

Business Results Summary

(BIPROGY Inc. and its consolidated subsidiaries)

Summary of FY2023 Results

Revenue	Operating profit	Profit attributable to owners of parent	Operating margin	ROE
¥370.1 billion	¥33.3 billion	¥25.2 billion	9.0%	16.5%
Year-on-year change +¥30.2 billion (+8.9%) ↑	Year-on-year change +¥3.6 billion (+12.2%) ↑	Year-on-year change +¥5.0 billion (+25.0%) ↑	Year-on-year change +0.3 pt ↑	Year-on-year change +1.5 pt ↑

Financial Results

Revenue rose ¥30.2 billion (+8.9%) year on year to ¥370.1 billion because revenue from all segments, particularly system services and outsourcing, increased as a result of customers' strong demand for IT investment. As for profit, operating profit increased ¥3.6 billion (+12.2%) year on year to ¥33.3 billion as an increase in gross profit compensated for an increase in SG&A expenses due to various reasons, including increased investments. Furthermore, profit attributable to owners of parent rose ¥5.0 billion (+25.0%) year on year to ¥25.2 billion as a result of an increase in operating profit and decline in income tax expense.

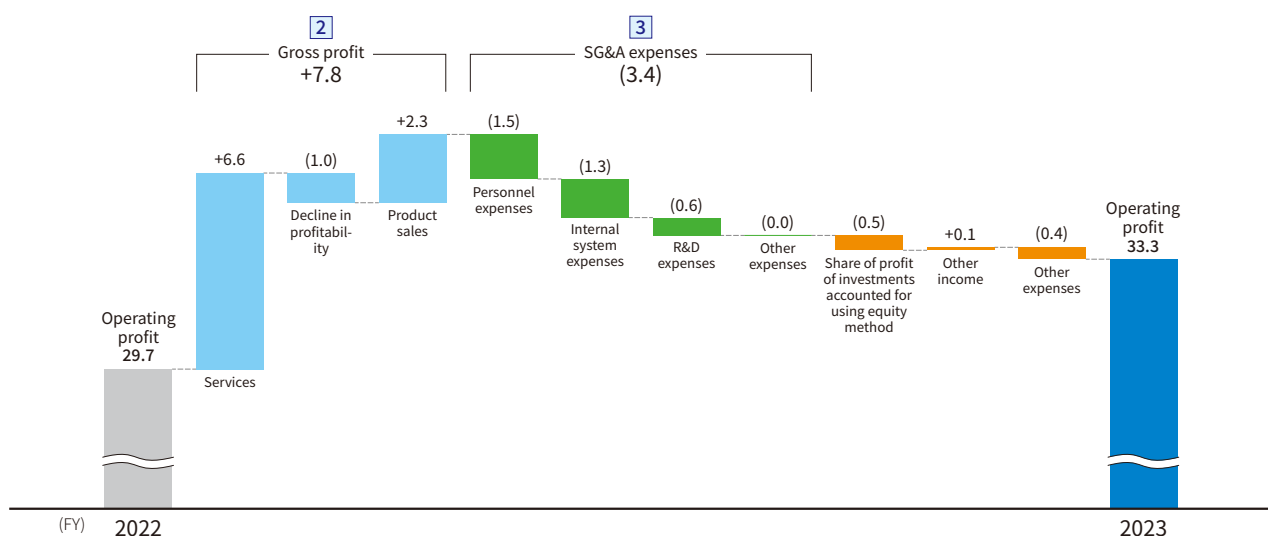
Despite unexpected developments, including an increase in the cost of renewing and upgrading internal systems and impairment loss on Group companies' goodwill, financial results remained firm as there were no changes in business conditions.

Adjusted operating profit, which the Group uses as a performance management indicator, increased ¥4.4 billion (+15.0%) year on year to ¥33.8 billion.

Consolidated Statements of Profit or Loss (Millions of yen)

	FY2022 (April 1, 2022 – March 31, 2023)	FY2023 (April 1, 2023 – March 31, 2024)	Year-on- year change
Revenue	339,898	370,142	+30,244 ¹
Cost of sales	250,547	272,968	+22,420
Gross profit	89,350	97,173	+7,823 ²
Selling, general and administrative expenses	59,955	63,360	+3,404 ³
Share of profit of investments accounted for using equity method	666	156	(509)
Other income	180	243	+62
Other expenses	567	924	+356
Operating profit	29,673	33,287	+3,614
Finance income	529	1,043	+514
Finance costs	201	167	(33)
Profit before tax	30,001	34,164	+4,162
Income tax expenses	9,661	8,662	(999)
Profit	20,340	25,502	+5,161
Profit attributable to owners of parent	20,203	25,246	+5,043
Comprehensive income	20,082	35,252	+15,169
Adjusted operating profit	29,394	33,812	+4,418

Analysis of Changes in Operating Profit (Billions of yen)



Conditions by Segment 1 2

		(Billions of yen)	FY2022	FY2023	Year-on-year change	FY2023 Results	Future Direction
Services	System Services Provision of consulting services for ICT strategies, software development contracting, and technology support services, etc.	Revenue	115.7	127.0	↑ +9.8%	Both revenue and profit rose as a result of strong demand related to DX investments in a wide range of industries, particularly the financial, manufacturing, and service industries. Profitability rose due to an increase in highly profitable projects and improved productivity despite the recording of unprofitable projects (¥0.8 billion).	Link this to high-value-added service-based businesses through the use of knowledge obtained from system services and creation of future platform services.
		Gross profit	39.6	44.1	↑ +11.4%		
		Gross profit margin	34.2%	34.7%	↑ +0.5pt		
	Support Services Software and hardware maintenance/support services, installation assistance, etc.	Revenue	52.4	54.9	↑ +4.7%	Both revenue and profit increased because of accumulated software and hardware maintenance/support services and installation assistance.	Continue working towards maintaining and improving profitability.
		Gross profit	16.1	16.7	↑ +4.1%		
		Gross profit margin	30.7%	30.5%	↓ (0.2pt)		
	Outsourcing 4 Information system management contracting, service-based/fee-based services through cloud applications, etc.	Revenue	66.7	76.6	↑ +14.8%	Revenue rose primarily as a result of an increase in other companies' cloud services and service-based businesses. However, cost increase in projects for shinkin banks as well as inflation were among the factors to push down gross profit.	Aim to increase profitability by providing high-value-added managed services that combine other companies' cloud services and our services, further improving operating efficiency, and expanding highly profitable service-based businesses.
		Gross profit	17.0	16.9	↓ (0.8%)		
		Gross profit margin	25.5%	22.1%	↓ (3.5pt)		
	Others Communications network services, electrical installations, educational services, etc.	Revenue	11.0	12.8	↑ +17.1%	—	—
		Gross profit	2.5	3.0	↑ +20.1%		
		Gross profit margin	22.7%	23.3%	↑ +0.6pt		
Product sales	Software Sales of solutions developed in-house, provision of optimal software from vendor-free standpoint	Revenue	37.4	38.3	↑ +2.5%	Revenue grew as a result of winning a broad range of projects that extend from large ones to small ones. Profit increased as gross margin improved due to an overall increase in profitability.	Promote sales of products that contribute to customers' DX and develop software as a service.
		Gross profit	5.1	5.9	↑ +14.8%		
		Gross profit margin	13.6%	15.3%	↑ +1.6pt		
	Hardware Sales of optimal equipment from vendor-free standpoint	Revenue	56.7	60.5	↑ +6.7%	Revenue rose due to an increase in the number of small and medium-sized projects, such as projects involving sales of network equipment. Gross margin improved as the number of highly profitable projects increased compared to the previous fiscal year.	Meet demand for network- and IoT-related equipment in the context of greater DX investments.
		Gross profit	9.0	10.5	↑ +16.6%		
		Gross profit margin	16.0%	17.4%	↑ +1.5pt		
Total		Revenue	339.9	370.1	↑ +8.9%		
		Gross profit	89.4	97.2	↑ +8.8%		
		Gross profit margin	26.3%	26.3%	↓ (0.0pt)		

Status of Outsourcing 4

Corporate DX type outsourcing

- The use-type core-banking system 'OptBAE' for regional financial institutions is in operation at 11 financial institutions. Functions of services were reinforced to capture more users.
- BankVision on Azure is in operation at three financial institutions (as of March 31, 2024). Focus is on its strong compatibility with the management strategy of banks using the system.
- Sales of other companies' cloud services and network services related to remote work rose.

Service-based type (business creation type) outsourcing

- Use of drive recorders and digital codes has steadily increased.
- We are aggressively developing sales activities related to DIGITAL'ATELIER, a platform service for EC.

Outsourcing revenue

(Billions of yen)

	FY2022	FY2023	Year-on-year change
Entrusted operation type	49.0	49.8	+0.8
Corporate DX type	10.8	18.8	+8.0
Of which, other companies' cloud services	1.8	6.6	+4.8
Service-based type (business creation type)	6.9	8.0	+1.1
Revenue (total)	66.7	76.6	+9.9

Business Results Summary

BIPROGY Group Outsourcing Business

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

Financial Condition

Total assets grew ¥33.8 billion from the end of the previous fiscal year to ¥314.2 billion mainly due to an increase in cash and cash equivalents, intangible assets, and deferred tax assets. Total liabilities rose ¥7.1 billion from the end of the previous fiscal year to ¥145.9 billion primarily as a result of an increase in contract liabilities despite a decrease in lease liabilities. Total equity amounted to ¥168.3 billion, and the ratio of owners' equity to gross assets rose 3.1 percentage points to 53.0%.

Cash Flows

Net cash provided by operating activities increased year on year. Profit before taxes of ¥34.2 billion and depreciation and amortization, a non-cash expenditure, of ¥17.9 billion boosted proceeds, while an increase in inventories of ¥2.8 billion and an increase in trade and other receivables of ¥2.4 billion weighed down proceeds.

Net cash used in investing activities declined year on year primarily as a result of expenditures of ¥2.2 billion for the purchase of property, plant and equipment such as computers for business activities and ¥10.6 billion for the purchase of intangible assets, mainly investments in software for outsourcing, and ¥7.5 billion in proceeds from the sale of investment securities, mainly cross-shareholdings.

Net cash used in financial activities declined year on year primarily because of expenditures of ¥9.0 billion for repayment of lease liabilities and ¥8.5 billion for dividends paid.

Consolidated Statements of Financial Position (Millions of yen)

	FY2022 (As of March 31, 2023)	FY2023 (As of March 31, 2024)	Versus End of Last FY
Assets			
Current Assets	164,650	187,914	+23,264
Non-current assets	115,745	126,304	+10,558
Total Assets	280,396	314,219	+33,822
Liabilities			
Current Liabilities	98,940	112,464	+13,523
Non-current liabilities	39,858	33,440	(6,417)
Total Liabilities	138,798	145,905	+7,106
Equity			
Total equity attributable to owners of parent	139,887	166,423	+26,536
Non-controlling interests	1,710	1,890	+180
Total Equity	141,597	168,314	+26,716
Total Liabilities and Equity	280,396	314,219	+33,822

Consolidated Statements of Cash Flows (Millions of yen)

	FY2022 (April 1, 2022 – March 31, 2023)	FY2023 (April 1, 2023 – March 31, 2024)	Year-on- year change
Net Cash Provided by (Used in) Operating Activities	28,419	41,693	+13,273
Net Cash Provided by (Used in) Investing Activities	(15,537)	(8,550)	+6,986
Free Cash Flows	12,882	33,142	+20,260
Net Cash Provided by (Used in) Financing Activities	(18,043)	(17,621)	+421
Effect of exchange rate changes on cash and cash equivalents	103	97	(5)
Net increase (decrease) in cash and cash equivalents	(5,058)	15,618	+20,676
Cash and Cash Equivalents at End of Period	43,645	59,263	+15,618

The BIPROGY Group's Market Environment

In the IT market, companies continue to show a strong investment appetite, particularly toward digital transformation (DX).

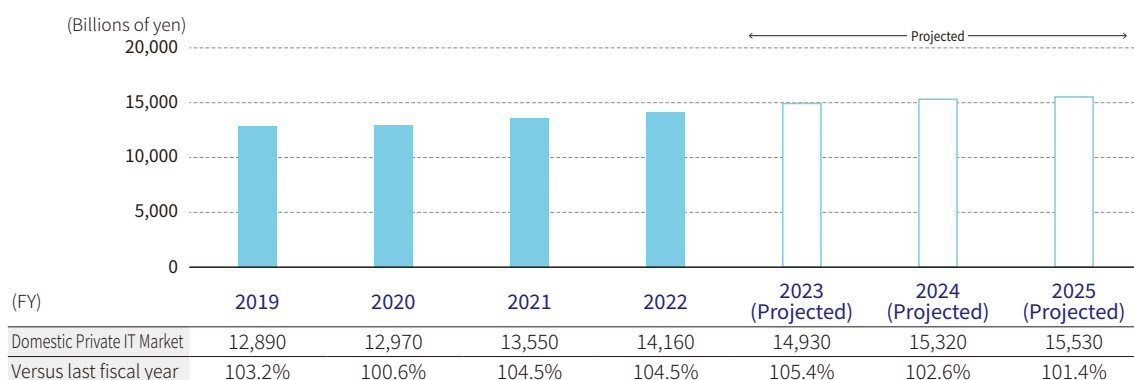
In FY2023, the IT market is projected to grow more than in the previous year. This is due to several factors. IT investment projects that had been stalled due to the shortage of semiconductors have resumed. In addition, investments in cloud computing and security-related areas are on the rise, and new business models utilizing digital technology are being created, especially by major companies. Projects related to digital shifts aimed at improving the business environment are also increasing, and IT spending has resumed in the service sector (especially in the food and beverage and lodging industries) as a result of easing of the COVID-19 pandemic. From FY2024 and beyond, investments in practical DX, particularly among large companies, are anticipated to expand, including replacing core systems, servers and personal computers as well as transitioning to a cloud-based system.

Changes in Amounts of Investment in Software

(FY)	2019	2020	2021	2022	2023
Manufacturing	14.7	-5.9	9.7	16.2	11.3
Non-manufacturing	8.4	-6.4	6.4	9.1	9.3
All industries	10.3	-6.2	7.6	11.5	10.0
Financial institutions	10.0	-10.2	1.0	21.0	17.8
All industries including Financial institutions	10.2	-7.4	5.4	14.5	12.2
Holding companies, etc.	-4.9	-5.5	8.8	11.9	0.0
All industries including Financial institutions and Holding companies, etc.	9.7	-7.3	5.6	14.3	11.5

Source: "TANKAN (National Short-Term Economic Survey of Enterprises in Japan)," Bank of Japan

Trends in Domestic Private IT Market Size and Projections



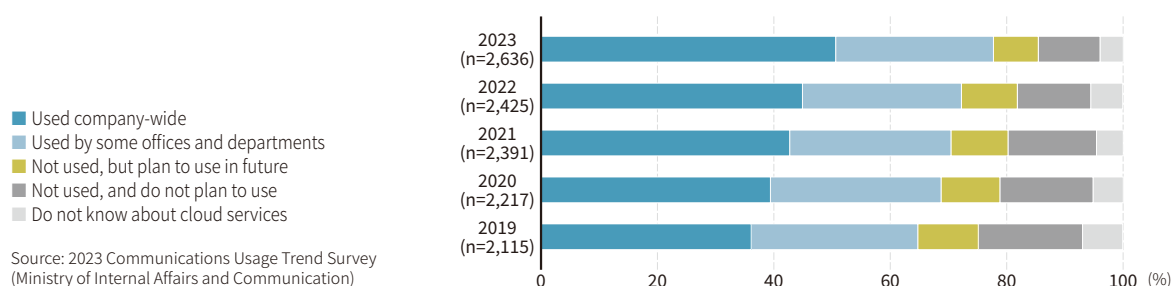
Source: Japanese Company IT Investment Survey (2023) (Yano Research Institute, November 27, 2023)

*1 Based on fiscal year and amount of IT investment.

*2 Figures for FY2023 and beyond are projected values.

*3 Private-sector IT market includes hardware, software, services, etc., but does not cover IT investments by the public sector (government agencies and local governments) and small private-sector businesses.

Trend in Cloud Service Usage (companies)



Source: 2023 Communications Usage Trend Survey (Ministry of Internal Affairs and Communication)

11-Year Financial Summary

(BIPROGY Inc. and its consolidated subsidiaries)

(Millions of yen) J-GAAP	Mid-Term Management Plan		Mid-Term Management Plan			
	(FY2012–FY2014)		(FY2015–FY2017)			
	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018
Fiscal Year						
Net sales	282,690	269,154	278,039	282,249	286,977	299,029
System services	79,436	83,404	89,829	89,607	90,509	95,972
Support services	49,142	55,245	55,362	54,074	52,821	53,578
Outsourcing	35,336	38,646	40,496	45,926	48,017	51,148
Netmarks services	26,486	–	–	–	–	–
Software	31,337	30,727	30,003	29,733	33,103	33,877
Hardware	51,658	51,337	53,873	54,099	54,097	54,677
Others	9,292	9,793	8,474	8,807	8,428	9,776
Cost of sales	219,079	205,712	213,428	215,521	218,174	225,859
Gross profit	63,610	63,442	64,610	66,727	68,803	73,169
Selling, general and administrative expenses	54,036	52,517	52,085	52,413	52,470	52,547
Operating income	9,574	10,924	12,525	14,314	16,332	20,622
Net income attributable to owners of the parent	6,305	7,246	8,920	10,261	11,949	14,238
Capital expenditures	8,573	14,191	11,631	14,781	11,473	8,183
Depreciation and amortization	10,321	9,821	9,488	9,315	10,363	11,653
Research and development costs	4,659	4,337	4,036	3,454	2,998	3,958
Net cash provided by (used in) operating activities	11,889	18,037	10,989	29,922	26,956	27,438
Net cash provided by (used in) investing activities	(8,289)	(10,548)	(10,565)	(15,906)	(13,227)	(10,586)
Free cash flows	3,600	7,489	424	14,015	13,728	16,852
Net cash provided by (used in) financing activities	(151)	(12,886)	(8,186)	(11,756)	(12,977)	(8,226)
Orders	309,790	263,478	279,415	281,394	296,956	304,874
Fiscal Year-End						
Total assets	202,468	199,772	193,094	192,694	197,278	211,421
Total equity	76,016	81,975	91,213	90,772	104,674	116,615
Net interest-bearing debts	38,473	33,665	22,020	21,003	10,529	(3,375)
Shareholders' equity	74,796	81,021	90,374	89,918	103,001	114,638
Order Backlogs	215,892	210,218	211,594	210,739	220,719	226,564
Per Share Information						
Basic net income per share (Yen)	67.08	77.07	93.71	96.49	119.12	141.90
Diluted earnings per share (yen)	59.49	66.72	82.33	96.05	118.69	141.40
Net assets per share (Yen)	795.61	861.53	847.51	896.39	1,026.72	1,142.41
Cash dividends per share (Yen)	15.00	20.00	30.00	35.00	40.00	55.00
Stock Information						
PER (Times)	15.0	14.8	15.9	15.8	19.3	20.7
PBR (Times)	1.27	1.32	1.76	1.70	2.23	2.57
Stock price information (FY ends) (yen)	1,009	1,140	1,491	1,520	2,294	2,932
Other Information						
Dividend payout ratio (%)	22.4	26.0	32.0	36.3	33.6	38.8
Operating margin (%)	3.4	4.1	4.5	5.1	5.7	6.9
Ordinary Income to total assets (ROA)(%)	4.9	6.2	6.2	7.2	8.3	10.0
Return on equity (ROE)(%)	8.9	9.7	10.5	11.4	12.4	13.1
Equity ratio (%)	36.9	40.6	46.8	46.7	52.2	54.2
Net debt-to-equity ratio (Times)	0.51	0.42	0.24	0.23	0.10	(0.03)
Operating income per employee	1.12	1.32	1.54	1.79	2.08	2.66

Mid-Term Management Plan		Management Policies				
(FY2018–FY2020)		(Millions of yen)	(FY2021–FY2023)			
FY2019	FY2020	IFRS	FY2020	FY2021	FY2022	FY2023
Fiscal Year						
311,554	309,685	Revenue	308,426	317,600	339,898	370,142
102,919	93,572	System services	94,147	103,101	115,726	127,039
55,022	53,037	Support services	53,264	51,537	52,401	54,881
55,183	60,595	Outsourcing	59,547	63,437	66,730	76,582
–	–	Software	32,341	34,089	37,410	38,330
33,943	33,287	Hardware	57,490	55,158	56,665	60,471
55,098	57,647	Others	11,635	10,275	10,963	12,836
9,387	11,546					
231,754	228,605	Cost of sales	229,209	234,462	250,547	272,968
79,799	81,079	Gross profit	79,217	83,138	89,350	97,173
53,659	54,354	Selling, general and administrative expenses	54,023	56,466	59,955	63,360
26,139	26,724	Operating profit	24,624	27,425	29,673	33,287
18,182	17,076	Profit attributable to owners of parent	16,639	20,490	20,203	25,246
10,336	12,038	Capital expenditures (tangible/intangible)	11,694	9,091	14,720	12,770
11,161	10,999	Depreciation and amortization (tangible/intangible)	10,196	9,394	9,101	10,411
4,512	4,952	Research and development expenses	4,952	4,121	3,953	4,534
27,539	31,933	Net cash provided by (used in) operating activities	40,567	29,435	28,419	41,693
(13,259)	(11,206)	Net cash provided by (used in) investing activities	(11,583)	(10,957)	(15,537)	(8,550)
14,280	20,726	Free cash flows	28,983	18,477	12,882	33,142
(8,202)	(8,177)	Net cash provided by (used in) financing activities	(16,301)	(16,118)	(18,043)	(17,621)
315,626	322,268	Orders	324,285	326,961	362,094	386,104
Fiscal Year-End						
214,975	231,980	Total assets	254,035	268,647	280,396	314,219
122,598	136,887	Total equity	113,986	130,674	141,597	168,314
(11,020)	(22,815)	Net interest-bearing debts	1,150	(6,862)	(5,640)	(23,718)
120,473	134,632	Equity attributable to owners of parent	112,271	128,917	139,887	166,423
230,636	243,219	Order Backlogs	242,429	251,684	273,880	289,842
Per Share Information						
181.19	170.13	Basic earnings per share (Yen)	165.78	204.04	201.06	251.15
180.53	169.52	Diluted earnings per share (Yen)	165.18	203.38	200.48	250.47
1,200.32	1,341.04	Owners' equity per share (Yen)	1,118.31	1,283.45	1,391.89	1,654.93
70.00	70.00	Dividends per share (Yen)	70.00	85.00	80.00	100.00
Stock Information						
16.0	20.0	PER (Times)	20.6	15.3	16.2	18.0
2.41	2.54	PBR (Times)	3.05	2.43	2.33	2.74
2,893	3,410	Stock price information (FY ends) (yen)	3,410	3,115	3,250	4,531
Other Information						
38.6	41.1	Dividend payout ratio (%)	42.2	41.7	39.8	39.8
8.4	8.6	Operating margin (%)	8.0	8.6	8.7	9.0
12.5	11.9	Profit before tax to total assets (ROA)(%)	9.9	11.3	10.9	11.5
15.5	13.4	Return on equity attributable to owners of parent (ROE) (%)	15.5	17.0	15.0	16.5
56.0	58.0	Ratio of equity attributable to owners of parent to total assets (%)	44.2	48.0	49.9	53.0
(0.09)	(0.17)	Net debt-to-equity ratio (Times)	0.01	(0.05)	(0.04)	(0.14)
3.33	3.37	Operating profit per employee	3.08	3.39	3.65	4.05

Review of Past Mid-Term Management Plans

• P. 22 Management Policies (2021-2023)

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

Material Issues (Actual for FY2023)

	Material Issues	KPIs	Targets (FY of achievement)	Actual for FY2023	
Material issues for achieving business growth	Create schemes to solve issues through the use of digital technology and business ecosystems	Create/expand businesses that solve the issues faced by society and that look to optimize society and the world	200% or more of such projects compared to FY2020 (FY2023)	137.2%	
	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	Zero emission achievement rate (an index measuring the extent to which our environmentally friendly products and services contribute to zero emissions in society)	100% or more (FY2030)	232.8%	
		Percentage of business opportunities and risks identified via climate change scenario analysis impact evaluation for which a risk response has been implemented	100% (FY2030)	100%	
		Percentage of purchased energy used at BIPROGY Group business locations that is renewable energy	50% or more (FY2030)	27.2%	
		Reduction rate in GHG emissions (Scope 1 and 2) (compared to FY2019)	50% or more (FY2030)	37.5%	
Material issues for supporting business growth	Sustainably procure and provide safe, secure products and services throughout the entire value chain	Percentage of suppliers accounting for 40% of our total procurement of purchased goods and services (Category 1, Scope 3) that have set targets equivalent to Science Based Targets	40% or more (FY2027)	19.1%	
		Percentage of human rights-related issues at BIPROGY Group which are being addressed	100% (FY2023)	100%	
	Develop and strengthen human resources to create a new future and promote diversity and inclusion	Number of “business producers” armed with specialization in business creation	40, double that in FY2021 (FY2023)	57	
		Percentage of management positions held by women	18% or more (as of April 1, 2026)	11.2% (As of April 1, 2024)	
		Percentage of employees with disabilities	0.1% or more greater than the legally required percentage of 2.3% (FY2023)	2.89%	
		Weighted average score of work style related items in the engagement survey	At least equal to FY2019–FY2020 average score (3.36) (FY2023)	3.43	
		Response rate for health guidance related to high blood pressure (workers with stage 2 or stage 3 blood pressure)	100% (FY2023)	Stage 2 100% Stage 3 100%	
		Total number of lost days of work for mental health reasons (compared to FY2019–FY2020 average)	-5% (FY2023)	Increase 1.3% annually	
		Number of executives and employees participating in social contribution activities (percent change compared to FY2020)	+20% (FY2023)	+125% (189)	
	Further improve corporate governance and integrity	Actions for each year set in the evaluation of Board of Directors effectiveness are undertaken (each year)		Deepening deliberations by and expanding material for Board of Directors: There has been an increase in the number of opportunities for deliberations and dialogue regarding such issues as the management strategy, but we must implement additional measures to improve materials and the format of discussions for more effective, concrete deliberations. Monitoring state of initiatives, such as organizational culture reforms in light of the loss of USB flash drives, etc.: Although response and initiatives are properly being implemented, it is necessary to maintain initiatives and monitoring.	
		Improvement and upgrade in the compliance program		Compliance Roundtables: Compliance Roundtables were held at each Group company. By doing so, we held dialogues regarding the loss of USB flash drivers on a workplace level, reviewed the incident, shared points that should be kept in mind when continuously implementing compliance, and contributed to greater awareness throughout the Group. Whistleblower system (hotline) improvements: We implemented various measures to operate a secure whistleblower system that provides peace of mind, including improving the hotline access route, expanding the use guide, and enhance the disclosure of our handled cases in responding to incidences. Compliance education and awareness: We held compliance seminars for Group officers and employees taught by outside instructors to communicate the importance of implementing compliance.	
		Spread of awareness of integrity among Group executives and employees		Compliance awareness survey results: Survey score was “good,” the highest of the four ratings. The survey results were shared with the responsible person at each organization, leading to the implementation of improvement measures. We plan to continue to conduct the awareness survey twice a year.	
Number of compliance incidences (annual)		Disciplinary action: There were 8 cases resulting in disciplinary action in FY2023. The number of cases increased from 5 for the previous fiscal year, with some resulting in the harsh actions such as suspensions. We implemented preventive measures for each incident.			
Number of serious security incidents		0 (annual)	1 case		

FY2023 results and future initiatives

↳ https://www.biprogy.com/invest-e/uploads/sustainability_rpt2024_e.pdf

ESG Data

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					
		(FY)	2019	2020	2021	2022	2023
Energy consumption (kL) ¹			7,855	7,425	7,836	7,608	7,189
Purchased electricity (kWh)			—	—	27,229,042	25,835,293	24,502,085
Purchased electricity from renewable energy sources (included in the above purchased electricity) (kWh)			—	—	2,025,840	6,041,212	6,656,421
Percentage of purchased electricity derived from renewable energy sources (%)			—	—	7.4	23.4	27.2
Scope 1 and 2 GHG emissions ^{1,2}							
Scope 1 GHG emissions (t-CO ₂ e)			0	218	1,470	1,406	1,257
Scope 2 GHG emissions (Location-based) (t-CO ₂ e)			—	—	13,442	12,370	11,571
Scope 2 GHG emissions (Market-based) (t-CO ₂ e)			14,358	13,475	11,593	9,347	7,723
Scope 1 + Scope 2 (Market-based) total emissions (t-CO ₂ e) ¹			14,358	13,692	13,064	10,753	8,980
Scope 3 GHG emissions (t-CO ₂ e) ³			—	—	632,737	615,597	522,816
Category 1	Purchased goods and services		—	—	251,490	229,242	287,512
Category 2	Capital goods		—	—	20,684	33,493	29,056
Category 3	Fuel and energy related activities not included in Scope 1 or Scope 2		—	—	2,276	2,330	2,252
Category 4	Upstream transportation and distribution		—	—	1,785	3,141	5,868
Category 5	Waste generated in operations		—	—	31	31	44
Category 6	Business travel		—	—	2,570	4,367	4,770
Category 7	Employee commuting		—	—	1,028	1,211	1,450
Category 11	Use of sold products		—	—	352,767	341,618	191,766
Category 12	End-of-life treatment of sold products		—	—	105	165	97
Paper used (million sheets) ⁴			1,511	725	—	—	—
Paper used (kg) ⁴			—	—	25,696	23,698	23,650
Waste emissions (t) ⁵			426	213	649	339	386
Water used (million m ³) ⁶			—	0.013	0.049	0.053	0.051

Scope of calculation

Figures shown have been rounded off to the nearest whole number.

1 For FY2019, BIPROGY Inc., 10 other companies, and 2 other organizations (main offices in Japan, 85% of total number of BIPROGY Group employees). For FY2020, BIPROGY Inc., 12 other companies, and 2 other organizations (main offices in Japan, 85% of total number of BIPROGY Group employees). For FY2021, BIPROGY Inc. and 24 consolidated companies, excluding limited partnerships for investment projects (main offices in Japan and overseas, 100% of total number of BIPROGY Group employees). For FY2022, BIPROGY Inc. and 25 consolidated companies, excluding limited partnerships for investment projects (main offices in Japan and overseas, 100% of total number of BIPROGY Group employees). For FY2023, BIPROGY Inc. and 28 consolidated companies (main offices in Japan and overseas, 100% of total number of BIPROGY Group employees).

2 From FY2021, calculated in accordance with the GHG Protocol; Scope 2 location-based and market-based are from the definitions in the GHG Protocol Scope 2 Guidance 2015.

3 Scope 3 emissions calculated starting in FY2021. Of the 15 categories in Scope 3, Category 8 is included in Scope 1 and 2, Category 9 in Category 4, and Category 13 and 14 are excluded from calculation as they account for only a minor percentage of the total. There are no business activities that fall under category 10 or 14.

Scope of calculation: For FY2021, BIPROGY Inc. and 24 consolidated companies, excluding limited partnerships for investment projects (main offices in Japan and overseas). For FY2022, BIPROGY Inc. and 25 consolidated companies, excluding limited partnerships for investment projects (main offices in Japan and overseas). For FY2023, BIPROGY Inc. and 28 consolidated companies (main offices in Japan and overseas, 100% of total number of BIPROGY Group employees).

4 For FY2019 to FY2020, BIPROGY Inc. and 12 other companies and 2 other organizations (major offices in Japan); for FY2021, 24 consolidated companies (major offices in Japan and abroad) excluding BIPROGY Inc. and other investment limited partnerships; for FY2022, 25 consolidated companies (major offices in Japan and abroad) excluding BIPROGY Inc. and other investment limited partnerships. For FY2023, BIPROGY Inc. and 28 consolidated companies (main offices in Japan and overseas, 100% of total number of BIPROGY Group employees).

5 For FY2019 through FY2020, BIPROGY Inc., 12 other companies, and 2 other organizations (main offices in Japan). For FY2021, BIPROGY Inc. and 24 consolidated companies, excluding limited partnerships for investment projects (main offices in Japan and overseas). For FY2022, BIPROGY Inc. and 25 consolidated companies, excluding limited partnerships for investment projects (main offices in Japan and overseas). For FY2023, BIPROGY Inc. and 19 consolidated Japanese companies.

6 For FY2020, Toyosu head office of BIPROGY Inc. For FY2021, BIPROGY Inc. and 24 consolidated companies, excluding limited partnerships for investment projects (main offices in Japan and overseas). For FY2022, BIPROGY Inc. and 25 consolidated companies, excluding limited partnerships for investment projects (main offices in Japan and overseas). For FY2023, BIPROGY Inc. and 28 consolidated companies (main offices in Japan and overseas, 100% of total number of BIPROGY Group employees).

Social	Material Issues	Develop and strengthen human resources to create a new future and promote diversity and inclusion Sustainably procure and provide safe, secure products and services throughout the entire value chain					
		(FY)	2019	2020	2021	2022	2023
Employment, diversity, and working hours							
Consolidated number of employees		7,830	7,913	8,068	8,124	8,218	
Japan		7,523	7,615	7,720	7,759	7,781	
Asia		304	293	336	353	423	
Americas		3	5	12	12	14	
Europe		0	0	0	0	0	
Average years of continuous employment (years) ⁷		21.0	21.0	21.0	20.9	21.0	
Man		21.7	21.7	21.8	22.0	22.2	
Woman		18.4	18.1	17.8	17.1	17.0	
Average age ⁷		46.0	46.1	46.1	46.3	46.4	
Paid leave utilization rate (%) ⁸		86.20	81.10	82.54	85.15	85.81	
Percentage of employees with disabilities (%) ⁹		2.31	2.59	2.62	2.84	2.89	
Percentage of management positions held by women (%) ¹⁰		5.5	7.5	8.1	9.3	10.1	
Percentage of woman employees (%)		18.5	19.5	20.6	21.5	22.6	
Number of new graduate hires ¹¹		204	243	248	205	223	
Men		130	139	127	105	117	
Women		74	104	121	100	106	
Average annual salary (yen) ⁷		8,374,830	8,088,571	8,100,039	8,163,349	8,502,857	
Gender pay gap (%) ¹²		—	—	—	76.3	76.6	

KPIs in bold relate to Material Issues

	(FY)	2019	2020	2021	2022	2023
Employee turnover rate (%) ⁸		2.81	2.34	2.25	3.06	3.51
Average monthly overtime hours worked per employee (hours/month) ⁸		15.5	14.9	16.3	17.3	17.5
Weighted average score of work style related items in the engagement survey¹³		3.35	3.37	3.43	3.47	3.43
Absenteeism rate ⁸		0.22	0.14	0.21	0.23	0.21
Work-life balance						
Percentage of employees returning to work after childcare leave (%) ⁸		97	99	98	99	100
Percentage of eligible people taking childcare leave (Men) (%) ¹⁴		20.9	24.8	30.1	48.7	49.5
Number of employees taking paid leave for nursing care ⁸		488	296	501	515	464
Development of Human Capital						
Capital investment in people (billion yen) ¹⁵		—	—	—	—	4.1
Other						
Online uptime rate (%) ⁸		99.997	99.996	99.999	99.998	99.999
Number of occupational accidents ¹⁶		6	5	12	6	12

Scope of calculation 7 BIPROGY Inc. on a non-consolidated basis

8 BIPROGY Inc. and UNIADEx, Ltd.

9 Before FY2019: BIPROGY Inc. and UNIADEx, Ltd.; from FY2020: BIPROGY Inc. and 6 other companies

10 Before FY2020: BIPROGY Inc. and UNIADEx, Ltd.; from FY2021: BIPROGY Inc. and 6 other companies

11 Before FY2020: BIPROGY Inc., consolidated subsidiaries in Japan and Cambridge Technology Partners Inc.; from FY2021: BIPROGY Inc. and 8 other companies

12 BIPROGY Inc. and 6 other companies

13 The standard score of KPIs for material issues is the average of the scores for FY2019 and FY2020 (3.36).

14 For FY2021 and before, BIPROGY Inc. and UNIADEx, Ltd. For FY2022 and after, BIPROGY Inc. and 5 other companies.

15 This was recalculated after adding recruiting expenses and health management related-expenses in addition to traditional development expenses in line with the human resource strategy included in Management Policies (2024–2026).

16 BIPROGY Inc., UNIADEx, Ltd. and UEL Corporation

Governance

Material Issues

Further improve corporate governance and integrity

	(FY)	2019	2020	2021	2022	2023
Board of Directors ratio of independent outside directors (%)		37.5	44.4	50.0	50.0	50.0
Audit & Supervisory Board ratio of independent outside auditors (%)		60.0	60.0	60.0	60.0	60.0
Dividend payout ratio (%) ¹⁷		38.6	41.1	41.7	39.8	39.8
ROE (%) ¹⁷		15.5	13.4	17.0	15.0	16.5
Number of serious security incidents¹⁸		0	0	0	1	1

Scope of calculation 17 International Financial Reporting Standards (IFRS) have been applied since FY2021; figures for FY2020 and earlier are based on Japanese GAAP.

18 Before FY2020: BIPROGY Inc. and BIPROGY's 100%-owned consolidated subsidiaries in Japan; from FY2021: BIPROGY Inc. and its consolidated subsidiaries.

Participation in Major International Initiatives, Acquisition of Third-Party Certifications

- UN Global Compact
- Women's Empowerment Principles (WEPIs)
- Task Force on Climate-related Financial Disclosures (TCFD)
- RE100
- Science Based Targets initiative
- ISO14001
- ISO/IEC27001:2013/JIS Q 27001:2014
- ISO9001
- Privacy Mark certification
- DX Certification

Inclusion in ESG Indexes



FTSE4Good

FTSE4Good Index Series

**2024 CONSTITUENT MSCI Nihonkabu
ESG SELECT LEADERS INDEX**

MSCI Japan ESG Select Leaders Index



FTSE Blossom Japan Index

FTSE Blossom Japan Index

**2024 CONSTITUENT MSCI JAPAN
EMPOWERING WOMEN INDEX (WIN)**

MSCI Japan Empowering Women Index (WIN)



FTSE Blossom Japan Sector Relative Index

FTSE Blossom Japan Sector Relative Index

Morningstar Japan ex-REIT Gender Diversity Tilt Index



S&P/JPX Carbon Efficient Index

ESG initiatives (Japanese only) [→ <https://www.biprogy.com/sustainability/>]

FTSE Russell (the trading name of FTSE International Limited and Frank Russell Company) confirms that BIPROGY Inc. has been independently assessed according to the criteria of the FTSE4Good Index Series, the FTSE Blossom Japan Index, and the FTSE Blossom Japan Sector Relative Index, and has satisfied the requirements to become a constituent of those index series. Created by the global index provider FTSE Russell, the FTSE4Good Index Series, the FTSE Blossom Japan Index, and the FTSE Blossom Japan Sector Relative Index are designed to measure the performance of companies demonstrating strong Environmental, Social and Governance (ESG) practices and used by a wide variety of market participants to create and assess responsible investment funds and other products.

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Stakeholder Engagement

In order for the BIPROGY Group to remain an essential company, it is important that we improve our engagement with all stakeholders, including customers, employees, shareholders/investors, business partners, and local

communities. We will build relationships of trust by understanding the requests, expectations, interests, evaluations, etc., of stakeholders and reflecting those into business activities.

Material Issues

① Create schemes to solve issues through the use of digital technology and business ecosystems	② 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	③ Sustainably procure and provide safe, secure products and services throughout the entire value chain	④ Develop and strengthen human resources to create a new future and promote diversity and inclusion	⑤ Further improve corporate governance and integrity
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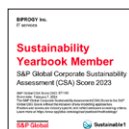
	Stakeholder	Major methods of communication	Connection to material issues
Customers	We provide comprehensive services, from analysis of management issues to their resolution. Communicating with our customers allows us to deliver systems that meet customer needs, increase satisfaction, and build even greater trust.	Solution proposals, customer services (call centers, website, operator), customer forums and seminars, customer satisfaction surveys, BIPROGY Users Association activities	① ② ③ ④ ⑤
Employees and their families	We respect the diversity and individuality of our employees and work to increase motivation by building a safe, supportive work environment where employees can demonstrate their full potential, communicate well within the Group, and enjoy a variety of different work styles. In human resource development, as we strive to remain a “company worth working for,” we fairly and impartially evaluate our employees and leverage their talent in accordance with their abilities and achievements. We also work to improve communication with the family members who support our employees to earn their understanding and approval.	Group Intranet, social network services (including Office 365 Viva Engage open communication channels for executives and employees across all departments and job categories), in-house magazine (web portal), employee engagement surveys, labor-management council, nationwide discussions (meetings for direct dialogue between management and employees), roundtable discussions, information-sharing meetings, online community spaces (childcare, childcare leave, etc.), social contribution programs	④ ① ② ③ ⑤
Shareholders and investors	In order to earn the understanding and trust of our shareholders and investors, we disclose appropriate information in a fair and timely manner, actively engage in dialogue, and strive to practice highly transparent management.	General meeting of shareholders, IR meeting presentations, IR events, IR meetings, disclosure (via website and various IR material)	② ③ ④ ① ⑤
Business partners	In our business partnerships, we strive to build fair and equitable relationships with subcontractors and suppliers when constructing systems and providing services, while working to share awareness of sustainability, and create and provide new value.	Web portal for subcontracting companies, briefings for subcontractors on information-based product creation contracts and service contracts, periodicals, surveys on environmental protection, respect of human rights, and other sustainability initiatives	③ ① ② ④ ⑤
Local communities	Our social contribution activities emphasize communication with local communities. We also focus on building partnerships with nonprofit and non-governmental organizations that offer expertise in special areas as we strive to prosper together with all of society.	Social contribution programs based on partnerships with NPOs and NGOs, participation in local events, charity concerts, regular consultations with local governments and neighboring companies, social contribution club Uniheart	② ⑤ ① ③ ④

* The size of the circled number represents how closely tied it is to the material issue.

External evaluations

Based on business activities that take into consideration the environment, society, and governance, which are the foundation for sustainable growth, the Group earnestly works to solve various social issues and aims to increase corporate value by creating value through contributions to the development of a sustainable society. Our various initiatives have undergone the following evaluations by external parties.

The Sustainability Yearbook Member 2024



2024 Certified Health & Productivity Management Outstanding Organization



MSCI ESG Rating



Platinum Kurumin certification



PRIDE Index 2023



Eruboshi certification



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Glossary

Term	Explanation
BIPROGY Users Association	The BIPROGY Users Association is comprised of BIPROGY Group users. Established in 1953, it has the longest history of any IT-related user association in Japan. Research activities by BIPROGY Users Association members and BIPROGY Group employees providing them with advisory support are not only spread amongst association members but also widely publicized through regular symposiums and association newsletters.
Business Ecosystems	A registered trademark of BIPROGY Inc., Business Ecosystems are systems in which multiple companies and organizations form partnerships to create businesses that solve social issues, and coexist and co-prosper beyond the boundaries of industries and business sectors by utilizing their respective technologies and strengths.
Core-banking system	Core-banking system refers to the system that performs core business processing such as deposits, loans, and exchange among the business systems of financial institutions.
Corporate Venture Capital (CVC)	CVC is an investment by a business company in a venture company, etc. for the purpose of acquiring ideas and technologies that contribute to the creation of new businesses, or an organization that engages in such investment activities.
Digital Commons	Digital Commons are communities where it is possible to create both social and economic value in solving social issues by using digital technology to make it possible to widely use privately owned assets (assets owned by companies, organizations, and individuals) and surplus assets (assets with low utilization rates) that already exist in society as shared assets with low additional costs.
Digital Transformation (DX)	Digital transformation refers to not only transforming products, services, and business models based on the needs of customers and society but also transforming operations themselves, the organization, processes, and corporate culture and climate and establishing a competitive advantage by using data and digital technology to respond to rapid changes in the business environment.
Digital Twin	This is technology that uses IoT and other technologies to bring together information located in physical spaces and recreate it in a virtual space.
Enterprise Resource Planning (ERP)	This is a solution that reflects the ERP idea of bringing together a corporation's resources into a single location and making effective use of those resources.
ICT	Short for Information and Communication Technology. Specific expression that includes communication technology along with IT. Technologies are developed with the sharing of information and knowledge through network-based communication in mind.
Mission critical	This refers to elements that are essential for a corporation's core operations. Mission critical information systems generally are those that must operate 24 hours a day, 365 days a year without going down and be highly reliable and secure.
Open innovation	Open innovation refers to the creation of innovative business models, products, and services by combining technologies, ideas, and resources not only from within a company but also from outside companies and organizations.
Public cloud	A public cloud is a service that provides cloud computing, including servers, storage, databases, and software, to an unspecified number of users, including companies and individuals, via the Internet.
SaaS	SaaS (Software as a Service) is a form of software distribution in which only the functions of the software that the user needs are made available as a service.
Security incident	Security incident is an incident or accident that poses a security threat. It includes malware infection, unauthorized access, and leakage of confidential information.
Sler/System Integration	Sler is short for System Integrator. Business operator who undertakes the building, operation, maintenance, etc. of the information systems of companies and other entities. Such IT services are referred to as system integration.
Social implementation	Taking services and mechanisms utilizing digital elements and technologies that lead to solving social issues and making them widely available to society.
Vendor-free	Vendor-free refers to the ability to provide services that optimally combine products from a variety of manufacturers, without having to stick to a specific manufacturer.
Zero emission	Zero emission refers to reducing to zero the amount of waste generated from production activities that undergoes final disposal. In a broader sense, it refers to a resource-recycling social system that does not produce any waste by effectively using waste as raw materials.

Corporate Information

(As of March 31, 2024)

Corporate Data

Company Name	BIPROGY Inc.	Independent Auditor	Deloitte Touche Tohmatsu LLC
Established	March 29, 1958		
Paid-in Capital	¥5,483.17 million		
Description of Business	Services business including cloud computing and outsourcing; computer and network system sales/rentals; software development and sales; system-related services	Business Offices	<p>Corporate Headquarters: 1-1-1 Toyosu, Koto-ku, Tokyo 135-8560, Japan</p> <p>Regional Headquarters: Kansai (Osaka), Chubu (Nagoya), and Kyushu (Fukuoka)</p> <p>Regional Offices: Hokkaido (Sapporo), Tohoku (Sendai), Niigata (Niigata), Hokuriku (Kanazawa), Shizuoka (Shizuoka), and Chugoku (Hiroshima)</p> <p>Other Locations: Sapporo Techno-Center, and Izu Executive Center</p>
Number of Employees	8,218 (consolidated)		

Number of consolidated subsidiaries 29

Marketing, Business Development and Consulting	UEL Corporation UEL (Thailand) Co., Ltd. Cambridge Technology Partners, Ltd. Cambridge Technology Partners Inc. AFAS Inc. Canal Globe, Ltd. Axxis Consulting (S) Pte. Ltd. Axxis Technologies (S) Pte. Ltd. Axxis Consulting (M) Sdn. Bhd. Canal Ventures, Ltd. Canal Ventures Collaboration Fund 1 Investment Limited Partnership Canal Ventures Collaboration Fund 2 Investment Limited Partnership Emellience Partners, Inc. AFON IT Pte. Ltd. AFON Systems Pte. Ltd. AFON Technologies Pte. Ltd. Tech Viewing, Ltd. Green Digital & Innovation Inc. V-Drive Technologies Inc.
Total Infrastructure Services	UNIADDEX, Ltd. Netmarks Information Technology (Shanghai) Co., Ltd. S&I Co., Ltd.
System Services	USOL VIETNAM Co., Ltd. International Systems Development Co., Ltd. G&U System Service, Ltd. UNIAID Co., Ltd. BIPROGY Challenged Inc.
Outsourcing	TRADE Vision, Ltd.
Group Services	BIPROGY USA, Inc.

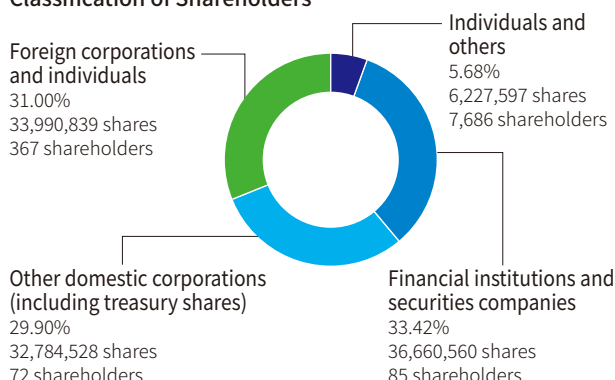
Number of equity method affiliates 19

Stock Information

Number of shares issued	109,663,524 shares*
Number of shareholders	8,210 shareholders
Stock exchange listings	Tokyo Stock Exchange, Prime Market (Stock code: 8056)

* As of August 30, 2024 100,663,524 shares

Classification of Shareholders



Principal Shareholders

Name	Number of shares held (Thousands of shares)	Holding ratio (%)
Dai Nippon Printing Co., Ltd.	20,727	20.61
The Master Trust Bank of Japan, Ltd. (Trust Account)	13,012	12.93
Custody Bank of Japan, Ltd. (Trust Account)	12,368	12.29
Mitsui & Co., Ltd.	2,448	2.43
The Norinchukin Bank	2,326	2.31
JAPAN POST INSURANCE Co., Ltd.	1,605	1.59
BIPROGY Employees' Shareholding Society	1,451	1.44
GOVERNMENT OF NORWAY	1,363	1.35
THE BANK OF NEW YORK MELLON 140044	1,313	1.30
The Master Trust Bank of Japan, Ltd. (Retirement Benefit Trust Account, Mitsubishi Electric Corporation Account)	1,271	1.26

(Notes)

1. Number of shares less than one thousand has been omitted.
2. The Company retains 9,100,382 treasury shares without voting rights. Thus, they are excluded from the major shareholder list above.
3. The ratios are calculated by deducting treasury shares and expressed by rounding down to two decimal places.

Third-party Assurance

The following data is certified by a third-party assurance institution for the purpose of enhancing the reliability of reported data.

Environmental Data (FY2023)

- Amount of Scope 1 GHG emissions (t-CO₂e)
- Amount of Scope 2 GHG emissions (t-CO₂e), Location-based and Market-based
- Amount of Scope 3 GHG emissions (t-CO₂e) Categories 1-15
- Amount of total energy consumption (GJ, MWh, kL)
- Amount of energy consumption (kL) and specific consumption (kL/m²) based on the Act on the Rational Use of Energy
- Percentage of purchased electricity derived from renewable energy sources (%)
- Amount of energy used (city gas (m³), heavy fuel oil A (kL), gasoline (kL), LPG (m³), hot water (MJ), cold water (MJ), steam (MJ))
- Amount of water used (m³)
- Amount of waste emissions (recycled, landfilled, incinerated) (kg)
- Amount of paper used (kg)

Independent Assurance Statement

Environment → https://sustainability-cms-biprogy-s3.s3.amazonaws.com/pdf/IAS_2024_Environment_en.pdf

Social Data (FY2023)

- Percentage of employees with disabilities (%)
- Employee turnover rate (%)
- Percentage of management positions held by women (%)
- Number of employees
- Average age
- Average years of continuous employment
- Average annual salary (yen)
- Percentage of eligible people taking childcare leave (men) (%)
- Gender pay gap (%)
- Absenteeism rate (%)

Social → https://sustainability-cms-biprogy-s3.s3.amazonaws.com/pdf/IAS_2024_Social_en.pdf

Statement of Responsibility

The BIPROGY Group published this integrated report and repeatedly held dialogues with stakeholders to deepen understanding of our initiatives to create value in the medium to long term. When creating the report, the opinions of readers were incorporated to make the value creation story of the Group, based upon its Purpose, easier to understand.

Moreover, the report was prepared in cooperation with many associated departments within the Group, and was published after discussion and approval by the Sustainability Committee and the Executive Council. In addition, we have worked to improve the reliability of this report by obtaining assurances regarding material non-financial information from a third-party assurance institution. As the officer in charge of the Finance Department, the department responsible for preparing integrated reports, I declare that the process for preparing this report is proper and legitimate.

We hope that this report will help our stakeholders better understand the Group.

Kazuma Umehara
Senior Corporate Officer and CFO