

# At a Glance

(Data as of FY2022 or March 31, 2023)



Year established

**1958**

Locations

All over Japan and **8** foreign countries\*<sup>1</sup>

Consolidated subsidiaries

**27**

\*<sup>1</sup> America, China, Indonesia, Thailand, Singapore, the Philippines, Malaysia, Vietnam

Number of customers\*<sup>2</sup>

More than **5,000** companies

\*<sup>2</sup> Total of BIPROGY and UNIADEX

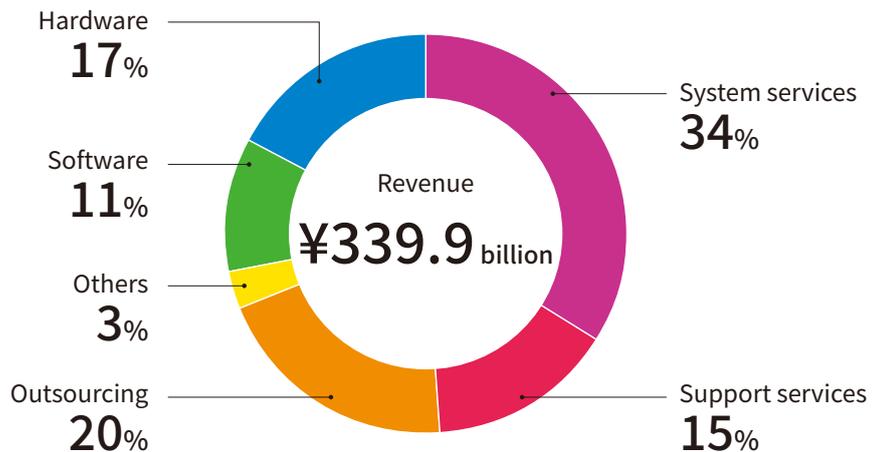


No. of employees

**8,124**

No. of engineers

**5,089**



Operating profit

**¥29.7 billion**

Operating margin

**8.7%**

Profit attributable to owners of parent

**¥20.2 billion**

Basic earnings per share

**¥201.06**

ROE

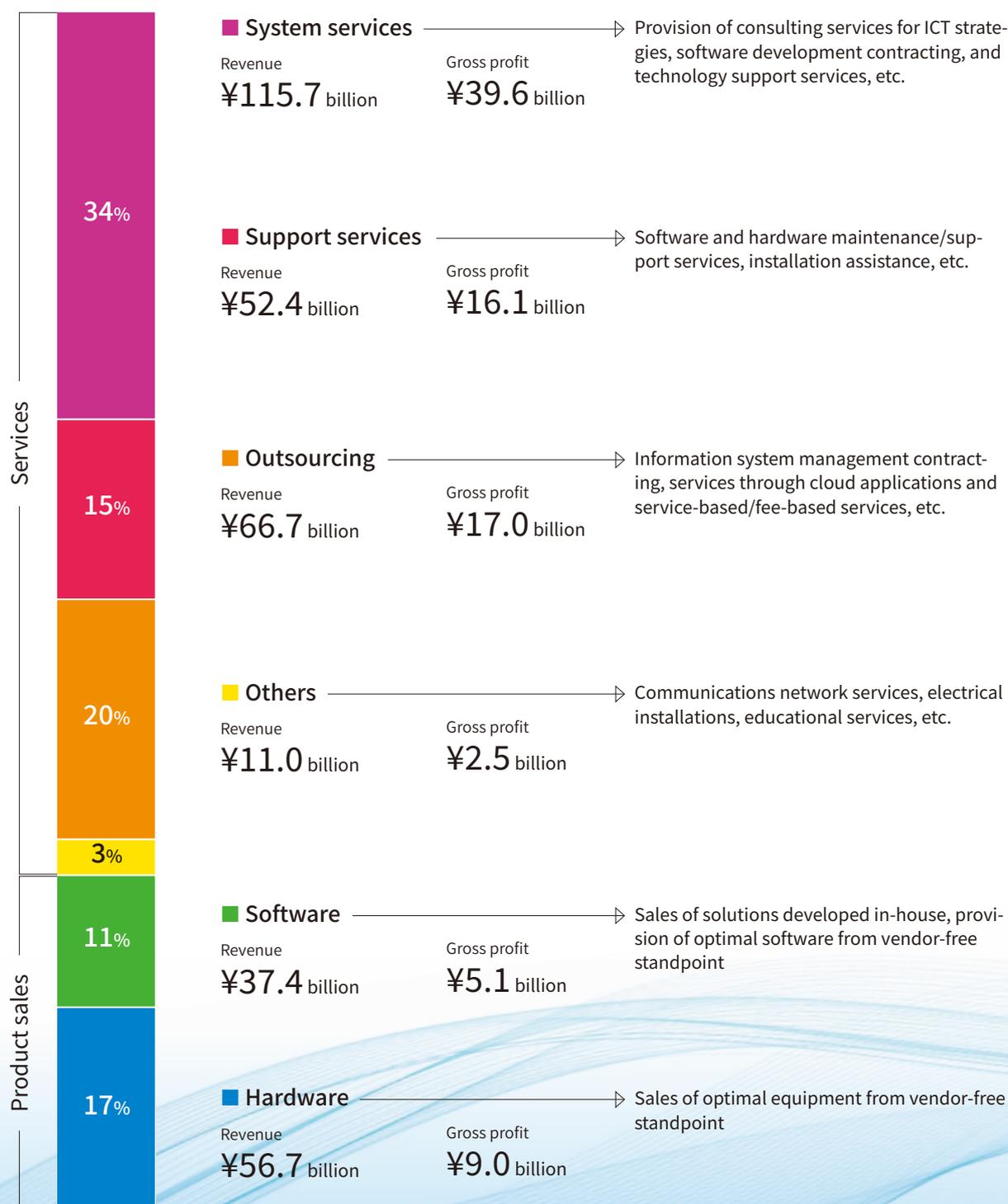
**15.0%**

Issuer rating\*<sup>3</sup>

**A-**

\*<sup>3</sup> Rating & Investment Information (R&I)

## Composition of Revenue



# Purpose

## Create a sustainable society using foresight and insight to unlock the full potential of technology.

The BIPROGY Group aims to create a sustainable society by combining foresight and insight into social change, technology centered on ICT, and the business ecosystem we have formed with various partners. We will not only provide ICT services, we will accelerate our efforts to create new value that enriches society and solve social issues, which we have promoted up to now, and transform ourselves into a company that creates social value.

### Principles

#### Principles and Creeds

#### Principles

- Social Inclusion and Respect for Human Rights
- Acceptance and Acquisition of Diversity
- Self-improvement and Greater Discretion
- Transparent Corporate Activities and Healthy Corporate Culture
- Sincere Performance

#### Creeds

- Sincere and Passionate Actions as a Good Member of Society
- Efforts to Hand Down Well-being to the Next Generation
- Create Value by Forming Business Ecosystems
- Pursue High Quality, High Technology and High-level Skills
- Create Social Value and Achieve Sustained Growth

### Corporate Philosophy/ Charter of Corporate Behavior

Unchanging values and definitions

## Purpose

The Unique Characteristics and Management  
Resolve of the BIPROGY Group

Create a sustainable society using  
foresight and insight to unlock the  
full potential of technology



## Management Policies (2021-2023)

Targets to be achieved over three years to realize Vision 2030

Expand the business ecosystem with partners and communities

➤ P.28-35

## Vision2030

Our Path to 2030

We will develop the Digital Commons which is a platform that helps create a society where everyone can live happily

➤ P.20-27

## Material Issues

Material Issues and Guiding Indicators

- Create schemes to solve issues through the use of digital technology and business ecosystems
- Contribute to the environment through the use of digital technology and reduce the environmental impact of business activities in order to help build a world of net zero emissions
- Sustainably procure and provide safe, secure products and services throughout the entire value chain
- Develop and strengthen human resources to create a new future and promote diversity and inclusion
- Further improve corporate governance and integrity

## Corporate Statement

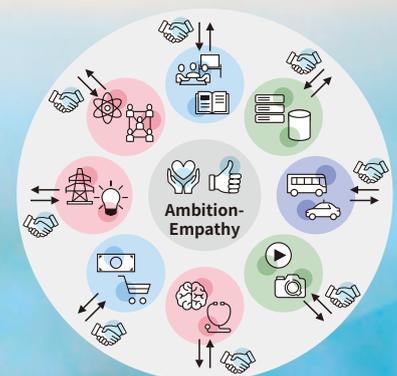
Simple Slogans Spreading Ideas Consistently

## Foresight in sight

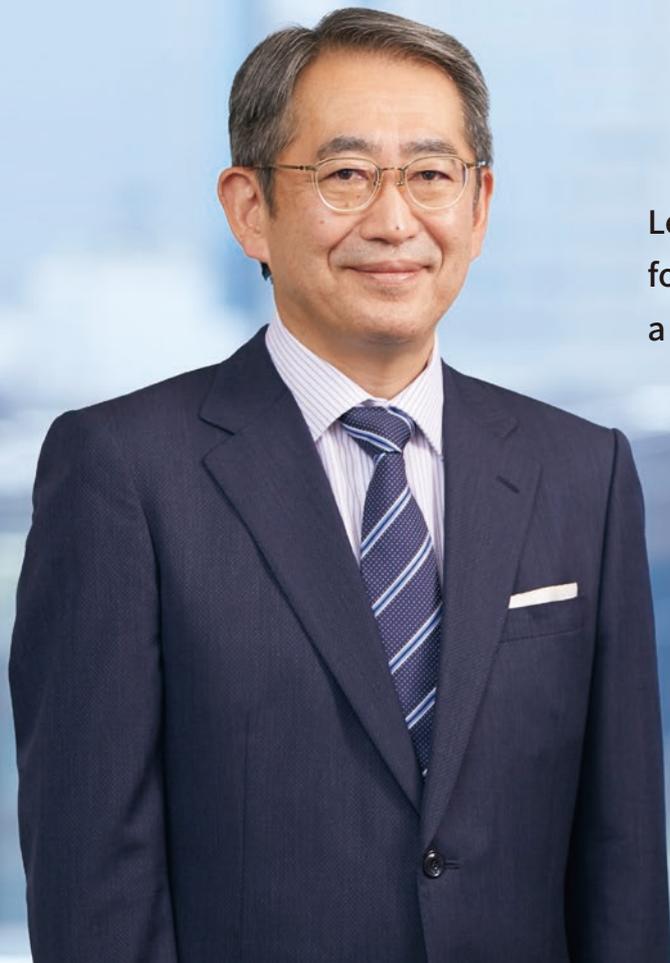
“Foresight” consists of foreseeing and understanding industry changes, customer needs, and future social issues, and “in sight” has the double meaning of being able to see and understand things combined with the meaning of “insight.”

## BIPROGY Group’s Digital Commons Concept

Digital Commons are communities where it is possible to create both social and economic value in solving social issues by using the power of digital technology to make it possible to widely use privately owned assets (assets owned by companies, organizations, and individuals) and surplus assets (assets with low utilization rates) that already exist in society as shared assets with low additional costs. Our Group will promote the social implementation of the Digital Commons by combining its track record and expertise in solving social issues, its network of like-minded people, and its digital technology based on many years of experience.



## CEO Message



Learning from experience to achieve a leap forward, developing “Digital Commons” for a world that doesn't create social issues

**Akiyoshi Hiraoka**  
Representative Director,  
President & CEO, CHO

### Learning from major challenges; striving to reach new heights

One year has passed since April 2022, when we changed our company name from Nihon Unisys to BIPROGY Inc. Since then, we have created as many opportunities as possible to explain the reason behind the name change to our stakeholders, and the significance which the new name holds for us. We have also engaged in deeper dialog with our employees. Over that year, I think we have successfully communicated the role of our new name as a symbol of our determination to address the challenges we face in creating the world we wish to see.

However, over the past year, we have also had to respond to the loss of USB flash drives\*, and I would like to take this opportunity to express my deepest apologies once again for the worries and concern caused by this incident. Since the incident occurred, we have been working as a Group to prevent any similar incidents from happening again. Across all of our workplaces and projects, we have reconfirmed the importance of continually confirming the status of our information management systems. Our executives and employees have also discussed

repeatedly what we need to do to regain the trust of our customers and wider society. As a result of those discussions, we have identified the need to build world-leading levels of security while building cooperative relationships with our entire supply chain. However, this target is not our ultimate goal, and we will always continue aiming higher. While continually reflecting on our journey so far, we will continually take on the challenge of adopting new technologies and frameworks. As this mindset has gradually spread through our employees and partner companies, we have started to receive words encouragement from our customers. Shareholders, too, have passed on messages to us such as “we hope you will continue to remain positive and seek to reach even greater heights.” We aim to respond to these messages of support by showing them our commitment to “world-leading quality” is not simply a slogan, but something embodied in all of our actions.

\* On June 21, 2022, a contract employee working at one of our partner companies lost USB flash drives containing encrypted personal information, causing a major information security incident (the memory stick was found three days later on June 24, and no leak of personal information was confirmed).

## Looking back on the second year of our Management Policies (2021–2023)

### Solid progress in creating and expanding our business ecosystem

The second year covered by our Management Policies (2021–2023) is now complete, and during FY2022, we could sense the achievement of solid progress towards our Vision-2030. We were able to properly respond to the growing customer demand for digital transformation (DX) services, as well as work actively to propose DX to our customers. In addition, we were able to sense a solid increase in the number of employees able to provide customers with proposals for the launch of new projects including activities, conducted together with our Group, to resolve various challenges. Down the years, we have worked not only to meet the demands of our customers but also to advertise ourselves as a company that can serve as a catalyst for the creation of business ecosystems that help customers address the challenges faced by society. We are now regularly seeing such proposals lead to concrete business activity. Customers are increasingly recognizing our Group's ability to engage in interesting projects, and this is producing synergies. We are seeing a growing number of customers approach us. They seek our help to resolve the issues that they face and also to serve as a partner in putting their business principles and corporate purpose into practice.

Through start-up investment and corporate venture capital initiatives with a focus on open innovation, we increasingly engage in projects that allow us to combine our own strengths and the strengths of these partners, producing new markets and developing activities that create social value. While our corporate group's particular expertise lies in the fields of information and digital technology, we have also been investing actively in entrepreneurs building startups that develop “deep tech” or “real tech,” exchanging information with those companies. This allows us to

take on various challenges in areas that combine information technology and digital technology with “deep tech” and “real tech” and work towards the fulfillment of our Purpose, which we define as working to “create a sustainable society using foresight and insight to unlock the full potential of technology.” We estimate that we achieved significant forward progress in FY2022 in combining the three areas of “foresight and insight,” “technology” and “business ecosystem.”

### Goals for the final year of our Management Policies (2021–2023)

FY2023 will be the final fiscal year covered by our Management Policies (2021–2023). To ensure that we achieve significant progress during the period of our next management policies, we believe that we must strive over that final year to invest actively in R&D and human capital while also focusing our resources on DX, a field currently enjoying significant growth, to build up the assets we require for the future of our business. With that in mind, we expect to achieve a sales revenue target of ¥350.0 billion, up from the ¥340.0 billion target included in our original Management Policies. We are also changing the sales revenue forecast for our outsourcing business from our original target of ¥100.0 billion to ¥75.0 billion and changing our forecast for adjusted operating margin from 10% or over to 9.1%. While this does represent a downward revision of our targets for sales revenue from outsourcing solutions and adjusted operating margin, we are still determined to eventually reach double digit profitability and have not given up on this goal. Currently, it is important for us to achieve sufficient profitability and make the most of the favorable business environment, but we should not reduce investment in the company's future just for the sake of reaching an adjusted operating margin target.

## Progress in the social implementation of the “Digital Commons”

In summer 2023, extremely hot days continued across Japan with torrential rain frequently causing damage, clarifying for us once again the urgency of measures to mitigate climate change. For many years, our Group has recognized the importance of efficient energy management as part of our efforts to tackle the various environmental and social problems related to climate change,

which is why we have been providing various next-generation energy solutions and services. In recent years, a growing number of companies are starting to appreciate the value in this business, and we are increasingly working in partnership with other companies to provide services that provide society with convenient supplies of green energy.

A further related issue is the growing demand for

# CEO Message

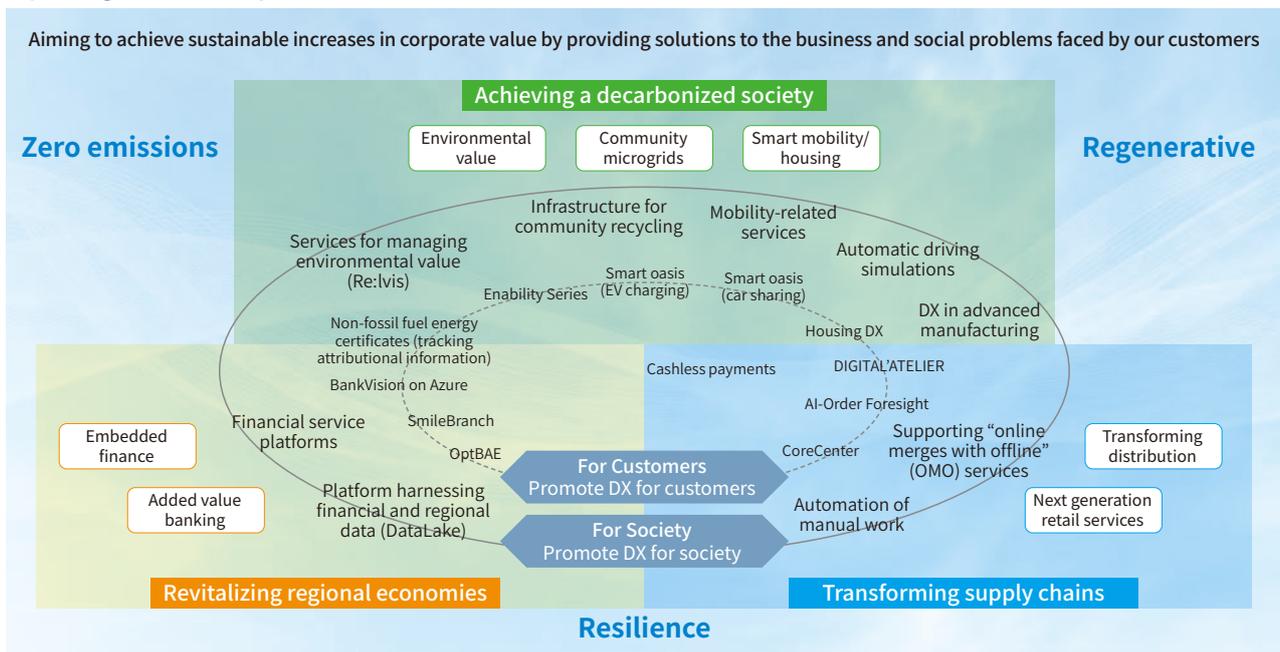
corporate disclosure of carbon neutral related information. To respond to these social demands, we are working to engage in various projects that combine assets already developed by our Group with the assets of our customers and partners. As we add new solutions to these projects, we are now entering a stage in which we can incorporate into our social infrastructure the shared assets for efficient energy management that we have already created by leveraging business ecosystems and the power of digital technology. Among the three beneficial social impacts that our corporate group is trying to achieve, this will help us contribute to our goal of “zero emissions (environmental contributions and reduced environmental loads using digital technologies).”

Another one of our desired social impacts is to help society achieve “resilience through viable and resilient autonomous distributed environments,” creating a society that is robust in the face of crises. For example, in the fields of managing, maintaining, and inspecting social infrastructure and various other facilities, Japan is facing the issues of insufficient labor and the growing average age of technical experts. To address these issues, our Group is starting to create frameworks that support technical experts by using IoT-enabled devices and AI to enable improvements in productivity, efficiency, and personnel reductions. We are now seeing the results of these projects begin to take shape. Moving forward, we aim to apply these frameworks beyond the current scope of buildings, tunnels, bridges,

and roads, helping to prevent and reduce damage from natural disasters. However, mitigating and preventing the effect of disasters is not something that we can do by ourselves. By working together with diverse range of partners in different fields and different industries, we can expand our business ecosystems, contributing to disaster prevention and reduction, creating “Digital Commons” (digital assets that can be shared by society). A large number of our employees now share this vision, and we can feel ourselves making strong progress.

The final one of our desired social impacts is to create “Regenerative systems for a net positive society.” In terms of social issues, this category includes issues such as labor shortages in the retail and service businesses and the problems of excess waste and the production of marine plastic waste. When addressing social issues, it is important to achieve a good balance between production, consumption, and distribution. Solutions we can provide in this area include AI-supported automatic ordering systems to control product orders, and the introduction of systems replacing electronic product price tags to greatly improve task efficiency when changing price labels, for example to reflect discounts, a task that was previously carried out by hand. These later systems can also support dynamic pricing\*. Our customers in the retail industry have received these initiatives positively. We can also harness all the data to identify strong-selling products and analyze the time of

## Expanding business ecosystems



day when customers tend to make purchases, providing this information to parties in the supply chain to reduce waste and distribution costs, while also improving production control. These new systems help customers take the first steps towards achieving profitability while building supply chains that have a low environmental impact.

\* Pricing method in which businesses set flexible prices for products and services taking into account supply and demand.

### Contributing to the elimination of social problems

We believe that the concept of “Digital Commons,” which we outline in our Vision-2030, is a strategic necessity if we are to raise the social position of our Group and grow over the next 5, 10, or even 20 years, while harnessing the advantages and originality our Group has acquired down the years, in addition to the pioneering initiatives put into place by other companies, as a base to respond to future changes in the social environment and new paradigms. As we move towards 2030, we aim to make firm progress in developing these frameworks, which will allow us to move towards the creation of a world based around the “Digital



Commons.” By 2030, we will hopefully be able to see the path towards a world in which the “Digital Commons” can be used to resolve various social issues, or prevent such issues from emerging in the first place. Under the grand slogan of “Digital Commons Can Save the World,” we currently feel great potential in pursuing this approach.

## Creating connections between organizations via information sharing

As we work to produce various services at a time when the future remains unpredictable, we are likely to see more failures than successes, but by recording our failures in a database used as a “holding tank,” we may be able to reuse those attempts at some point in the future. Recently, as our “holding tank” is stored in the cloud, maintaining this information requires little operational cost. In addition, since no major investment is required for us to reuse previously tried services, we can build models with the marginal cost of zero, which is a major characteristic of digital technology. Assets we created through projects that did not work out initially are already proving useful in other new projects. Furthermore, we can also use our database of prior businesses and assets to provide our customers and partners with solutions.

Our employees also work to learn about corporate-backed startups and venture companies by gathering in

the early morning to exchange information in a study meeting that we call the “Morning Challenge,” which is attended on each occasion by several hundred people. Through these initiatives, we work to encourage the sharing of information. These activities, many of whom are already under way, also help break down silos between different parts of our organization and encourage new projects based on cross-departmental coordination. For example, our new service for supporting the acquisition and management of non-fossil fuel energy certificates grew from coordination between the team responsible for energy management and the team responsible for financial technology. These projects evolved spontaneously from employees communicating with each other in the workplace and serve as examples of behavioral change sparked by information sharing.

## Fostering the development of employees who can work independently

When it comes to work, companies frequently talk about “musts,” but if employees are told that persisting is a

“must,” they may feel discouraged. That is why, if we are to increase the number of motivated employees who can act

## CEO Message



on their own initiative, we must transform “musts” into “wants” and “hopes.” To take a step in that direction, we took advantage of the coronavirus pandemic to promote self-motivated workstyles, unrestricted by time or place. One reason why we call our Management Plans our “Management Policies” is that when building specific systems and frameworks for concrete tasks, we encourage each employee to go about the task in their own way. At BIPROGY, we also refer to our management divisions by the collective name of the Group Design Division, since we want to harness the know-how of each individual to shape and influence (“design”) the direction of our Group. All of these efforts are for the purpose of developing, self-directed employees.

### Evolving our organization and our people while promote intrapersonal diversity through the ROLES System

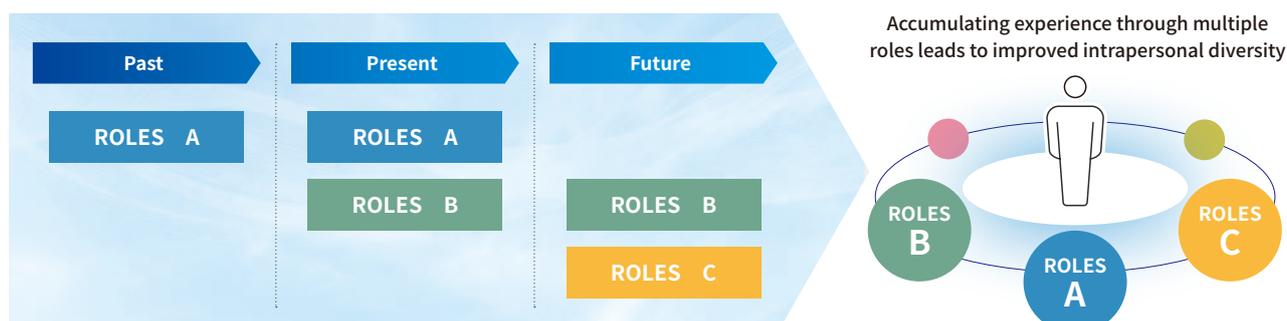
ROLES is the concept that lies at the heart of the BIPROGY human resources systems. We use “ROLES” in the plural to emphasize the diversity of the roles to each individual is required to play. When a single individual performs a variety of roles, they can develop variety of different perspectives. When people can see things from other perspectives, it is easier for them to understand and respect others who have different values.

Then, when people with different values are able to interact, they may produce products and services that are even more appealing. This is why the concept of “intrapersonal diversity” is so important for us.

For example, if an engineer, whose previous project experience has been to ensure the thorough implementation of quality, cost, and delivery, is involved in the launch of a new business, they will be able to appreciate just how difficult it is to get a new business up, running and generating profit. By using the concept of ROLES to let each individual take on different responsibilities, we can raise employee’s awareness of what the project is trying to achieve and how they can help move the project forward. This results in significant personal development. We already use ROLES to plan our organizational training, project assignments, and to support our employees in their self-directed career development, but as we move forward we hope to expand the application of the ROLES concept to job rotation and recruitment. By systematically

### What are ROLES?

- AT BIPROGY, ROLES refer to the roles employees perform when completing their tasks. Roles are defined in terms of the competencies and skills required to complete a particular job. It is a core concept that helps clarify the type, quality and number of personnel required to implement the various business strategies under the overall management strategy.
- Each individual employee can interact with ROLES in various ways including “sequentially taking on different roles in the course of their career,” “simultaneously taking on different roles,” and “taking on new roles in areas where they lack experience.” By understanding and committing to the requirements of the roles that they have experienced in the past and the roles they are currently undertaking, employees can improve their intrapersonal diversity.



expanding the scope of ROLES, we can improve the intrapersonal diversity of our employees.

At BIPROGY, we also provide many opportunities for learning. In addition to our “holding tank” database of past projects and the “Morning Challenge,” both mentioned above, we encourage employees to engage in T3 (Time to Think) activities, which require them, once a week, to step away from their current main task for three consecutive

hours and use that time for the self-development of their “wants” and “hopes.” If this concept can be put into practice at an organizational level, the organization itself can learn. Once we can encourage self-directed work, the adoption of ROLES, and self-learning as an organization, we can foster the development of diverse individuals who can produce innovation, and this learning can continue to make our organization even stronger.

## Accelerating forward towards the achievement of Vision-2030 under our Management Policies for the years ahead

As we reach the final fiscal year covered by the current Management Policies (2021-2023), we are working to draw up our next Management Policies. While we have not yet determined how many years the next Policies will cover, the Policies will be based around our business strategy of driving forward towards the achievement of Vision-2030.

For our next Policies, I plan to have Group members who wish to think about our future build the policy themselves rather than have specific policies dictated to them by me. Currently, we already have a number of taskforces in the company that employees have set up on their own initiative. If these self-directed task forces ask me for advice, I do not do much beyond provide suggestions on areas they could look into, avoiding explicit instruction. All of our employees are already capable of a considerable degree of self-motivated thought and action, and I believe that we have reached a stage where it is inappropriate for the company President to intervene directly based on experience of past success. Among the employees launching their own task forces to debate these issues, a number have already taken our “Management Leader Program” which is designed to help foster candidates for future executive positions. Some participants in these self-directed task forces are in their 30s. I am very much looking forward to seeing the business strategy visions that emerge from these initiatives.

### Taking on the Challenge of Inorganic Growth

Up until now, we are focused on improving our business performance through organic growth that builds upon our existing assets. That is because our primary goal was to generate profits, increase our cash flow, and strengthen our financial position. However, I believe that stage of our company’s history is now complete. Our efforts so far have provided us with the financial leeway to make various investments, and we have in place a solid platform for

taking on the challenge of inorganic growth, while accepting a certain degree of failure.

Through various open innovation initiatives, we can make progress in harnessing the power of startups and venture capital and creating synergies. By using our Group’s expertise in quality management, we are able to elevate the advanced business models and technology developed by startups to the levels required to meet the demands of customers in Japan. We aim to further strengthen our involvement in open innovation, combining information and digital technology with “deep tech” and “real tech” to produce new value for society.

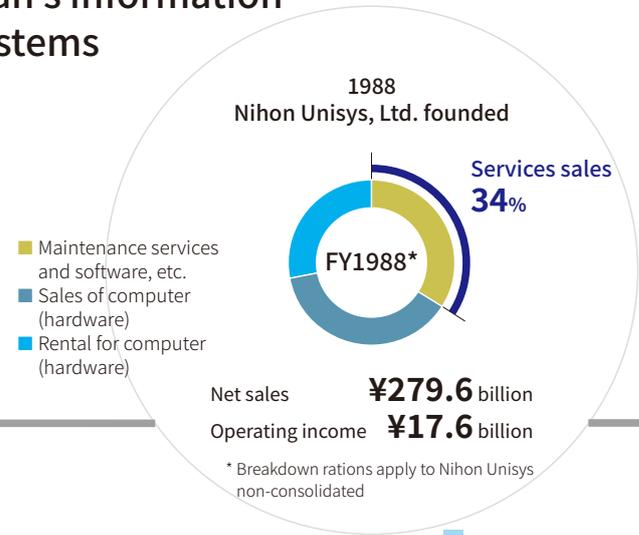
We have worked, through the construction of business ecosystems that can address social problems that are difficult for our corporate group to tackle alone, to address various issues through innovation and new services. As we move forward, our intention is to further expand our scope and our assets through methods including merger and acquisition. While our Group has significant expertise in helping customer companies transition and improve their operations using information and digital technology, and then operating and maintaining those systems, the operational technology (OT) required to operate such systems is a missing piece of our puzzle. As we move towards Vision-2030 with the aim of creating further significant social value, it is increasingly important for us to continue revising and improving our business portfolio.

We move towards the achievement of our Vision 2030 feeling pride in keeping in mind our corporate statement “foresight in sight,” working together with various companies and organizations to develop new business ecosystems, and contributing to the creation of a sustainable society, with a firm insight into the future.

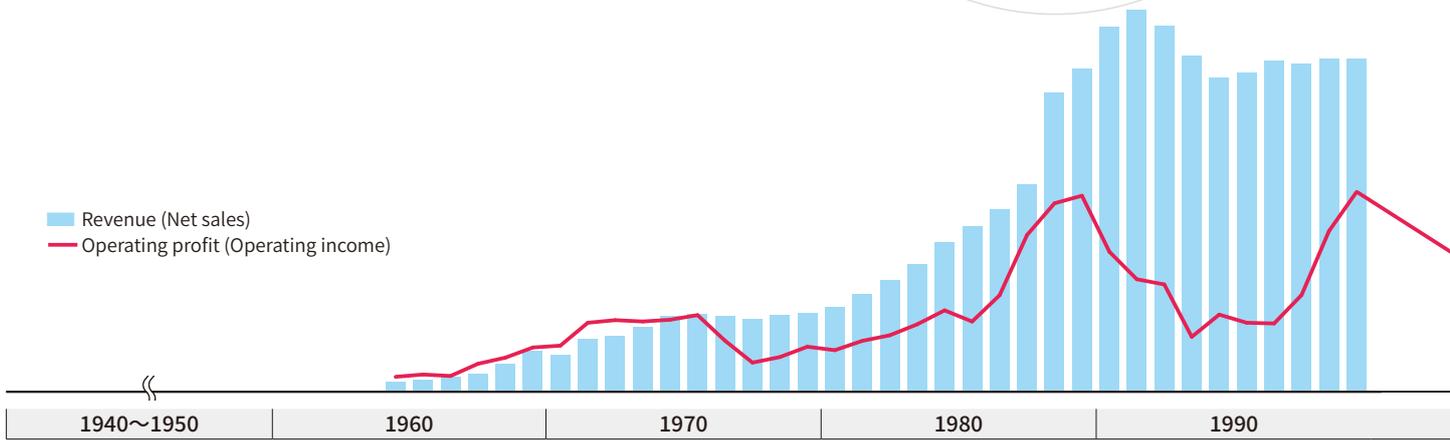
# Transformation from Nihon Unisys to BIPROGY

## Contributing to the expansion of customers' businesses and structural reforms through the formation of Japan's information society and construction of various systems

Over more than sixty years since providing Japan's first commercial computers, the BIPROGY Group has contributed to the formation and development of Japan's domestic information service industry by offering ICT systems and building systems that support society and industry. Identifying the demands of various customers, we continue to meet needs regardless of the age through our provision of business solutions that support industry.



### Changes in portfolio



**1947**  
Yoshizawa Kiki, the predecessor to Nippon Remington Univac Kaisha, Ltd., established

**1955**  
◆ Installed Japan's first commercial computers at Tokyo Stock Exchange, Inc. and Nomura Securities Co., Ltd.

**1958**  
◆ **Founding**  
Nippon Remington Univac Kaisha, Ltd (currently BIPROGY Inc.)

- ◆ Capital alliance
- ◆ Business

**1967**  
◆ Launched Japan's first online banking process

**1968**  
◆ Nippon Remington Univac Kaisha, Ltd. changed its corporate name to Nippon Univac Kaisha, Ltd.

**1971**  
◆ Nippon Univac Kaisha, Ltd. listed on the first section of the Tokyo Stock Exchange

**1977**  
◆ Launched FAST software for financial institutions

**1988**  
◆ **Establishment of Nihon Unisys, Ltd.**

Merger of Nippon Univac Kaisha, Ltd. and Burroughs Corporation

• Japan's bubble economy collapses  
• Financial crisis

**1991**  
◆ Launched the integrated CAD/CAM system CADCEUS

**1997**  
◆ Total infrastructure service subsidiary UNIADDEX, Ltd. established

Value and Functions Required of ICT

Greater business efficiency and cost reduction

Support for management decision making and business expansion

Main-frames

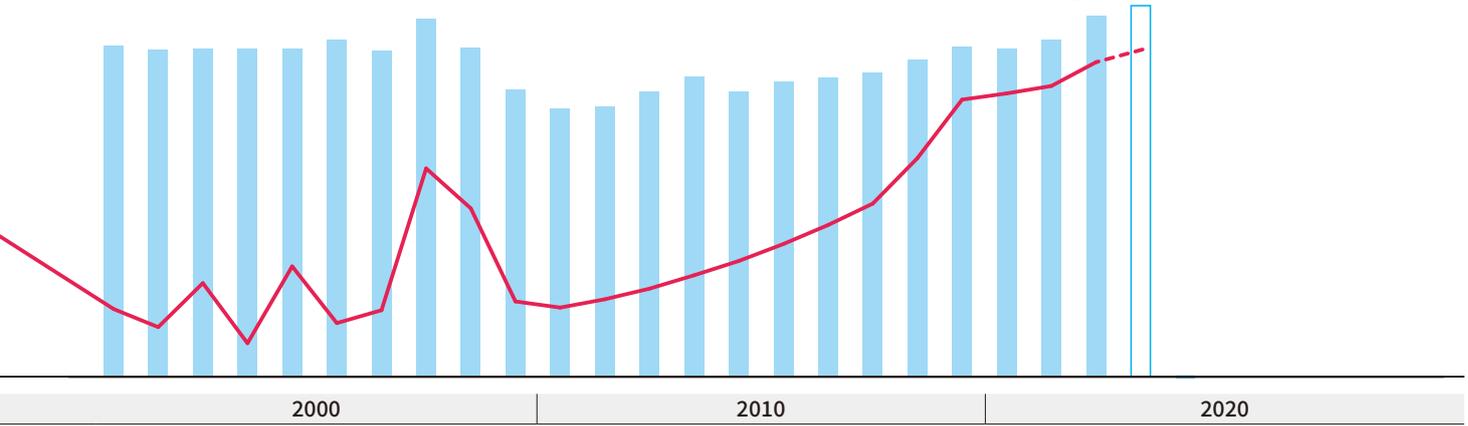
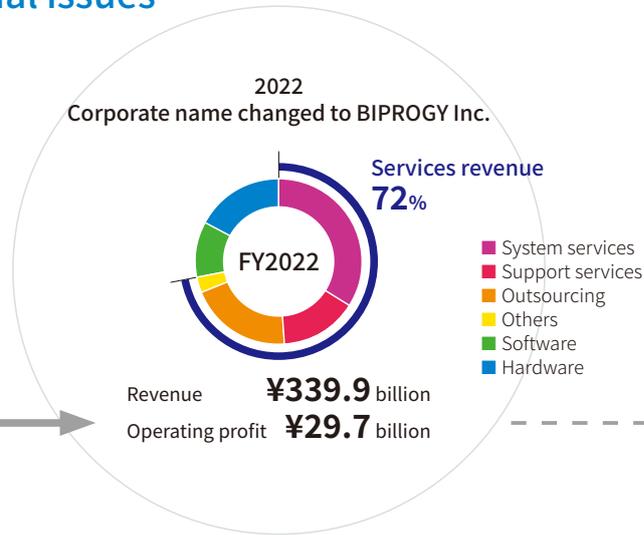
Client servers

Solutions

Mobile services

## Transforming into a company that creates social value by building business ecosystems that solve social issues

Using the experience and track record built up in the ICT field over the years to form business ecosystems that link customers and partners in various industries who possess diverse strengths, we will develop those into a digital commons—that is, shared assets of society, a system that promotes the creation of a society in which everyone can live happily. We aim to build a unique corporate brand in the industry through BIPROGY, the new company name, and transform the Company into one that creates social value by working to solve social issues with borderless ideas.



• Dot-com bubble collapses

• Global financial crisis

• COVID-19 pandemic

**2007**

◆ Introduced core-banking system BankVision, the world's first "full-banking" system based on the Windows platform

**2009**

◆ Started providing the smart oasis charging infrastructure system for electric vehicles  
◆ Started providing Zero-Accident Program DR service to help reduce automobile accidents and promote safe and energy-efficient driving

**2012**

◆ Capital alliance with Dai Nippon Printing Co., Ltd. to strengthen business foundation for expansion in new markets

**2013**

◆ Began operation of the world's first open technology-based domestic airline passenger system

**2017**

◆ Canal Ventures, Ltd., a venture capital company, established  
◆ Start of Resonatex open API platform service

**2017-2018**

◆ Established Canal Payment Service, Ltd., a payment- and settlement-related business subsidiary, and formed a business and capital alliance with JCB Co., Ltd. and CARDNET

**2022**

◆ **Corporate name changed to BIPROGY Inc.**

**2020**

◆ Established Emellience Partners Inc. for co-creative business generation  
◆ Launch of AI-Order Foresight, a cloud-based automatic order service based on AI demand forecasts

**2021**

◆ Established Green Digital & Innovation Inc.  
◆ Launched Japan's first public cloud full banking system

**2022**

◆ Established V-Drive Technologies Inc., which undertakes automated driving system development and simulation  
◆ Launched Omni-Base for DIGITAL' ATELIER, a service-use type commerce business platform

Support for structural reform

Business innovation/ business creation

Resolution of social issues

ERP packages

Cloud computing

Big data

IoT

AI robotics

Smart technology

Digital transformation