

Value Creation Process

By expanding business ecosystems that span across sectors and business models and leveraging its accumulated strengths to solve the social issues, the BIPROGY Group aims to create a sustainable society through the creation of social and economic value.

Purpose

⌄ P.6-7

Create a sustainable insight to unlock the

Foresight and insight x Technology x

Foresight in sight

Use “insight” not understanding of issues

Strategy

Management Policies (2021-2023)

⌄ P.28-35

BIPROGY Group will achieve the Vision 2030 plan by pursuing digital transformation (DX) for both customers and society, developing its business through a large framework that encompasses all of society, and working with partners and the community to expand business ecosystems.

Material Issues

⌄ P.20-27

Promote initiatives to achieve Vision 2030

Inputs

Sources of Competitive Advantages

Data as of FY2022 or March 31, 2023

Social and relationship capital

- Customer base spanning a broad range of sectors and industries
- Relationship with customers and partners
 - Customers: More than 5,000 companies
 - BIPROGY Users Association members: About 540 companies
 - Development partners: More than 450 companies

Human capital

- Human resources able to take the initiative to grasp social issues and take action
- Corporate culture that boasts diversity and encourages taking on challenges
 - No. of employees: 8,124
 - Percentage of management positions held by women: 9.3%
 - No. of engineers: 5,089

Financial capital

- A financial base supporting new service creation and responding to business environment changes
 - Equity attributable to owners of parent: ¥139.9 billion
 - Free cash flows: ¥12.9 billion

Intellectual capital

- Business knowledge from various industries and technical skills cultivated over a history of more than 60 years
- Open innovation through collaboration with venture firms and startups
- Services that promote the business ecosystem
- Investments to create new services
 - Obtained DX Certification
 - Investments*1: ¥22.1 billion

Natural capital

- Decarbonizing business activities
 - Amount of energy consumption: 7,608kl
 - Percentage of purchased electricity derived from renewable energy sources: 23.4%

Manufactured capital

- Quality assurance for products and services
- Transparent and fair processes
- Nationwide service network in Japan, service locations in eight foreign countries
 - Quality control via ISBP*2
 - Group compliance awareness survey response rate: 95.6% /97.4%

*1 Total of R&D expenses, capital expenditures and strategic investments

*2 ISBP (Information Services Business Process): The Group's standard business process, summarizing the work required for system development in order to provide high-quality systems.

Strengths

⌄ P.18

Relationships with customers and partners in various Industries

Capabilities for enabling successful system implementation

Capabilities for enabling one-stop vendor-free support

Capabilities for designing and delivering new services

BIPROGY Group's Businesses

Providing services that contribute to the efficiency and evolution of corporate operations

Provide system integration services

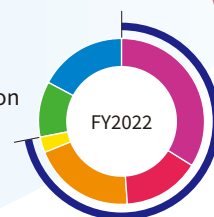
The Group's core business that provides solutions and services that are the most appropriate for customers, which includes building, operating, and maintaining information systems

Outputs

⌄ P.76-78

Revenue

¥339.9 billion

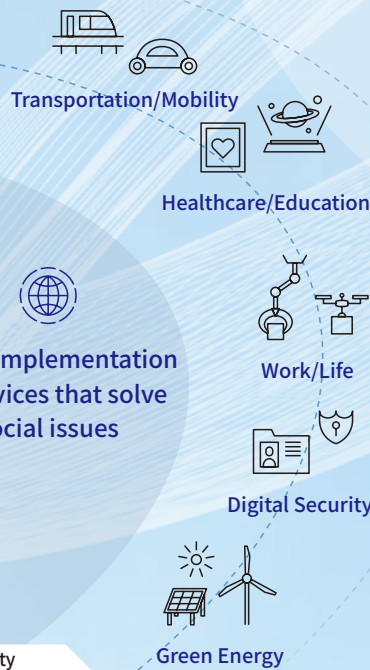


society using foresight and full potential of technology

Business ecosystem = Company that creates social value

restrained by experience and conventional knowledge and gain a deep faced by society and customers quickly ascertained through “foresight”

- 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



Social implementation of services that solve social issues

Providing services contributing to corporate DX

For Customers
Promote DX for customers

For Society
Promote DX for society

Combine business assets across markets

Promote business ecosystems

Build business ecosystems for coexistence and co-prosperity that transcend business type and industry and contribute to solving social issues through partnerships with multiple companies and organizations and each partner’s technology and strength

Creation of Services

System services	34%	
Support services	15%	
Outsourcing	20%	
Others	3%	(Negative output)
Software	11%	GHG emissions (Scope 1 + Scope 2 (Market-based))
Hardware	17%	10,753t-CO ₂ e

Foundation for promoting business activities [P.48-75](#)

Changes in society [P.22](#)

Vision2030

[P.20-27](#)

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



Resilience

Viable and resilient autonomous distributed environments

Regenerative

Regenerative systems for a net positive society

Zero emissions

Environmental contributions and reduced environmental loads using digital technologies

Outcomes

Social and Economic Value Created

Data as of FY2022 or March 31, 2023

Social and relationship capital

- Contribute to the sustainability of society by providing businesses that solve social issues
- Create business ecosystems by building relationships of trust with diverse stakeholders
- Provide safe and secure products and services
- Number of businesses that solve the issues faced by society and consider optimization for society and the world: 125.5% compared to FY2020

Human capital

- Produce innovative human resources that contribute to solving social issues
- Improve labor productivity
- Number of business producers: 37
- Weighted average score of work style related items in the engagement survey: 3.47
- Operating profit per employee: ¥3.65 million

Financial capital

- High capital efficiency and firm financial foundation
- ROE: 15.0%
- Issuer rating^{*3}: A-
- Ratio of equity attributable to owners of parent to total assets: 49.9%

Intellectual capital

- Creation of new services
- Investments in businesses such as start-ups: 71
- Investments in funds that target diverse fields both in Japan and overseas: 31

Natural capital

- Provide environmental contribution services
- Reduce the environmental burden of the value chain
- Percentage achieved for target contribution to corporate net-zero emissions through customer use of environmentally friendly products and services: 174.6%
- Reduction rate of GHG emissions (Scope 1 + Scope 2 (Market-based), vs. FY2019): 25.1%

Manufactured capital

- Reliable operation of services
- Online uptime rate: 99.998%

*3 Rating & Investment Information (R&I)

Source of the BIPROGY Group's Value Creation

BIPROGY Group's Strengths—Implementation Capabilities Backed by Integrity, the Power to Get Things Done

Relationships with Customers and Partners in Various Industries

With a broad customer base in the financial, manufacturing, distribution, government, and public sectors, we provide IT solutions based on IT strategy consulting, as well as integrated services as far as operation management and maintenance support.

Customers in broad types and categories of businesses

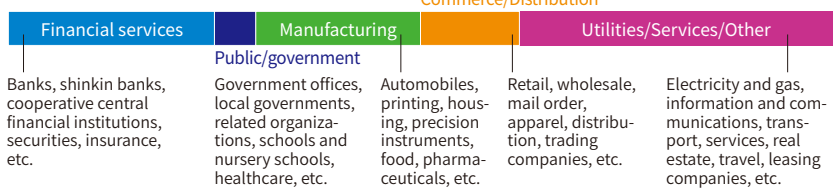
Number of customers*1

more than **5,000** companies

*1 Total for BIPROGY and UNIADEX

Customer base in a wide range of fields

Breakdown of sales by market (FY2022)



Capabilities for Enabling Successful System Implementation

We are involved in everything from development to post-completion evaluation and improvement, and contribute to the solution of customers' management issues through our solid knowledge and technical capabilities.

Providing mission critical systems that move society

Extensive **track record**

Engineers backing our technological capabilities

Composition of Employees (as of March 31, 2023)



Capabilities for Enabling One-stop Vendor-Free Support

We provide an optimal ICT environment to solve our customers' issues by providing one-stop support capabilities from a vendor-free stand-point that is not limited to our own hardware or software.

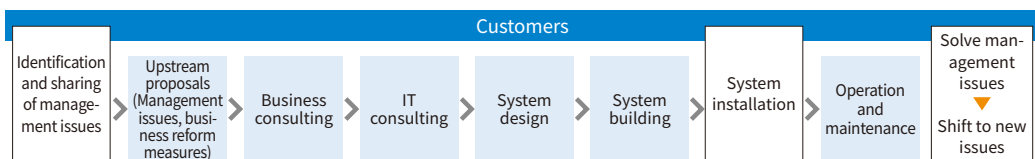
Various manufacturers' products

Development partners
More than **450** companies

Locations Japan **Nationwide** network Overseas **8** countries*2

*2 (As of March 31, 2023) U.S., China, Indonesia, Thailand, Singapore, the Philippines, Malaysia, Vietnam

One-stop services



Capabilities for Designing and Delivering New Services

In order to solve various issues for companies and society, we are aggressively investing with a focus on open innovation and developing human resources capable of designing new services.

Total investments*3

(FY2022)

¥22.1 billion

Other investments in human capital ¥2.6 billion

*3 Total of R&D expenses, capital expenditures, and strategic investments

Examples of new services

(FY2022)

- DIVP*4, safety evaluation infrastructure for automated driving
- PRAISE CARD, an application service that helps improve engagement by creating a success cycle for the organization through praise

*4 Driving Intelligence Validation Platform

Initiatives to create innovation

- Human Resource Strategy**
 - The Group strategically promotes the development of human resources who possess the capability to create greater value by involving in-house and outside human resources.
- Investment Strategy**
 - The BIPROGY Group is continuing and expanding investments in and M&As with partners with cutting-edge technologies and expertise, including globally, as well as investments in startups and funds.
 - The BIPROGY Group is enhancing its R&D capabilities in cutting-edge technologies, and accelerating open innovation with the objective of creating new services.

BIPROGY Group’s Businesses

The Group has won the trust of customers by providing ICT infrastructure and system services over many years. With system integration services that contribute to greater efficiency and sophistication of customers’ operations as our core business, we leverage the experience and knowledge acquired through that core business to support DX so that

customers can generate greater growth. In addition, we work to expand our business ecosystems in collaboration with customers and partners and contribute to the solution of social issues by combining services and value created in diverse industries, sectors, and markets across the board.

Business ecosystems, collaboration that transcends industry boundaries to realize solutions to social issues

We live in an era in which ICT has improved operational efficiency and resulted in new businesses and lifestyles, and technology is transforming business models and removing the barriers between industries. In this era of previously unimaginable new services, such as self-driving cars and drone delivery, which are transforming various aspects of society, including the legal system, it is necessary to focus on social issues with foresight and insight and foresee new business opportunities.

To create businesses that solve the social issues, it is necessary to create alliances that transcend business type or industry.

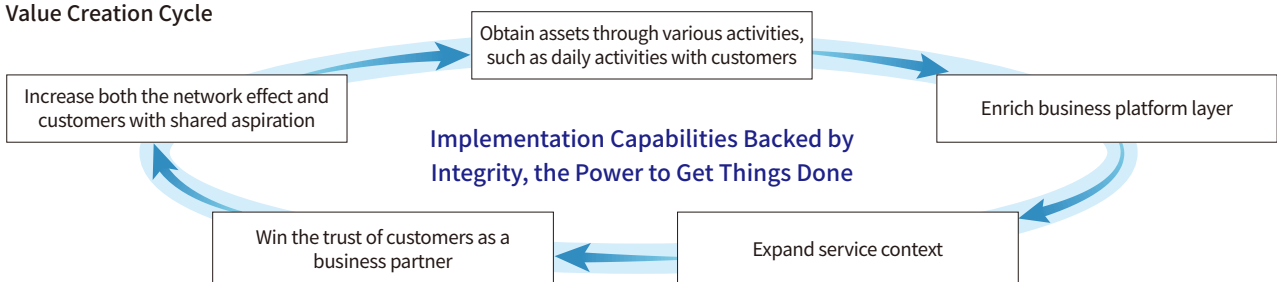
The BIPROGY Group, the core of the business ecosystem, creates innovative services.

Value creation cycle that accelerates the business ecosystem

The Group has earnestly collaborated with customers in all industries to solve their issues, which has made it possible for us to accumulate experience and knowledge based on our familiarity with their operations. By stitching together in a patchwork fashion various assets such as the knowledge we have acquired working with customers and the assets obtained through the solutions we have independently developed, open innovation, the pursuit of knowledge and other companies’ products, and by reworking these assets into an optimal form while obtaining additional wisdom from our customers, we will work to enrich our unique, flexible business platform layer. At the same time, we would like to increase, in the long term,

service contexts that are appealing to customers by generalizing the experience and knowledge from individual projects into a form applicable to multiple customers and compiling that into a library. Winning the trust of customers accelerates the business ecosystem and gives birth to new practices between customers in new businesses. As trust from society and network effects within business ecosystems increase, more customers share our ambitions, which leads to the resolution of a larger number of issues faced by society. We are aiming to transform into a company that creates social value by implementing a value creation cycle that accelerates business ecosystems based on the Group’s foresight and insight and implementation capabilities backed by integrity, the power to get things done.

Value Creation Cycle



Business platform: platform that combines operation processes and systems, SaaS, BPO, and similar elements
Service context: service scenario and business model whose hypothesis has been verified

Vision 2030

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

Resilience

Viable and resilient autonomous distributed environments



Healthcare/Education

Regenerative

Regenerative systems for a net positive society



Work/Life

Zero emissions

Environmental contributions and reduced environmental loads using digital technologies



Digital Security



Transportation/Mobility



Digital Commons



Green Energy

The BIPROGY Group combines its foresight and insight into social change, technology centered on ICT, and the business ecosystem we have formed with various partners to not only provide ICT services, but also to further accelerate its initiatives for creating new value that enriches society and resolving social issues and to become a company that creates social value. Based on this adopted “Purpose” of ours, we have set forth the direction we must take with a view to the year 2030. This is our “Vision 2030.”

“Digital Commons,” which we have espoused as part of “Vision 2023,” refers to communities that enable a balance of social value and economic value in the resolution of social issues. These communities are formed thanks to the

power of digital, used to make private assets that already exist in society (assets held by companies, organizations and individuals) and surplus assets (assets with a low operation rate) widely usable as common assets with low additional costs.

Under “Vision 2030,” we will promote business with three mutually related social impacts as guideposts: “resilience (viable and resilient autonomous distributed environments),” “regenerative (regenerative systems for a net positive society),” and “zero emissions (environmental contributions and reduced environmental loads using digital technologies).” Together with our partners in our business ecosystem, we aim to create value and originate markets.

Material Issues to Address in Order to Realize Vision 2030

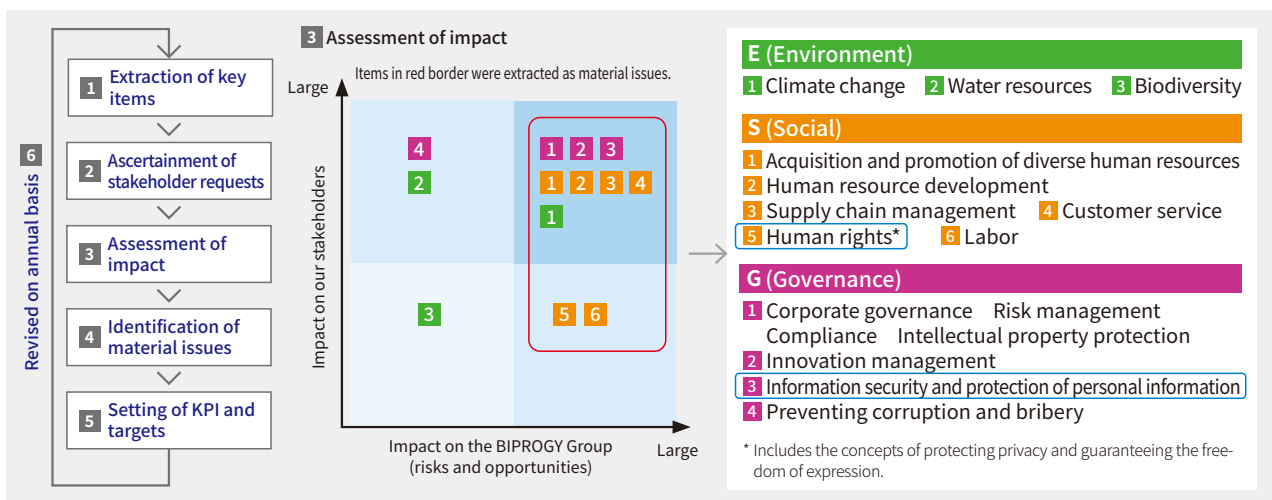
Classification of Material Issues	Material Issues
Material issues for achieving business growth	<ul style="list-style-type: none"> • Create schemes to solve issues through the use of digital technology and business ecosystems • Contribute to the environment through the use of digital technology and reduce the environmental impact of business activities in order to help build a world of net zero emissions
Material issues for supporting business growth	<ul style="list-style-type: none"> • 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

In order to integrate the Group’s sustainability initiatives into its management to achieve Vision 2030, we have extracted key issues that we need to tackle going forward. Moreover, we have established material issues that correspond to key issues with an especially high degree of impact and set KPI and targets relative to each of those

material issues, and are currently promoting associated initiatives. Additionally, with a view to realizing those KPI and targets, we have also introduced restricted stock remuneration linked to medium- and long-term performance, including the achievement of material issues, in our director remuneration system.

Process of Determining and Updating Material Issues

 Items enclosed in a blue box were revised in FY2023.



Risks and Opportunities

Main changes in society we are aware of		Business and Other Risks	Threats
Rapid shift to a digital society	Acceleration of Digital Transformation	Business Environment	Impact of economic trends and the market environment <ul style="list-style-type: none"> Worsening economic environment due to factors such as changes in circumstances surrounding COVID-19, intensified tensions between the US and China and the situation in Ukraine Worsening business environment due to factors such as restraints on investment in information systems and changes in that investment strategy by companies as well as intensified competition caused by new players from other industries Growing environmental awareness and rapid changes in social consciousness, such as climate change countermeasures amid the spread of ESG, and the strengthening of global environmental regulations in response to the growth and changes 1 Changes in various government policies, such as disaster countermeasures
	Society 5.0: A Super-Smart Society*		Procurement <ul style="list-style-type: none"> Impact on the purchase of the Group's products due to changes in the business strategy of or deterioration in management at suppliers 3 Occurrence of serious failures due to service malfunctions, security incidents, etc. 3 Declining social credibility and brand image
Changes in expectations and demands of companies regarding creating a sustainable society	Expectation of resolving social issues through business	Business Activities	Intellectual property rights <ul style="list-style-type: none"> Infringement of intellectual property rights by third parties 1 Expenses associated with disputes over intellectual property rights 1 Possibility of not being able to obtain necessary licenses and no longer being able to provide certain products and services 1 Not being able to use the expected intellectual property from partner companies despite tie-ups 1
	Spread of ESG and Sustainability		Project management <ul style="list-style-type: none"> Delay in deliveries and cost overruns due to increasing complexity of customer requirements and project complexity Increased safety and security risks due to diversification of products and services 3
Business environment in which it is difficult to predict the future	Increased uncertainties	Others	System failure <ul style="list-style-type: none"> Serious failures due to system malfunctions, cyberattacks, or other problems 3 Declining social credibility and brand image Compensation for damages
	Intensifying competition due to entrants from other industries		Information security <ul style="list-style-type: none"> Leaks of confidential customer information or personal information 3 Cyberattacks 3 Declining social credibility and brand image Incurring of response costs
			Human resources <ul style="list-style-type: none"> Intensifying competition for IT personnel 1 Securing human resources with technical capabilities, the ability to continuously innovate and adapt to diversifying social issues and customer needs 1 2
			Investment <ul style="list-style-type: none"> Insufficient return on investment Inconsistency with business partners' management strategies Business growth below initial expectations
			Compliance <ul style="list-style-type: none"> Personnel and labor issues 5 6 1 4 Occurrence of inadequate data handling and other serious compliance violations 1 3 Decline in social credibility, payment of compensation for resulting damages, and reexamination of business dealings by key suppliers and customers
			Natural disasters, infectious diseases, and other events <ul style="list-style-type: none"> Catastrophic damage from natural disasters, such as earthquakes, or terrorism Restrictions on providing services or other business activities due to an outbreak of infectious disease, etc. Threats to the health and safety of employees

* A new society in which IoT, AI, big data and other new technologies are incorporated into every industry and every facet of social life to create innovation that resolves social issues in ways that meet individual needs

Key Items that We Extracted in Determining Our Material Issues (Items with a grey background were extracted as material issues)

E (Environment)	S (Social)	G (Governance)
<ul style="list-style-type: none"> 1 Climate change 2 Water resources 3 Biodiversity 	<ul style="list-style-type: none"> 1 Acquisition and promotion of diverse human resources 2 Human resource development 3 Supply chain management 	<ul style="list-style-type: none"> 4 Customer service 5 Human rights 6 Labor
		<ul style="list-style-type: none"> 1 Corporate governance Risk management Compliance Intellectual property protection
		<ul style="list-style-type: none"> 2 Innovation management 3 Information security and protection of personal information 4 Preventing corruption and bribery

Opportunities
<ul style="list-style-type: none"> • Create business opportunities that contribute to the solution of issues faced by society and capture profits in created markets 2 • Create business ecosystems and expand business opportunities by establishing trust with a wide range of stakeholders 2
<ul style="list-style-type: none"> • Increase profit opportunities by strengthening trust with suppliers and capturing quality partner companies and thus reinforcing relationship capital 3 4 • Reduce business risks related to issues such as human rights and environmental burden throughout the value chain 3 4
<ul style="list-style-type: none"> • Increase profit opportunities by capturing quality partner companies • Improve social credibility • Expand business by generating innovation 2
<ul style="list-style-type: none"> • Secure a stable revenue base as productivity increases and cost overruns decrease • Increase profit opportunities by strengthening trust with customers/suppliers 4 • Provide secure services and platforms to customers 3
<ul style="list-style-type: none"> • Expand business by generating innovation 2 • Contribute to the creation of employment opportunities for diverse human resources 1 2 • Contribute to the creation of a society that is physically and mentally healthy, is accepting of individual diversity, and offers work satisfaction 1 2 6 • Provide high-value-added services that make use of advanced skills • Ensure competitive advantages
<ul style="list-style-type: none"> • Expand business by generating innovation 2 • Develop high-value-added human resources with the ability to assess where and how much to invest • Increase return on investment • Ensure competitive advantages
<ul style="list-style-type: none"> • Improve social credibility • Contribute to the solution of issues faced by society and the economic growth of society through transparent and fair processes
<ul style="list-style-type: none"> • Contribute to society's sustainability by providing businesses that solve the issues faced by society 1 2 3






Material Issues	Company's Ideals and Goals
<p>Create schemes to solve issues through the use of digital technology and business ecosystems</p> <p>Related key items</p> <div style="background-color: #ADD8E6; padding: 5px; display: flex; gap: 5px;"> 1 1 2 4 1 2 </div>	<p>We will help to build a regenerative, resilient society of net zero emissions by creating communities with customers and partner companies in a wide range of industries who share our ambition.</p>
<p>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</p> <p>Related key items</p> <div style="background-color: #ADD8E6; padding: 5px; display: flex; gap: 5px;"> 1 4 1 2 </div>	<p>We seek to provide services that promote carbon neutrality and a circular economy while cooperating widely to build a carbon-free world. We also aim to help reduce greenhouse gas emissions by reducing the environmental impact of our business activities.</p>
<p>Sustainably procure and provide safe, secure products and services throughout the entire value chain</p> <p>Related key items</p> <div style="background-color: #ADD8E6; padding: 5px; display: flex; gap: 5px;"> 1 3 5 6 1 3 </div>	<p>We will construct and maintain a value chain that respects human rights and has a lower environmental impact, and procure and provide safe and secure products and services.</p>
<p>Develop and strengthen human resources to create a new future and promote diversity and inclusion</p> <p>Related key items</p> <div style="background-color: #ADD8E6; padding: 5px; display: flex; gap: 5px;"> 1 2 6 2 </div>	<p>We must become a company that recognizes and accepts individual diversity, expertise, and values to continue creating innovation to achieve our future. To this end, we will support our human resources and build a more open corporate culture.</p>
<p>Further improve corporate governance and integrity</p> <p>Related key items</p> <div style="background-color: #ADD8E6; padding: 5px; display: flex; gap: 5px;"> 1 3 </div>	<p>We will construct and operate a corporate governance system that makes transparent, fair, quick, and bold decision making possible.</p> <p>As a group that can provide social value and ICT services as trustworthy, sustainable social infrastructure, we will comply with both domestic and overseas laws and regulations, act in line with social norms based on high ethics, and conduct sound, transparent business activities.</p>

Material issues for achieving business growth

Material issues for supporting business growth

Vision 2030

Material Issues, Overview and Progress

	Material Issues	Create Social Value	Create Economic Value	KPIs and Targets (FY of achievement)
Material issues for achieving business growth	<p>Create schemes to solve issues through the use of digital technology and business ecosystems</p> <p>Related SDGs</p> 	<ul style="list-style-type: none"> Contribute to society's sustainability by providing businesses that solve the issues faced by society 	<ul style="list-style-type: none"> Create business opportunities that contribute to the solution of issues faced by society and capture profits in created markets 	<p>Create/expand businesses that solve the issues faced by society and that look to optimize society and the world. 200% or more of such projects compared to FY2020 (FY2023)</p>
	<p>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</p> <p>Related SDGs</p> 	<ul style="list-style-type: none"> Contribute to the early realization of a decarbonized society by providing environmentally friendly services that promote carbon neutrality and a circular economy Help to reduce environmental impact by reinforcing initiatives to reduce carbon emissions from business activities, such as procuring renewable energy 	<ul style="list-style-type: none"> Increase profit from services that contribute to the environment Restrain costs by reducing business risks due to climate change 	<p>Percentage achieved for target contribution to corporate net-zero emissions through customer use of environmentally friendly products and services: 100% or more (annually until FY2030)</p> <p>Percentage of business opportunities and risks identified via climate change scenario analysis impact evaluation) for which a risk response has been implemented: 100% (annually until FY2030)</p> <p>Percentage of purchased energy used at the Group business locations that is renewable energy: 50% or more (FY2030)</p> <p>Reduction rate in GHG emissions (Scope 1 + Scope 2): 50% or more compared to FY2019 (FY2030)</p>
	<p>Sustainably procure and provide safe, secure products and services throughout the entire value chain</p> <p>Related SDGs</p> 	<ul style="list-style-type: none"> Contribute to the stability and maintenance of IT infrastructure that supports societal activities by providing safe and secure products and services that comply with various laws, regulations, and social norms Contribute to the spread of ethical consumption and help build a sustainable society by providing products and services that take into consideration the environment and society 	<ul style="list-style-type: none"> Increase profit opportunities by strengthening trust with customers/suppliers and engaging with high-quality partner companies and thus reinforcing relationship capital Reduce business risks related to issues such as human rights and environmental impact throughout the value chain 	<p>Disclose information on Scope 3 GHG emissions and set related targets (FY2022)</p> <p>Percentage of human rights-related issues at BIPROGY Group which are being addressed: 100% (FY2023)</p> <p>Rate of initiation of actions, such as requests for action made to main suppliers, based on risk assessment results: 100% (FY2022)</p>
	Material issues for supporting business growth	<p>Develop and strengthen human resources to create a new future and promote diversity and inclusion</p> <p>Related SDGs</p> 	<ul style="list-style-type: none"> Help solve social issues by continuously producing innovative, talented workers Create employment opportunities for diverse human resources Contribute to the creation of a society that is physically and mentally healthy, is accepting of individual diversity, and offers work satisfaction 	<ul style="list-style-type: none"> Expand business by generating innovation Increase profitability by raising labor productivity
<p>Further improve corporate governance and integrity</p> <p>Related SDGs</p> 		<ul style="list-style-type: none"> Help to solve issues faced by society and the economic growth of society through transparent and fair processes Contribute to the empowerment of all people, regardless of age, sex, handicap status, race, ethnicity, origin, religion, economic position, etc. Help to build a society in which workers can experience job satisfaction by ensuring equal opportunities through the elimination of discriminatory practices, creation and operation of appropriate related rules, promotion of appropriate behavior, and similar activities 	<ul style="list-style-type: none"> Create business ecosystems and expand business opportunities by establishing trust with a wide range of stakeholders Generate sustainable improvements in corporate value Reduce business risks related to scandals, etc. 	<p>Actions for each year set in the evaluation of Board of Directors effectiveness are undertaken (each year)</p> <p>Improvement and upgrade in the compliance program</p> <p>Spread of awareness of integrity among Group executives and employees</p> <p>Compliance incident trends</p> <p>Number of serious security incidents: 0 (each year)</p>

* The zero emission achievement rate is the sales of environmentally friendly products and services multiplied by the GHG reduction contribution coefficient and divided by the total Scope 1 and 2 emissions of the BIPROGY Group.

FY2022 Results and Future Initiatives			
125.5%	Expansion of number of projects: Currently monitoring the growth rate in the number of such projects in our outsourcing business in line with our Management Policies (2021-2023). Simultaneously promoting the development of services that contribute to the resolution of social issues.	⓪ P.30-35 ⓪ P.48-51	
174.6%	Reduction of GHG emissions in business activities and expansion of provision of products and services that contribute to the environment: Continuing to work towards reducing GHG emissions in our business activities as well as expand the provision of products and services that contribute to the environment.	⓪ P.52-55	
100%	Continued implementation of extraction of business opportunities and risks related to climate change and associated impact assessment through cross-organizational and Group-wide projects: Continuing to revise opportunities and risks and respond to risks going forward.	⓪ P.52-55	
23.4%	Transition of procured power to renewable energy: Steady progress being made towards reaching targets according to plan. Continuing to promote the introduction of renewable energy.	⓪ P.52-55	
25.1%	Promotion of energy-saving measures through efficient use of offices and equipment and other means: Continuing similar initiatives to reduce emissions as we move forward.	⓪ P.52-55	
Achieved	Disclosure of Scope 3 data: Clearly documenting data-gathering and tallying rules starting in FY2021 and disclosing data starting in FY2022. Establishment of emission reduction goal for Scope 3: Establishing goal of "suppliers who make up 40% of procured amount of purchased goods and services (Category 1) setting targets equivalent to SBT (target year: FY2027)."	⓪ P.52-55	
83% (5 issues out of 6)	Thorough dissemination of Human Rights Policy: Disseminating Human Rights Policy among overseas Group companies/disseminating the theme of respect for human rights among employees and enlightening them on that theme on an ongoing basis. Development of complaint processing mechanism: Preventing human rights violations by developing a complaint processing mechanism related to human rights and responding to those complaints.	⓪ P.75	
100%	Implementation of requests for improvements: Issuing requests for improvements for 49 companies based on the results of surveys on ESG-related initiatives conducted on main suppliers. Future targets: Setting targets of "100% of suppliers surveyed on ESG risk (FY2026)" and "100% of suppliers currently adhere to or have launched improvements to material ESG risk items that the Group has set for suppliers (FY2030)."	⓪ P.75	
37	Establishment of human resource pipeline: Establishing proficiency determination processes for business producers in ROLES and establishing a proper pipeline for those human resources. Reinforcement of development programs and accompanying monitoring: Enhancing training programs and follow-up measures that link to actual business, including its creation/Realize organic linkage to development programs and work assessments by reinforcing the monitoring of development plans for each organization.	⓪ P.56-59	
10.2% (As of April 1, 2023)	Administration of employee promotion plans: Continuously compiling and monitoring plans to promote organizational heads at BIPROGY and Group companies/Conducting quantitative checks of linkage between goal-setting and career design for candidates for promotion. Developmental support at Group companies: Enhancing training for Group company employees.	⓪ P.56-59	
2.84%	Expansion of operations at special-purpose subsidiary BIPROGY Challenged Inc.: Further expanding Web accessibility tests/Expanding outdoor agriculture gardens (WAKUWAKU Farms) and transferring operations from BIPROGY. Cultivating new occupational fields: Expanding employment by opening internal massage rooms and other facilities.	⓪ P.56-59	
3.47	Score improvement measures: Deploying measures to facilitate a hybrid of online and offline communication/Ascertaining the actual state of workstyles of employees permanently stationed at customer sites, etc. and examining measures commensurate with the workplace there. Deployment to various Group companies: Sharing measures at BIPROGY with Group companies and examining their utilization there.	⓪ P.56-59	
Stage 2 100% Stage 3 100%	Health guidance: Implementing for all employees with stage 2 or stage 3 high blood pressure.	⓪ P.56-59	
+1.4%	Improvement measures: Approaching employees whose stress check results showed high stress levels for an interview/Requesting organizations with unfavorable stress check result values to take remedial actions and following up on those organizations/Revitalizing communication with employees on temporary leave with the use of external EAP/Making "your-time" (one-on-one sessions) between employees up to their third year with the company and their superior compulsory and conducting counseling for all employees.	⓪ P.56-59	
+70% (143)	Expansion of social contribution programs: Refining social contribution programs/Planning the conducting of joint social contribution activities with internal organizations, other companies and external groups.		
	Enhancement of the effectiveness of monitoring by the Board of Directors: Endeavored to enhance the provision of information through means such as holding training sessions and meetings to exchange opinions. Global strategy: Reports on global strategy were made to the Board of Directors and active discussions based on those reports were held. Involvement of discussion at meetings of Nomination & Remuneration Committee and improvement of Committee transparency: The provision of information to Outside Director Committee members was expedited and the content of that information was enhanced/Reports on the activity status of the Committee were made to the Board of Directors.	⓪ P.60-67	
	Initiatives based on the loss of USB flash drives: Carrying out full revision of compliance training programs for Group officers and employees/Sharing key points of third-party committee investigative report with compliance promotion supervisors and highlighting points for them to bear in mind in practicing compliance in their organizations as well as reflecting those points in training and enlightenment activities for FY2023 and beyond. Accommodation of amended Whistleblower Protection Act: Putting a Group-unified hotline in place/Newly establishing internal regulations on the handling of whistleblowing/Implementing training and dissemination activities for matters that officers, employees and individuals engaged in whistleblowing counter duties should comply with. Improvements to awareness surveys: Implementing compliance awareness surveys using a new method (twice a year starting in FY2022).	⓪ P.70-72	
	Compliance awareness survey results: All scores across each of the five categories of compliance understanding and awareness, measures and mechanisms, workplace management, organizational culture and the practice of compliance were at a favorable level of 4.0 or higher out of a maximum of 5.0/Survey results were shared with compliance promotion supervisors alongside trends in the occurrence of compliance cases in the Group and linked to the implementation of measures for improvement. Plans call for the continued implementation of these surveys at a pace of twice a year.	⓪ P.70-72	
	Disciplinary action: 5 cases resulting in disciplinary action/While this figure is down from FY2021, cases resulting in serious action, such as suspension from work and those equivalent to resignation under instruction, also occurred (including action taken against employees involved with the loss of USB flash drives). Measures to prevent reoccurrence were conducted for each case, including calls for attention at compliance training sessions.	⓪ P.70-72	
1 case (Loss of USB flash drives)	Thorough implementation of measures to prevent reoccurrence: While there were no leaks of information, we caused significant concern to and impacted customers and society/Launching Group-wide project to prevent reoccurrence and examining and implementing reoccurrence prevention measures based on survey results and recommendations from a third-party committee made up of external specialists.	⓪ P.70-72	

CSO Message



We will achieve sustainable growth even in these uncertain times by ceaselessly tackling the spread of sustainability and the improvement of our management foundation.

Koji Katsuya

Director, Executive Corporate Officer,
Chief Sustainability Officer (CSO)/
Chairman of the Sustainability Committee

Sustainability Management

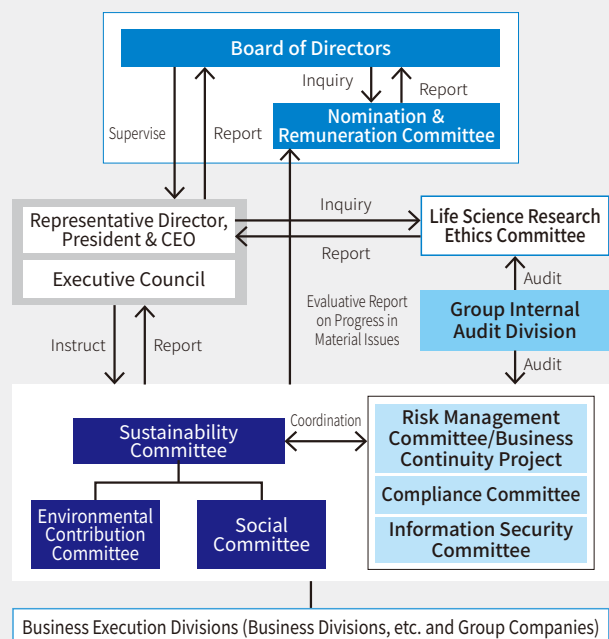
The BIPROGY Group pursues mutual sustainability among the environment, society and the Group by generating both social value and economic value. In these uncertain times, it is not easy for companies to continue to sustainably grow. If mechanisms for sustainable growth are insufficient, it is necessary to implement new ones, examples of which are improvements to management processes, the transformation of our organization into one capable of accommodating change, and a shift in employee mentality. As Chief Sustainability Officer (CSO), the person with overall responsibility for our sustainability management strategy, I believe that putting such a foundation for us to sustainably grow in place and expanding the creation of solutions and services that enable us to contribute to the sustainability and society as a result of that foundation are my mission.

For our sustainability promotion system, under the “Sustainability Committee,” a decision-making body for which I serve as Chair, we have placed an “Environmental Contribution Committee” and a “Social Committee.” In addition, we newly made the Chair of the “Compliance Committee” a member of the Sustainability Committee starting in October 2022 and did the same with the Chairs of the “Risk Management Committee/Business Continuity Project” and “Information Security Committee” starting in April 2023, reinforcing coordination among those committees. While this also constitutes a measure taken in order to ensure the implementation of measures to prevent the loss of USB flash drives such as the case that occurred in June 2022, it is simultaneously a reflection of our desire to intensify Group governance going forward. Our outside Auditor Board members attend meetings of the Sustainability Committee as observers, and I, as Chair of the Sustainability Committee, and the

Chairs of other Committees directly report and consult with the Board of Directors. Each time, we receive observations and feedback from our Outside Directors and outside Auditor Board members that are stern but constructive. In FY2022 as well, we benefited from a variety of hints on human resource strategy, risk management, climate change and natural capital, among other areas. I genuinely feel that opportunities to discuss and review sustainability at meetings of the Board of Directors are increasing year after year.

Corporate Governance [P.60-67](#)

Sustainability Promotion Structure



The Importance of Human Capital Management

Human resources are the force that drives business. Human capital management is therefore imperative for companies to maintain their sustained growth. Given that, the human resource strategy of the Group must be closely linked to its business strategies. We have always pursued the enhancement of “business producers,” diversity and inclusion, the visualization of human resources with a

focus on our ROLES system, and the establishment of a talent management system. Furthermore, in April 2023, we established our new “Human Capital Management Division” in order to more closely manage our human resource portfolio, devise a human resource strategy for the Group, and firmly implement them going forward.
Human Resource Strategy [🔗 P.56-59](#)

Climate Change-Based Opportunities and Risks

The Group has declared its support for the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). It is evident that the earth is getting warmer and that natural disasters are growing more intense. If a company does not appear to have clarified and prepared for the risks that climate change exerts on the Group, customers will not feel at ease leaving their systems in its hands, and investors will not invest in it. We are therefore pursuing the creation of mechanisms to ensure we perform risk management from a medium- to long-term perspective, which involves a high degree of uncertainty,

and guarantee the sustainability of our business activities. At the same time, in terms of our recognition of business opportunities, we have positioned “Contribute to the environment through the use of digital technology in order to help build a world of net zero emission” as one of our material issues, and offer a myriad of services and solutions to that end. Additionally, given that environmental issues cannot be resolved by the Group alone, our joint efforts with our customers and collaborative partners to resolve them through business ecosystems are growing.
Environment [🔗 P.52-55](#)

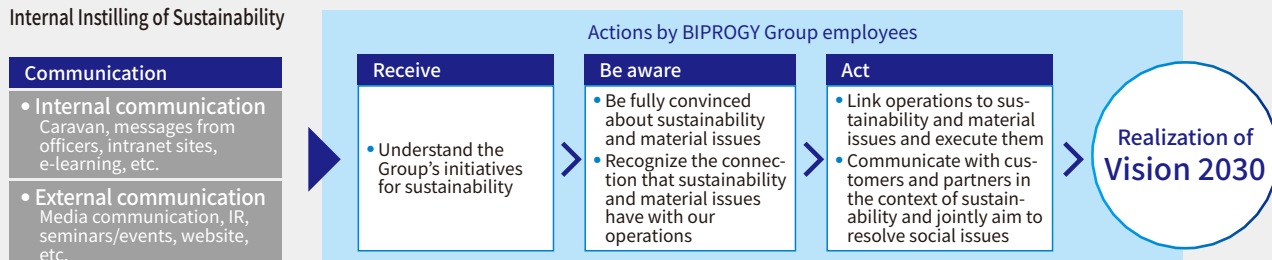
Internal Instilling of Sustainability, Starting with Material Issues

The realization of sustainability targeted by the Group cannot be accomplished with the heightened awareness of only certain employees. A challenge we face in facilitating future sustainable growth is how to elevate the sensitivity to sustainability of each and every one of our employees who will uphold the coming generation, including our young employees. We therefore implement “Caravans*” for the purpose of furthering mutual understanding of Group policies and companywide measures by management and employees through direct briefings for and direct dialogue with employees. In FY2022, having set understanding Group initiatives for sustainability as our goal, Caravans were conducted for all Group officers and employees over a total of three sessions attended by 2,507 individuals in all. The post-completion questionnaires

that we administered showed us that while the sessions were effective to some degree in improving recognition of sustainability management, sadly, roughly 30% of attendees still did not have a sufficient understanding of our material issues. Also, in January 2023, we carried out “Sustainability Week” during which we delivered messages from members of the Sustainability Committee, our Outside Directors, and the presidents of Group companies. Going forward, we intend to continue monitoring the degree to which sustainability management is spreading and keep up our efforts to examine and implement effective measures for instilling it.

* A series of events consisting of workshops, seminars, etc. conducted by companies in order to instill their culture. Caravans are conducted for the purpose of having employees form an understanding of their company’s strategy and philosophy, boosting their engagement, and promoting the growth of that company.

Internal Instilling of Sustainability



Management Policies (2021-2023)

Review of Past Mid-Term Management Plans

	Mid-Term Management Plan FY2012–FY2014	Mid-Term Management Plan FY2015–FY2017 Innovative Challenge Plan	Mid-Term Management Plan FY2018–FY2020 Foresight in sight 2020
Vision	Corporate Transformation for Sustainable Growth	Business Model Transformation	Become a sustainable company and achieve a sustainable growth cycle predicated on resolving, through business activities in our priority areas, social issues in the context of customer issues.
KPIs	<p>FY2014</p> <p>Operating Margin 4.1%</p> <p>Net Sales ¥269.2 billion</p> <p>ROE 9.7%</p> <p>Dividend Payout Ratio 26.0%</p>	<p>FY2017</p> <p>Operating Margin 5.7%</p> <p>Net Sales ¥287.0 billion (Net sales in the areas of digital innovation and life innovation) (¥27.0 billion)</p> <p>ROE 12.4%</p> <p>Dividend Payout Ratio 33.6%</p>	<p>FY2020</p> <p>Operating Margin 8.6%</p> <p>Net Sales ¥309.7 billion (Net Sales in Priority Areas) (¥68.4 billion)</p> <p>ROE 13.4%</p> <p>Dividend Payout Ratio 41.1%</p>
Strategies and Key Outcomes	<p>Added the ability to design and implement new services to our existing strengths</p> <ul style="list-style-type: none"> • Took a social perspective to create business ecosystems that link different industries • Collaboration with Dai Nippon Printing Co., Ltd., which has strengths in the content field • Provided payment/settlement platforms as a service business entity • Strengthened financial condition 	<p>Took on challenges in new business areas and strengthened our foundation for further growth</p> <ul style="list-style-type: none"> • Increased profit and number of potential new businesses by expanding business in the digital and life innovation fields • Increased profitability by concentrating on fields of strengths, such as business ICT platforms, and improving labor productivity • Promoted a change in skill sets in line with business model transformation • Proactively promoted investments in business partners in Japan and overseas as well as Fund of Funds (FoF) 	<p>Acquired assets to transform the Group into one that creates social value by expanding business in priority areas</p> <ul style="list-style-type: none"> • Built a foundation for the direction that should be promoted in the next management policies through initiatives in the core fields of neo-banks, digital acceleration, smart towns, and asset guardian • Reviewed human resources and roles in business execution, cultivated relationships with customers, and contribute to greater customer value • Strengthened platform provision capabilities through measures to integrate technology throughout the Group, increase productivity, and increase efficiency • Implemented measures on various fronts, including corporate culture reforms that promote challenges and reforms in awareness regarding diversity • Proactively implemented initiatives that foster open innovation and acquired knowledge through investments that target new business creation
Issues	<p>Strategies</p> <ul style="list-style-type: none"> • Address business model transformation through global and cross-industry collaboration, etc. <p>Business Environment</p> <ul style="list-style-type: none"> • Address major changes in the social environment resulting from expansion of digitalization and the emergence of new consumers • Creation of a new business platform to address the spread of the cloud and usage-based services 	<p>Strategies</p> <ul style="list-style-type: none"> • Further expand businesses in the areas of digital innovation and life innovation and reinforce initiatives in the various strategies <p>Business Environment</p> <ul style="list-style-type: none"> • Address the decline in system integration needs due to the emergence of business-related ICT services • Address the risk that a delay in responding to the digital shift will impede growth • Address the risk of hardware and software market contraction due to commoditization • Address the aging workforce and mismatched skills • Address the risk of a slowdown in growth of Japan's ICT market 	<p>Strategies</p> <ul style="list-style-type: none"> • Accumulate experience in the field of business creation and make use of related intellectual assets and resources • Create intellectual assets to accelerate the development and provision of platforms and enhance verification of combined technologies • Manage the investment portfolio to further increase benefits of knowledge acquired through investments <p>Business Environment</p> <ul style="list-style-type: none"> • Restrained investments by some customers and stagnation of inbound and sharing-related businesses due to the COVID-19 pandemic • Aiming to advance corporate culture reforms and human resource development, we strengthened efforts to spread and adopt the concept of ROLES that take into consideration intrapersonal diversity

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

Current Management Policies and Long-term Vision

Management Policies

FY2021-FY2023

Concept to Achieve a Sustainable Society

(IFRS*1)	Actual for FY2021	Actual for FY2022	Targets for FY2023
Adjusted Operating Margin*2	8.4%	8.6%	10% or higher
Revenue	¥317.6 billion	¥339.9 billion	¥340.0 billion
Outsourcing Business*3	¥63.4 billion	¥66.7 billion	¥100.0 billion
ROE	17.0%	15.0%	Approx. 15%
Dividend Payout Ratio	41.7%	39.8%	Approx. 40%

*1 International Financial Reporting Standards (IFRS) applied starting FY2021

*2 Adjusted Operating Profit: Revenue minus cost of sales and SG&A expenses

*3 System outsourcing as well as service businesses where BIPROGY Group is the provider

Basic Policy

The BIPROGY Group will achieve the Vision 2030 plan by pursuing digital transformation (DX) for both customers and society, developing its business through a large framework that encompasses all of society, and working with partners and the community to expand business ecosystems.

Fiscal 2022 Initiatives

For Customer	Pursue DX that leads to sustained growth for customers by strengthening value creation capabilities and generating social value	} Expand business that links customer DX to social DX (P.30-35)
For Society	Use relationships with customers and partners in a wide range of industries, together with best practices, to realize business concepts that benefit all of society and the world	
Corporate Culture Reforms	Pursue cultural reforms to strengthen value creation capabilities and achieve the Vision 2030 plan	} Focus on strengthening human capital to capture new capabilities (P.56-59)
Investment Strategy	Accelerate strategic investment on leading-edge technologies aiming for the sustainable innovation	} Actively make investments to create value and achieve further growth through technology and innovation (P.48-51)

Material Issues category	Material Issues
Material Issues for achieving business growth	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
Material Issues for supporting business growth	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 & inclusion
	Further improve corporate governance and integrity

Fiscal 2022 Initiatives

- Promote the development of services that contribute to the resolution of social issues (P.30-35)
- Establish emission reduction goal for Scope 3 (P.52-55)
- Establish proficiency determination processes for business producers in ROLES and establish a proper pipeline for those human resources (P.56-59)
- Enhance effectiveness of monitoring by the Board of Directors (P.64)
- Examine and implement reoccurrence prevention measures in light of the incident involving the loss of USB flash drives (P.70-72)

What Our Management Policies (2021–2023) Aim to Achieve

Based on the two ideas of “for customers,” promoting DX for customers that contributes to their sustainable growth, and “for society,” promoting DX for society that helps solve the issues faced by society in collaboration with partners, we will expand the business ecosystem for solving those issues and link that to realizing Vision 2030.

Key Points of Management Policies (2021–2023)

Based on our Purpose and Vision 2030, the BIPROGY Group formulated Management Policies (2021–2023) with an eye toward creating economic value and generating sustainable enhancement of the Group’s overall corporate value through the pursuit of social value creation. Because we live in a so-called VUCA* era, when changes in the time and technological evolution occur at a faster pace and it is hard to anticipate the future, it has grown more difficult to respond to changes by creating, implementing, and revising strategies based on plans that incorporate forecasts several years in the future. Therefore, we are working to achieve our future vision as each Group employee autonomously makes decisions and acts based on those management policies guided by our Purpose.

The BIPROGY Group has set “for customers,” promoting DX for customers that contributes to their sustainable growth, and “for society,” promoting DX for society that helps solve the issues faced by society through co-creation with customers and partners from various businesses and industries, as the basic policies within Management Policies (2021–2023). By accumulating the best practices of customers implementing a DX and promoting DX for society, the Group will expand its business ecosystems within

the massive framework of society in collaboration with customers and partners.

In addition to the knowledge obtained by providing system integration services and solutions to a wide range of business types and industries, we possess business conceptualization and engineering capabilities accumulated by combining best practices. Having built not only trust with customers in a wide range of industries but also relationships with partners, not being dependent on one particular relationship, through the formation of business ecosystems, we will use these strengths to continue to create social value. By creating a virtuous cycle “for customers” and “for society,” elements of our Management Policies, we will use our implementation capabilities acquired over the years to increase the speed of business with heightened agility. Thus, we will co-create value with customers and transform both ourselves and our customers through these business ecosystems. We also aim to contribute to society by combining the various services that we have evaluated and verified for the market, including through a proof of concept (PoC) method, and moving to the implementation stage.

* VUCA is an acronym formed from the words “volatility,” “uncertainty,” “complexity,” and “ambiguity” to describe a situation when it is difficult to forecast the future social environment.

Aiming to provide value sustainably with customers and partners by creating a virtuous cycle for customers (customer DX) and for society (social DX).



Expanding from customer DX to social DX

Example initiative ① Transitioning from store operation reforms to futuristic retailing

Generating both social value and economic value through retail store reform solutions

Customer DX

- Increase store operational efficiency and labor savings
- Optimize inventory and waste loss
- Reduce lost sales opportunities

Social DX

- Achieve futuristic retailing
- Promote solutions to social problems throughout the value chain and the supply chain

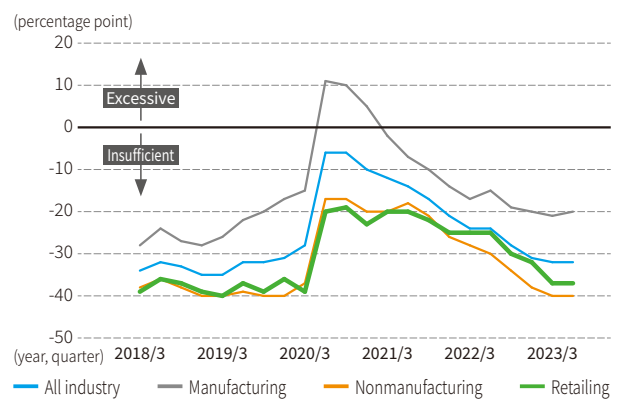
In the retail field, the BIPROGY Group has not only provided merchandizing (MD) core systems for customers in the retail industry for many years but also has worked to increase the efficiency of various functions in peripheral operations, such as orders. Having improved the efficiency and accuracy of systems for individual customers, we are moving forward with realizing futuristic retailing by focusing on support for store operation reforms.

AI-Order Foresight, an automatic order system based on AI demand forecasts, dramatically reduces hours spent on orders and contributes to reductions in waste loss and opportunity losses. Furthermore, more stores have introduced electronic shelf labels, which make it possible to display, in real time, various information such as selling price and sales promotions and enable two-way communication. They are increasingly used as IoT devices for employee and customer points of contact. In addition to reducing labor and time needed to replace price tags, they contribute to labor savings and greater operational efficiency by, for example, increasing the efficiency of inventory checks and shelf stocking.

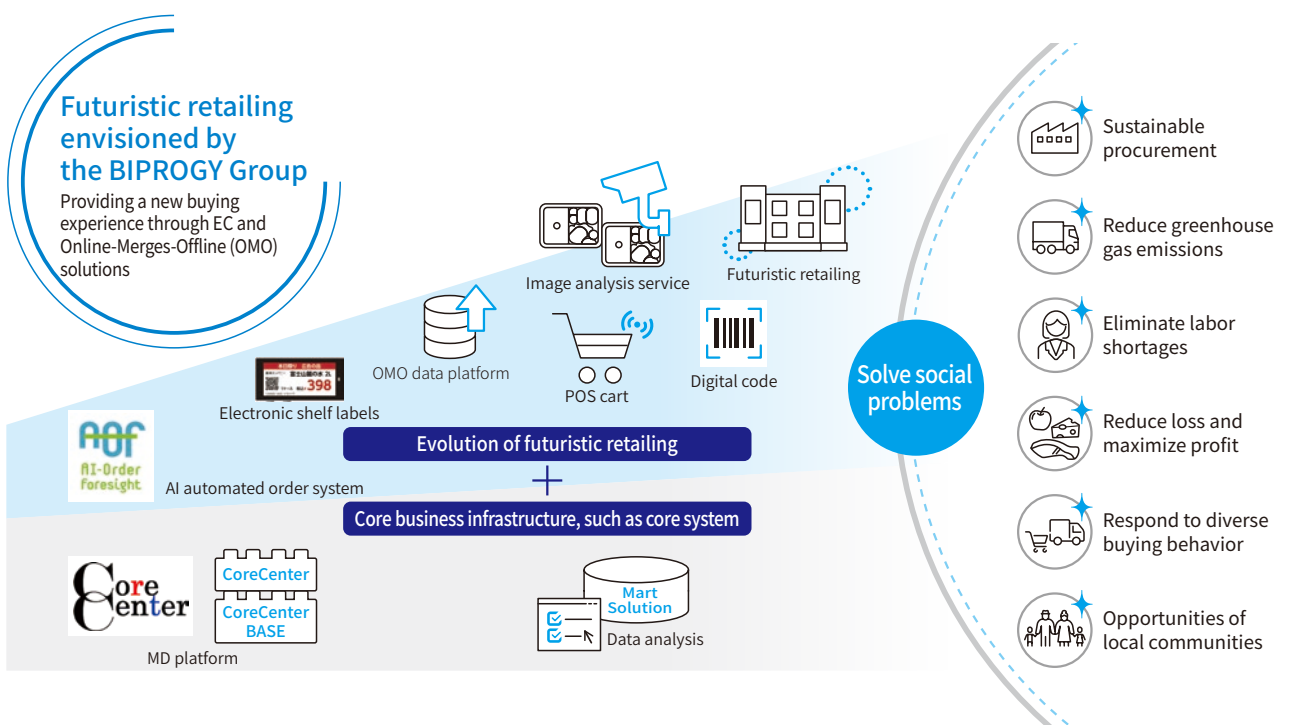
As the market undergoes various changes, namely the advent of OMO stores that incorporate digital technology,

diverse product lineups and purchasing channels, and product delivery that matches lifestyle, we will continue to work to achieve greater operational efficiency and net zero emissions by sharing data throughout the supply chain, including production and logistics.

Employment conditions DI*



* The percentage of companies who say they have an excess number of employees minus the percentage of companies who say they have insufficient employees. The more the number is above zero, the greater the sense of there being excessive employees, and the more the number is below zero, the greater the sense of there being insufficient employees.



What Our Management Policies (2021–2023) Aim to Achieve

Example initiative ② From housing DX to social DX

Moving from housing DX to social DX through collaboration with diverse industries and partners

Customer DX

- Increase operational efficiency of home design operations
- Support response to business environment changes

Social DX

- Promote creation of a society in which everyone can live happily
- Promote decarbonized society springing from housing industry, including smart home response

In the housing industry, the shortage of not only engineers but also worksite carpenters is growing more serious at the same time that designs and proposals are becoming more complex in order to meet more diverse customer needs, resulting in a need to use CAD data in the production process and increase the efficiency of collaborations with external business operators. The home design CAD system DigiD Prism, which underwent a major update, has evolved into a building information modeling (BIM) platform with improved CAD system functions and the possibility to undertake integrated management of home-related data. Information is often managed separately in different systems, such as CAD, customer management, and sales systems, but DigiD Prism provides unified management of that information as an “integrated home model*” and eliminates discrepancies in data between processes, thus

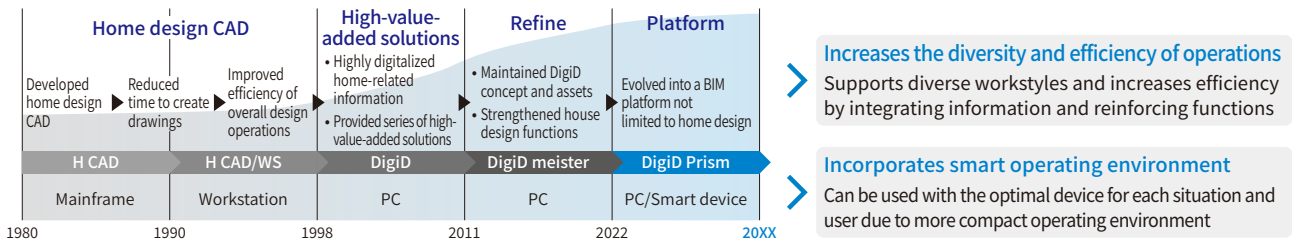
increasing the efficiency of operations. In addition, with a smart operating environment, it can be used with various devices depending on the situation, such as sales talks and discussions.

The BIPROGY Group will promote such work as reinforcing functions related to presentations and linking data, centered on the integrated home model, and expanding functions that leverage AI and other cutting-edge technology. The Group will work to create a society in which all people can live happily (social DX) by leveraging its relationships with diverse industries and partners and best practices through the promotion of DX in the housing industry.

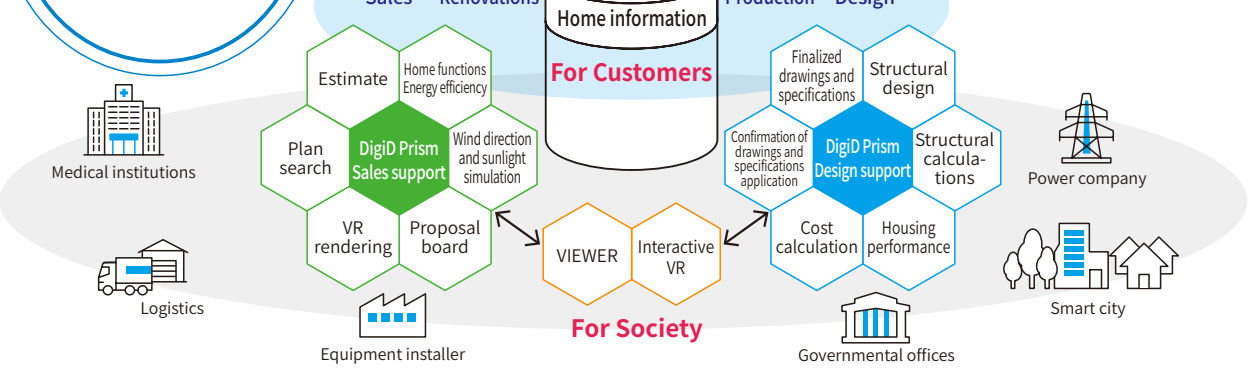
* A system that makes it possible to undertake integrated management of information generated in all home construction processes as a “home information database” by assembling parts and material with shape and attribute data and forming a detailed, three-dimensional “home” into a database.

Evolution to DigiD Prism

Providing a home design CAD system that employs the latest, best suited IT for 40 years



Housing business solution DigiD Prism
Optimizes new home creation through a BIM platform that integrates and manages home related data



Expanding from customer DX to social DX

Example initiative ③ Future of energy and mobility use

Aiming to contribute to a sustainable society by providing services that combine energy and mobility services

Customer DX

- Support companies and local governments' shift to EVs by integrating energy and mobility services

Social DX

- Enable the use of EVs as moving storage battery
- Incorporate into BCP and contribute to realization of decarbonized society

To promote decarbonization, Japan's government has touted the target of having electric-powered cars, including electric vehicles (EVs), account for all new cars sold by 2035, and companies and local governments have drawn up concrete plans, which has resulted in the growing demand for electrification of cars for official or company use. There are concerns, however, that unless charging and discharging of EVs is properly managed, this could not only negatively impact operations due to problems related to vehicles not being charged but also result in higher electricity bills if vehicles are charged simultaneously during peak demand time. As a service to solve this problem, the BIPROGY Group introduced "EV Charging/Discharging Service," which offers AI-based remote automatic control. With this service, it is possible to use EVs that consumers (EV users) own as a power resource, a "moving battery," and reduce electricity bills by discharging EVs (reduce use during peak demand periods) and incorporate EVs into their BCP in the case of a disaster.

In addition to providing services that combine energy and mobility services, primarily for companies and local governments shifting to EVs for their official or company use, the Group is creating services to support all companies

aiming to become carbon neutral by combining "Enability Series" and "smart oasis," both of which we have provided for almost a decade. As a "company working with customers and partners to solve social problems," we will continue to contribute to the realization of a sustainable society.

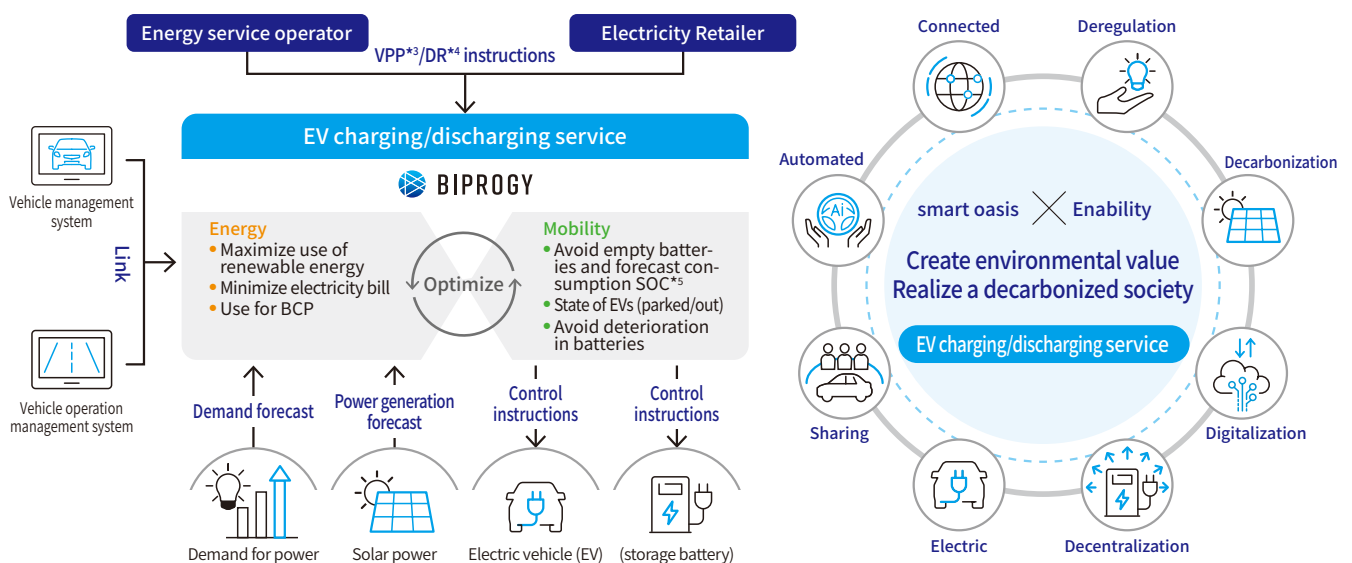
Target vehicle electrification in the Green Growth Strategy*1

Passenger vehicles*2	100% of new cars sold are electric-powered cars by 2035
Commercial vehicles*2	Compact vehicles, 8 tons or less <ul style="list-style-type: none"> • Electric-powered cars account for 20%-30% of new cars sold by 2030 • Electric-powered cars or vehicles that can use decarbonized fuel, such as synthetic fuel, account for 100% of new cars sold by 2040
	Large vehicles, over 8 tons <ul style="list-style-type: none"> • Preemptively introduce 5,000 electric-powered vehicles in the 2020s • Set 2040 target for spreading the use of electric-powered cars by 2030
Motorcycles	Promote electrification through initiatives both in Japan and overseas, including introducing international standards for storage batteries and building infrastructure

Source: Tomoko Takano "Issues to Achieving Carbon Neutrality in the Automobile Industry—Electrifying Cars," (September 2021) (Tentative title translated from Japanese)

*1 Action plans to achieve carbon neutrality by 2050 created by related ministries and agencies, particularly the Ministry of Economy, Trade and Industry, for 14 priority fields expected to see growth due to industrial and energy policies

*2 There is no definition of passenger vehicle and commercial vehicle (Japan Automobile Manufacturers Association, Inc.).



*3 VPP: Virtual power plant (VPP), a mechanism for connecting generation facilities owned by companies, local governments, and other entities, home power generation facilities, storage batteries, EVs, and other energy resources distributed throughout a region to function like a single power plant by controlling the resources using IoT technology.

*4 DR: Demand response (DR) refers to altering power demand patterns by controlling the energy resources of consumers.

*5 SOC: State of charge (SOC) is an indicator showing the charge rate or charge state.

Example initiative 4 Creating value for local communities through financial services

Contributing to the creation of value and DX of local communities through more sophisticated financial services

Customer DX

- Quickly provide an extensive series of financial services at low cost
- Support greater efficiency of financial operations

Social DX

- Support new value creation by financial institutions and local communities and promote the creation of affluent societies

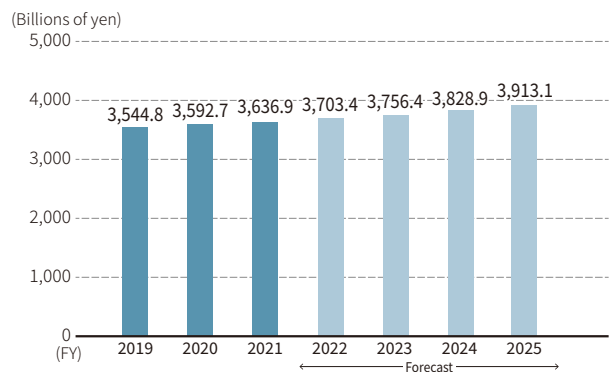
Leveraging the abundant solutions, services, and knowledge acquired over many years of promoting the DX of financial institution customers, the BIPROGY Group launched an examination of the financial service platform concept. By integrating a large series of financial solutions that the Group provides, which range from back office ones to front office and channel-related ones, through an advanced common architecture and using function-specific API* etc., customers can implement data-driven management, including automated operation, unified regulatory response based on automated and integrated data management, customer analysis, and regional trait analysis. This offers them highly reliable services appropriate for their business strategy and thus increase the efficiency of overall operations.

It is expected that financial institutions will move from investing in core-banking systems to investing in DX in order to increase the value provided for their users and the value for local communities (offensive DX). Financial institutions who were quick to introduce an open, cloud-based core-banking system increase the efficiency of their existing financial services and are moving forward with a financial service DX because they will be able to make use of various data and functions through collaboration with outside

parties. As financial institutions shift their investments to offensive DX, the Group is moving forward with creating new value for financial institutions and local communities by contributing to more sophisticated financial services through this platform and creating business ecosystems with customers in various types of business and industries.

* API: Application programming interface (API) aggregates the instructions and functions that can be used when developing software for a specific platform.

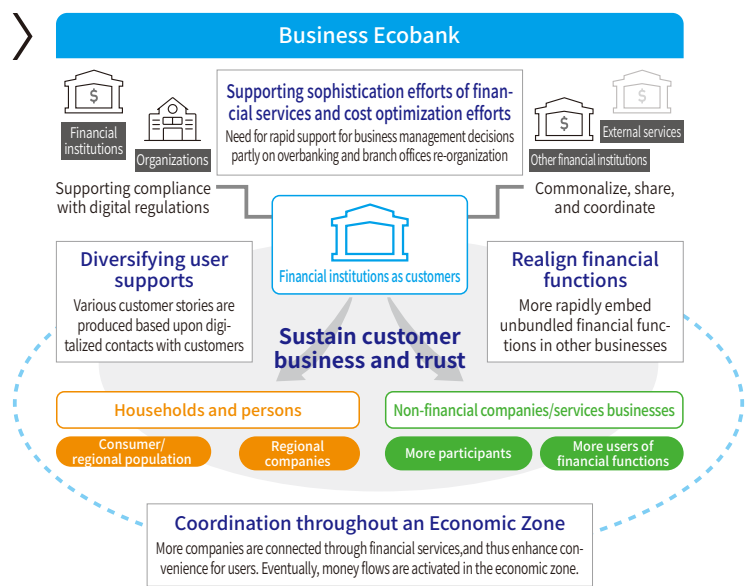
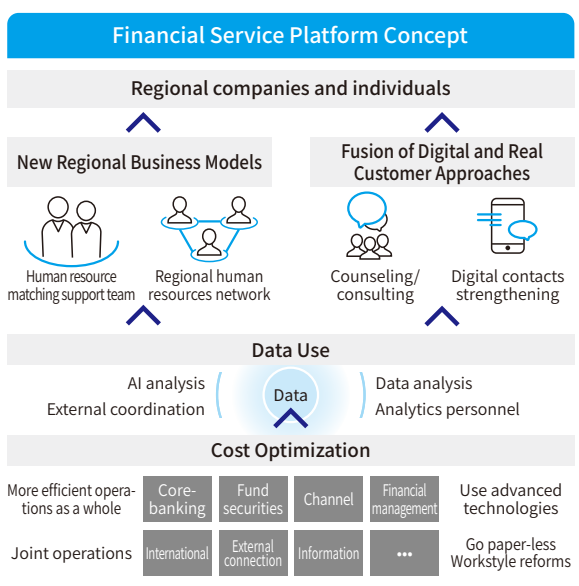
IT market for domestic Japanese financial institutions, scale and forecasts



Source: Yano Research Institute, Ltd., "Digital Transformation for Financial Institutions in Japan: Key Research Findings 2022" (released October 26, 2022)

*1 Business sales basis

*2 Figures for FY2022 and after are forecasts



Outsourcing as Growth Driver

In Management Policies (2021–2023), we position the outsourcing business, which boasts a high marginal profit ratio and helps form a stable earnings base, as the Group’s engine of growth.

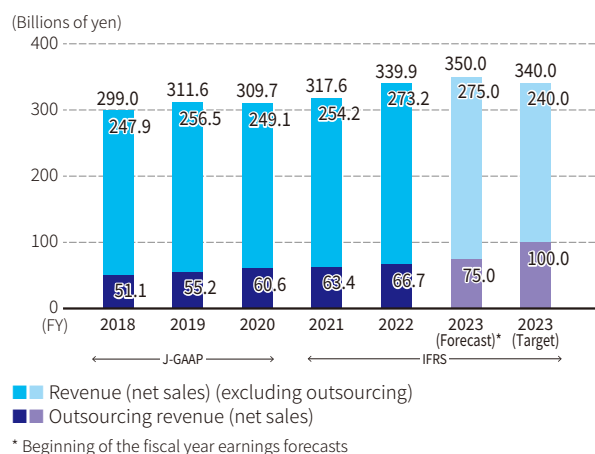
The Group’s outsourcing business offers several services, including entrusted operation services for customers’ operational systems, services that contribute to customers’ digital transformation, and services to resolve social issues through collaboration with customers and partners. In addition we aim to further increase profitability and create social value by reinforcing our stable earnings base through new projects, developing outsourcing services that leverage the knowledge and know-how we have obtained through the provision of services to customers, and accelerating efforts to create and expand our services that solve social issues.

FY2022 Results

For “corporate DX type,” we are steadily increasing revenue of not only platform services for promoting the DX of financial institution customers but also other companies’ cloud services related to remote work. For “entrusted operation type,” there was a decline in revenue as services provided to customers shifted to “corporate DX type,” but for “service-based type (business creation type),” there was greater use of platform services for EC, and the value cards and digital code businesses were firm.

In FY2023, we focused resources on system services business to handle customers’ DX, and therefore, we expect to post revenue that exceeds targets in the Management Policies (2021–2023), but outsourcing revenue is forecast to fall short of the target of ¥100.0 billion. We will use the know-how accumulated by providing system services to create future growth of the outsourcing business.

Outsourcing Revenue



	Entrusted operation type	Corporate DX type	Service-based type (business creation type)
Characteristics	Entrusted operation services for individual customers	Outsourcing services provided in a new form due to entrusted operation services and are improved by digital transformation	Outsourcing services provided by the Group alone or the Group and customers as operating entities
Value provided	Increasing the efficiency and sophistication of customer business	Transform customer companies and establish competitive advantage for the business	Move toward providing and operating digital commons to build a better society and solve issues faced by society
Main services	<ul style="list-style-type: none"> Overall IT outsourcing and business outsourcing services BankVision, an open core-banking system (on-premises type) SBI21, a core-banking system for regional financial institutions 	<ul style="list-style-type: none"> BankVision on Azure, a public cloud-based full-banking system OptBAE, a use-type core-banking system for regional financial institutions AI-Order Foresight, an automatic order system based on AI demand forecasts Enability CIS, an electricity retailing cloud solutions Cloud services, such as those related to telework 	<ul style="list-style-type: none"> SaaS-type EC/OMO solution DIGITAL' ATELIER Zero-Accident Program DR, a communication-type drive recorder Digital value cards and digital code business smart oasis, a mobility service platform Storage service platform Saigai Net, a chronology-type crisis management information sharing system
FY2022 Revenue	¥49.0 billion -¥0.8 billion YoY	¥10.8 billion +¥3.3 billion YoY	¥6.9 billion +¥0.7 billion YoY

CFO Message



Aiming to accelerate strategic investment and harness pioneering technology to create sustained innovation

Kazuma Umehara

Senior Corporate Officer and CFO

Progress during FY2022 and forecast for FY2023

Under our Management Policies (2021–2023), we are aiming, for the policies' final fiscal year of FY2023, to achieve an adjusted operating profit ratio of 10% or over, and, with regard to revenue, shift our emphasis onto service-based businesses in order to achieve sustained growth, increasing sales from our outsourcing business to ¥100 billion and overall revenue to ¥340 billion. We are also aiming to achieve an ROE of 15%, and, in terms of shareholder return, a consolidated dividend payout ratio of 40%.

In FY2022, our second year under the current Management Policies, our system services continued to perform well amid extremely strong demand for investment in IT, and we recorded revenue of ¥339.9 billion (of which ¥66.7 billion were generated by our outsourcing business), up ¥22.3 billion from the previous fiscal year, coming

extremely close to achieving ¥340.0 billion, our target for the policies' final fiscal year, one year ahead of schedule.

In terms of profitability, the Group was able to absorb an increase in SG&A expenses through increased revenue from system services and through improved profitability, enabling the achievement of ¥29.7 billion in operating profit of, up ¥2.2 billion from the previous fiscal year (for a profit ratio of 8.7%), and adjusted operating profit of ¥29.4 billion, up ¥2.7 billion from the previous fiscal year (for a profit ratio of 8.6%). In addition, we achieved an ROE of 15.0%, and a consolidated dividend payout ratio of 39.8%. In FY2023, we aim to capture the demand for DX to go beyond our previous target for revenue. However, in terms of adjusted operating margin, which is our most important index, we believe that we must make the further robust investments required for

Targets and Progress in the Management Policies (2021-2023)

	FY2021	FY2022	(vs. FY2021)	FY2023 forecast*3	FY2023 target
Adjusted Operating Margin*1	8.4%	8.6%	+0.2pt	9.1%	10% or higher
Revenue	¥317.6 billion	¥339.9 billion	+7.0%	¥350.0 billion	¥340.0 billion
Outsourcing Business*2	¥63.4 billion	¥66.7 billion	+5.2%	¥75.0 billion	¥100.0 billion
ROE	17.0%	15.0%	-2.0pt	—	Approx. 15%
Dividend Payout Ratio	41.7%	39.8%	-1.9pt	41.1%	Approx. 40%

*1 Adjusted operating profit: revenue minus cost of sales and SG&A expenses.

*2 System outsourcing as well as service-based businesses where the BIPROGY Group is the provider.

*3 Beginning of the fiscal year earnings forecasts

the research and development needed to accelerate the development of new services, as well as the acquisition and training of talented human resources, and therefore, we currently do not expect to reach double figures. Despite this, we have not abandoned the goal of eventually achieving a ratio of 10% or over, and we aim to achieve this goal while continuing to make the necessary investments.

The outsourcing business as a growth driver

Under our Management Policies (2021–2023), we have positioned our outsourcing business as a key driver for growth, and have put forward the ambitious goal of increasing sales from the outsourcing business to ¥100.0 billion over this three-year period. However, we are currently not achieving the rate of growth that we originally expected, and therefore need to further accelerate the growth rate. The main reason that we have not achieved the expected growth is that we have strategically focused on allocating resources to our system services business in order to capture the extremely strong ongoing customer demand for DX. However, these projects serve as an opportunity for us to acquire new assets by serving as a partner to customers working to transform

their businesses, and we believe that this activity is necessary as a foundation for the development of service-based businesses. While it may take a little time for these initiatives to bear fruit, we believe that in future they will contribute to further revenue in the outsourcing business.

Observations on the market environment

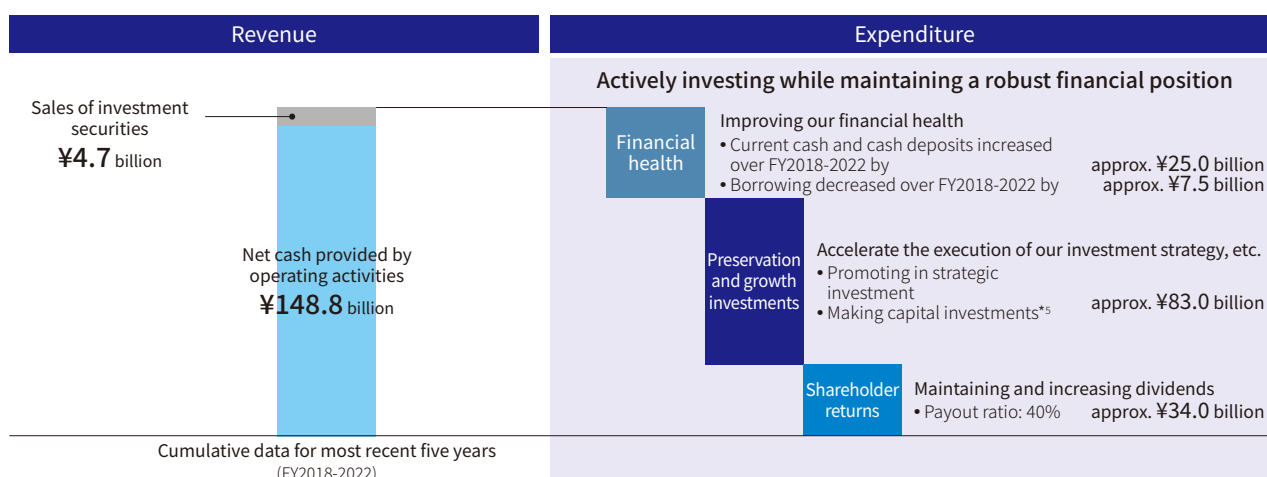
We believe that the current market for information and communication technology services is extremely vibrant, and various market statistics back this view. Across our Group, we see extremely strong overall demand irrespective of customer industry. In addition to the demand for DX driven by labor shortages and changing work styles, demand for investment is high in a wide range of other areas, including the need to avoid the “2025 Digital Cliff” by replacing out-of-date legacy systems. We are meeting this customer demand by providing solutions related to customer touchpoints, an area where our Group is strong, as well as through our experience in large-scale mission-critical projects. It is this robust business environment that gives us the opportunity to invest in the acquisition of new assets and lay the groundwork for a transition to service-based businesses.

Toward sustained increases in corporate value

Our Management Policies (2021–2023) position investment as an important part of our important strategies, and we are committed to accelerating strategic investments that would allow us to leverage advanced technology and produce sustained innovation. Through strategic investments and capital investments in various businesses, startups, and funds, we are aiming to develop new businesses and support our existing businesses, actively shifting our financial resources into growth areas.

We will procure the funds necessary for these activities from the cash flow produced by existing ICT businesses, and from our service-based businesses, which we expect will achieve future growth, while also using the cash that we already have on hand, using these resources to invest proactively while ensuring the company remains on a sound financial footing. To ensure our finances remain healthy, we aim to keep our net debt-to-equity ratio at around 0.5 times while keeping our A rating. Currently, we

Schematic diagram of our capital allocation strategy*4



*4 Data up until FY2020 is based on Japanese generally accepted accounting practices (J-GAAP). Data from FY2021 onwards is based on International Financial Reporting Standards (IFRS)

*5 Following the adoption of IFRS, data from FY2021 onwards includes repayments of lease liabilities.

CFO Message



have a cash surplus, and believe our working capital is more than sufficient.

Our Group policy is to strive towards further improvements in corporate value by increasing our equity spread while maintaining awareness of our cost of capital.

Investment strategy

Strategic investment, R&D, capital investment

Currently, we are working to invest in our business and conduct research and development from two perspectives as outlined under our Management Policies (2021-2023). Firstly, we aim to promote customer digital transformation (DX), contributing to sustained customer growth. Secondly, we are working with customers and partners in various industries to promote social DX to resolve social issues. In the field of capital investment, as we work to expand our outsourcing businesses, we are making steady investments, as required, in tangible and intangible assets. Our company always sets an internal rate of return (IRR), calculated on the basis of the cost of capital, to make investment decisions. The rate is not constant or fixed. Rather, we consider the risks inherent in each individual project, responding flexibly to seek higher rates of return where we deem risks to be higher.

To achieve our Vision 2030, we are working to transform our Group, moving away from our previous business as a system integrator to become a company that provides

solutions to social issues, and to that end we are currently engaged in internal discussions on our next management policies and roadmap through to 2030. Over previous years, our strategic investment has focused on investments in open innovation by corporate venture capital and research and development designed to create service-based businesses, but going forward we believe it indispensable to bolster our investment in inorganic growth, including M&A outside Japan. Currently, we are promoting a number of M&A projects in the Southeast Asian region, which are investments in companies providing Enterprise Resource Planning (ERP) services for the main purpose of strengthening and expanding the foundations of our global business in the Southeast Asia region. We have not yet reached the stage of solving social issues or creating new businesses, but, in future, we will look to invest in fields that can provide society with solutions.

Our future investment is likely to focus on the five major fields as outlined in our Vision 2030, “Transportation/Mobility”, “Healthcare/Education”, “Work/Life”, “Digital/Security”, and “Green Energy”, but we will flexibly change the targets of our investment depending on the circumstances.

When we take into consideration the resources and sense of speed required to move forward with new businesses, it is clear that it will be difficult to achieve a further leap of growth by insisting on producing everything in-house. For that reason, while we consider M&A as one strategic option for inorganic growth, M&A is, in the end, a means of growth, and of course the priority must be on ensuring that all M&A is consistent with our strategies. M&A requires us to consider a number of different issues including whether the acquisition price is appropriate, how we can move forward with PMI, including the demonstration of synergies, and how we can implement post-merger monitoring and governance efficiently and effectively. Responding to such issues is not at all simple, but these are the issues we will carefully tackle to achieve further Group growth.

* PMI stands for post-merger integration, the integration process after a merger or acquisition.

Investment Performance

(Billions of yen)		Mid-Term Management Plan (FY2018–FY2020) Foresight in sight 2020				Management Policies (2021-2023) (FY2021–FY2023)	
		FY2018	FY2019	FY2020	Total for three FYs	FY2021	FY2022
Strategic investment		3.0	4.2	2.5	9.7	3.9	3.5
Investment in developing services	R&D expenses	4.0	4.5	5.0	13.5	4.1	4.0
	Capital expenditures (tangible/intangible)	8.2	10.3	12.0	30.5	9.1	14.7
Total		15.1	19.0	19.5	53.7	17.1	22.1
Capital Investment in people		3.5	3.4	3.1	10.0	2.6	2.6

* The International Financial Reporting Standards (IFRS) have been applied as of FY2021. Figures for FY2020 and earlier are based on Japanese generally accepted accounting practices (J-GAAP).

Structural Reform Investment

We believe that an extremely important factor in achieving sustainable Group growth is to further strengthen our corporate competitiveness and value creation by appropriately managing and harnessing human capital. This process requires appropriate investment in human capital combined with the strategies needed to maximize the benefits of that investment. For quite some time, our Group has already considered human resources as an important corporate asset, and we are still working to transform our human resources and corporate culture to facilitate the acquisition and training of human resources capable of producing innovation. In order to achieve further coordination between our human capital strategies and corporate growth strategies, we established the Human Capital

Management Division in April 2023. This division is now responsible for planning and executing our overall human resources strategy, and as we deliberate the details of our next management policies, we engage in repeated discussions on our human capital investment strategies.

Furthermore, from FY2022 to FY2023, we are also working to refresh and upgrade our internal core systems. While this requires additional expenses in the short term, these initiatives will allow us to take further steps towards real-time, data-driven management. Taking the lead in implementing the digital transformation of our own company also allows us to build robust know-how that we can harness to deliver services to our customers. We are continuing with this work to ensure that our Group remains worthy of being chosen by customers.

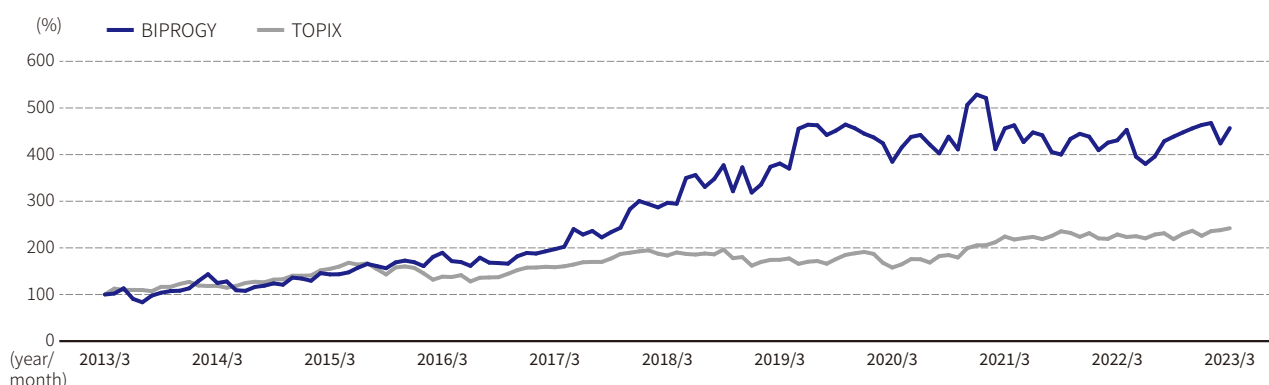
Shareholder Return

Our shareholder return policy is based upon connecting dividends to business performance. When determining our shareholder return policy, we comprehensively consider factors such as our cash flow position, and the balance with investments for future growth and the business environment. Under our Management Policies (2021–2023), we are aiming to achieve a consolidated dividend payout ratio of 40%. The payout ratio in FY2022 was 39.8%. Over the past 10 years, we have also achieved stable increases in total shareholder return. Since FY2018, we have increased our dividend payout ratio target from the previous level of 30% to 40%, growing our dividend payments as our business has grown. As we plan our next management policies, capital allocation is a

major item on our agenda, and we will be considering how to provide shareholder returns, including through dividend payments and through the acquisition of treasury stock, in the light of our investment strategies.

In April 2022, we changed our company name, and under our Group's Vision 2030, we are in the middle of transitioning away from our current position as a system integrator and towards becoming a company focused on creating and providing social value. While this transformation cannot take place overnight, we are aiming to build momentum and further accelerate the process. We hope that all of you, our stakeholders, will look forward to the Group's further growth, and continue to favor us with your support.

Total Shareholder Return (TSR)



	1 year	3 years		5 years		10 years	
		Cumulative	Annual rate	Cumulative	Annual rate	Cumulative	Annual rate
BIPROGY	6.9%	20.5%	6.4%	57.4%	9.5%	356.8%	16.4%
TOPIX	5.8%	53.4%	15.3%	31.8%	5.7%	142.1%	9.2%

* Total Shareholder Return (TSR): Total return on investment that combines capital gains and dividends.

* TSR is calculated with the cumulative dividend amount and share price fluctuation for BIPROGY, and the share price index, including dividends, for TOPIX. (prepared by BIPROGY using data from Bloomberg and other sources)

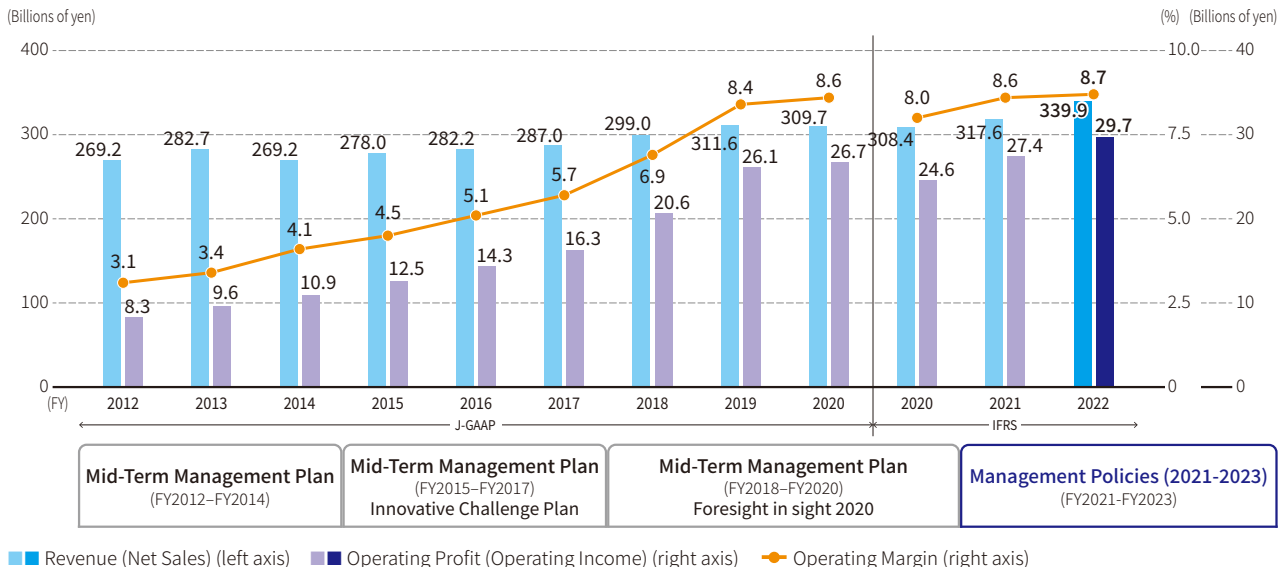
* The values in the graph are TSR-indexed market prices, taking the closing price on March 31, 2013, as 100 (with a holding period until March 31, 2023)

Financial Highlights

(BIPROGY Inc. and Consolidated Subsidiaries)

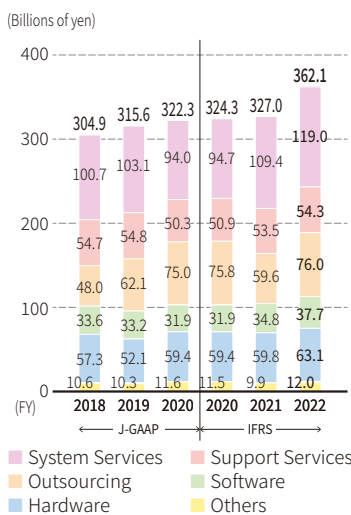
* The International Financial Reporting Standards (IFRS) have been applied since FY2021. Financial figures for FY2020 are presented in accordance with IFRS in addition to the existing Japanese generally accepted accounting principles (J-GAAP).

Revenue (Net Sales)/Operating Profit (Operating Income)/Operating Margin



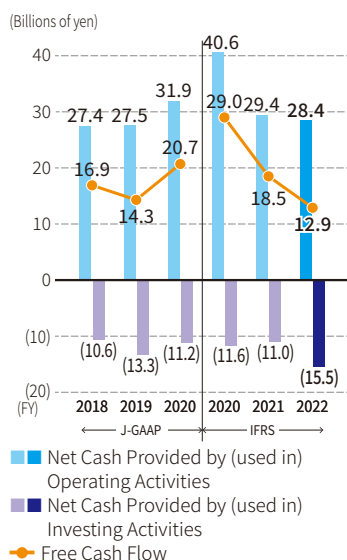
During the terms of our previous mid-term management plans, we worked to strengthen the foundations of our business by reviewing our cost structures while improving our risk management capabilities and solidifying our financial position. Through these efforts, we transformed our business model and improved profitability. Under our Management Policies (2021-2023), we continued to work towards further improvements in profitability, and in the second year of the period (FY2022), we were able not only to take advantage of the growing business in digital transformation (DX) related services to make solid progress in expanding our system services, we also harnessed the strong growth in demand for DX investment to increase our revenue from our outsourcing solutions and support service businesses, as well as the sale of products, resulting in higher overall sales revenue. Despite an increase in SG&A expenses, we also increased operating profit due to factors including the sales revenue increase and the greater profitability of our system services business.

Orders by Segment



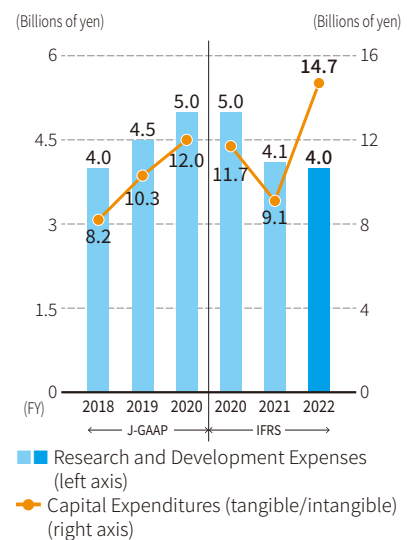
The number of orders received by BIPROGY in FY2022 continued to increase not only due to robust demand for our system services, but also due to other factors including an increase in the number of orders for long-term outsourcing projects.

Operating Cash Flow/Investment Cash Flow/Free Cash Flow



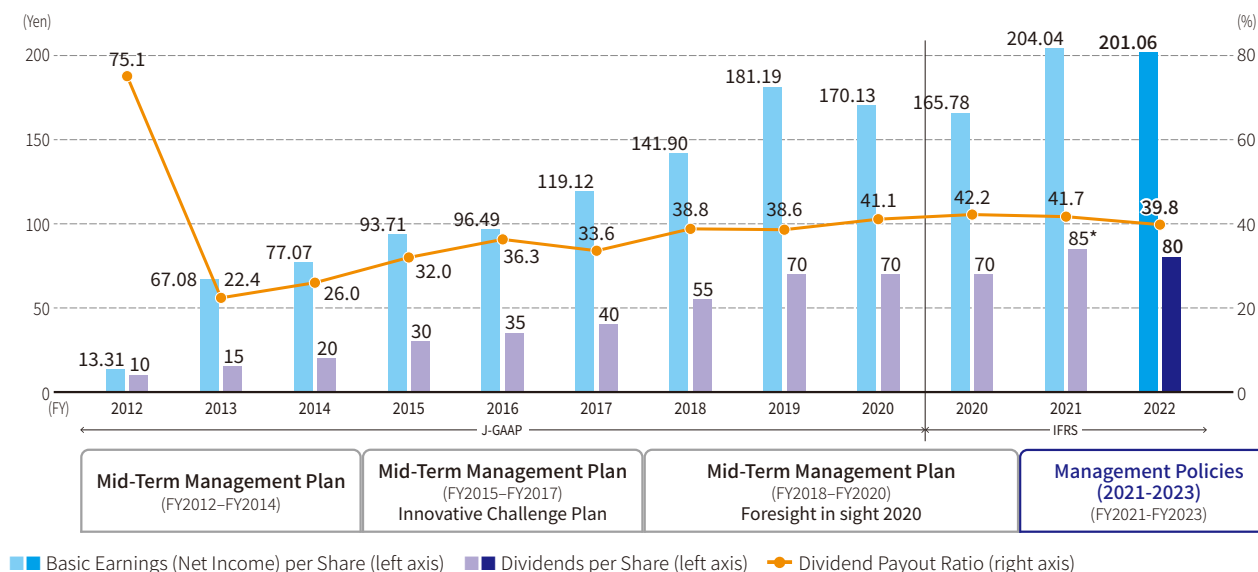
Our growing profitability is producing stable cash flow. In addition to the acquisition of intangible assets, chiefly through investment in software for outsourcing solutions, we have continued to invest in startups with the knowledge required to produce innovation and state of the art technology, as we accelerate the growth of our business towards the achievement of our Vision 2030.

Research and Development Expenses & Capital Expenditures



As we work, under our Management Policies (2021-2023), to achieve our goals of continually harnessing sophisticated technology and creating innovation, we are strengthening our research and development of services that accelerate DX, new uses for advanced technology, and the creation of other new services. As we are also making investments to move our existing businesses forward, the amount we have invested has increased due to investments in computers and software for our outsourcing services.

Basic Earnings (Net Income) per Share/Dividends per Share/Dividend Payout Ratio

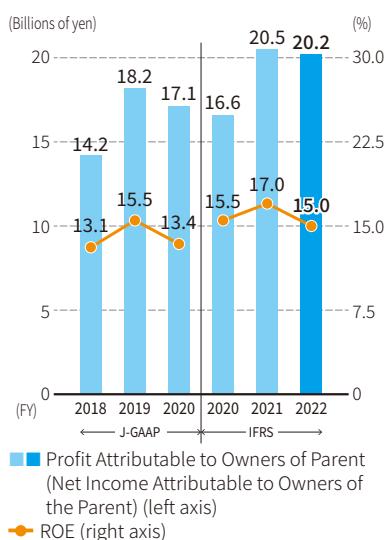


■ Basic Earnings (Net Income) per Share (left axis) ■ Dividends per Share (left axis) — Dividend Payout Ratio (right axis)

Since the start of our Mid-Term Management Plan in FY2012, we have consistently improved our profitability by transforming our business models, improving our productivity, and divesting from unprofitable businesses. In FY2022, we paid an annual dividend of ¥80, taking the consolidated dividend payout ratio to 39.8%. In the Management Policies (2021-2023), our policy is to aim for a consolidated dividend payout ratio of 40%. We strive to provide stable, sustainable profit distribution under a basic policy of paying dividends in accordance with performance.

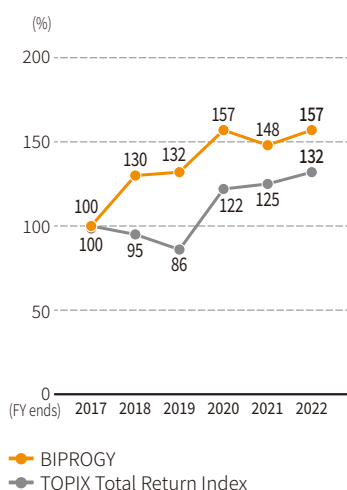
* Includes an additional ¥10 dividend to celebrate the company name change to BIPROGY Inc.

Profit Attributable to Owners of Parent (Net Income Attributable to Owners of the Parent)/ROE



Net profit for FY2022 fell due to a fall in profit from finance income caused by factors including a reduction in valuation gain on investments in funds. Our Management Policies (2021-2023) includes a numerical ROE target of 15%, and the ROE for FY2022 was 15.0%.

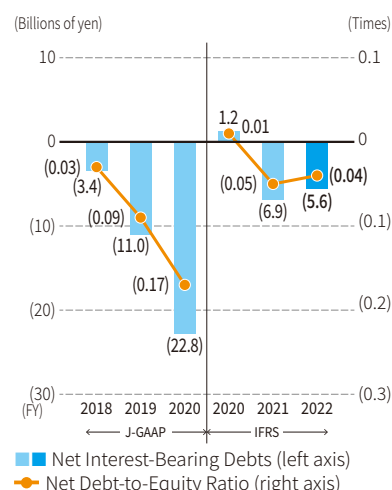
Total Shareholder Return (TSR)



Total shareholder return for FY2022 was significantly higher than the TOPIX total return index. The BIPROGY share price has remained stable over the past five years, supported by robust business performance.

* Market price based on TSR indexed with closing price on March 31, 2018 (100).

Net Interest-Bearing Debts & Net Debt-to-Equity Ratio

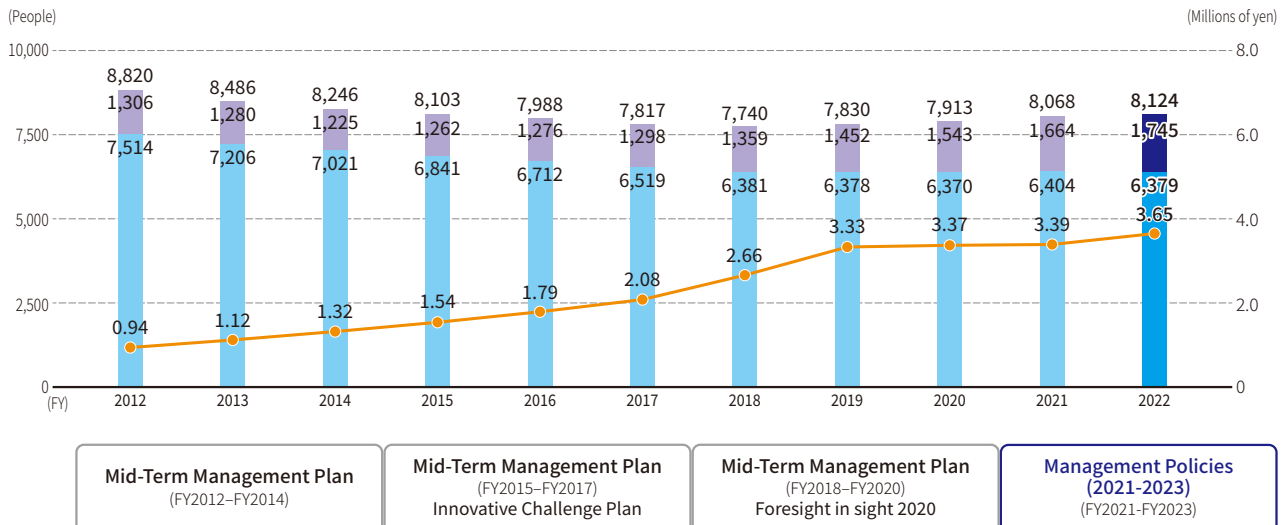


As a result of ongoing improvements to our financial condition, achieved mainly by reducing interest-bearing debt, the net debt-to-equity ratio improved to -0.04 times in FY2022.

Non-Financial Highlights

(BIPROGY Inc. and Consolidated Subsidiaries)

Number of Employees (by Gender) & Operating Profit (Operating Income) per Employee

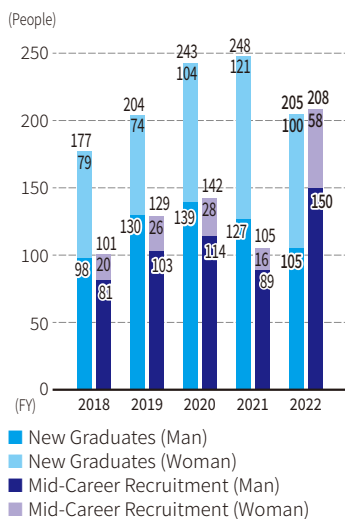


■ Number of Man Employees (left axis) ■ Number of Woman Employees (left axis) — Operating Profit (Income) per Employee (right axis)

Since the Mid-Term Management Plan (FY2012–FY2014), we have been focusing on reforming our personnel system and human resource development as a priority issue, and implemented various measures such as dealing with promoting work style reforms and improving productivity. Until now, the number of employees has continued to decrease for several reasons including the retirement of baby boom generation employees, but we are conducting recruiting activities and implementing human resource development measures from a medium- to long-term perspective in an effort to secure and train diverse human resources who are able to think self-reliantly and generate innovation. As a result, operating profit per employee has been steadily increasing even as the decreasing number of employees began to increase again in FY2019.

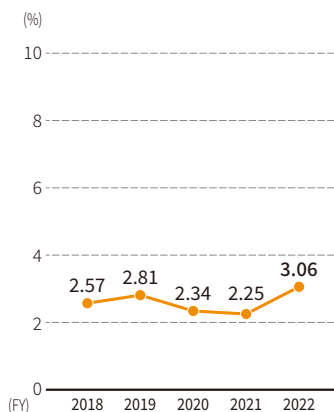
(Note) Up to and including FY2020, our reporting was in accordance with generally accepted accounting principles in Japan (J-GAAP), while the International Financial Reporting Standards (IFRS) have been applied since FY2021.

Number of New Employee Hires*¹



As we work to achieve our long-term vision, we are prioritizing the recruitment of experienced mid-career hires alongside our new graduate recruitment. In FY2022, as we maintained a high proportion of woman employees among our new graduate hires, our mid-career hires for the first time outnumbered our new graduate hires.

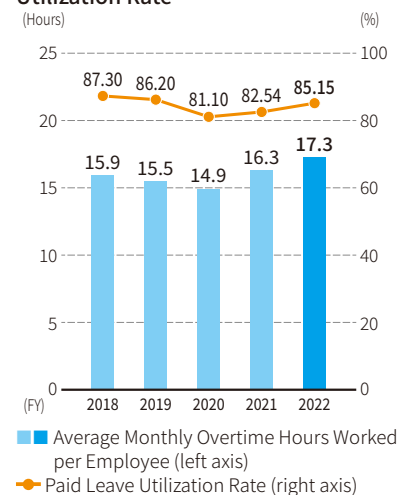
Employee Turnover Rate*²



While our employee turnover rate has been rising since last year due to the changes in the hiring market occurring over recent years, we continue to provide a comfortable working environment and significant career growth opportunities to younger employees, helping us to maintain a turnover rate well below the industry average of 11.9%*

* Source: Ministry of Health, Labour and Welfare, Survey on Employment Trends 2022 information and communications industry employee turnover rate

Average Monthly Overtime Hours Worked per Employee*² & Paid Leave Utilization Rate*²



We are working to reduce average overtime hours by promoting the efficient, judicious use of overtime. In FY2022, we exceeded our 80% target for the use of employees' paid leave allowance. We continue to pursue work style reforms and sound management of employee health.

(Scope of Calculation)

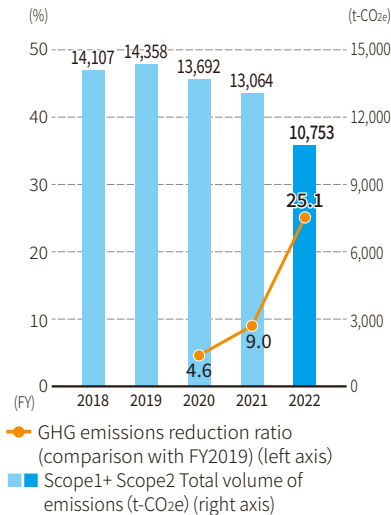
*¹ BIPROGY Inc., its consolidated subsidiaries in Japan, and Cambridge Technology Partners Inc. up to and including FY2020. BIPROGY Inc. and eight other companies in FY2021

*² BIPROGY Inc. and UNIADEx, Ltd.

Material Issues-Related Major KPIs

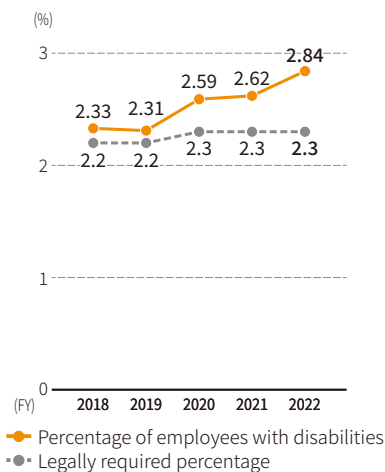
Pages 24-25, "Material Issues, Overview and Progress"

Reduction Rate in GHG Emissions / Scope1+ Scope2 (market based) Total Volume of Emissions*3



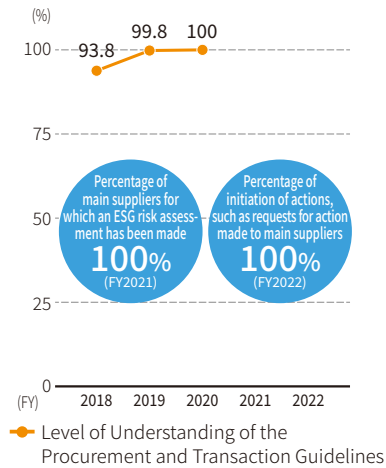
We are working to reduce greenhouse gas emissions by increasing our procurement of energy from sustainable sources, reducing our office space usage, and employing other energy-saving measures including a switch over to more efficient devices.

Percentage of Employees with Disabilities*5



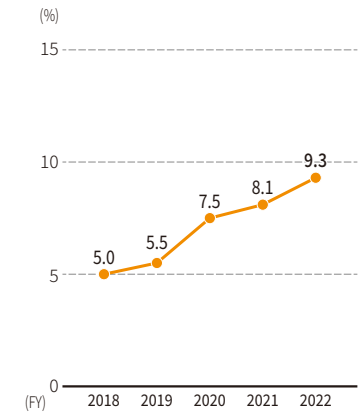
Our group's goal for the recruitment of persons with disabilities is to exceed the legally required percentage by 0.1% or more, and we have achieved this goal for the past six years. By strengthening our policies for the hiring of persons with disabilities and providing support for the organizations in which they work, we strive to provide a comfortable working environment for all employees, irrespective of their circumstances.

Supply Chain Communication*2



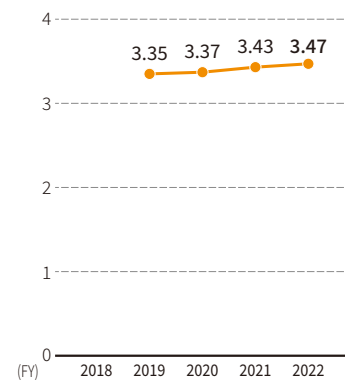
Up until FY2020, we conducted surveys of our suppliers' level of understanding of the Procurement and Transaction Guidelines. In FY2021, we conducted an ESG risk assessment of all major suppliers, and in FY2022, we acted on the results of that assessment through measures including requests for improvement.

Percentage of Management Positions Held by Women*4



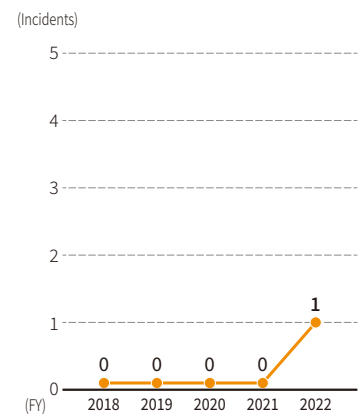
As an important part of our diversity policy, we aim to ensure the woman employees are well represented throughout our organization. In FY2022, the proportion of woman executive employees was 9.3%, below the target (target date: April 1, 2026) of target of 18% or higher as set out under our Material Issues. We continue to work towards the achievement of this target in line with our plans for appointing woman managers.

Weighted Average Score of Work Style Related Items in the Engagement Survey



The FY2022 score was 3.47, which exceeds the KPI standard score of 3.36 (the average for FY2019 and FY2020) as set out under our Material Issues. This score has increased for three consecutive years due to factors including the influence of telework. We will continue to analyze and respond to the results of the survey to ensure that employees can feel the benefits of our evolution in working practices.

Number of Serious Security Incidents*6



In FY2022, the social reputation of our company was greatly impacted by an incident involving the loss of USB flash drives. Following this incident, we have taken various steps to prevent further incidents from recurring.

Further Improve Integrity [P.70-72](#)

*3 Data from FY2018 to FY2019 is for BIPROGY Inc. and 10 other companies and two other organizations (major offices in Japan); Data for FY2020 is for BIPROGY Inc. and 12 other companies and 2 other organizations (major offices in Japan).
 Data for FY2021 is for BIPROGY Inc. and 24 other consolidated companies (major offices in Japan and abroad) excluding limited partnerships for investment.
 Data for FY2022 is for BIPROGY Inc. and 25 other consolidated companies (major offices in Japan and abroad) excluding limited partnerships for investment.
 *4 Data prior to FY2020 is for BIPROGY Inc. and UNIADDEX Ltd. Data from FY2021 onward is for BIPROGY Inc. and six other companies.
 *5 Data prior to FY2019 is for BIPROGY Inc. and UNIADDEX Ltd. Data from FY2020 onward is for BIPROGY Inc. and six other companies.
 *6 Data prior to FY2020 is for BIPROGY Inc. and wholly owned Japanese subsidiaries of BIPROGY Inc. Data from FY2021 onward is for BIPROGY Inc. and its consolidated subsidiaries.