

Sustainability Management Message

CSO Message



We aim to generate sustainable growth and solve social issues by raising employees' sensitivity to sustainability even in an era of uncertainty and greater complexity.

Koji Katsuya

Representative Director, Executive Corporate Officer, CSO

Pursuing sustainability through the creation of social value and economic value

The BIPROGY Group pursues mutual sustainability for the environment, society, and the Group and aims to achieve its Purpose by creating both social and economic value. In recent years, the environment surrounding sustainability issues has become more complex as evidenced by a series of events in which climate change has led to serious human rights issues, efforts to revise energy policies out of security considerations due to geopolitical risk, and other factors. In this era of uncertainty, it is not easy for companies to generate sustainable growth, but it is my responsibility as CSO to promote the construction of a foundation to do that. As a result, this will expand the creation of solutions and services that can contribute to customers and the sustainability of the environment and society, helping solve social issues.

Evolving sustainability promotion systems

Progress in increasing gender diversity of the Board of Directors was one of the milestones for our DE&I initiatives, and in June 2024, Taeko Sawakami was appointed as the Company's first internal woman director. She serves as both the traditional Chief Risk Management Officer (CRMO) and Chief Human Resources Officer (CHRO), which was newly established because of the importance of the human capital strategy. In order to more deeply and closely link the business strategy and human resource and environmental strategies, we conducted a reorganization by merging the Corporate Planning Division, which promotes management policies, the Human Capital Management Division, which is responsible for planning and implementing the human resource strategy, and the newly established Sustainability Management Division into a single organization. I would like to more quickly achieve our Purpose and Vision 2030 by evolving these systems for promoting sustainability.

Review of KPIs and targets for material issues

The Group has identified material issues that it should work on to achieve Vision 2030 and links progress on related initiatives to officer remuneration through annual evaluations. There are areas that we should continue to work on to achieve unchanging targets, such as our climate change response, which stipulates long-term targets, and compliance, which requires constant work. In addition to this, there are areas that require a periodic review of related KPIs and goals as the internal and external environments change. Therefore, we revised some KPIs and targets for material issues when formulating Management Policies (2024–2026). When making these revisions, in addition to linking them more closely to our business strategy, we were conscious of employee well-being and solutions to social issues throughout the value chain, which goes beyond third-party risk management.

• P.18-19 KPIs and Targets for Material Issues

From Understanding to Empathy and Action for Further Advancement

The sustainability that the Group is striving for cannot be achieved by simply raising the awareness of management and some employees. We continually monitor the degree that sustainability management has spread through the Group, and this has revealed that many employees understand it, but only some employees empathize with it or implement it. Therefore, the issue is to what extent the sensitivity of each and every employee, who are responsible for the next generation, can be raised. During the recent Sustainability Week, I shared with employees the experiences I had with customers when I was a project manager of the systems for financial services and talked about how they should be conscious of the ties between the work they do and sustainability. I will continue to work to spread sustainability management throughout the Group using various methods and promote sustainability based on co-creation with customers, partners, and suppliers.

CHRO Message



We will create people and an organization that embody our Purpose through a human resource strategy that ties the diverse capabilities of individuals to our driving force

Taeko Sawakami

Director, Corporate Officer, CHRO, CRMO

Creating people and an organization that embody our name and Purpose based on our human resource strategy

My name is Taeko Sawakami, and I serve as the CHRO, a position newly established in FY2024. The BIPROGY Group has touted business model reforms and corporate culture reforms since 2015, newly formulated Purpose and Vision 2030 in 2021, and has continued to strive to implement human resource and organization reforms. Furthermore, the Company changed its name to BIPROGY in April 2022, and this name incorporates various meanings, including diversity, creativity, innovation, and through co-creation. Therefore, through the diversity of individual employees and co-creation with numerous stakeholders, we aim to become a corporate group that alters the value it provides to reflect changes in society and the environment. The goal of the Group's human capital management is to create people and an organization that embody the ideas put into the company name and Purpose.

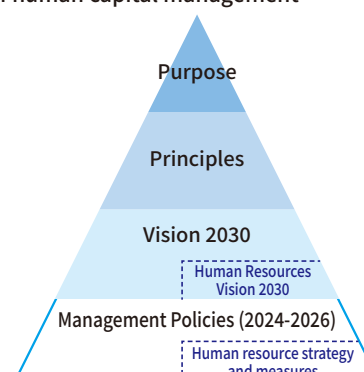
BIPROGY Group's strengths and acquiring new capabilities

The Group's greatest assets are its human resources, and its strengths are its ability to get things done, which has resulted in numerous firsts for Japan and the industry, and our relationships with numerous stakeholders, including customers. Furthermore, we have created a corporate culture that actively encourages DE&I and co-creation in partnership with various stakeholders, and this includes the BIPROGY Users Association, which was established as the first association of users related to computer systems in Japan more than 70 years ago. In Human Resource Strategy (2024–2026), we define ambition-oriented human resources as the archetype of our human resources for all Group employees, in order to more strongly tie the strengths of diverse and motivated individuals who share our ambition to the organization's driving force. We will link the increase in ambition-oriented human resources to the acquisition of new capabilities and provision

of value to society and customers. In addition, we not only designated focus areas for investments, but also built a human resource portfolio by designating customer business architects, skilled project managers, business producers, and global talents as ideal human resources that should be reinforced in order to strengthen the links between the business strategy and human resources strategy.

• P.42-47 Human Capital Strategy

Position of human capital management



Linking Our Purpose to Each Employee's Ambition (My Purpose)

The Group's Purpose embodies the essence of the BIPROGY Group and management's resolution. However, an engagement survey revealed that there is a large gap in how much the strategies and principles, which include the Purpose, have spread among senior management, middle management, and other employees. It is important that workplace middle management, which functions as a link to management, draws out the ambitions of the members of their organization and makes it possible to tie those to the Group's principles and strategy. Therefore, I would like to transform the environment into one that readily fosters ambition, starting with the management team. By linking the ambitions of individual employees to the vitality and growth of the organization, we will create a corporate group full of employees who strive with a sense of pride to solve the problems faced by customers and society.

Human Capital Strategy

Material Issues

Develop and strengthen human resources to create a new future and promote diversity and inclusion

The BIPROGY Group considers human resources to be the most important corporate asset and the driving force for the Group's sustainable growth and for improvement in its corporate value over the medium- to long-term. The Group strives to create workplaces and environments where each individual employee with diverse values and backgrounds can have ambitions, resonate with the Group's Purpose, and maximize their individual abilities. The Group is also promoting DE&I and steadily transforming itself into a corporate group that creates social value by transforming its human resources and corporate culture to enable it to continuously generate innovation.

Basic Approach to Human Resources

In order to realize our aims in Vision 2030, we have formulated the Human Resource Vision 2030 and defined our ideal state as "individuals pursuing their ambitions" and "an organization in which diverse individuals practice Purpose-oriented co-creation." We are formulating and promoting human resource strategies over two time horizons to realize the desired vision of this Human Resource Vision 2030. From a long-term perspective, BIPROGY's priority is to develop and produce ambition-oriented human resources and next generation management as its initiatives for individuals, and to promote DE&I and enhance job satisfaction as its initiatives for organizations. In the short term, under the Management Policies (2024–2026), we will strengthen the acquisition and cultivation of four types of human resources linked to our business strategies.

The BIPROGY Group has developed ROLES and HR architecture as the foundation for human capital management. We will use this foundation to further increase the value of our human capital.

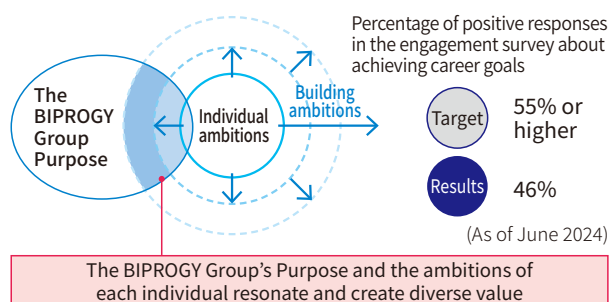
Types of human resources to strengthen over the long term

Strategically increasing the number of human resources capable of creating sustainable social value is essential to the realization of our Purpose, Vision 2030, and management policies. The Group has defined two types of human resources that it is working to strengthen over the long term:

ambition-oriented human resources and next generation management. "Ambition-oriented human resources" are those who continue to explore what they want to achieve and what excites them, and proactively build their careers while linking them to our Purpose and Vision 2030. Our aim is for all employees to become ambition-oriented human resources and pursue career wellbeing through resonance between their own individual ambitions (My Purpose) and the Group's Purpose. "Next generation management" are those who possess the seven competencies required of management human resources at the BIPROGY Group, have high ambitions, and are committed to continuous transformation with the ability to think and act without being constrained by precedents.

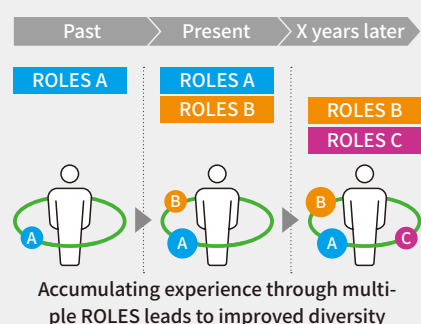
• P.68 Succession Plan

As a KPI to measure career wellbeing (a state in which employees are proactively building their careers in



ROLES stimulates diversity of individuals

The BIPROGY Group refers to its operational roles through the ROLES concept. ROLES is a core concept in visualizing the type, quality, and quantity of human capital required in management and business strategies. Currently, there are approximately 600 types of ROLES throughout the Group, each with a defined job description and the skills required to perform the job. The Management Policies (2024–2026) serve as the transitional state from the maintenance of the ROLES concept to the expansion of its utilization. Through the visualization of operations, we will improve the accuracy of recruitment, placement, and training. In addition, ROLES will be used to encourage career development, and feedback obtained from its practice will further strengthen the operation of ROLES as a useful foundation for talent management.



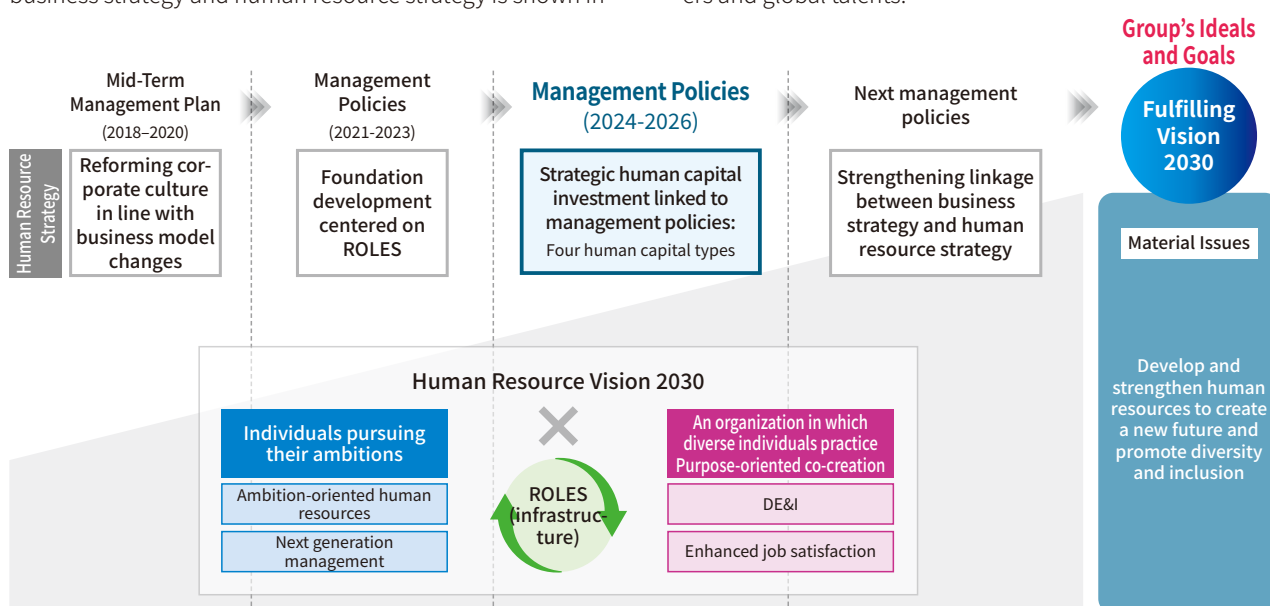
resonance between the Group's Purpose and My Purpose), we have established an item in the engagement survey that reads, "Overall, I feel I can achieve my career goals at the Company," and we are working to improve this KPI.

Human resource strategy linked to business strategy

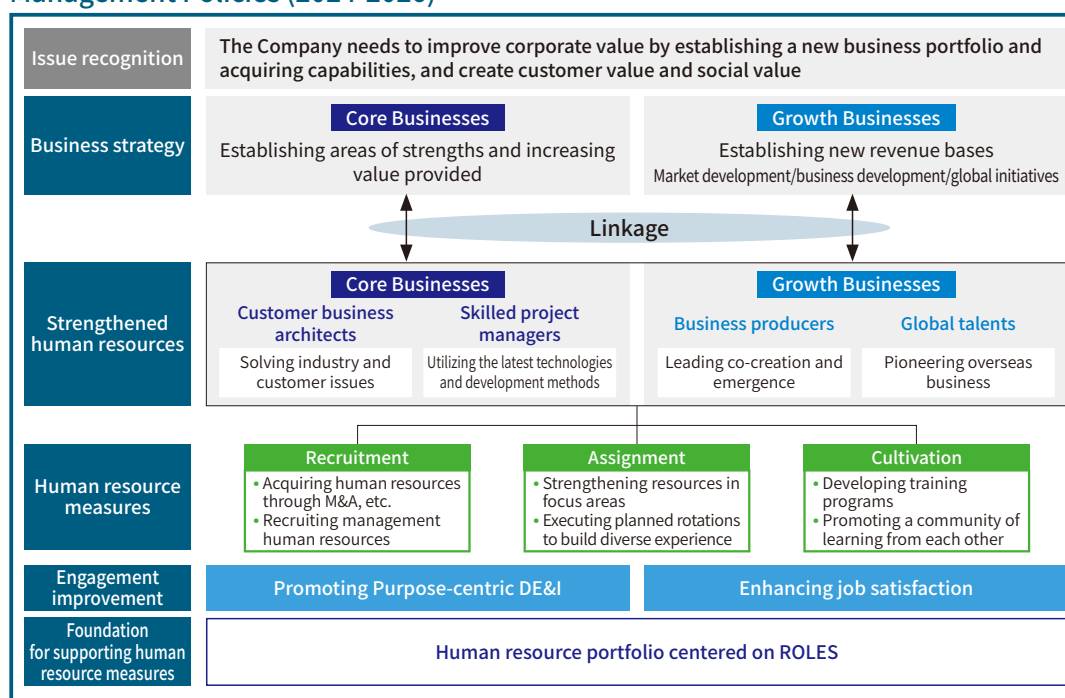
In the Management Policies (2024–2026), we have formulated a human resource strategy that defines focus investment areas linked to our business strategy and human resources to be strengthened, and we will actively invest in human resources in accordance. The linkage between business strategy and human resource strategy is shown in

the figure below. We will make maximum use of the foundation for human capital management centered on ROLES, which was developed in the period from FY2021 to FY2023, and link it to various measures.

In our Management Policies (2024–2026), we have identified a number of human resource types to be strengthened: in our core businesses, centered on our strong domestic service business, we have identified customer business architects and skilled project managers; in our growth businesses, which create unprecedented new value to be provided, we have identified business producers and global talents.

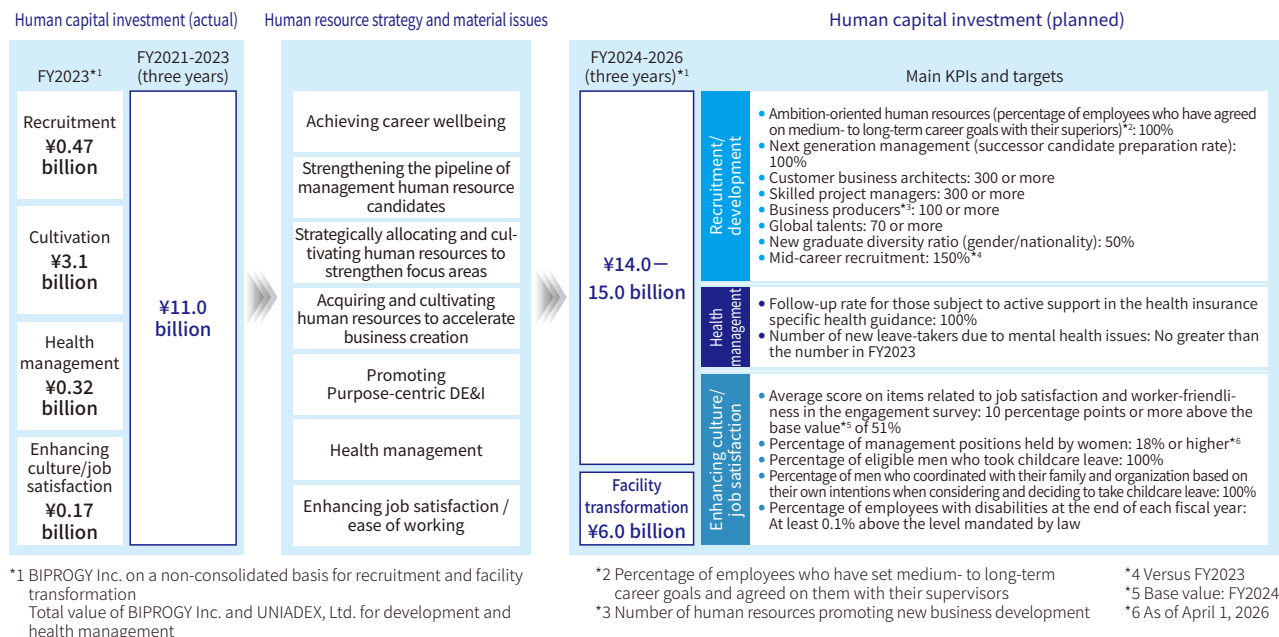


Management Policies (2024–2026)



Human Capital Strategy

Human capital investment



Policy on the Acquisition and Cultivation of Human Resources

For the BIPROGY Group to solve social issues and create social and economic value through its business activities, it is necessary for diverse human resources to grow within the Group and for each individual to utilize their strengths in relation to the business.

Recruitment

New graduate recruitment

We recruit new university graduates who are highly interested in and motivated by our business and who can be expected to make significant growth and future contributions. Among those new graduate hires, we offer special benefits for those deemed as human resources with the spirit and qualities to pioneer new business fields and human resources with practical programming and R&D experience and advanced information technologies such as AI and IoT. These are termed “new graduate professional employees.”

In order to increase student awareness of BIPROGY, we are making approaches from a variety of perspectives, such as holding events where management and employees speak on our vision and business. We also aim to achieve a gender and nationality diversity ratio of 50%.

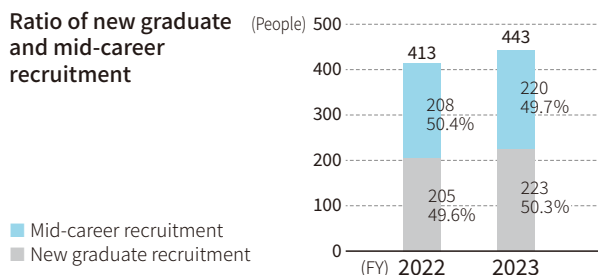
Mid-career recruitment

We hired 220 new employees with prior work experience within the Group in FY2023 to secure human resources who can accelerate and drive growth business areas and people with expertise in specific specialized areas necessary to sustain our core business areas. We encourage the recruitment of not only mid-career hires capable of making immediate

contributions, but also younger promising hires with work experience and potential. Furthermore, to strengthen recruiting capabilities over the medium to long term, we are focusing on direct recruiting (approaching those with the potential to change jobs), referrals (employee introductions), and returnee recruiting (rehiring former employees) to expand recruiting channels while improving the quality of our recruitment promotions.

Recruitment and turnover (FY2023 results)

| Ratio of men and women employees among new graduate recruitment | | Turnover rate |
|---|-------------|---------------|
| Men 52.5% | Women 47.5% | 3.51% |



Assignment and cultivation

At the BIPROGY Group, we believe that it is essential for each individual to take the initiative in building their own career in order to hone the foresight and insight as expressed in our corporate statement and in our Purpose, and to use these abilities to solve social issues that change with the times. To this end, we have designed the BIPROGY Career Development Program (CDP) and are investing in developing

the skills and abilities of our employees and strengthening our organizational capabilities to enhance the ability of our diverse human resources who are capable of generating innovation and system implementation.

Specifically, we support proactive career building through regular career interviews between supervisors and subordinates, one-on-one “your-time” sessions, career design training by age group, and the establishment of internal and external career consultation services. In addition, we will continue to expand opportunities for employees to

challenge themselves and promote the pursuit of career wellbeing for each individual through the development of programs based on willing participation, an internal open recruitment system, a side and dual employment system within and outside the Company, ROLES-based development programs, online self-learning programs, and other programs. We will also visualize and accumulate data on the progress of human resource development throughout organizations and on the diverse experiences of individuals, which will be used for assignment and training.

Maximizing the performance of human resources

Along with recruitment, efforts to prevent premature turnover are essential to securing human resources. Although the Group's turnover rate* has increased in the last two years in response to recent changes in the employment situation, it remains well below the industry average. We operate an on-the-job training (OJT) system for new graduates up to the third year of employment, and support their growth by providing them with training/growth planning tools, and prevent premature turnover by conducting regular pulse surveys and interviews. For mid-career hires, we implement measures to help them settle into the organization and quickly demonstrate their performance, such as onboarding training to promote understanding of the industry and company immediately after joining, follow-up training several months after joining, regular interviews, and roundtable discussions. In addition, at workplaces that accept mid-career hires, we have a system in place to deepen understanding through educational materials such as booklets, and we are working to revitalize organizations by stimulating chemical reactions with the catalysts provided in the form of new human resources.

* Calculated for BIPROGY Inc. and UNIADEX, Ltd.

Human Resource Portfolio

The BIPROGY Group has defined two types of human resources that it is working to strengthen over the long term: ambition-oriented human resources, covering all employees of the Group, and next generation management with high ambitions who will lead the Group's management in the future. In the Management Policies (2024–2026), it has also defined four human resource types to be

strengthened who will lead our core and growth businesses, and is working to acquire and cultivate human resources in line with these approaches. While strategically allocating and cultivating human resources to strengthen the focus areas of our core businesses, we will also acquire and develop human resources to lead the creation and expansion of new businesses in our growth businesses.

| | | Measures | KPI | Targets for FY2026 |
|-------------------|---|---|--|---|
| All employees | ① | Ambition-oriented human resources Human resources who find the connection between what they want to achieve and the Group's Purpose, seek opportunities for their own growth, and proactively build their careers | <ul style="list-style-type: none"> • Providing various opportunities (learning, dialogue, business creation, transfers, etc.) for employees with ambitions who volunteer | (1) Percentage of positive responses in the engagement survey about achieving career goals (2) Percentage of employees who have set medium- to long-term career goals and agreed on them with their supervisors ① 55% or higher ② 100% |
| | ② | Next generation management Human resources who have high ambitions for improving the Group's corporate value, and who drive change with their ability to think and act innovatively, and with an exciting vision | <ul style="list-style-type: none"> • Carrying out tough assignments where past successes are not applicable • Executing planned rotations at the management level to acquire diverse experience | Successor candidate preparation rate 100% |
| Core Businesses | ③ | Customer business architects Human resources who can proactively identify customer issues based on deep business understanding and strong relationships of trust, and present solutions to issues and paths to business expansion through DX | <ul style="list-style-type: none"> • Strategically allocating human resources to focus areas • Establishing a human resource exchange scheme to strengthen customer relationships and co-create business | Number of human resources meeting ROLES-based criteria 300 or more |
| | ④ | Skilled project managers Human resources possessing not only extensive project management experience, but also thorough knowledge of the latest development and operational methods, and the ability to advance quality projects while always staying ahead of developments | <ul style="list-style-type: none"> • Systematically cultivating human resources through assignment to challenging projects • Expanding training programs to quickly acquire the latest technologies | Number of human resources meeting ROLES-based criteria 300 or more |
| Growth Businesses | ⑤ | Business producers Human resources who can grasp social issues with foresight and insight, design their own businesses, and co-create by involving diverse stakeholders | <ul style="list-style-type: none"> • Creating opportunities for open innovation and close support by experts in the field • Recruiting of highly-skilled human resources with business creation capability | Number of human resources promoting new business development 100 or more |
| | ⑥ | Global talents Human resources who can take on the challenge of developing overseas business with toughness and insight, and contribute to the expansion of the Group's global business | <ul style="list-style-type: none"> • Acquiring human resources through aggressive investment for growth (M&A, etc.) • Strengthening training through dispatch to and on-the-job training at overseas locations | Number of human resources meeting ROLES-based criteria 70 or more |

Improving Employee Engagement

The BIPROGY Group has defined its ideal state for the organization as “individuals pursuing their ambitions” and “an organization in which diverse individuals practice Purpose-oriented co-creation.” To enable employees to become the “ambition-oriented human resources” that we expect them to be, it is necessary to become an organization where each individual enjoys taking on challenges, and where these challenging battles are praised and supported by each other. Therefore, employee engagement has been positioned as a KPI of the Human Resource Vision and monitored since FY2024. The employee engagement score (positive response rate) for June 2024, when the engagement survey methodology was updated to provide a more detailed picture of the state of engagement, was 52%. With

respect to this score, the Group believes that it is particularly important for each employee to feel fulfilled in an environment where they can proactively set their own career goals and take on challenges. Therefore, we will improve the environment to increase the number of ambition-oriented human resources and at the same time, improve employee engagement by expanding opportunities for dialogue and promoting work style reforms.

BIPROGY Group engagement values* (for the June 2024 survey)

| Number of respondents (response rate) | Score | Target |
|---------------------------------------|-------|--------|
| 7,817 (96.2%) | 52% | 61% |

*Positive response rate

Initiatives to improve engagement



Promoting Purpose-centric DE&I

The BIPROGY Group promotes Purpose-centric diversity, equity & inclusion (DE&I) to improve engagement and to instill our Purpose. One of the Principles underlying our Purpose is Acceptance and Acquisition of Diversity, and we aim to create a corporate culture in which each individual can enhance their own diversity, respect each other's individuality, and demonstrate their individuality and abilities to the fullest. Under our commitment by top management, we are promoting both initiatives for various specific groups, such as women, employees with disabilities, LGBTQ persons, and foreign nationals, as well as overall efforts to foster psychological safety and a culture of DE&I.

least an 18% of management positions held by women as of April 1, 2026. The FY2023 results, 10.1% for the Group and 11.2% for BIPROGY on a non-consolidated basis, show steady increases, but we need to step up our efforts even more than before to achieve our goals. The percentage of women employees who took childcare leave and returned to work has been almost 100% for more than 10 years, and the number of employees who are active in management positions while balancing childcare has been increasing. In addition, the percentage of men employees taking childcare leave has been continuously increasing. However, according to an internal awareness survey, slightly fewer men employees responded that it is easy to utilize childcare leave compared to women employees. Therefore, we have set a KPI as of FY2024 that leads to an increase in the utilization rate as a material issue KPI and are working to

Promoting gender diversity

The Group has set a KPI for its material issues of having at

BIPROGY Group People



Haruki Koshiishi
Sales-2
LOB - Financial Industries*

Split childcare leave allows for smooth support and handover

My wife and I both work, and rather than her asking me to take childcare leave, it was something that came very naturally for me to consider. I wanted to support my wife during the postpartum period, so I coordinated between my wife's support system during that period alongside my own important work, first taking a week of paternity leave after childbirth, then returning to work for a week when my mother-in-law could come to support my wife. After that, I took another week of post-childbirth paternity leave, for a total of two weeks split between the two periods. At the workplace, I was more closely coordinating with information and prepared handover documents. Although I had an important job between my two childcare leave periods, I was able to focus on supporting my wife during those periods. My wife has also returned to work, and now we share housework and childcare while utilizing telework about four days a week to balance work and childcare.

*Assignment as of September 2024

create an environment that makes it easier to take leave.

Percentage of management positions held by women (FY2023 results)

| BIPROGY Group | BIPROGY non-consolidated |
|---------------|--------------------------|
| 10.1% | 11.2% |

Percentage of eligible men who took childcare leave (FY2023 results)

| Percentage of eligible men who took childcare leave | Percentage of eligible men who took leave or time off for childcare |
|---|---|
| 49.5% | 74.7% |

Gender pay gap

The Group regularly examines and corrects any disparities in wages between men and women. Although there is no difference in the basic salary for the same job level between men and women, the factors that cause differences include the fact that there are many men at higher job levels, than there are many women in job levels with relatively low salaries due to the increase in the ratio of recruiting women, and the fact that there is a difference in overtime pay between men and women due to men working more overtime hours statistically. In order to close this gap, our human resources system has been revised so that, effective April 2024, lifestyle-related allowances that are not directly related to performance will be abolished and added to base salary. In addition to our existing efforts to increase the percentage of management positions held by women and to reduce overtime through work style reforms, we will take necessary measures while monitoring trends in the ratio of men to women at each job level.

Gender pay gap (all workers; FY2023 results)

| BIPROGY Group | BIPROGY non-consolidated |
|---------------|--------------------------|
| 76.6% | 76.1% |

Enhancing job satisfaction

We believe that creating a rewarding organization and workplace where diverse human resources can maximize their abilities is a source of growth and competitiveness, and have been working to improve job satisfaction as one of our material issue KPIs and targets. Starting in FY2024, we will set the average of the positive response rate to seven questions related to job satisfaction and ease of working as the base value in our new engagement survey, and aim to improve the response rate by 10 percentage points or more from the reference value in FY2026.

Weighted average score of work style related items in the engagement survey (FY2023 results)

| Score | Target* |
|-------|----------------|
| 3.43 | 3.36 or higher |

*Average of FY2019 and FY2020 scores

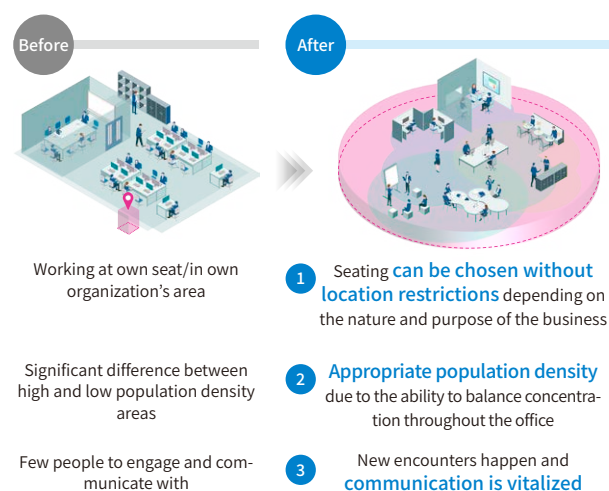
Health management

The Group promotes health management in the belief that enhancing the wellbeing of executives and employees and strengthening their productivity and creativity is important for improving corporate value. Among the wide variety of health management measures we implement, maintenance and improvement of the physical and mental health of executives and employees are one of our material issue initiatives.

In terms of mental health, we strive to prevent mental health problems by providing counseling for employees up to their third year after joining and by requiring one-on-one “your-time” sessions with supervisors, as well as by having interviews with industrial physicians and other professionals as necessary, giving consideration to work duties, and making improvements in the workplace. In terms of physical health, we provide medical checkups with additional age-specific requirements, such as cancer tests, in addition to statutory items. On our health portal, employees can view checkup results and access health-related content, providing them with a correct understanding of checkup results and improving their health awareness. We also provide health guidance to high-risk individuals such as those with high blood pressure, and recommend that they undergo a thorough examination and visit a medical institution as necessary.

Facility transformation

To stimulate communication across organizational boundaries and therefore increase opportunities to create social value, we broaden employees’ perspectives by providing new points of contact. In addition, a major facility transformation of the head office building will be implemented with the aim of creating relationships through collaboration.



Details on Human Resource Initiatives (Japanese only)

[> <https://www.biprogy.com/sustainability/report.html>]

Intellectual Asset Strategy

Material Issues Create schemes to solve issues through the use of digital technology and business ecosystems

The BIPROGY Group identifies technical fields that our Group should address over the entire life cycle of technologies related to our corporate activities. Under our technology strategy for the acquisition, strengthening, and utilization of technologies targeted for application in business, we aim to achieve our management and business strategies along with sustainable growth.

The BIPROGY Group's Technology Strategy

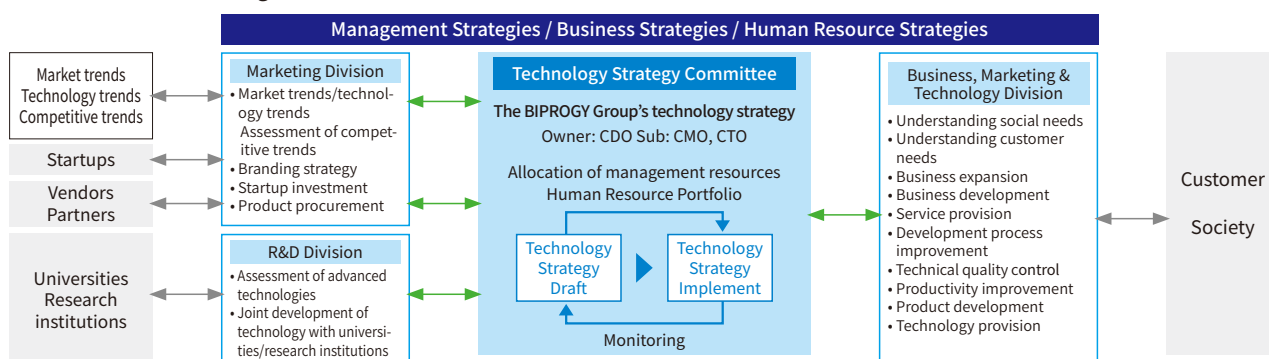
Our Management Policies (2024-2026) set out our technology strategy for core businesses that are our current sources of revenue and for growth businesses that are new pillars of revenue. Based on the strengths that our Group has built up and on our business timeline, we will rebuild our technology portfolio, advance development DX in our core businesses, and work to strengthen technologies that will accelerate our shift to higher added value and sophistication in market development areas of our growth businesses.

We will also aim for sustainable business growth through the discovery, acquisition, and implementation of advanced technologies and next-generation digital technologies.

Our structure for advancing our technology strategy

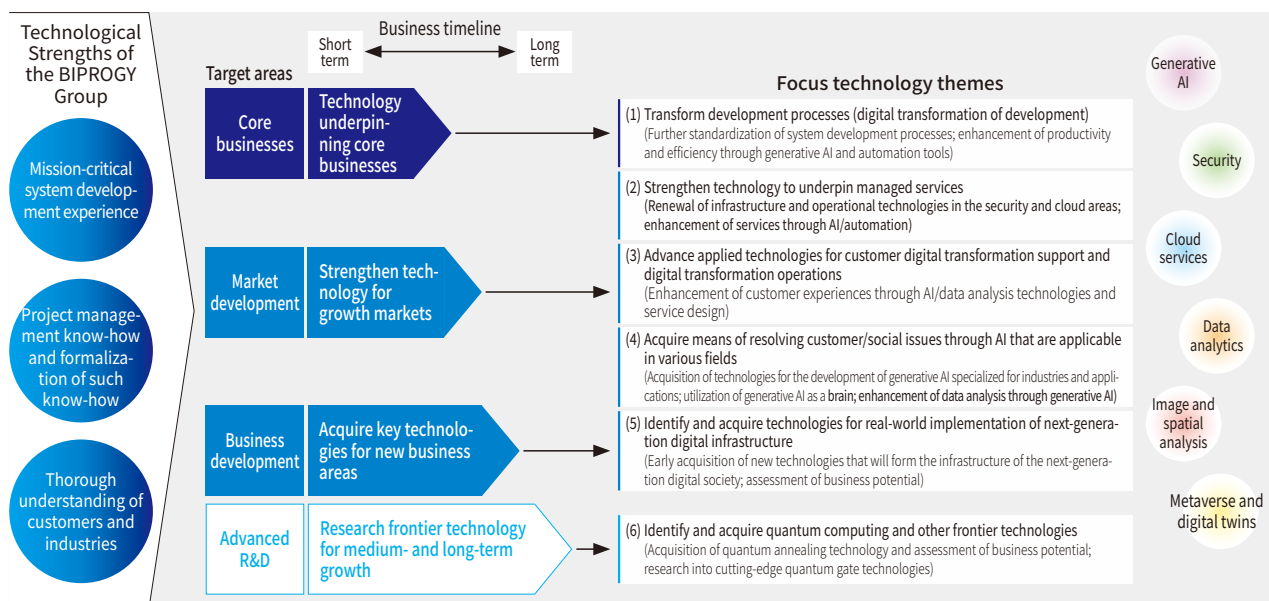
Working primarily through our Technical Strategy Committee, all relevant organizations cooperate in drafting and implementing strategies. The Technology Strategy Committee

Promotion Structure Diagram



* CDO : Chief Digital Officer / CMO : Chief Marketing Officer / CTO : Chief Technology Officer

Technology Strategy



determines the technical fields that our Group should tackle and deliberates on technical strategies for development, investment, and utilization aimed at the acquisition,

strengthening, and business application of target technologies as well as the validity of action plans for the technologies. The committee also monitors the progress of action plans.

The BIPROGY Group's Technological Strengths

The strengths of our Group lie in our extensive experience and achievements in system development underpinning key business processes, our knowledge of project management and its verbalization, and our deep understanding of our customers and industries, all of which we take pride in.

We will cross our Group's accumulated assets with strengthened and acquired technologies to create competitive advantages and will enhance the value provided by our services to accelerate our business strategy.

Technological Strengths of the BIPROGY Group

Mission-critical system development experience

Project management know-how and formalization of such know-how

Thorough understanding of customers and industries

Services for the development and operation of core systems

Our Group has developed and provided mission-critical systems to many of Japan's leading organizations and companies. While continuing stable operation of these, we will also stay abreast of cutting-edge technologies and keep on evolving.

Examples of our development track record

Finance: BankVision, open core-banking system
BankVision on Azure, a public cloud-based full-banking system
OptBAE, a shared-use core-banking system for regional financial institutions
Aviation: Open technology-based domestic airline passenger system

Data centers

Using data centers in Japan equipped with state-of-the-art security and robust equipment, we operate customers' systems 24 hours a day, 365 days a year and provide continuous high-quality support. We provide customers with optimal combinations of services based on an extensive menu that includes cloud services.

Quality control through Information Services Business Process (ISBP)

We standardize our Group's system development work under our internal ISBP rules, with mechanisms in place for conducting all system development at the same level of quality as under ISO 9001 certification. ISBP is our Group's standard business process that summarizes the tasks required for the development and provision of high-quality systems. It consists of three sub-processes: Engineering, Project Management, and Quality Assurance.

Financial institutions

We provide comprehensive financial solution systems that cover all areas of the operations of financial institutions, from core operations to sales and customer contact systems and financial-related specialized operations systems.

Our financial solutions feature a broad lineup of solution services covering all areas of banking operations, from core-banking systems (domestic and foreign exchange) to market systems, trust systems, business management systems, and channel areas. Drawing on the extensive knowledge we have gained through over 50 years of resolving customers' issues, we actively incorporate advanced technologies to provide solutions that flexibly and speedily realize the management strategies of financial institutions in response to changes in the environment.

- BankVision on Azure public cloud-based full-banking system, OptBAE2.0 shared-use core-banking system for regional financial institutions (start of roll-out scheduled in May 2026), Siatol Series comprehensive market management system, TrustPORT trust operations management system, SurFIN foreign remittance acceptance workflow, etc.

Retail business

Comprehensive proposals for solutions tailored to work processes

With retail industry know-how and cutting-edge technologies built up over roughly 40 years of service for numerous customers, we have extensive experience in realizing optimal retail operations.

- CoreCenter Series MD core business system, AI-Order Foresight automatic order service based on AI demand forecasts, BIPROGY ESL SaaS electronic shelf label service, etc.

Electric power industry

Consolidating system construction know-how built up through services for the energy industry

As a company that resolves social issues together with customers and partners through knowledge gained in system construction for the energy industry, we develop and provide energy cloud solutions such as Enability CIS and Enability EMS.

- Enability Series electricity retailing cloud solution, etc.

Manufacturing industry

Construction of numerous core systems and digitalization of wide-ranging purchasing and procurement operations

Our Group has been involved in the construction of core systems for numerous manufacturing industry customers. We have earned high satisfaction and trust in all areas of the work, including production management, sales management, purchasing management, cost management, design, development, repair, servicing, accounting, and human resources.

- Dynavista next-generation modeling support system, eBuyerBrains procurement and purchasing management/supplier management system, etc.

AI Initiatives

Our Group develops and provides services under the concept of resolving corporate and social issues through data analysis and AI-based technologies. We are tackling the effective use of generative AI, a technology that has recently come under great attention for its dramatic improvements in accuracy. While continuously reviewing the technology in light of changing circumstances, we have formulated guidelines for

its use and are incorporating it into our system integration business, our in-house business, and our in-house work. As requests by customers for consultations regarding generative AI-related projects continue to increase, we will leverage the natural language processing technology-related know-how and intellectual property that we have built up over many years to develop a differentiated business.

Addressing ethical, legal, and social issues (ELSI)

Our Group formulated the “BIPROGY Group AI Ethics Principles” in February 2020, followed by revisions in May 2022 and March 2024 to accommodate changes in the internal and external environments. In April 2023, we formulated our “Guidelines for the Business Use of ChatGPT and Other Generative AI.” Since FY2020, we have engaged in communication and education aimed at all officers and employees, addressing topics including respect for human rights, individual autonomy, the use of AI within appropriate bounds, and the security, privacy, and protection of data subjects.

BIPROGY Group’s AI Ethical Guidelines (Japanese only)

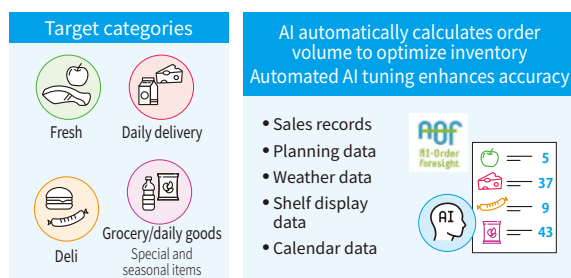
↳ https://www.biprogy.com/com/ai_ethics_principles_BIPROGY_group.pdf

Examples of AI-based services for resolving social issues

- AI-Order Foresight automatic order service based on AI demand forecasts

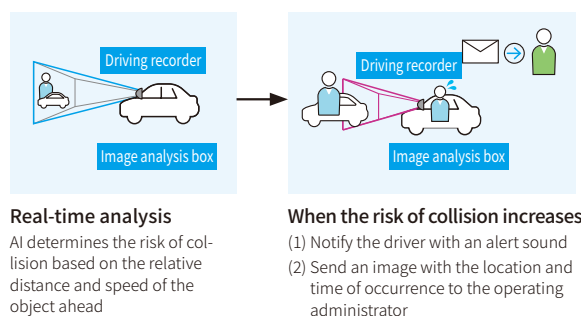
Elimination of labor shortages through the automation of order placement work at retail stores

Based on store sales records, weather data, planning data, and other data that affects sales volume, this service automatically calculates order volume in line with store- and product-specific demand to achieve optimal inventory that minimizes opportunity loss and waste loss. It employs AI in automated tuning based on the latest performance data to enhance ordering accuracy, eliminating the need for tuning by headquarters or by the store and enabling minimized operational load.



- Zero-Accident Program DR enterprise driving recorder
Elimination of traffic accidents through behavior prediction AI-based collision warning

In June 2024, we began offering a collision warning function that connects a behavior prediction AI-equipped image analysis box to our Zero-Accident Program DR connected dashcam (drive recorder). By providing state-of-the-art AI technology through a subscription service with no up-front cost, we will promote the system’s introduction to companies of all sizes with the aim of a society free of traffic accidents.



Example of services that enable the use of generative AI in work

- Azure OpenAI Service Starter Set Plus

Enabling the efficient use of generative AI in work

This service for the construction of usage environments reduces burdens on customers by enabling the efficient use of generative AI in work. We construct secure environments using Microsoft’s Azure OpenAI Service, which we optimize for customers’ usage environments through our CLOUDForesight cloud usage support service to achieve stable operation and scalability.

RinzaTalk, which utilizes natural language processing

technology, enables operation that achieves both compliance measures and greater convenience for users. Our Group, too, has been using ChatGPT in work since June 2023 under the same configuration as Azure OpenAI Service Starter Set Plus.

RinzaTalk Services that provide our AI and natural language processing technologies **Rinza Talk**

Strengthening of Collaboration with Partners

Our Group is engaged in a variety of open innovation activities with the aim of forming and expanding business ecosystems with startups in Japan and overseas. We use a variety of channels to build connections with many startups, as well as support advanced technology ventures. In

addition, we are actively developing human resources with diverse professional skills through personnel exchanges with outside companies. To further grow and establish new bases of revenue, we will actively engage in investments in startups and in M&A in Japan and overseas.

Open innovation activities

- Formation and expansion of business ecosystems with domestic and international startups.
- Cultivation of diverse professional human resources through active exchanges with external organizations.

Startup investments

- Investments in businesses such as start-ups : 79 (including those sold)
Investments in funds that target diverse fields both in Japan and overseas : 31
(as of the end of March 2024)
- Key investment achievements (FY2023)
Canal Ventures, Ltd.
 - Entry into new area
ElevationSpace Inc.: Space industry; O Ltd.: Metaverse for creators
 - Deep dive into technical areas
APTO, Inc.: AI services (annotation); TieUps, Inc.: Fan and marketing services
 - Resolving issues of industries (Foresight for customers' industries)
MUSE Inc.: On-site robotics for distribution and retail; Pathfinder, Inc.: MaaS business collaboration (Katamichi Rent-A-Car)
- Emellience Partners, Inc.
 - Yoi Inc.: Corporate lending platform for revenue-based finance
 - Forcetek, Inc.: Co-creation of a resource recycling ecosystem centered on SmaGO smart trash can

Global strategy

- Strengthen and expand our global business' foothold in ASEAN countries
- Enhance our provision of ERP solutions through three-company collaboration



Provide SAP solutions in Singapore and Malaysia



Provide SAP Solutions in Thailand



Provide ERP solutions for SMEs in Singapore

R&D

To build a new sustainable business portfolio, our Group will further expand its research and development activities

through active investment aimed at enhancing our corporate value.

R&D Investment Themes and Main Examples (FY2023)

| Theme | Main examples |
|--|---|
| Development of services, products, etc. | • Creation of AI-based optimal charging/discharging plans for electric vehicles (EVs) and provision of automated, remote EV Charging/Discharging Service |
| R&D of new technologies | • Forecasting social changes and technology utilization in the future and developing a search map for cutting-edge technologies; researching technology trends and exploring business opportunities; and developing, evaluating, and operating an overall technology portfolio. |
| R&D of fundamental and advanced technologies | • Research and development of methods to resolve problems by modeling real-world phenomena and capturing them in virtual space, by performing mathematical analysis and simulation, and by promoting elucidation and understanding of phenomena. |

Patent Strategy Aimed at Sustainable Business Activities

We have established a patent management department to promote the acquisition of patent rights that contribute to our Group's business activities and to engage in investigations to prevent infringement on the patent rights of other companies. We apply for patents as necessary to protect technologies of importance to our Group as intellectual property.

Patents held (as of the end of March 2024)

- 78 (including 1 patent in China, 1 in the Philippines, and 1 in the U.S.)
- Number of pre-approval pending patent applications (excluding the above number): 41

Trademarks held (as of the end of April 2024)

- Number of registrations in Japan (Group-wide): 557
- Number of registrations overseas (Group-wide): 126
- 28 registrations in FY2023 (26 in Japan + 2 overseas)

Environment

Material Issues

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 zero emissions
Sustainably procure and provide safe, secure products and services throughout the entire value chain

The BIPROGY Group contributes to the environment by advancing collaboration and cooperation on various environmental issues through services that promote the transition to a low-carbon economy and a circular economy by utilizing digital technology, as well as through the Digital Commons that the Group has established and participates in. In addition to strengthening measures to reduce greenhouse gas emissions throughout the value chain, we are also accelerating efforts to address the preservation of biodiversity and water security risks, with the aim of promptly achieving a zero emission society possible.

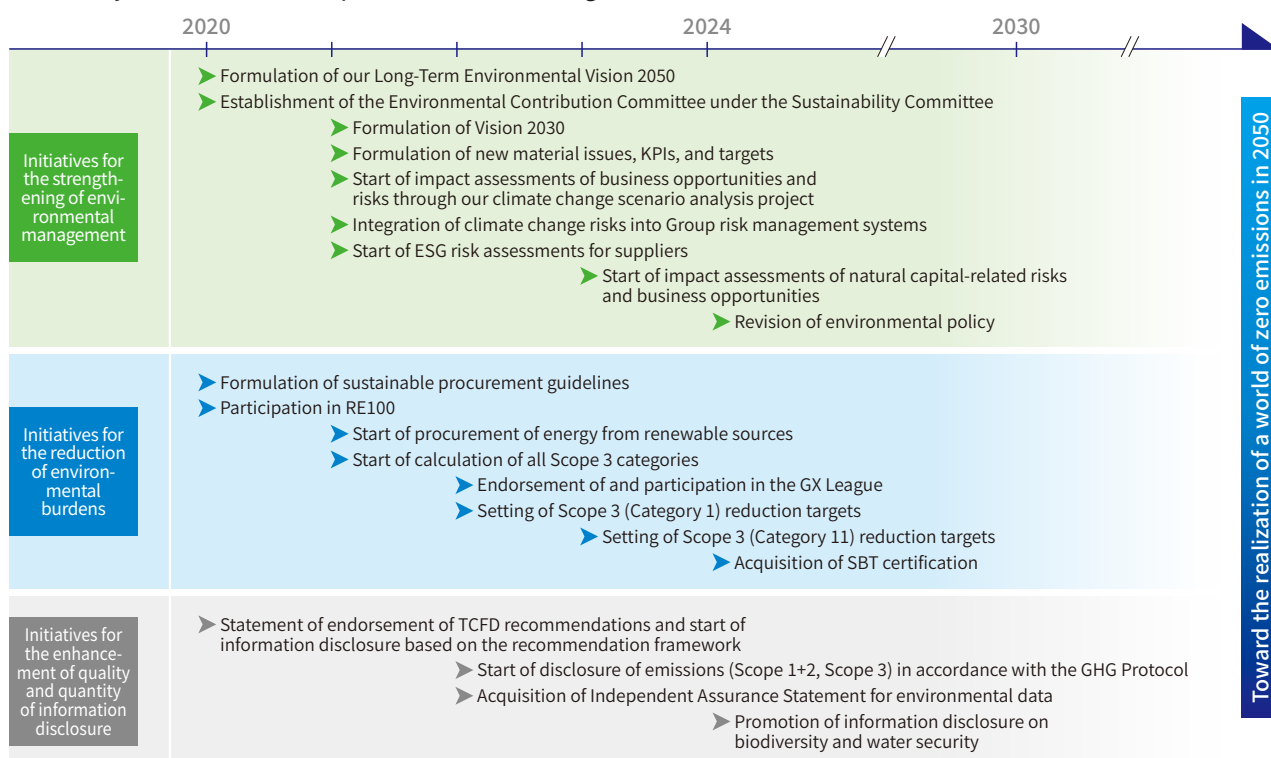
The BIPROGY Group's Environmental Management

Under Vision 2030, our Group is strengthening our environmental management so that we can appropriately address increasingly complex environmental issues. We have established a Sustainability Committee (Chair: CSO) and an Environmental Contribution Committee under the supervision of the Board of Directors. These committees work to realize a world of zero emissions as espoused in our Long-Term Environmental Vision 2050, by reducing our business activities' GHG emissions and by contributing to the environment through the provision of services to customers and through our formulation of and participation in the Digital Commons. In addition to initiatives centered on our material issues, we are promoting collaboration with customers and

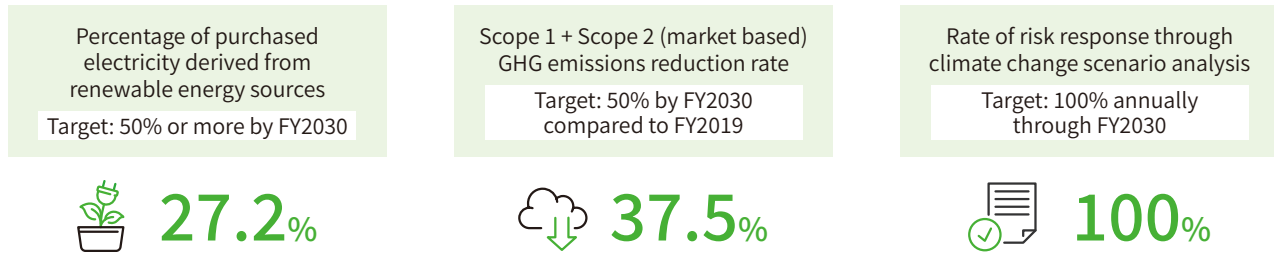
partners and employee training measures aimed at enhancing environmental awareness. We also actively participate in domestic and international initiatives including RE100 and the GX League, with endorsement of the Task Force on Climate-related Financial Disclosure (TCFD) recommendations in 2020 as our starting point. The trends and demands that we assess through our activities are shared with management and are reflected in our environmental policy revisions and strategies.

Amid this, our Group's efforts to reduce GHG emissions were recognized in July 2024 as conforming to standards required by the Paris Agreement and were certified by the Science Based Targets (SBT) initiative.

The History of the BIPROGY Group's Environmental Management



Main initiatives and Achievements Aimed at Reducing Environmental Burdens (FY2023)



The BIPROGY Group's GHG emissions reduction targets have been certified as 1.5°C scenario targets by the Science Based Targets initiative.



Our Group has formulated GHG emissions reduction targets for FY2030. These have been recognized as science-based targets for achieving the 1.5°C targets of the Paris Agreement, and certified by the Science Based Targets initiative in July 2024. The GHG emission reduction targets that were certified are as follows:

- Scope 1+2: Achieve 45% reduction by FY2030 compared to FY2021 (1.5°C targets)
- Suppliers that account for 40% of the procured amount of purchased goods and services set targets equivalent to SBT by FY2027
- Reduce GHG emissions at the stage of usage of sold products by 25% by FY2030 compared to FY2021

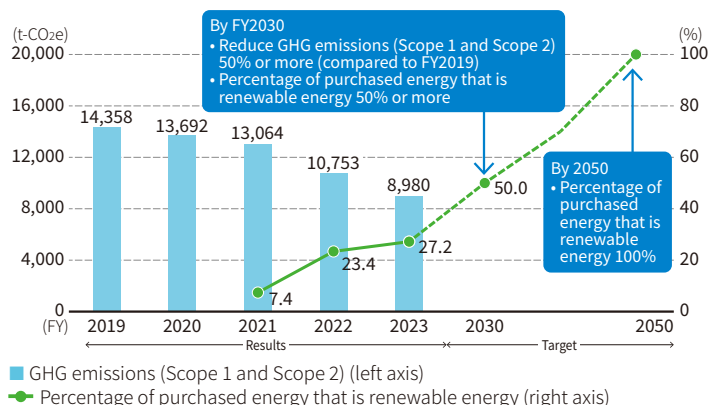
Reduction of Environmental Burdens throughout the Value Chain

Reduction of Scope 3 GHG emissions

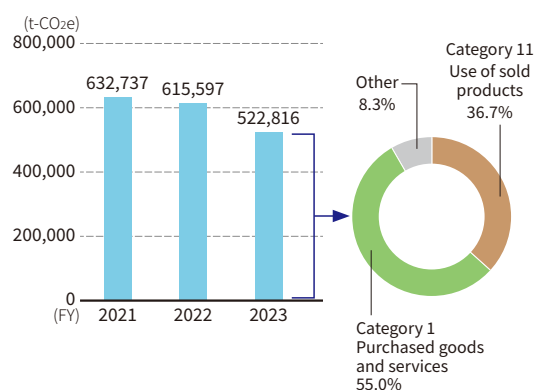
Under the belief that reducing GHG emissions throughout the value chain is important for realizing a world of zero emissions as espoused in our Long-Term Environmental Vision 2050, our Group engages in the reduction measures we have set for our material issues. Amid this, we began calculating Scope 3 emissions based on the GHG Protocol in FY2021, and have obtained and released Independent Assurance Statements concerning our environmental data.

As Scope 3 emissions reduction targets, we set “Suppliers accounting for 40% of our total procurement of purchased goods and services (Category 1) set targets equivalent to SBT by FY2027” as our target for Category 1, for which our emissions ratio is high. In FY2023, we also set “Reduce GHG emissions from the use of sold products by 25% by FY2030 compared to FY2021” as our target for Category 11.

(Scope 1 and Scope 2) GHG Emissions and Percentage of Purchased Energy that is Renewable Energy



GHG Emissions (Scope 3) and Breakdown of FY2023 GHG Emissions (Scope 3)



BIPROGY Group Sustainable Procurement Guidelines (Japanese only)

→ https://www.biprogy.com/com/about_purchase_and_procurement.html

Initiatives for Environmental Contribution through Our Business

Environmental contribution in our Management Policies (2024-2026)

Our Group believes that resolving climate change issues and other environmental issues will require digital technological innovation and transformation of social systems on an unprecedented scale. We further believe that achieving this will require a community of like-minded partners and Digital Commons. Our aim is not only to reduce the environmental burdens caused by our own business activities but also to make wide-ranging contributions to the environment by creating value for our customers and society through our business.

Our Management Policies (2024-2026), launched in FY2024, aim to expand profit opportunities in order to resolve social issues. By identifying areas where our Group's strengths can be put to use and by focusing our management resources, we will enhance both profitability and value creation that contributes to resolving social issues, including the realization of a decarbonized society, the revitalization of local economies, and supply chain reform. We will also continue promoting the development of new services, business alliances, and participation in public-private demonstration projects aimed at resolving environmental issues.

UNIBEMS (BEMS^{*1}) building energy management service

UNIBEMS is a service that enables complex management of gas, water, and energy, including electricity usage in data centers, offices, and other buildings where electricity consumption is expected to increase as demand for AI grows. Through installed measuring equipment, it makes electricity usage visual and supports customers' electricity-saving measures and the effective use of resources. In expanding our energy-related businesses, our Group is leveraging the system architecture know-how we have built up in the power industry over many years and the knowledge we have gained through participation in demonstration projects.

^{*1} BEMS: Building and energy management system

AI-based automated control of electric vehicle (EV) charging/discharging through our EV Charging/Discharging Service

Aimed at companies, local governments, and other parties that own EVs, our EV Charging/Discharging Service uses AI to create optimal charging/discharging plans from notably EV and electricity demand data, in line with three objectives: maximization of renewable energy usage, prioritization of economy, and prioritization of BCP. The use of the plans for the automated control of charging equipment in real time and remotely allows efficient charging of EVs, discharging when power demand exceeds supply, and use of EVs in BCP disaster measures. Our Group is working to create services leveraging the business knowledge we have acquired through years of system development for the energy industry, along with our strong capabilities in system development and execution.

BankVision on Azure, a public cloud-based full-banking system

In 2021, we launched the first operation in Japan of BankVision on Azure, a full-banking system that runs on the Microsoft Azure public cloud. Operating BankVision, the world's first open core-banking system that runs on Windows, in a cloud environment takes advantage of merits of the cloud, including contribution to reducing GHG emissions. The Norinchukin Bank, which adopted BankVision in September 2020, began operating its core systems using this service on July 16, 2024. This marks the first case in Japan of a financial institution operating a full-banking system in a public cloud environment.

Construction of the iCEP^{*2} PLASTICS platform that promotes the recycling of waste plastics

Together with Daiei Kankyo Co., Ltd., Resource Circulation Systems Co., Ltd., and Yagikuma Co., Ltd., our Group company UNIADEX, Ltd. is leveraging the strengths of each company to provide comprehensive coordination services for recycling. With achieving a circular society as its aim, the scheme offers one-stop service at every step, from waste plastic recovery to resin recycling, molding, and productization. Through information collaboration and sharing among arterial companies and venous companies, we promote the use of recycled materials and support the realization of waste plastic recycling. In May 2024, we opened a website for iCEP PLASTICS, a platform that promotes the recycling of waste plastics.

^{*2} iCEP: intelligence Circular Economy Platform

iCEP PLASTICS website (Japanese only)
[→ <https://icep-plastics.rcs-dx.jp>]



Initiatives for Natural Capital and the Nature-positive Goal

Our Group recognizes that natural capital, including forests, the air, water, soil, and biodiversity, is vital to our corporate activities. We further recognize that working toward the nature-positive goal reduces nature-related risks, contributes to the strengthening of our management foundation, and creates business opportunities. Based on this understanding, we are committed to engaging in business activities with consideration of natural capital and water security, and to aiding in quickly achieving the nature-positive goal.

With regard to natural capital, in FY2023 we implemented scoping, the introductory stage of the TNFD-recommended LEAP approach of clarifying relationships of dependence and impacts between nature and our

business and evaluating risks and opportunities, and created an overview of our business dependencies, impacts, risks, and opportunities. With regard to water security, since FY2023 we have conducted water risk assessments for all of our Group's locations. Risk assessment of water volume, water quality, and other factors for high-risk sites, selected in relation to the two themes of "Watershed risks (external factor assessment)" and "Impacts on our business (internal factor assessment)," revealed no locations at high risk. We will continue to re-evaluate the relationships between our Group's business activities and natural capital and will advance initiatives aimed at identifying risks and opportunities.

Initiatives for the Disclosure of Environmental Information

Disclosure of information based on TCFD recommendations

Regarding the disclosure of information on relevant matters, in April 2020 we announced our endorsement of the Task Force on Climate-related Financial Disclosure (TCFD)

recommendations. We conduct disclosure under a framework (governance, strategy, risk management, metrics, and goals) in line with the recommendations, and strive for continuous improvement aimed at enhancing the quality and quantity of environmental-related information.

| Overview of our disclosure of climate-related information based on TCFD recommendations | | | | |
|---|--|------------------------------|--|--|
| Governance | Our Sustainability Committee (Chair: CSO) and the Environmental Contribution Committee established under it make decisions on initiatives related to climate change and implement management in accordance with ISO 14001. For key matters related to overall Group strategy, the committees engage in deliberation and report to the Executive Council. The Board of Directors supervises the committees and regularly receives reports from the CSO regarding the status of their main activities. | | | |
| Strategy (responses to potential impacts of risks and opportunities) | Transition risks | Technology | Decrease in profit due to a decline in technical and service development capabilities caused by delayed response to the progress of low-carbon technologies | Measures for the reduction of risk <ul style="list-style-type: none"> Research and development that contributes to the development of low-carbon technologies Provision of services adapted to changes in customers' needs Disclosure of trusted climate-related information Low-carbon business activities |
| | | Markets | Decrease in revenue due to a decline in competitiveness if we are unable to reflect changes in supply and demand of low-carbon products and services in our products and services | |
| | | Reputation | Reduced access to capital due to a decline in corporate valuation caused by lack of proper information disclosure and lack of provision of services in response to the changing needs of low-carbon-oriented customers and investors, etc. | |
| | Opportunities | Products and services | <ul style="list-style-type: none"> Increase in revenue due to the development of new products and services through R&D and technological innovation Increase in revenue due to the development and expansion of low-carbon products and services | Measures for the expansion of opportunities <ul style="list-style-type: none"> Expansion of revenue opportunities in new markets and emerging markets through the development of new products and services Expansion of low-carbon products and services |
| Risk management | We integrate the climate change risks identified in our scenario analyses into our Group risk management systems, and manage these risks. Climate change risks are incorporated into our risk classification system, a common management foundation developed by the Risk Management Committee that oversees our risk management systems to enable centralized assessment of Group-wide risks. | | | |
| Metrics and goals | Key items to be strategically addressed in our response to environmental issues are set as material issues. We set KPIs and goals and undertake relevant initiatives. <ul style="list-style-type: none"> GHG emissions (Scope 1 + Scope 2): Reduction rate (compared to FY2019) of 50% or more (achievement by FY2030) GHG emissions (Scope 3, Category 1): Suppliers accounting for 40% of our total procurement of purchased goods and services set targets equivalent to SBT (FY2027) GHG emissions (Scope 3, Category 11): Reduction rate (compared to FY2021) of 25% or more (FY2030) Percentage of purchased energy used at the BIPROGY Group business locations that is renewable energy: 50% or more (FY2030) Zero emission achievement rate: 100% or more (annually through FY2030) Percentage of business opportunities and risks identified via climate change scenario analysis (impact evaluation) for which a risk response has been implemented: 100% (annually through FY2030) | | | |

* Transition risks: Policies/regulations, technology, markets, reputation Physical risks: Acute, chronic
Opportunities: Resource efficiency, energy sources, products and services, markets, resilience

Supply Chain

Material Issues

Sustainably procure and provide safe, secure products and services throughout the entire value chain

The BIPROGY Group promotes sustainable procurement by striving to ascertain and mitigate procurement risks in the supply chain in advance. We are committed to building and maintaining relationships of trust with suppliers and providing safe and secure products and services throughout the supply chain.

Our Approach to the Supply Chain

The occurrence of serious failures in the supply chain, such as an interruption in product or service supply or a security incident, could cause severe damage not only to customers but also to society as a whole. Furthermore, they may also have adverse impacts on corporate management due to the erosion of social trust and brand image. Therefore, we consider the establishment of a sustainable supply chain to be not only a social responsibility but also one of the most important risk management measures for our Group.

The Group aims to realize fair and equitable purchasing transactions in accordance with the BIPROGY Group Procurement and Transaction Guidelines. We have also formulated the BIPROGY Group Sustainable Procurement Guidelines and work with suppliers in our supply chain to

promote sustainability by adapting to social changes and sincerely addressing environmental and social issues. We have established a compliance hotline for suppliers, which allows anonymous reporting and consultation to a dedicated external contact point, and we are working to build a relationship of mutual trust by consciously creating opportunities for communication on a daily basis.

BIPROGY Group Procurement and Transaction Guidelines
(Japanese only)

[> <https://www.biprogy.com/com/purchase.html>]

BIPROGY Group Sustainable Procurement Guidelines
(Japanese only)

[> https://www.biprogy.com/com/about_purchase_and_procurement.html]

ESG Risk Assessment

Aiming to realize sustainable procurement, we first surveyed 98 main suppliers in FY2021 to assess the status of their ESG-related initiatives and risks, and in FY2022, we communicated our requests for improvement to 49 suppliers that we determined needed to be improved. In FY2023, we continued to monitor the status of improvement and engage in dialogues while establishing new KPIs and targets as shown on the right.

Sustainable Procurement KPIs

| KPI | Targets | FY of achievement |
|--|---------|-------------------|
| Percentage of BIPROGY Group suppliers having taken the ESG risk survey | 100% | FY2026 |
| Percentage of suppliers that currently adhere to or have launched improvements to material ESG risk items that the BIPROGY Group has set for suppliers | 100% | FY2030 |

Toward Further Promoting Sustainable Procurement

The type and magnitude of risk differs depending on the type of transaction, such as products (hardware, software, etc.), services (maintenance, consulting, etc.), and outsourced system development. In addition, we believe that it is necessary to respond to violations of laws and regulations, inadequate information security, and events that have an adverse impact on the environment and society, according to their respective characteristics. Based on this

belief, we will improve the effectiveness of our sustainable procurement by establishing different processes for each transaction type and sustainability area. Furthermore, in order to build and develop relationships of trust with our stakeholders (customers, partners, employees, shareholders and other investors, local communities, etc.), we will strive to disclose information and promote communication to fulfill our social responsibility.

Human Rights

Initiatives to Respect Human Rights

The BIPROGY Group supports international norms such as the Universal Declaration of Human Rights and the ILO Core Labour Standards, and recognizes respect for human rights as an important element of its sustainability management and achievement of the SDGs. To become a

company that addresses social issues by building a global, evolving, and scalable business ecosystem in collaboration with numerous customers and partners, we also conduct human rights due diligence to reduce human rights risks across the entire value chain.

Overall Scheme of Initiatives to Respect Human Rights



Revision of Human Rights Policy

Even after the establishment of the BIPROGY Group Human Rights Policy in 2020, the number of human rights issues that need to be addressed has been increasing, and some international regulations on human rights have been updated, while new declarations and action plans have also been issued. In light of these circumstances, we revised the BIPROGY Group Human Rights Policy in August 2024, reflecting the issues raised in our stakeholder dialogues as well as the content of our Group's efforts to

address them. The main points of revision include a clear commitment to respect human rights throughout the value chain by specifying the scope of the policy, and the inclusion of respect for freedom of expression and responses to human rights issues related to advanced AI technology and data.

BIPROGY Group Human Rights Policy

[> https://sustainability-cms-biprogy-s3.s3-ap-northeast-1.amazonaws.com/pdf/humanrightspolicy_e.pdf]

Addressing the Materiality of Human Rights Issues

The BIPROGY Group set one of the KPIs of the material issue, “Sustainably procure and provide safe, secure products and services throughout the entire value chain” as “percentage of human rights-related issues at BIPROGY Group which are being addressed,” for which it set a target of 100% in FY2023. In FY2021, we ascertained and identified human rights risks related to our business for the entire Group, and in FY2022, we began to study and implement measures to address the issues identified. In FY2023, we continued to address the human rights issues identified in FY2021 (ensuring awareness and implementation of human rights policy, responsible procurement and management thereof, conducting stakeholder engagement,

establishing a mechanism for handling external complaints, etc.) and we achieved a 100% rate of issues being addressed. In addition, new KPIs and targets through FY2026 were established as follows.

KPIs for Initiatives to Respect Human Rights

| KPI | Targets | FY of achievement |
|---|----------------------|---|
| Review of human rights policy and activities to promote understanding among employees | Implement every year | To be implemented every year until FY2026 |
| Progress rate on re-performing human rights risk assessments and addressing issues at all Group companies | 100% | FY2026 |

Dialogue between the CEO and Outside Directors



Asako Osaki

Director (Outside Director, Independent Director)

Asako Osaki has extensive international experience, including work at the United Nations. She is also active as an expert on gender in various fields such as government, local government, and academia. Also, she has sophisticated professional knowledge and expertise not only in the field of gender, but also in the field of ESG/sustainability. She has been in her current position since 2023.

Nalin Advani

Director (Outside Director, Independent Director)

Nalin Advani possesses global business experience mainly based on the Asia Pacific region as well as technical expertise about AI and robots after having served multiple technology companies mainly in Japan, Singapore and India in business management and investment-related roles. He has been in his current position since 2021.

Noboru Saito

Representative Director and President CEO

Noboru Saito oversees all aspects of business creation and possesses extensive knowledge and experience in the industry, future trends, and business strategy. He has been in charge of corporate governance promotion since FY2020, working to strengthen the Company's corporate governance. He has been in his current position since 2024.

Yoshinori Ikeda

Director (Outside Director, Independent Director)

Yoshinori Ikeda has accumulated experience in serving the National Tax Agency at important positions for many years. He has overseas experience, and he is well-versed specifically in the field of international taxation. He has sophisticated professional knowledge and expertise in the field of tax accounting. He has been in his current position since 2022.

Yuichi Katayama

Director (Outside Director, Independent Director)

Yuichi Katayama has a wealth of experience in finance and accounting from his many years in key positions at financial institutions. He also possesses knowledge and experience as an executive director from his many years as a director of Oriental Land Co., Ltd. He has been in his current position since June 2024.

What is needed for the BIPROGY Group to attain a corporate value of one trillion yen? How can it improve the effectiveness of governance? President and CEO Saito and four outside directors took part in a roundtable discussion on the issues to be addressed toward this end and the roles they will play as outside directors.

Expectations of the new President and CEO and succession plan

Advani I believe that the Nomination & Remuneration Committee was able to discuss in great depth the appointment of the new President and CEO. I assumed the chair of this committee in 2023, but we had been narrowing down the long list of candidates to a short list for some time before that. As we took time to discuss what the desirable requirements for a President and CEO were, the most important thing we focused on was continuity. Given that we are a company that exists only because of our customers, the candidate must be able to maintain the trust that we have earned to date. They must also have a deep understanding of what customers want. Based on these requirements, we concluded that Mr. Saito, who was closest to our customers during the time of former President and CEO Hiraoka, was the most suitable person for the job. Another important reason was that Mr. Saito had been at the forefront of customer support during difficult times, such as the incident in June 2022 involving the loss of USB flash drives. The Nomination & Remuneration Committee also had intensive discussions on the talent pipeline, and I am sure that this will be put to good use in the future.

Saito The Company has a succession plan not only for the President and CEO, but also for the chief officers and the

heads of each division. In order to ensure that outside directors have an overall understanding of these plans, we have taken various steps, including having them attend forums held by the Company in various regions, having division heads attend Board of Directors meetings, and providing opportunities for dialogue with younger employees.



We are working to ensure that outside directors understand the succession plans for chief officers and each division head.

Noboru Saito

Ikeda The Company has established seven key competencies as the qualities it looks for in not only the President and CEO but also in management executives. Based on the premise of integrity, these are “foresight” and “insight,” which are also included in the Purpose, “determination,” “innovation,” “passion,” “execution,” and “diversity and inclusion.” Mr. Saito naturally possesses these qualities, and his selection was based on a comprehensive review of his past experience and abilities, as well as the social and economic situation in which the Company is currently placed. I hope that as the new President and CEO, Mr. Saito will take over the identity of the Company, which must not be changed, while bringing out his unique color and leading the Group to the next stage. I also

hope that he will vigorously engage in dialogue with investors and work to boost the morale of employees.

Osaki There are two things I would like to ask President and CEO Saito to do. The first is to ensure the sustainable growth of the Group. In order to understand the global megatrends that are important for this, I would like to see him visit the countries and regions where the Group intends to expand business. I would like Mr. Saito to talk with a variety of local stakeholders to understand what are considered to be social issues and to experience the international agenda represented by the SDGs firsthand. The second is to promote DE&I. To realize equity, or fairness, it is necessary to recognize where barriers based on attributes remain in the organization, and for the CEO himself to talk about his firm commitment to change. In doing so, rather than using a textbook narrative, he needs to listen to the voices of diverse people in the Group and speak based on what he felt hearing them, which will completely change the persuasiveness of the realization. Structural barriers can be identified at a glance by looking at the data, so the first step is to look at the data and then listen carefully to the voices of people within the Company. In the case of BIPROGY, while the figures for the utilization rate of childcare leave by men and the number of days taken are good, a gender bias exists among those who work shorter hours or are transferred to other locations. The Company must consider why there is a bias there. It is important not to be satisfied with just checking the numbers, but to always question whether equity is really being realized.

Katayama Although I did not participate in the recent succession planning, I know President and CEO Saito and his corporate culture well, having served as the chairperson of the BIPROGY Users Association.*¹ I assume that one of the reasons for the Company's growth is that it is a very open company, with flat hierarchical relationships and a corporate culture where opinions are exchanged frankly. When I first heard former President and CEO Hiraoka talk about the Digital Commons in Vision 2030, I thought it was a difficult concept to grasp, but as times have changed and I have heard more and more about it, I now feel that he was forward-thinking in citing the need to make contributions through social value creation. I believe that the base of the Group's development was mostly ready during the time of former President and CEO Hiraoka, and I believe that President and CEO Saito's role is to further accelerate the process. I am very much looking forward to his leadership in efforts to create future earnings pillars, including the development of growth businesses under the new management policies. I hope to be able to offer my advice to help him achieve this.

Saito What you have all said today must be taken to heart. I have served as CMO and CEO of a corporate venture capital (CVC) firm, and have been involved in global business expansion for many years, so I will continue to firmly accelerate growth in these areas. In addition, I am very grateful to the

outside directors, with their diverse backgrounds, for pointing out matters that the executive side is unaware of. I hope they will continue to share their opinions without hesitation. Ms. Osaki's earlier advice to always question whether things are really being done is exactly right. Although we are quick to create forms and systems, I think it is necessary to look at them with an eye to whether they are truly effective.

*1 BIPROGY User Association is a user group organized by BIPROGY Group users. It has the longest history of any IT-related user group in Japan.

Formulation and execution of Management Policies (2024-2026)

Ikeda During the discussion on the formulation of the new management policies, I had the opportunity to express some rather drastic opinions from the perspective of an outside director. The Management Policies (2024-2026) state that the Group will expand business by focusing on both core businesses and growth businesses. In the core business, there are five focus areas, each of which has its own sales target, which shows the confidence of the Company. The global expansion touted in growth businesses is an indispensable measure given Japan's age demographic structure, but securing and training the human resources to implement such measures will be a major issue. The Group has secured a certain amount of financial resources for large-scale investments, and I feel that the time has come for it to take the plunge. The Group needs to find a way to allocate these funds to core businesses and growth businesses and produce tangible results over the next three years.



The time has come to make large-scale investments, and the next three years will test the results of these investments.

Yoshinori Ikeda

Osaki As Mr. Ikeda mentioned, Japan's biggest social issue is population decline. The number of births is declining faster than the government forecast, and the outflow of young women from rural areas continues unabated. Under these circumstances, the solution to secure workers and keep the economy going is DX. In addition, it is essential to promote gender equality to overcome the division of labor according to gender. The government has also pointed out the possibility of a correlation: regions with a high outflow of young women tend to have more companies with a large wage gap between men and women. One of Japan's biggest social issues is how to create workplaces in rural areas where women can work comfortably and feel fulfilled. When the Group thinks about what kind of business strategy to use to address this, it needs to focus on diversity within the Group.

Katayama When it comes to new businesses in the growth business strategy, the probability of success is so low that it is

Dialogue between the CEO and Outside Directors

said that only three out of a thousand businesses will succeed. It also takes time for a business to grow, so a large number of projects must be undertaken. When Japanese companies fail, they tend not to analyze the causes of their failures, resulting in a missed opportunity to deepen organizational knowledge. President and CEO Saito must have faced challenges when he was CEO of CVC Canal Ventures, Ltd., and I hope that he will make use of this experience in the development of new businesses in the future.

Advani The business strategy in the new management policies has three major components: core businesses, growth businesses, and new businesses beyond that. Although these three have different risk profiles in terms of geography, technology, capacity, and other factors, they are all seamlessly connected and determined by a well-thought-out strategy. In order to execute this strategy, it is important to develop human resources in accordance with the growth style of each individual. The Company has designed KPIs based on the ROLES^{*2} of each individual, which I believe is a very advanced measure for a Japanese company.



At BIPROGY, KPIs are considered according to ROLES, which I think is a very advanced measure for a Japanese company.

Nalin Advani

Osaki I, too, believe that the Management Policies (2024-2026) are the best the Group can do at this point in time. On the other hand, the formulation of international standards for information disclosure is progressing, and going forward, the focus will be on human capital and human rights. In this context, gender equality is positioned as a core issue. The Japanese government has also made a drastic shift in its past policies, and is now formulating policy directions in line with international standards for the promotion of gender equality. I believe that this is a time for outside directors, with our various knowledge and expertise, to be called upon to take a strategic perspective on these domestic and international public policy trends and how to implement measures to increase their effectiveness.

Katayama The biggest challenge is how to incorporate the management plan into the actions of employees in order to realize it. At the same time, the outside directors must follow up while closely verifying along the way. Furthermore, it is important to ensure that awareness of the plan is instilled throughout Group companies.

Saito What you have just said is very important advice. We are planning to raise awareness of the management policies by holding nationwide discussions that include Group companies to ensure that it penetrates the entire Group. The Management Policies (2024-2026) have been formulated with considerable time spent by the outside directors. Rather than

consulting the outside directors after completion, we have explained the policies to them repeatedly during the formulation process and received their opinions for additional fine-tuning. The outside directors have also held exclusive meetings on a number of occasions.

Advani What makes me feel comfortable with President and CEO Saito is that in addition to his academic knowledge, he is a very action-oriented person. It will be President and CEO Saito's challenge to extend his own lightness of footwork and agility to the entire organization. BIPROGY is a very diligent company, and I believe that developing human resources that combine that diligence with agility will be the key to realizing the management policies.

Ikeda Global expansion and the implementation of investment strategies, including M&A, require the development and accumulation of human capital that will serve as a powerful competitive edge. One of the challenges is to strengthen the talent pipeline, which can be reflected in the succession plan, through systematic internal development and external appointments.

*2 ROLES refers to the "roles in the execution of work" in the BIPROGY Group, which defines the job description and the roles and skills required to execute that work.

How can BIPROGY enhance the effectiveness of governance?

Katayama I was just appointed as an outside director. I would like to listen to as many experiences and ideas about working styles as possible from various people, not only at board meetings but also by attending seminars organized by BIPROGY, in order to deepen my insight to help enhance the effectiveness of the Company's governance.

Advani In terms of governance to minimize risk, it is important to receive information quickly. At BIPROGY, the CRMO (Chief Risk Management Officer) reports to us each time there is a problem, even a small one, and we receive subsequent progress reports, so I think the Company has a good system in place to ensure transparency. In addition, all of the outside directors have expertise in their respective fields, so they often consult with each other outside of board meetings. I believe that transparency and trust have been built among the outside directors. Regarding the evaluation of the effectiveness of the Board of Directors, the Company maintains objectivity through a process involving a third party, which I highly evaluate.

Ikeda The Company's awareness of the importance of governance has always been very high, and it is making efforts on the effectiveness of its governance. On the other hand, the incident in 2022 involving the loss of USB flash drives and the inadequate security settings in FY2023 are incidents that we must not allow to occur even once as an IT company. The Company must ensure that measures to prevent recurrence

are taken all the way down to the front lines. As an outside director, I would like to support the Company in thoroughly preventing recurrence so that employees can focus on their positive work.

Osaki The challenge for the Board of Directors is to ensure diversity. The crux of corporate governance is to make better management judgments and decisions, and to do so, it is necessary to have multiple perspectives, or diversity. This diversity refers to a variety of attributes. This is why investors look at the ratio of men and women board members, and why the TSE requires companies listed on the Prime Market to have at least 30% women representation on the board by 2030. Although we have one less woman outside director this time, Ms. Sawakami, who is the first woman from within the Company to serve as a director, has been appointed. This is a very welcome development. When it comes to executive officers, however, there are almost no women. The gender gap and equity issues remain in the composition of the management team. There are companies in Japan that are taking progressive measures, and I hope that the Company will learn from them and adopt these approaches.



Better management judgment and decision making require multiple perspectives driven by the diversity of attributes.

Asako Osaki

Saito The Board of Directors has effective governance in place thanks to the lively discussions of outside directors, who have a deep understanding of the Company.

Advani Since FY2023, executive officers have participated in board meetings as observers, which is a very good initiative in terms of creating a talent pipeline. I think it is desirable from the standpoint of governance and transparency assurance as well as learning by having the officer in charge provide explanations and answer questions.

Becoming an attractive group recognized by all stakeholders

Advani My concern right now is that it is becoming easier for talented Japanese human resources to leave Japan for other countries. Over the next five years, BIPROGY must become a company where not only new graduates but also people in their 30s and 40s will want to work when they make a career change. If it can achieve this, BIPROGY can continue to exist as a company that is recognized by all stakeholders.

Ikedo Management Policies (2024-2026) state the Group's challenge to become a group with a corporate value of one trillion yen. Since corporate value is first and foremost reflected in the stock price as an indicator, it is necessary for the Group to enhance its evaluation by stakeholders. To

achieve this, the first priority is to improve business performance. The Group must also link its excellent philosophy, such as "Purpose" and "Vision 2030," to the improvement of earnings. In this day and age when generative AI has become commonplace, it will be IT companies that specialize in data playing a central role in realizing a sustainable society. In this respect, the value that the Group can provide is extremely high.

Osaki In its quest to become one trillion yen company, BIPROGY should focus on our employees, one of our stakeholders. In my student days, many women who studied in graduate schools overseas from Japan did not return to Japan after completing their studies because they left their employers due to lack of promotion opportunities. They ended up working for international organizations or global companies. Nowadays, more and more men are also not returning to Japan. Becoming an attractive workplace where people feel they can utilize their own potential is key to retaining talent, both men and women. From the perspective of wellbeing, including mental health, employee engagement surveys will become even more important in the future.

Katayama As the global mobility of human resources continues, even Japanese companies, where lifetime employment was considered the norm, are experiencing an exodus of personnel. It will become even more important to reflect on how to enhance compensation, working environments, and corporate branding, and I would like to offer suggestions and advice in these areas. The Company also needs to pay attention to the composition of shareholders. I believe that how to engage with shareholders and cultivate the corporate brand will become an extremely important management issue, which is something I would like to discuss in the future.

As the mobility of human capital continues, it is important to enhance the compensation, working environment, and corporate brand.

Yuichi Katayama



Saito We set the goal of achieving a corporate value of one trillion yen because in order to achieve corporate growth while solving social issues, a company must reach that size before it can take the initiative. This goal also serves as a symbolic statement. You mentioned that corporate value is expressed in the share price. We believe that the share price reflects not only the business performance of a company, but also future expectations in terms of its impact on society. If expectations rise for the services we provide to solve Japanese and global issues, the share price will also rise. By becoming an attractive company, we can attract human resources. I hope we can continue to create such a positive cycle. In order for the Group to grow, I ask that all of the outside directors continue to cooperate with us by making use of their expertise in their respective fields.

Corporate Governance

Material Issues Further improve corporate governance and integrity

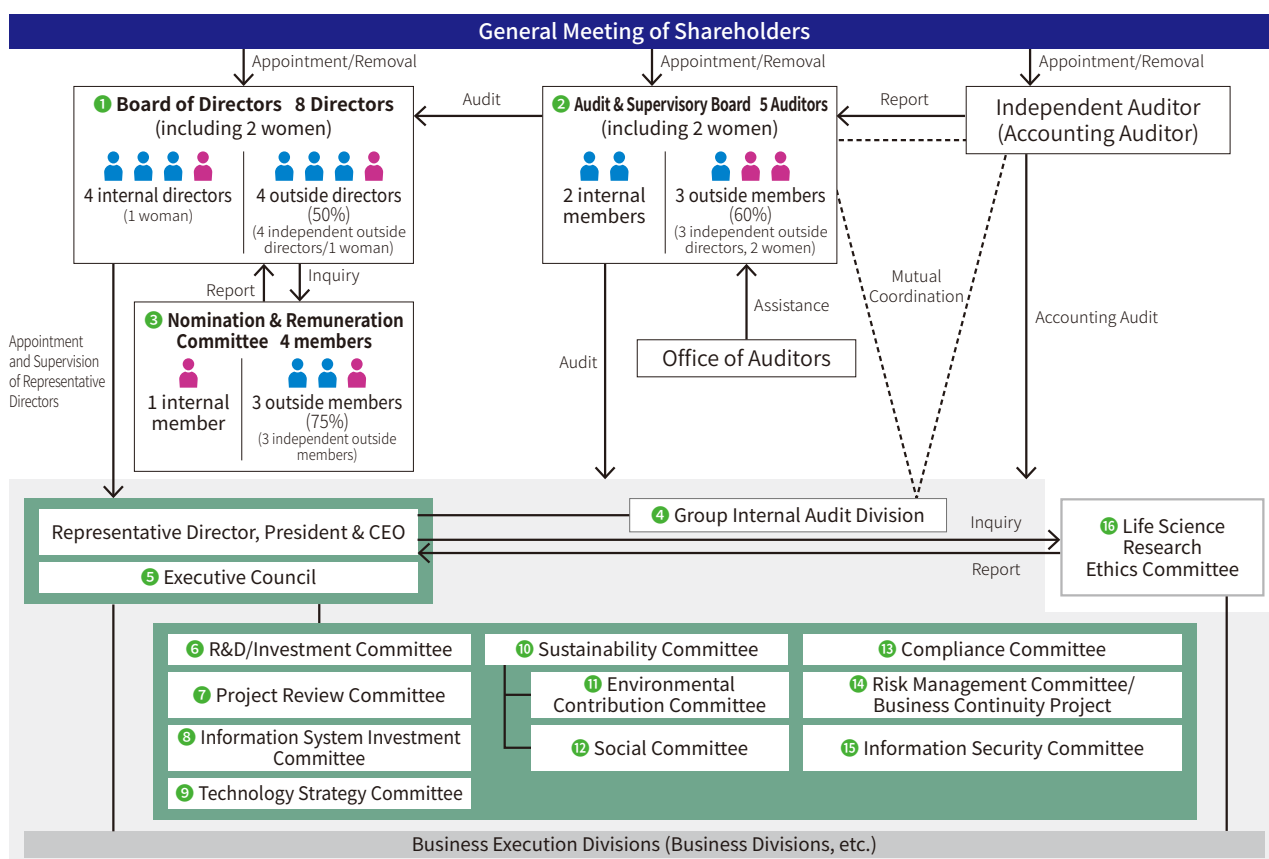
A mechanism of corporate governance that enables management to make prompt and sound management decisions under appropriate and effective supervision is indispensable to the BIPROGY Group's continuous growth and increase in medium- to long-term corporate value. The Company shall create, maintain, and ceaselessly improve this mechanism.

Furthermore, in order to contribute to society as an enterprise resolving social issues, the Company stipulates as part of its corporate philosophy "Listen sincerely to our stakeholders to improve our corporate value" in order to create relationships of trust with all stakeholders, and shall proceed with its business activities in accordance with this principle.

Corporate Governance Structure

BIPROGY has determined that an audit system involving supervision by a Board of Directors that includes outside directors and auditing by outside auditors is effective for monitoring management, and thus has adopted an Audit & Supervisory Board structure.

Corporate Governance Structure (As of June 27, 2024)



1 Board of Directors

The Board of Directors generally meets once a month. In addition to deliberation and deciding on the Company's basic management policies, important matters, etc., it supervises overall management, including execution of duties by

directors and corporate officers. The term of directors is one year so as to establish a flexible management system that can respond to changes in the business environment and to clarify the management responsibilities of directors. The Board of Directors met 12 times in FY2023.

Content of main deliberations in FY2023

- State of progress in implementing Management Policies (2021–2023)
- Matters related to personnel and evaluation of directors, etc.
- State of operation of the internal control system, including the Group's risk management and compliance
- State of initiatives related to the Corporate Governance Code, including cross-shareholdings and evaluation of Board of Directors' effectiveness
- State of sustainability-related initiatives
- State of dialogue with investors
- State of initiatives to prevent recurrence of past information security incidents and to improve organizational culture accordingly
- State of examination of Management Policies (2024–2026)

2 Audit & Supervisory Board

Audit & Supervisory Board members audit the execution of duties by directors and the internal control system through their attendance at all important meetings including Board of Directors meetings, the examination of the operational and financial status, and the exercise of their rights regarding appointments and dismissal of accounting auditors and audit compensation. In order to increase the effectiveness of Audit & Supervisory Board member audits and facilitate the execution of audit functions, the Office of Auditors (2 full-time employees) aids the execution of Audit & Supervisory Board member duties. The Audit & Supervisory Board met 16 times in FY2023.

Content of main deliberations in FY2023

- State of initiatives to reinforce compliance framework
- State of initiatives to reinforce internal control system
- State of initiatives to reinforce risk management
- State of initiatives to prevent misconduct, etc., or their recurrence

3 Nomination & Remuneration Committee

This advisory committee to the Board of Directors deliberates and reports on matters pertaining to personnel and

remuneration of our directors and corporate officers. The attendance of independent outside directors and the agreement of all members, including independent outside directors, are required when passing resolutions. The committee met 8 times in FY2023.

Content of main deliberations in FY2023

- Matters concerning composition of the Board of Directors and Audit & Supervisory Board and expertise and experience required of directors and Audit & Supervisory Board members (skill matrix)
- Personnel proposals regarding director candidates and corporate officer candidates (including representative director, order of acting directors and corporate officers, performance evaluation, appropriateness of reappointment, and successor training plan, etc.)
- Bonus payment amount
- Issue and allotment of restricted stock

* The results of deliberations by the Nomination & Remuneration Committee are reported and submitted to the Board of Directors.

4 Group Internal Audit Division

This independent in-house body directly under the President was established to audit the effectiveness and efficiency of internal controls through the Group. It confirms and audits the state of activities of Group committees, divisions, and Group companies. It also submits reports on internal audit plans and audit results to the Board of Directors.

5 Executive Council

The council, which is composed of corporate officers concurrently serving as directors and members appointed by the President, is a decision-making body for material matters concerning business execution and ensures efficient decision-making. Moreover, Audit & Supervisory Board members are able to attend Executive Council meetings, and full-time auditors normally attend.

Various Other Committees

Various other committees have been established to deliberate on individual management issues related to directors' execution of duties from a practical point of view.

| | |
|--|--|
| 6 R&D/Investment Committee | Deliberates on the advisability of plans for businesses, products and services based on the Group's priority areas, and decides whether to invest in such plans. Also evaluates actual results versus forecasts for such plans and requests a review as necessary. |
| 7 Project Review Committee | Determines the business risks, the validity of countermeasures, and the possibility of implementation for important development and service businesses. Also evaluates actual results versus forecasts for such projects and requests a review as necessary. |
| 8 Information System Investment Committee | Deliberates on the advisability of cost, effectiveness, applied technologies and other matters for the Group's own system development and operation and decides whether to invest in such systems. Also evaluates actual results versus forecasts for such plans and requests a review as necessary. |
| 9 Technology Strategy Committee | Along with determining the technology fields the Group should focus on, discusses the appropriateness of technology strategies and relevant implementation plans for technology acquisition, improvement, and business application, including technology development, investment, and utilization. Also monitors those implementation plans. |
| 10 Sustainability Committee | Formulates the Group's measures and policies on helping to achieve the SDGs, determines the appropriateness of overall business activities from an ESG perspective, comprehensively determines action promotion and evaluations, and requests a review as necessary. |
| 11 Environmental Contribution Committee | Reviews the Group's environmental contribution-related policies, and manages and monitors the design of mechanisms to promote environmental contributions and their implementation. |
| 12 Social Committee | Reviews the Group's policies on social fields, designs mechanisms to address social issues, manages and supervises the status of implementation, and implements tasks including corrective instructions on pending issues. |
| 13 Compliance Committee | Creates and operates the Group's compliance programs and establishes compliance promotion policies. Also analyzes compliance violation cases, issues investigative reports, and investigates measures to prevent recurrence. |
| 14 Risk Management Committee/ Business Continuity Project | Addresses various risks that exert a material impact on Group management and takes steps to ensure business continuity. |
| 15 Information Security Committee | Formulates strategies for overall Group security and personal information protection and considers and promotes various measures based on those strategies. |
| 16 Life Science Research Ethics Committee | Examines the validity of human-subjects research performed by the Company from an ethical and scientific perspective through an independent organization, and requests reviews if necessary. |

Initiatives to Improve the Effectiveness of the Board of Directors

The Board of Directors' independent outside directors possess diverse backgrounds, including abundant experience and knowledge in management both in Japan and overseas, experience with venture investments and global business, advanced specialized knowledge in the fields of international taxation, gender, and ESG/sustainability. Four of the eight directors on the Board of Directors are independent outside directors, and two directors are women.

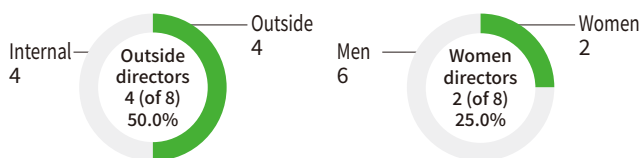
In addition, the CFO, who possesses finance and

accounting skills, attends Board of Directors' meetings and gives appropriate opinions, etc.

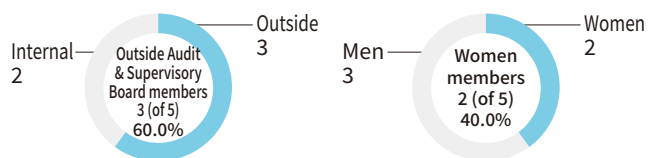
The term of directors is one year to establish a flexible management system and to clarify the responsibility of directors. In addition, in the Audit & Supervisory Board, three of the five members are independent outside members, making up the majority, and including one attorney and two members who are women.

Composition of the Board of Directors and Audit & Supervisory Board (As of June 27, 2024)

Board of Directors



Audit & Supervisory Board



| | Number of years in post | Attendance in FY2023 (times attended / times held) | | | Skill Matrix | | | | | | | |
|-----------------------------------|---|--|---------------------------|-------------------------------------|---|--------------------|-----------------|---------------------|------------------------|-----------------------------------|-----------------|---|
| | | Board of Directors | Audit & Supervisory Board | Nomination & Remuneration Committee | Business management experience at other companies | Industry knowledge | Technology/ R&D | Finance/ Accounting | Legal/ Risk management | ESG/ Sustainability ^{*3} | Global business | |
| Directors | Representative Director, President & CEO, CHO Noboru Saito (Chairperson of the Board) | 8 | 12/12 | — | 8/8 | | ● | ● | | ● | ● | |
| | Representative Director, Executive Corporate Officer, CSO Koji Katsuya | 8 | 12/12 | — | — | | ● | ● | | ● | ● | |
| | Director, Corporate Officer, CHRO, CRMO Taeko Sawakami Newly appointed (Nomination & Remuneration Committee member) | — | — | — | — | | ● | ● | | ● | ● | |
| | Director Takahito Kanazawa | 3 | 12/12 | — | — | ● | ● | ● | | | | |
| | Outside Director, Independent Director Nalin Advani (Chairperson of the Nomination & Remuneration Committee) | 3 | 12/12 | — | 8/8 | ● | ● | ● | | | ● | |
| | Outside Director, Independent Director Yoshinori Ikeda ^{*1} (Nomination & Remuneration Committee member) | 2 | 12/12 | — | 5/5 | | | ● | ● | ● | ● | |
| | Outside Director, Independent Director Asako Osaki ^{*2} (Nomination & Remuneration Committee member) | 1 | 10/10 | — | — | | | | | ● | ● | |
| Audit & Supervisory Board Members | Outside Director, Independent Director Yuichi Katayama Newly appointed | — | — | — | — | ● | ● | ● | ● | | | |
| | Auditor Mikinori Kobayashi Newly appointed (Audit & Supervisory Board Chair) | — | — | — | — | | ● | ● | | | | |
| | Outside Auditor, Independent Officer Masaya Oishi | 3 | 12/12 | 16/16 | — | ● | ● | | ● | ● | ● | |
| | Auditor Hirofumi Hashimoto | 6 | 12/12 | 16/16 | — | ● | | | ● | ● | ● | ● |
| | Outside Auditor, Independent Officer Harumi Kojo | 7 | 12/12 | 16/16 | — | | ● | | ● | | ● | |
| | Outside Auditor, Independent Officer Keiko Mizuguchi | 3 | 12/12 | 16/16 | — | | | | ● | ● | ● | ● |

^{*1} Mr. Yoshinori Ikeda was appointed a Nomination & Remuneration Committee member on June 28, 2023, and has attended five of the Nomination & Remuneration Committee meetings held since that date.

^{*2} Ms. Asako Osaki was appointed Director on June 28, 2023, and since that day, the Board of Directors has met ten times.

^{*3} The S in ESG (environmental, social, and governance) includes human resources strategy, diversity, inclusion, etc.

Reasons for Selecting Items in the Skill Matrix

| | |
|---|--|
| Business management experience at other companies | Appropriate advice and supervision by outside directors who have management experience and achievements at other companies are effective in order to enable the management to transform the Company into a company that creates social value by making appropriate and prompt business judgements pursuant to the Management Policies (2024-2026) in the midst of the rapidly changing business environment. |
| Industry knowledge | A wealth of knowledge about the information service industry such as ICT and DX is essential for the Company to expand business ecosystems together with customers and partners under Management Policies (2024-2026). |
| Technology/ R&D | As technology evolves rapidly, a wealth of knowledge and expertise about technologies and research including advanced technology is essential for the Company to expand business ecosystems together with customers and partners as stipulated in the Management Policies (2024-2026). |
| Finance/ Accounting | The Company needs directors well-versed in finance and accounting in order to achieve transparent and correct financial reporting, strong financial foundation, strategic investments for sustained enhancement of corporate value and capital policy with consideration to appropriate shareholders returns. |
| Legal/ Risk management | Risk management that enables appropriate and prompt responses to deal with diversified and complicated risks as well as strengthening corporate governance are indispensable in order to enable a medium- to long-term increase in corporate value. The Company needs a wealth of knowledge about these issues. |
| ESG/Sustainability | The Company needs a wealth of experience and expertise about efforts on climate change, workforce strategies, and promotions for ESG/sustainability issues such as diversity and inclusion in order to create a sustainable society as it aims under the Management Policies (2024-2026). |
| Global business | Borderless perspectives are indispensable in order to expand business ecosystems together with customers and partners. Thus, the Company needs a wealth of knowledge about global business. |

• P.72-73 Directors, Audit & Supervisory Board Members, and Corporate Officers

| | Reason for appointment |
|--|---|
| | Mr. Noboru Saito has long been presiding over sales division and business development initiatives in general, and has abundant industry knowledge and experience, offering insight into future movements in the industry as well as business strategies. As the person in charge of corporate governance promotion since the fiscal year 2020, Mr. Saito has worked to strengthen corporate governance of the Company, and we believe that he is well qualified for taking the lead in further promoting the cross-industry eco-systems envisioned by the Group for both Japan and overseas. |
| | Mr. Koji Katsuya has a wealth of knowledge of and experience in the Group's management decisions and business strategies as a result of his Corporate Officer service of presiding over divisions such as the systems division, quality management & assurance division, and the research & development division as well as Corporate Planning after his service in the financial system development and business of the Company. Thus, we believe that Mr. Katsuya will be able to use his professional knowledge and experience to make management and business decisions from his broad perspective in the course of management and business judgement for the Group. |
| | Ms. Taeko Sawakami has abundant knowledge and experience in the Company's administrative divisions and in risk management. After working as an engineer in the Company's industry & commerce and manufacturing areas, Ms. Sawakami held important positions as the General Manager of Corporate Communications Department and the General Manager of Corporate Planning Department, and in recent years, she has served as the CRMO responsible for risk management and business continuity for the Group and as the chairperson of the Risk Management Committee and the Business Continuity Project. Thus, we believe that Ms. Sawakami will be able to use her professional knowledge and experience to make management and business decisions from her broad perspective in the course of management and business judgement for the Group. |
| | Mr. Takahito Kanazawa obtains management experience as an officer as well as abundant knowledge and experience about the industry which the Company belongs to after successively serving as a manager responsible for ICT, DX and innovation sections in information system department and ICT business development department of Dai Nippon Printing Co., Ltd. The Company expects Mr. Kanazawa to give effective advice on and support for the Company's business management from the technical and managerial viewpoints. Furthermore, the Company expects him to exercise his skills of effectively supervising business management. Therefore, we propose to elect him as Director again. As described in, Mr. Kanazawa concurrently serves as a Senior Corporate Officer of Dai Nippon Printing Co., Ltd., a major shareholder of the Company. In light of the fact that a higher degree of independence is expected for outside officers, especially in recent years, the Company has not designated him as an Outside Director in this proposal. |
| | Mr. Nalin Advani obtains global business experience mainly based on the Asia Pacific region as well as technical expertise about AI and robots after having served multiple technology companies mainly in Japan, Singapore and India in light of business management and investment. The Company expects Mr. Advani to utilize his global experience as well as knowledge and expertise about the industry which the Company belongs to in giving effective advice on and support for the Company's business management. |
| | Mr. Yoshinori Ikeda has accumulated experience in serving the National Tax Agency at important positions for many years. He has overseas experience, and he is well-versed specifically in the field of international taxation. Mr. Ikeda has sophisticated professional knowledge and expertise in the field of tax accounting as evidenced in his playing active roles as a certified tax accountant and university professor after retiring from the National Tax Agency. The Company expects Mr. Ikeda to give effective advice on and support for the Company's business management based upon his expertise and experience. |
| | Ms. Asako Osaki has extensive international experience, including work at the United Nations. She is also active as an expert on gender in various fields such as government, local government, and academia. Also, Ms. Osaki has sophisticated professional knowledge and expertise not only in the field of gender, but also in the field of ESG/sustainability. The Company expects Ms. Osaki to give effective advice on and support for the Company's business management in promoting ESG management based upon her expertise and experience. |
| | Mr. Yuichi Katayama has a wealth of experience in finance and accounting, having held important positions in financial institutions for many years, as well as a wealth of knowledge and experience as a manager, having served as an Executive Director of Oriental Land Co., Ltd. for many years. The Company expects Mr. Katayama to give effective advice on and support for the Company's business management based upon his expertise and experience. |
| | Mr. Mikinori Kobayashi, after his services as a General Manager of the sales sections and as the person responsible for marketing staff, contributing to the expansion of relations with the Company's customers for many years, has served as a Director and Audit & Supervisory Board Member at the Group companies, and has a wealth of experience in internal control and governance. Thus, we believe he will be able to utilize his abundant knowledge and experience for auditing the overall management of the Company. |
| | Mr. Masaya Oishi has extensive business experience through his services of many years at financial institutions and a wealth of considerable knowledge on finance and accounting. Furthermore, he has understandings about the industry which the Company belongs to on the basis of his knowledge about system area. In addition, he is well-experienced in investment through his experiences at a securities firm. We expect him to utilize his extensive knowledge and expertise that he obtained as a management and auditor in addition to the above in order to audit the entirety of business management of the Company. |
| | Mr. Hirofumi Hashimoto gained global experience through his service as Finance Manager at an overseas subsidiary of Dai Nippon Printing Co., Ltd., experience serving as the person responsible for the corporate planning division of the Company as well as managerial experience that he gained while serving as a director at other listed companies. Mr. Hashimoto has a considerable degree of financial and accounting expertise and is well-versed in managerial accounting. Mr. Hashimoto has not been involved in executing the business of the Company. Thus, his independence from management and those who execute business of the Company is maintained. We believe he will be able to utilize his abundant knowledge and experience as well as his shareholder viewpoint for auditing the overall management of the Company. |
| | Ms. Harumi Kojo has abundant knowledge and experience accumulated in her career as a lawyer and judge expert. The Company expects her to utilize her knowledge and experience in order to audit the execution of duties by Directors, from an independent perspective as an Outside Auditor. |
| | Ms. Keiko Mizuguchi has abundant knowledge and experience about finance, corporate accounting, governance and disclosure that she accumulated through currently serving mainly as Counselor of Japan Credit Rating Agency, Ltd and member for Certified Public Accountants and Auditing Oversight Board after working on corporate analysis and ranking criteria considerations mainly at financial institutions and rating firms. We expect her to utilize the knowledge and experience in auditing business executions by the Company's Directors from an outside and independent viewpoint. |

Corporate Governance

State of Deliberations by the Board of Directors

| | 2023 | | | | | | | | | 2024 | | |
|--|------|-----|------|------|------|------|------|------|------|------|------|------|
| | 1Q | | | 2Q | | | 3Q | | | 4Q | | |
| | Apr. | May | Jun. | Jul. | Aug. | Sep. | Oct. | Nov. | Dec. | Jan. | Feb. | Mar. |
| Board of Directors meetings held | ● | ● | ●● | | ● | ● | | ● | ● | ● | ● | ● |
| State of progress in implementing Management Policies (2021–2023) | ● | | | | | | | ● | | | | |
| Matters related to personnel and evaluation of directors, etc. | ● | | ● | | | | | | ● | | ● | ● |
| State of operation of the internal control system, including the Group's risk management and compliance | ● | ● | | | | | | ● | ● | | | ● |
| State of initiatives related to the Corporate Governance Code, including cross shareholdings and evaluation of Board of Directors' effectiveness | | ● | ● | | ● | | | ● | ● | | ● | ● |
| State of sustainability-related initiatives | | | ● | | ● | | | ● | | | ● | ● |
| State of dialogue with investors | | | | | | ● | | | | | | |
| State of initiatives to prevent recurrence of past information security incidents and to improve organizational culture accordingly | ● | | | | | | | ● | | | | |
| State of examination of Management Policies (2024–2026) and other material items related to business execution | → | | | | | | | | | | | |

Evaluation of Effectiveness of the Board of Directors

To continuously improve corporate value, we consider it important for the Board of Directors to enhance governance by sufficiently fulfilling its functions. Since the Board of Directors meeting in FY2015, we have worked to improve its functionality by conducting self-assessments

by the Board of Directors.

In FY2023, with the support of outside consultants, we conducted an evaluation of Board of Directors' effectiveness from the standpoint of further reinforcing the functions of the Board of Directors in order to implement the new Management Policies, which start in FY2024.

Board of Directors Effectiveness Evaluation Process

| | | | |
|---|--|--|---|
| Target | All FY2023 directors (8) and Audit & Supervisory Board members (5) | | |
| Board of Directors Effectiveness Evaluation Process | Step 1 : Anonymous questionnaire by all Directors and Audit & Supervisory Board members Step 2 : Analysis of the results of a questionnaire by outside consultants and individual interviews and report on all Directors and Audit & Supervisory Board members Step 3 : Deliberation and evaluation by the Board of Directors Step 4 : Formulation of action policies based on the evaluations Step 5 : Initiatives | | |
| Evaluation Items (71 questions in total) | ① Management issues and role and function of Board of Directors ② State of progress in implementing FY2023 response measures ③ Size and composition of the Board of Directors ④ Operation of the Board of Directors | ⑤ Composition and role of the Nomination & Remuneration Committee ⑥ Operation of the Nomination & Remuneration Committee ⑦ Directors and Audit & Supervisory Board members training ⑧ Support system for outside directors ⑨ Role of and expectations for Audit & Supervisory Board members from a Board of Directors' perspective | ⑩ Role of Audit & Supervisory Board members ⑪ Relationship with investors and shareholders ⑫ Overall effectiveness of corporate governance system and the Board of Directors ⑬ Self-assessment |

Results of FY2023 Evaluation and Policies for FY2024

| | |
|-------------------------------|---|
| Issues Identified in FY2022 | (1) Materials for each Board of Directors' meeting ought to be prepared further in advance and the content improved. Greater effort is also needed to enhance the proceedings and management of Board meetings. Rather than simply providing explanations, answering questions, and sharing knowledge concerning the agenda items, more substantive discussions on the important issues need to be conducted by the Board. (2) Whenever a serious incident occurs, the Board of Directors must strive to quickly disseminate relevant information. Then, it needs to maintain oversight of measure implementation to prevent recurrence. Furthermore, it should take steps to reform the organizational climate and monitor efforts to enhance and maintain compliance and risk management awareness among the Company's officers and employees. |
| Actions to Be Taken in FY2023 | (1) In order to achieve further growth, the Board of Directors will further deepen substantive discussions, not only on management strategies but also on human resource strategies, global strategies, risk management, and other matters, while taking into consideration management strategies. The Board will also continue to enhance the materials necessary to facilitate such discussions. (2) In light of the incident involving the loss of USB flash drives in June 2022, the Board of Directors will promptly share information when a major incident occurs and monitor the state of initiatives to transform the organizational climate and strengthen corporate officers and employees' compliance and risk management awareness so that this type of incident never occurs again. |
| FY2023 Evaluation | (1) Opportunities for discussion and dialogue regarding business strategies, etc., have increased, and some progress has been made. However, in order to hold more effective and specific discussions on risk management as well as business strategies and the corresponding human resource and global strategies, the Board of Directors needs to further improve the way its discussions are conducted, as well as material content and provision methods. (2) While it has dealt with compliance incidents and similar situations appropriately, the Board of Directors must ensure continued efforts and monitoring to enhance compliance and risk management awareness among officers and employees. This includes measures to improve organizational culture and further raise compliance awareness in the workplace. |
| Actions to Be Taken in FY2024 | (1) In order to deepen discussions on business, technology, and human resource strategies (including succession plans), along with risk management and the allocation of management resources, we will take the following measures: further enhance agenda setting for Board of Directors' meetings, further improve meeting progress, make use of opportunities outside of Board of Directors' meetings, and share more information with outside directors. (2) In order to help prevent serious incidents and accidents, the Board of Directors will continue to effectively oversee efforts to transform the organizational climate, while enhancing workplace awareness of compliance and risk management. |

Initiatives to Enhance Corporate Governance

The BIPROGY Group ceaselessly improves on initiatives for enhancing corporate governance as a mechanism for implementing transparent, fair, prompt, and decisive decision making. To create business ecosystems, it is important to expand business opportunities through trust with a

variety of stakeholders. Therefore, in addition to ensuring diversity of directors and Audit & Supervisory Board members, we also consider succession plans for rapid evolution a priority issue.

Changes in the Corporate Governance System

Overall Overall Corporate Governance **Diversity** Diversity in Directors and Audit & Supervisory Board Members **Succession** Succession Plan
Effectiveness Evaluation of Effectiveness of the Board of Directors **Remuneration** Remuneration System

| Main Initiatives | | Details/Objectives |
|------------------|--|--|
| 2001 | Overall Introduced corporate officer system | Separation of management supervision and execution and more efficient business execution |
| 2004 | Overall Changed the term of office of directors from two years to one year | Establishment of a flexible management structure and clarification of directors' responsibilities |
| 2012 | Remuneration Introduced performance-based remuneration system for directors (excluding outside directors) and corporate officers | Increase in motivation to contribute to improving business results and corporate value |
| 2013 | Overall Changed the ratio of outside directors to at least one-third (3 outside directors out of 9) | Improvement of management transparency and objectivity |
| 2015 | Overall Established Corporate Governance and Internal Control Principles | Clarification of basic approach to corporate governance and internal control and its structure/management policy |
| | Overall Revised the regulations of the Board of Directors, etc. | Revision of agenda standards at Board of Directors meetings |
| | Overall Established Nomination & Remuneration Committee | To obtain the involvement and advice of an outside independent director on the appointment, removal and remuneration of directors and Audit & Supervisory Board members |
| | Diversity Increased the number of women serving as outside directors by 1 (outside directors became 4 from 3) | Strengthening of diverse viewpoints |
| | Overall Established Evaluation Criteria for Independence of Outside Directors | Clarification of the Company's standards for independence |
| 2016 | Overall Revised the evaluation criteria for independence in the Evaluation Criteria for Independence of Outside Officers | Clarification of independence criteria for outside auditors |
| | Succession Formulated a senior management succession plan including the CEO | Sustainable growth |
| | Effectiveness Started evaluation of the effectiveness of the Board of Directors | Improve the functioning of the Board of Directors |
| | Remuneration Introduced performance-linked bonuses | Increase in motivation to contribute to improving business results and corporate value |
| 2018 | Succession Launched the Management Leader Program Expanded the scope of the senior management succession plan | Selection and cultivation of candidates for senior management, including the CEO |
| | Effectiveness Evaluated effectiveness in FY2017 (third time) after appointing an outside specialized agency | Use of objective analysis by external experts for evaluation |
| 2019 | Overall Appointed an outside director as chairperson of the Nomination & Remuneration Committee | Improve the effectiveness of the appointment, removal and remuneration system of directors and Audit & Supervisory Board members |
| 2020 | Overall Formulated the selection criteria and procedures for outside directors | Improvement of management transparency and objectivity |
| | Overall Increased the number of independent outside directors in the Nomination & Remuneration Committee to 2 | Strengthen the independence and objectivity of the Nomination & Remuneration Committee |
| | Effectiveness Evaluated effectiveness in FY2019 (fifth time) after appointing an outside specialized agency | Use of objective analysis by external experts for evaluation |
| 2021 | Remuneration Revise director remuneration system (introduce restricted-stock-as-remuneration system) | Raise desire to contribute to greater medium- to long-term performance and corporate value |
| | Overall Increase the number of outside directors and disclose skill matrix | Select directors and Audit & Supervisory Board members who possess a wide range of knowledge and experience to realize Vision 2030 and implement Management Policies (2021–2023) |
| 2022 | Overall Changed the ratio of outside directors to 1:1 (4 outside directors out of 8 directors) | Improve management transparency and objectivity |
| | Overall Independent outside directors become majority of Nomination & Remuneration Committee members (2 outside members out of 3) | Strengthen the independence and objectivity of the Nomination & Remuneration Committee |
| 2024 | Effectiveness Evaluated effectiveness in FY2023 (ninth time) after appointing an outside specialized agency | Use of objective analysis by external experts for evaluation |
| | Diversity Appoint a woman internal director | Strengthen diverse perspective |

Succession Plan

The Nomination and Remuneration Committee, which is chaired by an independent outside director, deliberates on the succession plans for management talent and reports on those deliberations to the Board of Directors in order to secure transparency in the selection process of members of senior management, including CEO. In addition to integrity, a critical quality demanded of the CEO, the plan defines seven important competencies, including foresight and insight. We believe that the degree to which each requirement is demonstrated will vary depending on the business environment (whether the Company is in a period of transition/transformation, or one of extension and expansion).

Qualities Demand for Management Leaders

| | |
|--------------------|-----------------------|
| Integrity | |
| + | |
| Seven competencies | |
| ① | Foresight |
| ② | Insight |
| ③ | Determination |
| ④ | Innovation |
| ⑤ | Passion |
| ⑥ | Execution |
| ⑦ | Diversity & Inclusion |

To facilitate the acquisition and strengthening of the above competencies, we plan and implement the Management Leader Program, a highly selective two-step program, and visualize and monitor candidate talent to strengthen the pipeline of management leader candidates responsible for the future of the Group. This is achieved through assessments and tough assignments, in addition to sessions with internal and external management and experts.

Ability to Create New Value

Foresight refers to the ability to foresee the future of the BIPROGY Group, promote a vision with great aspirations and make a commitment to the future. Insight refers to the ability to understand global trends and changes, identify developments in the Japanese economy, in other words societal swings, and perceive essential value in everything. Determination refers to the ability to decide on a direction with unwavering conviction despite unpredictable conditions and with an awareness of the risks involved.

Ability to Improve

Innovation refers to the power to improve, leaving precedent and custom behind to ambitiously carve out a new path undeterred by difficulties. Passion refers to the ability to gain the cooperation, trust, and encouragement from those around you while passionately engaging in all endeavors and communicating extensively. This also refers to such attributes as a high sensitivity toward information and receiving capabilities, as well as the ability to convey objectives in the direction of realizing dreams, goals to be achieved, and solving problems.

Staying Power

Execution refers to the ability to steadfastly stay the course to achieve results by setting lofty goals companies should strive for and displaying leadership. Diversity and Inclusion refers to the ability to interact with a wide array of people whether inside or outside the Company, recognizing the values of people with various standpoints without stereotyping and pigeonholing them. This also refers to the ability to build proactive relationships based on an understanding of ideas from various corporate and cultural perspectives.

Next generation management who will carry the BIPROGY Group into the future

In Management Policies (2024–2026), we concentrate on developing next generation management, who will drive the Group’s sustainable growth through their strong ambition, as one type of talent that we will focus on increasing the number of. Next generation management refers to talent who possess a strong desire to improve the corporate value of the Group and will drive reforms with innovative ideas, energy and an exciting vision.

We have been carrying out the Management Leadership Program since 2018 with the goal of building a human resource pipeline for producing successors to members of senior management, and seek to generate management leaders committed to continuous transformation based on our succession plan. However, we redesigned the program from scratch in FY2023 because it was difficult to reinforce the human resource pipeline and promote employees through initiatives that had been undertaken. Starting in FY2024, we will carefully create a succession talent pool and implement a series of previously designed mechanisms, such as individual assessment of target talent, training programs, and post-program assessments. During this phase, we will be more directly involved in training management candidates and visualizing the pipeline. We aim to link this to the Group’s sustainability management by monitoring a successor preparation rate as a KPI.

Remuneration System

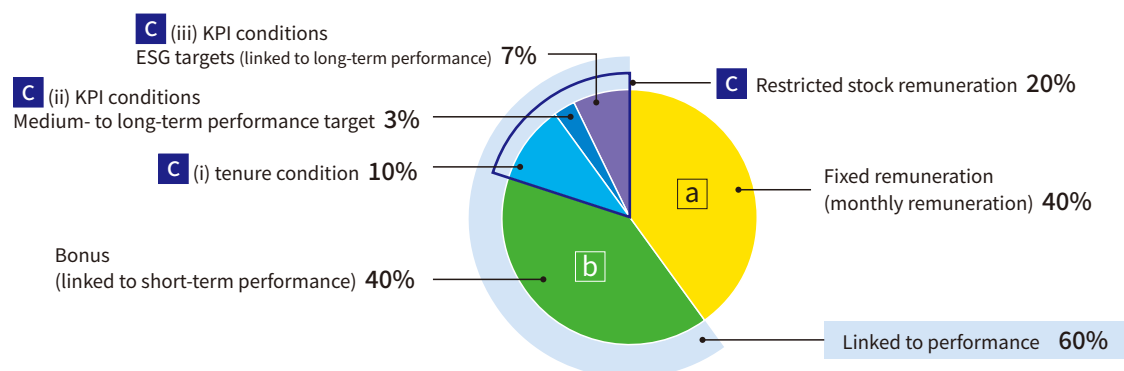
For remuneration for executive directors, the weight of performance-based bonus and stock remuneration was increased and, if performance targets are fully met, the fixed remuneration, performance-based bonus (linked to profit attributable to owners of parent), and stock remuneration are paid in a ratio of 4:4:2.

Non-executive directors are paid only a fixed monthly salary that is not linked to performance to guarantee effective advising and monitoring of management. Policies for determining director remuneration calculation methods are set through deliberations by the Nomination & Remuneration Committee, an advisory committee of the Board of Directors, and subsequently approved by the Board of Directors.

Restricted stock remuneration tied to medium-to long-term and long-term performance

In FY2021, we introduced a remuneration system that incorporates both performance targets linked to medium-to long-term performance and long-term performance conditions that include actual response to sustainability issues such as climate change. The goal is to enhance corporate value in the medium- to long-term and strengthen the linkage between compensation and medium- to long-term and long-term performance.

Illustration of Executive Director Remuneration



a Fixed remuneration (monthly remuneration)

The monthly remuneration for directors shall be no more than ¥35 million, and for Audit & Supervisory Board members no more than ¥8 million.

b Bonus (linked to short-term performance)

The total annual amount of bonuses for executive directors shall be no more than ¥400 million, and is determined by the Board of Directors in accordance with a standard amount by position and a standard coefficient based on profit attributable to owners of parent as determined by the Nomination & Remuneration Committee (for now, up to 0.5%).

c Restricted stock remuneration

The Company has adopted a restricted stock remuneration plan for executive directors, which incorporates three requirements and indicators: (i) tenure condition, (ii) medium- to long-term performance target (total

shareholder return (TSR) growth rate versus TOPIX), and (iii) ESG targets (see pages 18-19, 87). These are paid at a ratio of 3:1:2, respectively.

The tenure conditions in (i) are designed to have executive directors share awareness and value with shareholders through share ownership. The performance indicator in (ii) is linked to medium- to long-term business performance, a comparative measure versus TOPIX of the degree to which we have independently increased our corporate value independently of overall market influence. The ESG indicators in (iii) function as guideposts to the realization of important issues that we are taking action on. The total annual amount of monetary claims for restricted stock remuneration shall be no more than ¥200 million per year (the total annual number of shares of common stock to be issued or disposed of in exchange for this compensation is limited to 66,000).

Total Remuneration in FY2023 for Directors and Audit & Supervisory Board Members with Subtotals for Each Type of Remuneration and Numbers of Recipients

| Classification | Total Remuneration Paid (Millions of yen) | Remuneration Paid by Type (Millions of yen) | | | Recipients |
|--|---|---|------------------|-----------------------------|------------|
| | | a Fixed Remuneration | b Bonuses | c Stock Remuneration | |
| Directors (Excluding outside directors) | 331 | 142 | 129 | 58 | 4 |
| Audit & Supervisory Board members (Excluding outside auditors) | 34 | 34 | — | — | 2 |
| Outside directors and outside auditors | 73 | 73 | — | — | 8 |

(Notes) 1. Amounts listed are rounded down to the nearest million yen.

2. One non-executive director is not eligible for bonus and stock remuneration.

3. Auditors and outside directors are not eligible for bonus and stock remuneration.

4. The stock remuneration figures in the table above indicate the amounts recorded as costs for the fiscal year under review in the costs about restricted stock as remuneration granted to three executive directors.

5. The officer retirement benefit plan was cancelled as of June 30, 2006 as resolved at a meeting of Board of Directors convened on April 28, 2006.

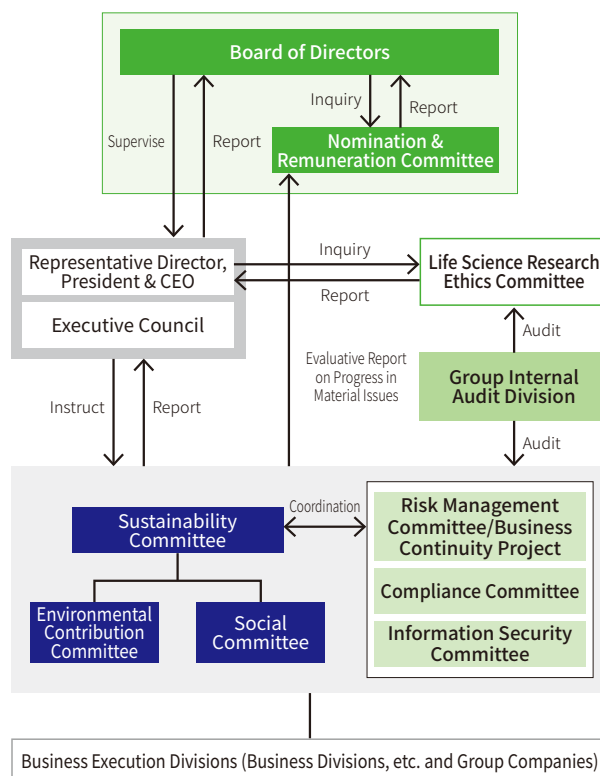
6. The table above includes remunerations, etc. for one director who retired at the conclusion of the 79th Ordinary General Meeting of Shareholders held on June 28, 2023.

Sustainability-related Governance

In addressing sustainability issues across the Group, we have established a framework under the belief that strengthening management and governance is essential. In addition to the Sustainability Committee, a decision-making body chaired by the CSO, who has overall responsibility for initiatives that contribute to achieving SDGs and the sustainability management strategy, we have established the Environment Contribution Committee and Social Committee, subordinate bodies for each of the fields of environment and society. The Executive Council and three committees deliberate and report on important matters related to initiatives to address issues concerning the environment, society, and sustainability.

Furthermore, the Board of Directors receives reports on the state of the main activities, including addressing sustainability issues from each committee and organization, and deliberates and makes decisions from multifaceted perspective. We have also strengthened collaboration among the various committees by having the Chair of the Compliance Committee serve as a Sustainability Committee member since October 2022, and the Chairs of the Risk Management Committee/Business Continuity Project and Information Security Committee since April 2023.

Sustainability Promotion Structure (As of June 27, 2024)



Committee Overview

| Body | Meetings held (FY2023) | Members (as of June 27, 2024) | |
|--------------------------------------|------------------------|---|---|
| | | Chair | Members |
| Sustainability Committee | 13 | <ul style="list-style-type: none"> CSO (Representative Director, Executive Corporate Officer) | <ul style="list-style-type: none"> CFO Environment Contribution Committee Chair Social Committee Chair President of UNIADEx, Ltd. Compliance Committee Chair Other persons who have been appointed by Chair |
| Environmental Contribution Committee | 7 | <ul style="list-style-type: none"> Appointed by Sustainability Committee Chair (corporate officer) | <ul style="list-style-type: none"> Environment Contribution Committee Chair selects responsible persons of related responsible organizations within the Group |
| Social Committee | 6 | <ul style="list-style-type: none"> Appointed by Sustainability Committee Chair (corporate officer) | <ul style="list-style-type: none"> Social Committee Chair selects responsible persons of related responsible organizations within the Group |

Main items regarding sustainability deliberated on (FY2023)

| Sustainability Committee | Board of Directors |
|---|---|
| <ul style="list-style-type: none"> Progress in achieving material issue metrics Setting new KPI and targets for material issues Setting basic policies for non-financial information disclosure Scope 3 GHG emission reduction target | <ul style="list-style-type: none"> Progress in achieving material issue indicators Setting new KPI and targets for material issues Main ESG evaluations and issues |

Policy Regarding Constructive Dialogue with Shareholders and Other Investors

In addition to disclosing information to its shareholders and other investors at a suitable time and in an appropriate manner, the Group engages in proactive investor relations and shareholder relations activities, led mainly by its CEO, CFO, and the executive in charge of corporate governance promotion, in the belief that repeatedly engaging in mutual dialogue leads to the fair assessment of its value. The details of dialogue with and opinions and suggestions made by the responsible staff of overseas and Japanese institutional investors*¹ with various investment styles*² are reported to

members of senior management and the Board of Directors in a timely manner. These opinions are then used to make improvements to the Group's management. Feedback regarding the state of dialogue in FY2023 was provided to the Board of Directors twice (September 2023 and April 2024).

*¹ Active/passive, growth/value/dividend-focused, etc.

*² Fund managers, analysts, ESG analysts, and voting rights exercisers.

State of dialogue (FY2023)

| Type of dialogue | Dialogue frequency / number of companies (total) | |
|-----------------------------|--|--|
| Financial results briefings | 4 times | |
| Small meetings | 2 times | |
| IR/SR meetings | 246 times | Institutional investors and analysts 445 companies Of which, institutional investor voting rights exercisers 10 companies |
| Overseas roadshows | 5 times | |

Main topics discussed in dialogue and items of interest

- Details of overall earnings
- Changes in the business environment
- Thoughts regarding investments and shareholders return
- State of the Group's response to market topics such as DX and AI, etc.

Items incorporated considering dialogue and subsequent feedback

- Expand disclosure in financial results briefing materials
- Clarify capital allocation policies in Management Policies (2024–2026)

Main initiatives to improve effectiveness of dialogue and strengthen disclosure

- Hold business briefings
- Reinforce overseas roadshows

Cross-Shareholdings

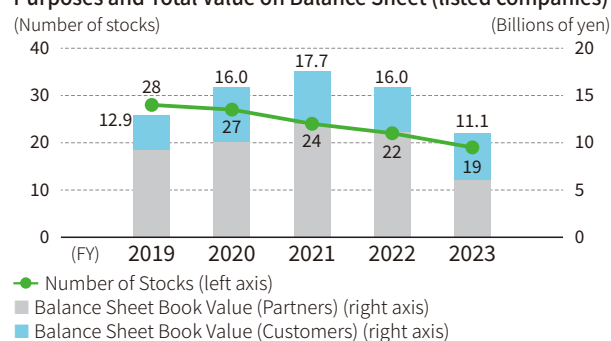
The Company may strategically hold shares of partners if it is deemed that this would contribute to greater corporate value for the Company, such as resulting in a stronger profit basis by maintaining or strengthening the relationship with partners. The determination to acquire stock is made pursuant to its internal regulations. As for the subsequent holding of the shares, the Board of Directors verifies whether it is appropriate each year, and we are working to reduce such holdings. As a result, the total amount of listed stocks on the balance sheet at the end of FY2023 declined ¥4.8 billion from the end of the previous fiscal year, and the number of stocks held decreased by 3 stocks from the end of the previous fiscal year to 19 stocks. The total book value of cross-shareholdings has fallen to 7.6% of total equity (end of the previous fiscal year: 12.3%), and we will continue to sell off shares that are less important to hold.

If the counterparty of strategic shareholdings who holds BIPROGY shares indicates a desire to dispose of the shares they hold, BIPROGY will appropriately respond to the sale without trying to prevent the sale.

Results of examination of shares held as of March 31, 2024, at the Board of Directors' meeting held in June 2024

- Considered sustainability of purpose for holding and compatibility with business strategy from medium- to long-term perspective
- Confirmed the results for items such as related business profit taking into consideration cost of capital, too, and economic rationality for holding the shares

Number of Stocks Held by BIPROGY for Non-pure Investment Purposes and Total Value on Balance Sheet (listed companies)



Total balance sheet book value of cross-shareholdings **7.6% of total equity (as of March 31, 2024)**

Status of Response to Corporate Governance Code

All areas are addressed. See the Company's website listed to the right for details on corporate governance and internal control.

- Corporate Governance and Internal Control Principles
- Corporate Governance Report
- Necessary Systems to Ensure Appropriate Operations and Status of Operation of the Systems

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

Directors, Audit & Supervisory Board Members, and Corporate Officers

(As of June 27, 2024)

Directors



No. of attendance to the Board of Directors Meetings 12/12

No. of company shares held 24,800

Noboru Saito
Representative Director, President, Chief Executive Officer (CEO), Chief Health Officer (CHO)

Apr. 1986 Joined the Company
Apr. 2004 General Manager of Industry & Commerce 2 Department of the Company
Apr. 2009 General Manager of Industry & Commerce Department of the Company
Apr. 2010 General Manager of Industry & Commerce 2 Department of the Company
Apr. 2012 General Manager of Business Services Department of the Company
Apr. 2013 Corporate Officer of the Company
Apr. 2016 Senior Corporate Officer of the Company
Jun. 2016 Director, Senior Corporate Officer of the Company
Apr. 2020 Representative Director, Executive Corporate Officer of the Company
Jun. 2022 Outside Director, Seiko Group Corporation (present)
Apr. 2024 Representative Director, President & CEO of the Company (present)



No. of attendance to the Board of Directors Meetings 12/12

No. of company shares held 14,600

Koji Katsuya
Representative Director, Executive Corporate Officer, Chief Sustainability Officer (CSO)

Jan. 1985 Joined the Company
Jul. 2007 Senior Project Manager of S-BITS Project, Software & Services Department of the Company
Apr. 2011 General Manager, Financial 3 Department of the Company
Apr. 2012 Deputy Division Manager of Financial Business Division
Apr. 2014 Corporate Officer, General Manager of Corporate Planning Department of the Company
Apr. 2016 Senior Corporate Officer of the Company
Jun. 2016 Director, Senior Corporate Officer of the Company
Apr. 2021 Director, Executive Corporate Officer of the Company
Apr. 2024 Representative Director, Executive Corporate Officer of the Company (present)



No. of company shares held 2,100

Nomination & Remuneration Committee

Taeko Sawakami
Director, Corporate Officer, Chief Human Resource Officer (CHRO), Chief Risk Management Officer (CRMO)

Apr. 1993 Joined the Company
Oct. 2016 Strategic Business Planning, Corporate Planning
Apr. 2020 General Manager, Corporate Planning
Apr. 2021 Corporate Officer, CRMO of the Company
Apr. 2024 Corporate Officer of the Company
Jun. 2024 Director, Corporate Officer of the Company (present)



No. of attendance to the Board of Directors Meetings 12/12

No. of company shares held none

Takahito Kanazawa
Director

Dec. 1998 General Manager of Digital & Information Network Systems Department, Tokyo Sales & Business Planning Division Digital & Information Network Systems Department, Business Form & Securities Printing Operations, Dai Nippon Printing Co., Ltd.
Apr. 2007 General Manager of System Development Division, Information Processing Solutions Operations System Development Division, Dai Nippon Printing Co., Ltd.
Oct. 2008 General Manager of Production Division, Information Processing Solutions Operations Production Division, Dai Nippon Printing Co., Ltd.
Oct. 2012 General Manager of BPO Development Division, Information Solution Operations BPO Development Division, Dai Nippon Printing Co., Ltd.
Oct. 2016 Deputy General Manager of BPO Center, Information Innovation Operations BPO Center, Dai Nippon Printing Co., Ltd.
Apr. 2017 Representative Director, President, DNP Data Techno Co., Ltd.
Apr. 2018 General Manager of Information Systems Division, Dai Nippon Printing Co., Ltd.
Jul. 2018 General Manager of ICT Business Development Division, Advanced Business Center, Dai Nippon Printing Co., Ltd.
Jun. 2019 Corporate Officer, General Manager of ICT Business Development Division, Advanced Business Center, Dai Nippon Printing Co., Ltd.
Jun. 2021 Director of the Company (present)
Oct. 2021 Corporate Officer, General Manager of Advanced Business Center, in charge of Information Systems Division, Dai Nippon Printing Co., Ltd.
Jun. 2022 Senior Corporate Officer, General Manager of Advanced Business Center, in charge of Information Systems Division, Dai Nippon Printing Co., Ltd.
Apr. 2023 Senior Corporate Officer, General Manager of Advanced Business Center, in charge of Information Systems Division, Education Business Division, ICT Management Office Technology, Research & Development Division, Dai Nippon Printing Co., Ltd.
Apr. 2024 Senior Corporate Officer, General Manager of Advanced Business Center, in charge of Information Systems Division, Education Business Division, ICT Management Office Technology, Research & Development Division, Content & XR Communication Division of Dai Nippon Printing Co., Ltd.
Jun. 2024 Managing Director, General Manager of Advanced Business Center, in charge of Information Systems Division, Education Business Division, ICT Management Office Technology, Research & Development Division, Content & XR Communication Division of Dai Nippon Printing Co., Ltd. (present)



No. of attendance to the Board of Directors Meetings 12/12

No. of company shares held none

Chairperson of the Nomination & Remuneration Committee

Nalin Advani
Outside Director, Independent Director

Apr. 1984 Venture Capitalist, Investment / Corporate Strategy Advisor (present)
Sep. 1998 Director, Chief Marketing Officer, eSOL Co., Ltd.
Jan. 2007 President, Barco Co., Ltd. (Japan) (Retired in Jul. 2011)
Aug. 2009 Managing Director, Barco Electronic Systems Pvt Ltd. (India) (Retired in Aug. 2011)
Jan. 2010 Graduated from the UCLA Anderson and NUS (National University of Singapore) Business School
Sep. 2011 Vice President, Asia Pacific, Barco Pte Ltd. (Retired in Dec. 2015)
Aug. 2013 Guest Lecturer, National University of Singapore Business School (present)
Nov. 2015 Co-Founder, KPISOFT Inc (entomo pte ltd of the present) (present)
Feb. 2016 CEO Asia Pacific & Japan, Grey Orange Pte. Ltd. (Retired in Mar. 2019)
Jun. 2021 Outside Director of the Company (present)
Feb. 2023 Adjunct Professor, Graduate School of Leadership and Innovation, Shizenkan University (present)
Mar. 2023 Representative Director (Chairman), General Incorporated Association Yokohama India Centre (present)



No. of attendance to the Board of Directors Meetings 12/12

No. of company shares held none

Nomination & Remuneration Committee

Yoshinori Ikeda
Outside Director, Independent Director

Apr. 1985 Joined the National Tax Agency JAPAN
Jul. 1992 District Director, the Seto Taxation Office, Hiroshima Regional Taxation Bureau
Jul. 1995 Harvard Law School (Obtained Master of Laws in Jun. 1996)
Jul. 2004 Visiting Researcher, Georgetown University Law Center (Retired in Jun. 2005)
Jul. 2008 Director, Office of Mutual Agreement Procedures of the National Tax Agency Assistant Regional Commissioner (Planning and Administration), Nagoya Regional Taxation Bureau
Director, International Operations Division of the National Tax Agency
Director, Large Enterprise Examination Division of the National Tax Agency
Regional Commissioner, Okinawa Regional Taxation Bureau
Oct. 2020 General Manager, International Tax Division, Hongo Tsuji Tax & Consulting
Nov. 2020 Admitted as Certified Public Tax Accountant
Apr. 2021 Lecturer at Graduate School of Global Business, Meiji University
Apr. 2022 Professor at Graduate School of Global Business, Meiji University (present)
Advisor, Hongo Tsuji Tax & Consulting (present)
Jun. 2022 Outside Director of the Company (present)



No. of attendance to the Board of Directors Meetings 10/10

No. of company shares held none

Nomination & Remuneration Committee

Asako Osaki
Outside Director, Independent Director (Newly appointed)

May 1997 Masters in International Affairs (MIA) (international human rights law and human rights issues) from Columbia University
Jun. 1997 Joined the Bureau for Development Policy at the United Nations Development Programme (UNDP) New York Headquarters
Jan. 2006 Worked independently as an expert on international cooperation and gender issues (present)
Apr. 2009 Visiting Professor, School of Policy Studies, Kwansei Gakuin University (Retired in Mar. 2024)
Jun. 2011 Director, Specified non-profit corporation Gender Action Platform (present)
Apr. 2016 Evaluation Committee Member of the National Action Plan on Women, Peace and Security (WPS), Ministry of Foreign Affairs (present)
Apr. 2021 Expert Member, Council for Gender Equality, Cabinet Office (present)
Jan. 2022 Member of the Domestic Committee of ISO/PC337 "Guidelines for the promotion and implementation of gender equality" and an expert representing Japan in the Working Group on Gender Equality (present)
Jun. 2023 Outside Director of the Company (present)
Jan. 2024 Representative of Japan, Commission on the Status of Women (CSW), Ministry of Foreign Affairs (present)
Apr. 2024 Part-time Lecturer, School of Education of Waseda University (present)



No. of company shares held none

Yuichi Katayama
Outside Director, Independent Director

Apr. 1979 Joined The Industrial Bank of Japan, Limited (currently Mizuho Bank, Ltd.)
Apr. 2008 Officer of Mizuho Corporate Bank, Ltd. (currently Mizuho Bank, Ltd.)
Jul. 2009 Managing Executive Officer and Director in charge of Corporate Banking of Mizuho Corporate Bank, Ltd.
Apr. 2012 Managing Executive Officer and Director, second in charge of Branch Banking Division of Mizuho Bank, Ltd.
Apr. 2013 Executive Officer of Oriental Land Co., Ltd.
Jun. 2013 Executive Director, Executive Officer of Oriental Land Co., Ltd.
Apr. 2015 Executive Director, Senior Executive Officer of Oriental Land Co., Ltd.
Apr. 2019 Executive Director, Executive Vice President Officer of Oriental Land Co., Ltd.
Apr. 2022 Executive Director, Executive Vice President Officer, Supervisor of the Corporate Venture Capital Business Segment, the Finance/Accounting and the Sponsor Marketing Alliance Departments, in charge of Overseeing the Project Development of Oriental Land Co., Ltd.
Apr. 2024 Executive Director, Executive Vice President Officer, in charge of the Sponsor Marketing Alliance Departments and the Special Assignment of Oriental Land Co., Ltd. (present)
Jun. 2024 Outside Director of the Company (present)

Audit & Supervisory Board Members



No. of company shares held
278

Mikinori Kobayashi
Full-Time Auditor

Apr. 1986 Joined the Company
Jul. 2011 General Manager of Business Service Sales Section V, Industry & Commerce 2 Department of the Company
Apr. 2014 Director, Sales 1, Business Services
Apr. 2016 General Manager, Corporate Marketing
Apr. 2018 General Manager, Group Marketing
Jun. 2020 General Manager, Group Marketing and Director, Emellence Partners Inc.
Nov. 2020 General Manager of Group Marketing Department of the Company, Director of Emellence Partners, Inc. (Retired in Jun. 2021), Representative Director of Tech Viewing, Ltd. (Retired in Mar. 2021)
Jun. 2021 Audit & Supervisory Board Member of UNIADEX, Ltd. (present) (Scheduled to retire on June 21, 2024)
Jun. 2024 Auditor of the Company (present)



No. of attendance to the
Board of Directors Meetings
12/12
No. of attendance to the Audit
& Supervisory Board
Meetings 16/16
No. of company shares held
900

Masaya Oishi
Full-Time Auditor, Outside Auditor, Independent Officer

Apr. 1983 Joined The Norinchukin Bank
Jul. 2011 General Manager, System Planning Division, The Norinchukin Bank
Jun. 2013 Member of Audit & Supervisory Board, The Norinchukin Bank
Jun. 2015 Managing Executive Officer, Deputy Head of Asset Management Unit, Mizuho Financial Group, Inc. (Retired in Mar. 2021)
Managing Director and Managing Executive Officer, in charge of JA Sales Dept. of Markets & Products Division and Corporate Investment Services & Retail Business Division, Mizuho Securities Co., Ltd. (Retired in Mar. 2021)
Jun. 2021 Outside Auditor of the Company (present)



No. of attendance to the
Board of Directors Meetings
12/12
No. of attendance to the Audit
& Supervisory Board
Meetings 16/16
No. of company shares held
none

Hirofumi Hashimoto
Auditor

Jan. 1992 Manager of Control Section, Planning & Control Department, Business Form & Securities Printing Operations, Dai Nippon Printing Co., Ltd.
Jan. 1997 P.T. DNP Indonesia
Apr. 2002 General Manager of Planning & Control Department, Commercial Planning Operations, Dai Nippon Printing Co., Ltd.
Apr. 2007 General Manager of Dynamic Advanced Communication Division, Commercial Planning Operations, Dai Nippon Printing Co., Ltd.
Nov. 2009 General Manager of Strategic Business Planning Department, Dai Nippon Printing Co., Ltd.
Jun. 2015 Corporate Officer, General Manager of Strategic Business Planning Department, Dai Nippon Printing Co., Ltd.
Oct. 2017 Corporate Officer, General Manager of Strategic Business Planning & Development Division, Dai Nippon Printing Co., Ltd.
Apr. 2018 Corporate Officer, in charge of Strategic Business Planning & Development Division, Value Creation & Promotion Division, Dai Nippon Printing Co., Ltd.
Jun. 2018 Auditor of the Company (present)
Senior Corporate Officer, in charge of Strategic Business Planning & Development Division, Value Creation & Promotion Division, Dai Nippon Printing Co., Ltd.
May 2019 Senior Corporate Officer, in charge of Strategic Business Planning & Development Division, Value Creation & Promotion Division, Sanaicho Sales Division, Dai Nippon Printing Co., Ltd.
Jun. 2020 Managing Director, in charge of Strategic Business Planning & Development Division, Value Creation & Promotion Division, Sanaicho Sales Division, Dai Nippon Printing Co., Ltd. (Present)
Apr. 2023 Managing Director in charge of IR and Public Relations Division, Legal Department, Corporate Administration Department, Auditing Department, Facility Management Promotion Department, Dai Nippon Printing Co., Ltd. (Retired in Jun. 2024)
Apr. 2024 Chairman and Representative Director, Maruzen CHI Holdings Co., Ltd. (present)



No. of attendance to the
Board of Directors Meetings
12/12
No. of attendance to the Audit
& Supervisory Board
Meetings 16/16
No. of company shares held
none

Harumi Kojo
Outside Auditor, Independent Officer

Apr. 1976 Admitted as an attorney-at-law in Japan (bengoshi)
Jun. 1983 LL.M. at the University of Virginia School of Law, Master of Laws
Apr. 2001 Served as judge in the Tokyo High Court Intellectual Property Division
Oct. 2005 Joined Sakai Mimura Law Office (name at the time)
Jan. 2015 Established Sakurazaka Law Offices (as Partner) (present)
Jun. 2017 Outside Auditor of the Company (present)
Jul. 2021 Auditor, Organization for Cross-regional Coordination of Transmission Operators, JAPAN (present)



No. of attendance to the
Board of Directors Meetings
12/12
No. of attendance to the Audit
& Supervisory Board
Meetings 16/16
No. of company shares held
none

Keiko Mizuguchi
Outside Auditor, Independent Officer

Apr. 1986 Joined JP Morgan Chase Bank, N.A., Tokyo Branch (name at present)
Apr. 1995 Associate Director, Standard & Poor's International Ratings, Ltd.
Apr. 1998 Director, Chuo Aoyama Pricewaterhouse Cooper
Nov. 2000 Director, UBS Warburg Japan, Ltd.
May 2002 Senior Credit Analyst, Prudential Investment Management Japan, Inc.
Apr. 2003 Senior Analyst, Chuo Aoyama Pricewaterhouse Cooper
Apr. 2005 Chief Analyst, Japan Credit Rating Agency, Ltd.
Apr. 2008 General Manager of Rating Planning Department, and Chief Analyst, Japan Credit Rating Agency, Ltd.
Feb. 2013 Member of Business Accounting Council / Member of Audit Standard Committee of Business Accounting Council
Apr. 2013 Commissioner of Certified Public Accountants and Auditing Oversight Board
Jun. 2013 Member of Technical Committee: Insurance Contracts (From June 2013), Member of Technical Committee: Financial Instruments (From May 2015), and Member of Technical Committee: Disclosure (From April 2017) of Accounting Standards Board of Japan (Retired in Mar. 2022)
Jul. 2015 Member of Working Group on Development of Infrastructure to Vitalize the Corporate Bond Market, The Japan Securities Dealers Association
Apr. 2017 Counselor and Chief Analyst, Japan Credit Rating Agency, Ltd.
Jan. 2020 Counselor in charge of Research and Planning, Japan Credit Rating Agency, Ltd.
Jun. 2021 Outside Auditor of the Company (present)
Apr. 2022 ESG Economist, Asian Development Bank Institute
Apr. 2023 Provisional Member, Committee on the System of Evaluating Incorporated Administrative Agencies, Ministry of Internal Affairs and Communications (present)
Apr. 2023 Member, Publicly Traded Company Etc. Auditor Registration Review Board, The Japanese Institute of Certified Public Accountants (present)
Jan. 2024 Senior Fellow, Dai-ichi Life Research Institute Inc. (present)
Jun. 2024 Audit & Supervisory Board Member (Outside), The Nissin Oillio Group, Ltd. (present)

Corporate Officers

Kazuma Umehara
Senior Corporate Officer,
CFO

Shinsuke Chiba
Corporate Officer

Takashi Sasaki
Senior Corporate Officer

Hideaki Sato
Corporate Officer

Naoshi Nagashima
Senior Corporate Officer,
CMO

Yoshiko Yamauchi
Corporate Officer, CCO

Yuichiro Fukuda
Corporate Officer

Nobuaki Nakatsugawa
Corporate Officer

Takeshi Yamada
Corporate Officer

Hiromi Watanabe
Corporate Officer

Takashi Miyashita
Corporate Officer, CISO

Shinichi Inoue
Corporate Officer

Yuji Takeuchi
Corporate Officer

Satoshi Kanai
Corporate Officer

Naoya Okuyama
Corporate Officer

Junichi Mitsui
Corporate Officer

Isao Miyata
Corporate Officer

Hiroshi Matsumoto
Corporate Officer

Sadayuki Baba
Corporate Officer,
CDO-CTO

Akira Takanarita
Corporate Officer

Atsushi Tsubouchi
Corporate Officer,
CIO

Notes: 1. Attendance at meetings of the Board of Directors and Audit & Supervisory Board is shown for meetings held between April 1, 2023 and March 31, 2024.
2. No. of attendance to the Board of Directors Meetings of Ms. Asako Osaki is for meetings held on or after June 28, 2023.

Further Improve Integrity

Material Issues

Further improve corporate governance and integrity

Sustainably procure and provide safe, secure products and services throughout the entire value chain

As a corporate group that can provide social value and ICT services as trustworthy, sustainable social infrastructure, the BIPROGY Group adheres to both domestic and overseas laws and regulations. We recognize that acting in line with social norms based on strong ethics and conducting sound, transparent business activities is vital not only in terms of risk management but also for building trust with a wide range of stakeholders, and for solving issues faced by society.

Information Security

Promotion of Information Security

Our Group's information security systems are comprised of the Information Security Committee, which is chaired by the Chief Information Security Officer (CISO), and the organizations under the committee as well as the persons responsible for information security in each organization. The Committee oversees the formulation of the Group's cybersecurity strategy and the protection of personal information, considering and promoting various policies in response to these issues. In addition, in the event of a major incident, the Committee will investigate the cause and thoroughly implement recurrence prevention measures across the Group, in collaboration with the Risk Management Committee chaired by the Chief Risk Management Officer (CRMO). The CRMO reports the various activities of the Information Security Committee to the Executive Committee and the Board of Directors. The CISO participates in the Sustainability Committee as a member, and the CSO, who chairs the Sustainability Committee, reports to the Board of Directors on matters related to the Group's overall sustainability strategy, including reports on initiatives as one of the material issues.

Cybersecurity Measures

To address cybersecurity, the Cyber Security Strategy Project was established under the Information Security Committee, and is being promoted under a cross-organizational structure in cooperation with related divisions and organizations within the Group. We have also established and are operating a CSIRT*¹ and SOC.*² The persons responsible for information security measures and personal information management in each organization assume primary responsibility for information security, and maintain and improve information security by reinforcing the awareness of rules, introducing and operating measures, and continuously inspecting, reviewing, and improving the implementation status of such measures.

In FY2023, system-related policies included strengthening endpoint countermeasures, improving monitoring and operational efficiency, and enhancing monitoring functions for USB flash drives and other portable media use. We also enhanced the monitoring functionality of the cloud storage

service currently in use and initiated threat detection and suspicious session monitoring operations. Furthermore, we are promoting attack surface management*³ by strengthening vulnerability management processes for our IT assets that can be accessed via the Internet.

As for human resource measures, we continue to conduct targeted email training for all employees, as well as role-specific training and exercises for newly appointed organizational heads, system engineers, CSIRT members, and others.

*¹ Acronym for our Computer Security Incident Response Team. A technical support team that specializes in preventing cyberattacks before they occur and responding to associated incidents.

*² Acronym for our Security Operation Center. It monitors and analyzes threats to the Group's networks and servers.

*³ Identifying and managing targeted areas where cyberattacks may be initiated from an attacker's point of view.

Incident Response and Future Initiatives

The Group has established "zero serious security incidents" as a KPI and target for material issues, and the results of annual achievement evaluations are linked to executive compensation. In FY2023, one incident of leakage or potential leakage of customer information occurred in November 2023 when the server managed by the Company in its contracted operations was exposed to unauthorized access. As we have declared our commitment to "strive for the world-highest level of information security at all times," and all Group executives and employees are working to thoroughly implement recurrence prevention measures regarding the loss of the USB flash drives that occurred on June 21, 2022, we take the occurrence of this incident very seriously and have promptly implemented recurrence prevention measures, including further enhancing the security of our systems. We are continuously considering how to improve recurrence prevention measures, including the establishment of new material-issue KPIs in FY2024, and are implementing measures to prevent the fading and dilution of awareness regarding this incident.

Progress of measures to prevent recurrence of the loss of USB flash drives at the Company (Japanese only)

[> https://www.biprogy.com/com/info_security/info202206.html

Information Security Initiatives (Japanese only)

[> <https://biprogy.disclosure.site/ja/themes/114>

Compliance

Corporate Ethics and Compliance

Recognizing compliance to be a top-priority issue in its execution of business, the Group determined its Group Charter of Corporate Behavior, Group Compliance Basic Regulations, and Group Code of Conduct. Our policy under these is for all executives and employees of the Group to engage in ethical activities while complying with laws, regulations, social norms, and internal rules. We have also set forth KPIs and goals for material issues (See p. 18-19) and are endeavoring to enhance Group executives and employees' knowledge of and awareness of compliance. To realize that, the Group has established a Compliance Committee and is working towards promoting compliance programs under the supervision of the Chief Compliance Officer (CCO).

Compliance Education and Awareness Activities

In addition to ensuring thorough awareness of the Group Code of Conduct, which provides a specific code of conduct for all Group executives and employees, we hold various training meetings and harness various intranet/e-learning-based training systems in order to continually implement education and training activities, and promote the adoption and thorough understanding of compliance. During the annual Compliance Week in 2023, a lecture was given by an expert on the theme of "organizational climate." In addition, the BIPROGY Group CCO Meeting was held among the CCOs of each Group company, and a lively

exchange of opinions took place. BIPROGY will continue to strengthen cooperation with Group companies and develop activities to further enhance the Group's compliance system.

In addition, we conduct a compliance awareness survey among all Group executives and employees twice a year to measure the extent to which compliance has been thoroughly understood by the Group, and to ascertain the actual status and issues, which will be used to further promote compliance. The survey is anonymous in order to ensure psychological safety and to collect information that is relevant to the actual situation, but we will continue to consider the most appropriate method to further raise awareness throughout the Group.

Whistleblower System

The Group has set up a hotline to the Compliance Committee office and a hotline to the company auditors. These hotlines both serve as direct internal lines of communication for whistleblower reports. We also have an external whistleblower hotline that facilitates contact via a third party (Integrex Inc.). When whistleblowers' reports or violations are discovered, we respond promptly and appropriately, take strict disciplinary action against the violator, analyze the root cause, and take measures to prevent recurrence. In addition, to ensure that anyone (a whistleblower) filing a report or engaging in consultation is not disadvantaged, we have prepared and operate a whistleblowing structure that conforms to the requirements of the amended Whistleblower Protection Act (effective June 2022), which helps us protect those whistleblowers. Furthermore, the Company has established a policy to take strict measures, such as disciplinary action, against executives and employees who treat whistleblowers in a disadvantageous manner. The status of these activities is reported to the Executive Committee and the Board of Directors. The hotlines received 45 consultations in FY2023 (27 in FY2022), and these were handled appropriately. Not all of the consultations involved compliance violations, and we believe that the increase in the number of consultations was due in part to our efforts to improve access and routes to the hotlines. We will continue our efforts to create an environment where employees feel comfortable accessing the hotline.

Details of Compliance Program (Structures for promoting compliance)

- Establish and promote awareness of policies and regulations
- Organizing and running systems for promoting compliance
- Establishing and running reporting and consultation routes (whistleblower system)
- Education and training activities
- Implementing awareness surveys and other monitoring activities
- Other policies for the promotion of compliance

Main Measures Implemented in FY2023

- **Conducted compliance awareness survey among all Group executives and employees:** Response rates of 96.6% (conducted in July 2023) and 98.0% (conducted in December 2023)
- **Compliance Roundtables:** Each workplace held a dialogue about the loss of USB flash drives, reviewed the incident, and shared points to keep in mind when implementing compliance in the future.
- **Improvement of the whistleblower system (hotline):** Various measures were taken to ensure the safe and secure operation of the whistleblower system, such as improving access and routes to the hotline and enhancing the user guide and the disclosure of case response results.
- **Compliance education and awareness:** Compliance e-learning programs were conducted to provide specific information on compliance practices.
- **Establishment and implementation of Compliance Week:** Messages were sent out from CCOs and organizational heads, lectures were given by experts, and Group company CCO Meetings were held to provide a forum for BIPROGY Group CCOs to exchange opinions.

Group Compliance Basic Regulations (Japanese only)

➡ <https://biprogy.disclosure.site/ja/themes/115>

BIPROGY Group Code of Conduct (Japanese only)

➡ https://www.biprogy.com/com/corporate_code_of_conduct.pdf

Risk Management

Material Issues

Further improve corporate governance and integrity
Sustainably procure and provide safe, secure products and services throughout the entire value chain

We regard companies' efforts to forecast possible developments as well as avoid and mitigate losses as an important component of a foundation for supporting solutions to social problems and creation of value. We are committed to establishing a risk management framework from a medium- to long-term perspective to minimize threats that significantly impact corporate activities, such as intensifying large-scale natural disasters, information security threats, incidents of misconduct, changes in international affairs, and the emergence of infectious diseases.

Reinforcing the Risk Management System

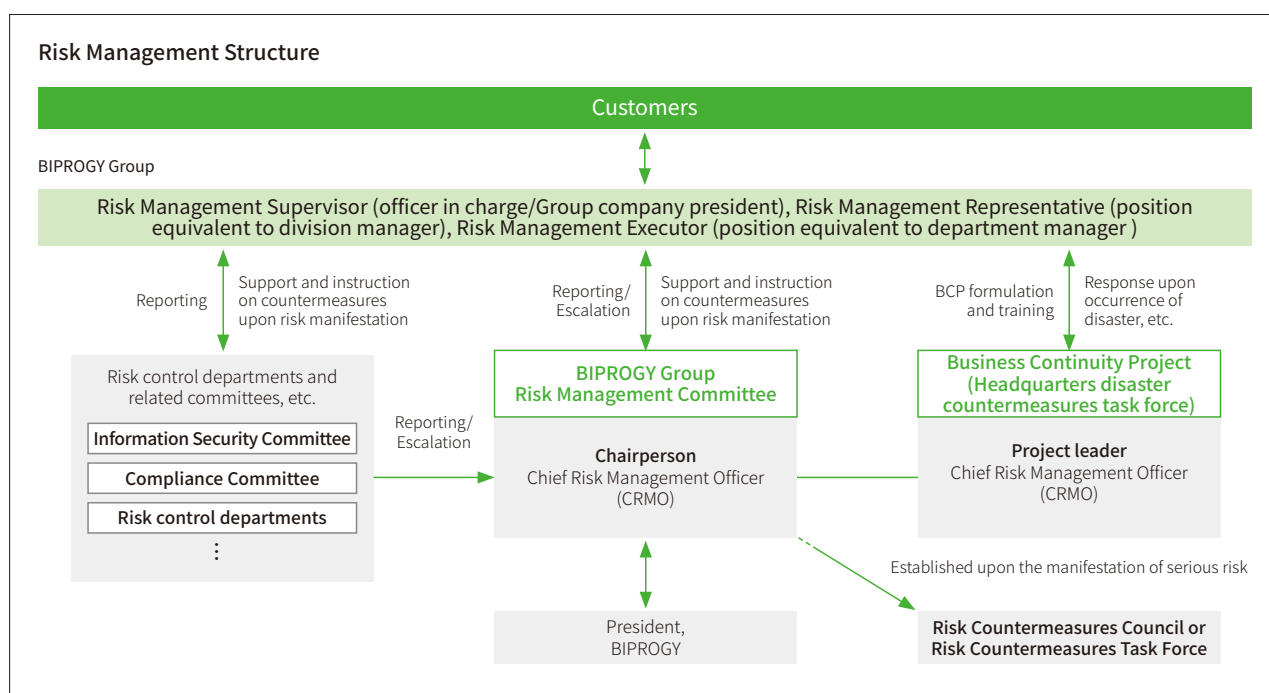
With reference to the ISO31000 international standard for risk management, the BIPROGY Group has named an officer responsible for risk management and established organizations as required, and works on the actions below.

- Formulation of regulations for management of the risk of loss
- Development and implementation of systems necessary for preventing risks
- Dealing with emergencies
- Reviewing risk management items and mechanisms
- Reporting risk management activities to the Board of Directors

We established a Risk Management Committee, chaired by the Chief Risk Management Officer (CRMO), as a body for implementing appropriate countermeasures to the various risks that could have a major impact on business. In addition to coordinating risk management and business continuity throughout the Group, the CRMO is responsible

for building mechanisms to effectively and efficiently conduct this task, investigating, supervising, and providing leadership for those mechanisms, and implementing education activities. The Risk Management Committee monitors and reviews the risk management performance throughout the Group and provides the necessary leadership for continuous improvements. Reports regarding the situation are submitted to the Executive Council and Board of Directors by the CRMO. If a major risk materializes, the department originally impacted or the relevant committee promptly reports it to the Risk Management Committee. Depending on the severity, a Risk Countermeasures Council or a Risk Countermeasures Task Force is set up to address the risk quickly and precisely.

The leader of each division, department, and Group company is responsible for the roles and duties related to managing risks at their organizational unit and establishes



systems to undertake crisis management in partnership with all employees in order to minimize damage and maintain business when a serious risk materializes. For risks related to major development projects, the Project Review Committee and R&D/Investment Committee, which management participates in, conduct audits. To manage information assets, such as personal information, we have established the Information Security Committee, which is chaired by the CISO, formulated a cybersecurity strategy, and appropriately respond to risks.

Having established a management structure that conforms with the Institute of Internal Auditors' three lines model, we thoroughly implement substantive management measures by having all three divisions—that is, the Business Division, Risk Management Division, and Internal Audit Division—comprehensively and continuously manage risk in a systematic fashion.

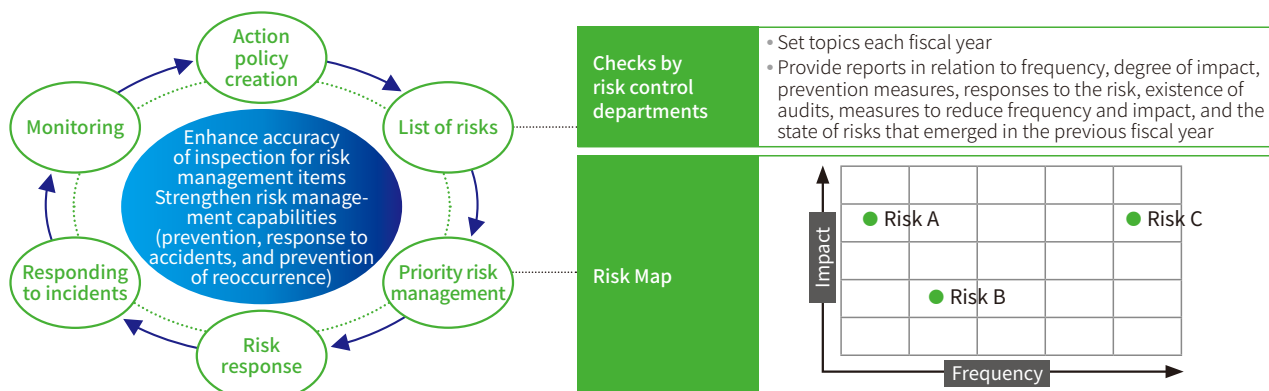
Details on Our Risk Management Initiatives (Japanese only)

➡ <https://biprogy.disclosure.site/ja/themes/113>

Ascertain Risks

The Risk Management Committee has created a common risk classification system for the Group, so that risks to be managed are shared throughout the Group and managed in an integrated manner. At the current time, risks are categorized into 130 risk management items, which include information management risks (personal information, etc.), system development risks, and disaster/accident risks. The Risk Management Committee requests the Risk Control Departments to list risks that it manages each

fiscal year. At that time, a theme is set for each fiscal year, and efforts are made to identify new risk management items that cannot be found using the control department's self-inspections only. The committee also categorizes the size of the impact of each risk using a risk map, based on impact and frequency, and identifies risks that should be given priority when managing risks. Furthermore, policies and risk management items are revised by ascertaining and monitoring risk incidents.



Risk management training

There is regular training for newly appointed directors (including outside directors and outside Audit & Supervisory Board members), crisis management training for directors and heads of organizational units, and risk management training for newly appointed heads of organizational units so that they are sure to receive the training when appointed.

Actions Taken in FY2023

Inventory of risks

In FY2023, the inventory of risks was conducted with the addition of reports on “concrete examples of events that cause losses (risk scenarios)” and “worst envisioned risk scenarios” to the category from FY2022, “reviews

accompanying changes in the internal and external environment.” As a result, we confirmed that risk impact, risk frequency, preventive measures, and response to risks when they materialize are properly being reviewed.

Risk Management

Emerging risks

In light of drastic changes to the external environment surrounding the Group and other factors, we not only reexamine existing risks management items but also manage risks that newly appear or change as a result of changes in the external environment or other developments as emerging risks.

In FY2023, we discovered numerous risk scenarios through discussions among related department managers and presidents of Group companies. In these discussions, there were exchanges of opinions from various perspectives, including impact on the overall Group, coverage, and coordination of risk scenarios. In addition, a risk study group consisting of Risk Management Committee members and other members with diverse perspectives was formed, and with the support of outside experts, the Group is working to incorporate emerging risks into specific activities.

Risk workshop

In FY2024, based on the results of the previously mentioned emerging risks, we newly incorporated the PESTLE Framework*¹ and conducted a workshop in the form of discussions by diverse group members, including department managers, division managers, and officers, leveraging outside expertise. In this workshop, we sought to share a common understanding of the Group's risks among the hierarchy and discuss them from a management perspective, thereby deducing important medium- and long-term risks that could hinder the achievement of the Group's management policies. Based on these initiatives, we will continue to further discuss risks at the management level throughout the Company to ensure effective risk management.

*1 A framework for conducting analysis from political, economic, sociological, technological, legal, and environmental perspectives.

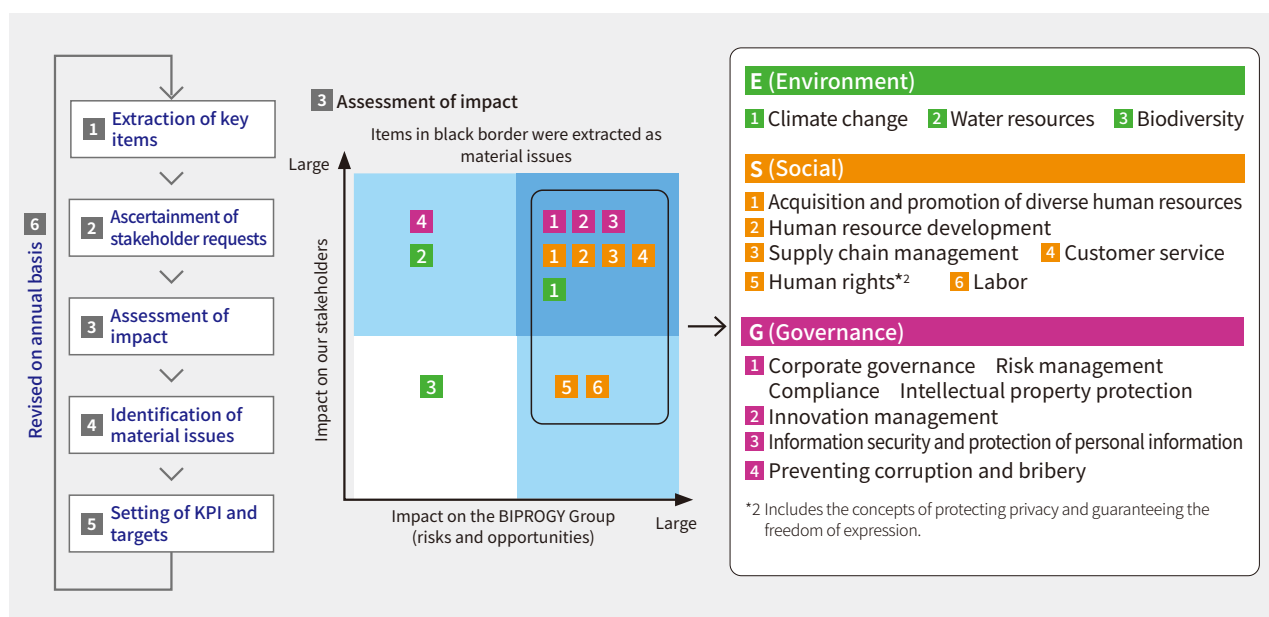
Risk evaluation to identify material issues

When setting material issues to promote sustainable management, we extracted important items that should be addressed to achieve Vision 2030 and identify them as material issues using two evaluation axes, impact on the Group and impact on society.

We set KPIs and targets for each material issue and manage progress in achieving those through monitoring by and guidance from the Board of Directors and management. In addition, the Sustainability Committee conducts annual deliberations on revisions taking into consideration

international trends related to sustainability, demands of stakeholders, and changes in the business environment and other factors. In addition, the Sustainability Committee collaborates with various related committees (the Risk Management Committee, the Compliance Committee, the Comprehensive Security Committee among others) and established a system that mitigates risks that are assessed as material risks related to sustainability through progress evaluation and review of materiality.

Process of Determining and Updating Material Issues



Business and Other Risks

| | Item | Threats | Opportunities |
|----------------------|--|--|--|
| Business Environment | Impact of economic trends and the market environment | <ul style="list-style-type: none"> Deterioration in economic environment as a result of change in financial markets and downturn in overseas economies 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 with the spread of ESG as a backdrop, and the resulting strengthening of global environmental regulations 1 Changes in various policies promoted by governments, such as disaster countermeasures | <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 |
| | 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 | <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 |
| | 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 | <ul style="list-style-type: none"> Increase profit opportunities by capturing quality partner companies Improve social credibility Expand business by generating innovation 2 |
| | Technical innovation | <ul style="list-style-type: none"> Decline in market competitiveness and customer satisfaction due to delays in capturing new technologies and intellectual property and outdated in-house assets and know-how 2 | <ul style="list-style-type: none"> Accelerate the shift toward high added value and increased sophistication in the market development field 2 |
| | 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 Activities | 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 | <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 |
| | 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 | <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 |
| | Investment | <ul style="list-style-type: none"> Insufficient return on investment Inconsistency with business partners' management strategies Business growth below initial expectations | <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 |
| | 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 | <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 |
| | Climate change | <ul style="list-style-type: none"> Decline in service development capabilities, market competitiveness, and reputation as a result of an inability to respond to changes such as stronger environmental regulations and calls for disclosure by investors and society 1 2 3 1 | <ul style="list-style-type: none"> Increase in profit due to the development and expansion of low-carbon products and services 1 2 3 |
| | 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 | <ul style="list-style-type: none"> Contribute to society's sustainability by providing businesses that solve the issues faced by society 1 2 3 |
| Others | | | |