

BIPROGY Inc.

Small Meeting for Analysts (held on May 25, 2026)

Principal Questions and Answers

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

[Questioner A]

Q: What is the basis of the planned increase in revenue and profit in the retail area for the fiscal year ending March 2027?

A: One factor behind the growth in revenue is the full-year inclusion of the performance of Catalina Marketing Japan K.K. ("CMJ"), which has become a consolidated subsidiary. We also forecast increases in both revenue and profit, primarily because a large-scale project in the retail area that we secured in the fiscal year ended March 2026 is entering its full-scale development phase, among other factors.

For overall consolidated performance, demand for IT infrastructure remains strong, and hardware is also expected to continue contributing to revenue growth. Meanwhile, we will closely monitor the risk of supply delays due to the situation in the Middle East and semiconductor shortages.

Q: Regarding the risk of hardware supply delays, is it correct to understand that the impact on performance will be limited?

A: We recognize that, given our Group's portfolio, the impact on revenue from hardware will be limited. Should there be an impact from supply delays, we expect to respond in a way that enables us to absorb it.

Q: Was the operating profit forecast for the fiscal year ending March 2027 formulated using a bottom-up approach? Or was it set in line with the target set forth in the Management Policies, even though it may be exceeded or may be difficult to achieve?

A: We have formulated the operating profit forecast based on the build-up of individual projects, while also considering the target set forth in the Management Policies. It is not based solely on projects with a high degree of certainty, but neither is it set at a level that is unattainable. We determined the forecast to be appropriate in light of our current business situation after reflecting cost-increase

factors, such as rising prices and increases in personnel expenses.

[Questioner B]

Q: Regarding the surge in semiconductor prices, is it possible to reflect it in hardware selling prices? What impact will this have on profit margins? Is there a risk that revenue recognition will be pushed back later than expected due to component shortages?

A: In the past, there were circumstances where it was difficult to pass cost increases on to customers through higher selling prices. Recently, however, changes in the market environment have made customers more receptive to price increases. By implementing price revisions, we are managing our operations in a way that enables us to mitigate declines in profit margins.

At this point, there has been no significant deferral of revenue recognition due to component shortages. While we will continue to monitor the risk of delivery delays, hardware accounts for approximately 17% of our revenue, and therefore we expect the impact on consolidated performance to be limited.

Q: Could you explain UNIADEX's growth potential? Is it correct to assume that demand for networks will grow as AI adoption increases?

A: As AI adoption increases, we expect demand for data centers and networks to grow and their importance to increase. UNIADEX has strong capabilities in this area and provides various services, so this represents a significant growth opportunity for the Group.

In addition, BIPROGY's system services remain strong, with orders continuing to be received based on relationships of trust with customers. In one case, a customer that was considering bringing work in-house through the use of AI selected us as a partner, and we are now working together with the customer. DX demand remains so strong that we are unable to take on all development opportunities. If we can improve our development productivity through the use of AI, we will be better positioned to meet customers' DX demand. While the application of AI in system development is still at the trial stage, we believe that increasing the speed of our response and improving our development productivity will help us grow further.

Q: How do you view the risk that the SI business may become unnecessary as AI adoption expands and customer insourcing driven by AI agents becomes more

widespread?

A: While business models in which customers determine specifications and system integrators (SIers) undertake only simple programming work could be negatively affected, we have strong expertise in understanding business operations across industries and are involved in upstream processes, including specification formulation. In addition, many aspects of AI utilization remain difficult for customers to handle on their own, and we believe that we can provide value as a partner.

Over the medium to long term, we will continue to diversify our portfolio by expanding not only the SI business but also the services that we are working on as growth businesses under the Management Policies. Through these efforts, we aim to build a business structure that is capable of addressing changes driven by AI.

[Questioner C]

Q: In what time frame do you view changes in the SI business due to the spread of AI?

A: We need to consider the reallocation of internal resources and other factors, and therefore also take the time frame into account. Currently, there are no signs of change, such as decreases in orders due to AI. However, we believe that as we head toward 2030, AI-driven productivity improvements will gradually progress and their impact will become more visible. In particular, short-term program development projects may be more susceptible. On the other hand, core systems—such as core banking systems for financial institutions and merchandising (MD) systems for retailers—account for a large portion of our business, and these are not systems that can simply be replaced by AI. Leveraging our existing packages, rather than relying on AI, enables safer development in a shorter period. As such, we do not expect a rapid impact. However, we recognize the need to improve productivity and enhance added value through the use of AI, while also steadily developing our next portfolio.

Q: Regarding Hokkoku Bank's in-house development of its core banking system, could you explain the spread to other financial institutions and the impact on the "BankVision" business?

A: We refrain from commenting on initiatives by individual customers. "BankVision" is a very robust system that is also highly regarded in terms of data security,

recovery, and other aspects. We believe that it will continue to be a strong option from the perspective of transaction volume and stability. In addition, we are working to modernize “BankVision”, and plan to offer services that can be adopted by major financial institutions and that allow existing customers to continue using them with confidence.

[Questioner D]

Q: What are the factors behind the increase in SG&A expenses, especially internal system expenses, in the performance forecast for the fiscal year ending March 2027? Is there room to control costs?

A: We recognize that there is room to control costs to a certain degree.

One reason for the increase in internal system expenses is AI-related investments. We have reflected these investments in the plan, considering that they would increase more than previously anticipated due to the strengthening of initiatives toward the next stage of growth.

Q: When will the results of AI-related investments contribute to performance?

A: While we expect the main benefits to materialize toward 2030, we will also work to realize benefits in the short term, including efficiency improvements.

Q: I understand that there is limited overlap between the customer bases of BIPROGY and UNIADDEX. What is the status of cross-selling initiatives with UNIADDEX?

A: Regarding the strengthening of synergies, we established a project headed by the executive officers of both companies responsible for sales departments a few years ago, and have been accelerating the initiatives. Cross-selling benefits have also begun to emerge, with both companies proposing each other’s services and other products to their respective customers. Internally, we give awards to synergy projects.

Going forward, we expect the growing adoption of AI to drive customer demand for the integrated management of infrastructure, such as networks, security, and servers. We have launched “GASSAI”, a managed service under the Management Policies, and have expanded our service offerings over the past two years.

[Questioner E]

Q: Are there changes in demand, such as customers allocating a greater share of their budgets to cybersecurity measures, due to the emergence of new security technologies, such as Anthropic's Claude Mythos?

A: We expect the emergence of new security technologies to increase the need to strengthen networks and security and to review applications, leading to an increase in our business opportunities. We intend to address these needs while taking profitability into account, so that these efforts lead to improved performance. While closely monitoring new technologies and related actions taken by government agencies, we will work with customers to develop and implement appropriate measures.

Q: There are moves among other companies to launch new brands in which pricing is set based on added value rather than man-hours, with the aim of shifting away from the traditional labor-dependent system development model. Do you have any plans to pursue similar initiatives?

A: Toward 2030, we anticipate a reduction in labor-intensive work, such as programming processes, and a shift toward upstream processes and consulting. At that time, we believe that our strong understanding of business systems will give us an advantage. A reduction in programming processes is not necessarily negative, as it leads to higher productivity. We intend to increase the number of projects we can undertake and increase revenue. Whether to develop a service model in which pricing is based on added value rather than man-hours will be considered as we formulate the next Management Policies.

(Note)

Forecasts in this document rely on judgments and assumptions based on information available at present. Actual results may differ from the forecasts due to changes in risks, uncertainties, economy and other factors. Thus, the certainty of these forecast is not guaranteed by our Group. Also, the information is subject to change without prior notice in future. Information in this document is intended to provide further understanding of the Company Group and is not intended to solicit investment. This Company shall not be held responsible for any damages whatsoever incurred as a result of utilizing the information provided in this document.