on the current shareholder structure and listing status?

A: We believe that partnering with a variety of companies to generate synergies is highly meaningful. Collaboration with diverse companies has long been part of our Group’s DNA, and

that policy will remain unchanged going forward. Our Group intends to continue expanding our business independently under the current structure.

[Questioner E]

Q: How do you view the trend of general trading companies integrating their IT subsidiaries as they aim to play a central role in the supply chain?

A: We recognize that DX, including the use of AI, is extremely important as many companies, not just general trading companies, are taking on various initiatives within the supply chain. We aim to be the first name that comes to mind when companies consider DX. To that end, we are actively pursuing open innovation and engaging in research and collaboration with start-ups and overseas companies.

[Questioner F]

Q: Regarding human resource recruitment, I understand that in addition to new graduate recruitment, you have been strengthening mid-career recruitment. Why, then, has the number of mid-career hires declined for the fiscal year ended March 2025?

A: While the entire industry is strengthening mid-career recruitment, we have found it challenging to secure the specific human resources our Group is looking for. That said, the current decline in the number of mid-career hires has no material impact on our recruitment plan. Our policy of strengthening mid-career recruitment remains unchanged. We believe it is important to recruit human resources capable of driving business expansion, and we will continue to be selective in our recruitment decisions.

Q: Regarding the achievement of performance targets for the fiscal year ending March 2027, the final year of the Management Policies, how do you view the upside and downside risks?

A: Order intake has been strong, giving us confidence in our revenue outlook. On the other hand, with respect to profit margins, we see a downside risk if sales of relatively low-margin products, such as hardware, increase. That said, we believe it is important to steadily expand the profit amount. We also aim to achieve our profit margins by increasing our service-based business.

[Questioner G]

Q: As you work toward achieving 1 trillion yen in corporate value, which BIPROGY Group strengths and growth scenarios do you believe have not yet been fully recognized by the market?

A: Our Management Policies (2024-2026) outline the focus areas for both our core and growth businesses, and as part of our growth scenario, we aim to enhance the added value we provide

in each. In particular, our five focus areas in the core business were selected based on sectors where there are social issues to be addressed, where we have a strong customer base, and where our engineers and sales teams possess business knowledge, and we are advancing strategies in these areas. In addition, we view the presence of UNIADDEX—with its strengths in security and network infrastructure—as an important factor that differentiates our Group.

[Questioner H]

Q: Regarding UNIADDEX, my understanding is that you plan to shift from a one-time sales business to a recurring operations-based business. How is that transition progressing?

A: We are aiming to transition from a one-time hardware sales business to a recurring operations business that prioritizes long-term customer relationships. Expanding recurring operations businesses, such as our managed service “GASSAI”, announced in June 2025, is important in this shift. In addition, strong demand for network construction from government agencies and companies, as well as growing demand for infrastructure expansion to support AI and quantum computing, are key drivers behind UNIADDEX’s strong performance. Although the infrastructure sector tends to be highly price-competitive, UNIADDEX has competitive advantages, including not only 24/7/365 support services but also the ability to build AI infrastructure as customers increase their AI utilization. We intend to continue enhancing added value and improving profitability.

(Note)

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