

BIPROGY Group



Foresight in sight



BIPROGY Group

# Integrated Report 2024

For the Year Ended March 31, 2024

## Corporate Philosophy

### Our Mission

**Work with all people to contribute to creating a society that is friendly to people and the environment**

### Our Vision

**Be a group that strives to be sensitive to the expectations and needs of society and that thinks through how ICT can contribute to meet them**

### Our Values

#### 1. Pursuit of High Quality and High Technology

Always have the latest knowledge that is useful for society while improving our skills

#### 2. Respect for Individuals and Importance of Teamwork

Identify each other's good points, encourage each other to improve those good points and harness the strengths of each person

#### 3. Attractive Company for Society, Customers, Shareholders and Employees

Listen sincerely to our stakeholders to improve our corporate value



## Corporate Statement

Simple Slogan Spreading Ideas Consistently

**Foresight in sight**

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

## BIPROGY Group Charter of Corporate Behavior

**We will meet our responsibilities towards society and the environment to protect the future of our children.**

1. Act with coexistence of people and the environment as the highest priority
2. Always act according to the principles of social responsibility
3. Sincerely work on the core subjects and issues of social responsibility

**\* Principles of social responsibility**

The seven key principles of ISO 26000, the international guidance relating to social responsibility: accountability, transparency, ethical behavior, respect for stakeholder interests, respect for the rule of law, respect for international norms of behavior, and respect for human rights.

**\* Core subjects and issues of social responsibility**

The seven core subjects of ISO 26000, the international guidance relating to social responsibility: organizational governance, human rights, labor practices, the environment, fair operating practices, consumer issues, community involvement and development, and relevant issues related to each of the core subjects.



Company that Creates  
Social Value

## Purpose

The Unique Characteristics and Management Resolve of the BIPROGY Group

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

**Front cover image [Twine]**

The soft, seamless curve of the cloth makes one think of the beauty of forms found in nature and the warmth as if one were enveloped in it. Depicting these diverse changes within space, it represents a flourishing world in which people live in harmony with the planet.

Artwork: Rhizomatiks

# Contents

## Introduction

- 4 At a Glance
- 6 History of the BIPROGY Group

## Strategies Aimed at Realizing Vision 2030

- 8 CEO Message



- 14 Value Creation Story
  - 14 Value Creation Process
  - 16 Vision 2030 — Group's Ideals and Goals
    - 17 Material Issues
  - 20 Expanding Our Business Ecosystem to Achieve Our Future Vision
- 22 Management Policies (2024–2026)
- 25 **Special Feature 1**  
**Initiatives for Focus Areas in Core Businesses Strategies**
- 30 **Special Feature 2**  
**Group Companies & Co-Creation Partners that Realize Value Creation**
- 32 CFO Message



- 36 Financial Highlights
- 38 Non-Financial Highlights

## Implementation Capability for Realizing Vision 2030

- 40 Sustainability Management Message

- 40 CSO Message



- 41 CHRO Message



- 42 Human Capital Strategy
- 48 Intellectual Asset Strategy
- 52 Environment
- 56 Supply Chain
- 57 Human Rights
- 58 Dialogue between the CEO and Outside Directors



- 62 Governance
  - 62 Corporate Governance
  - 74 Further Improve Integrity
  - 76 Risk Management

## Data Section

- 80 Business Results Summary
- 84 11-Year Financial Summary
- 86 Review of Past Mid-Term Management Plans
- 87 Material Issues (Actual for FY2023)
- 88 ESG Data
- 90 Stakeholder Engagement
- 91 Glossary
- 92 Corporate Information
- 93 Third-party Assurance/Statement of Responsibility

## Concept of Integrated Report 2024

Having formulated Vision 2030 based on Purpose, the direction it should move as 2030 approaches, the BIPROGY Group aims to create social value by creating a Digital Commons (society's shared assets) and tying that to the creation of social systems that make it possible for all to live a happy life. To achieve that, we started Management Policies (2024–2026) in FY2024, which is the second phase following the previous management policies. Our goal is to create social value and generate sustainable growth, mainly through the strategies and initiatives included in Vision 2030 and Management Policies (2024–2026), and in this report, we explain the value creation process of the Group.

### Editorial Policy

This report aims to communicate the BIPROGY Group's medium- to long-term initiatives to improve corporate value to a wide range of stakeholders, including shareholders and investors. It is also intended to further their understanding of our process for creating both social and economic value. The Integrated Report 2024 presents both financial and non-financial information about matters of great importance in the Group's value creation process. A broader range of detailed information is also available on our website.

### Information Disclosure

#### Corporate Data

[→ <https://www.biprogy.com/e/>

Company information/Solutions/Case studies and more.

#### Information for Investors and Shareholders

[→ <https://www.biprogy.com/invest-e/>

Integrated Reports/Financial Statements and Supplementary Materials/  
Financial Results Briefing Materials/

Corporate Governance Reports and more.

#### Sustainability Information (Japanese only)

[→ <https://www.biprogy.com/sustainability/>

Sustainability Reports and more.

### Scope of the Report

In principle, the scope of the report consists of BIPROGY and its consolidated subsidiaries, and it is individually noted when the scope differs.

### Period of the Report

In this report, fiscal year (FY) refers to the period beginning April 1 and ending March 31 the following year. In principle, this report covers FY2023 (April 1, 2023 to March 31, 2024), with activities during past fiscal years and conditions following FY2024 also reported as necessary. The Company adopted International Financial Reporting Standards (IFRS) for fiscal 2021 and after, but for fiscal 2020 and before, financial information is based on Japanese accounting standards, J-GAAP.

### Referenced Guidelines

- International Integrated Reporting Framework from the International Integrated Reporting Council
- Sustainability Reporting Standards from the Global Reporting Initiative (GRI)
- ISO 26000, JIS Z 26000
- Guidance for Collaborative Value Creation from the Ministry of Economy, Trade and Industry of Japan

### Issued

November 2024



### Notes Concerning Forward-Looking Statements

Statements in this report that refer to current plans, projections or strategies of BIPROGY Inc. or its consolidated subsidiaries, other than historical facts, represent forward-looking statements made based on judgments and assumptions in accordance with the information currently available. Please note that actual results may differ from the forecasts due to fluctuations in risks and uncertainties and changes in economic conditions, and the Group makes no guarantee of the reliability of such forecasts. This information is also subject to change without notice. The purpose of this report is to provide information for use as a reference in making investment decisions, and it has not been prepared to solicit investment. BIPROGY Inc. assumes no liability for any damages resulting from the use of this report.

# At a Glance

## BIPROGY Group in Figures

(Data as of FY2023 or March 31, 2024)



### ■ Establishment

**1958**

### ■ Consolidated subsidiaries

**29** companies

### ■ Locations

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

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



### ■ No. of employees

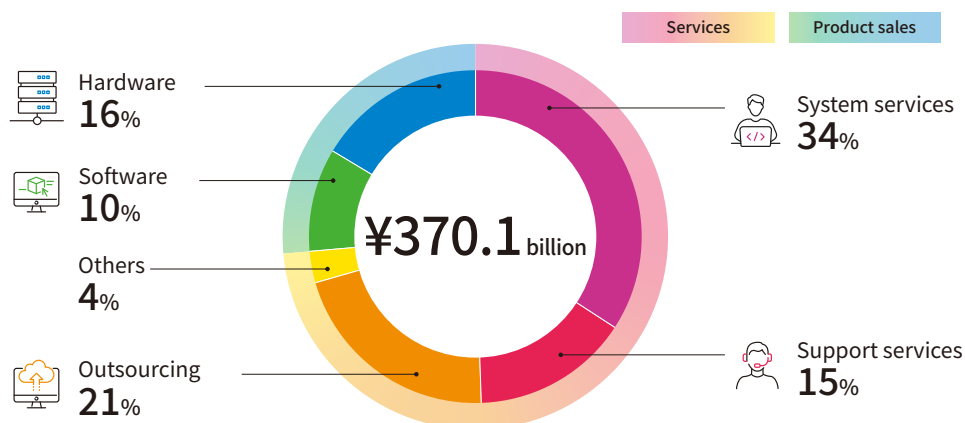
**8,218**

### ■ No. of engineers

**5,044**



### ■ Revenue



### ■ Operating profit

**¥33.3** billion

### ■ Profit attributable to owners of parent

**¥25.2** billion

### ■ ROE

**16.5%**

### ■ Issuer rating\*<sup>2</sup>

**A-**

\*<sup>2</sup> Rating & Investment Information, Inc. (R&I)

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

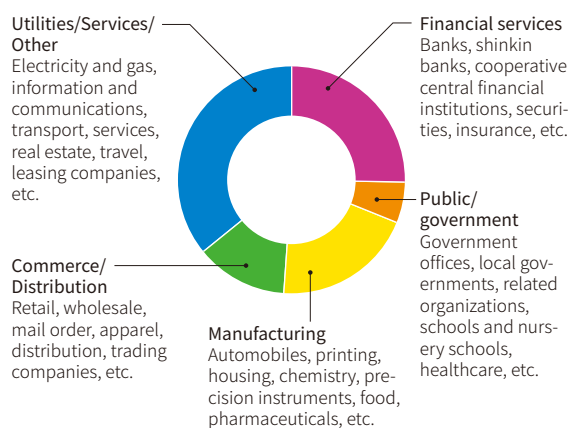
### Relationships with Customers and Partners in Various Industries

Customers in broad types and categories of businesses

Number of customers\*<sup>1</sup>  
More than **5,000** companies

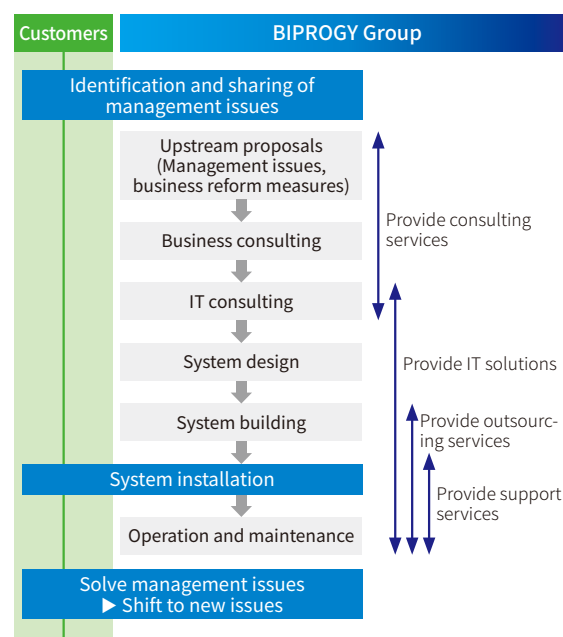
\*<sup>1</sup> Total for BIPROGY and UNIADDEX (FY2023)

#### Breakdown of sales by market (FY2023)



### Capabilities for Enabling One-stop Vendor-Free Support

Provide the optimal vendor-free ICT environment for solving problems faced by customers



### Capabilities for Enabling Successful System Implementation

Providing mission critical systems that move society

Extensive **track record**



Operate the world's first "full-banking" core-banking system Windows-based BankVision

Operate Japan's first public cloud-based "full-banking" system BankVision on Azure



Operate the world's first open technology-based domestic airline passenger system

### Capabilities for Designing and Delivering New Services

Examples of new services/initiatives (FY2023 and after)



Began to provide #tsumuGo\_mobile, a joint-use banking app for regional financial institutions



Began to provide BIPROGY ESL SaaS, a cloud service that offers total support for introducing electronic shelf labels



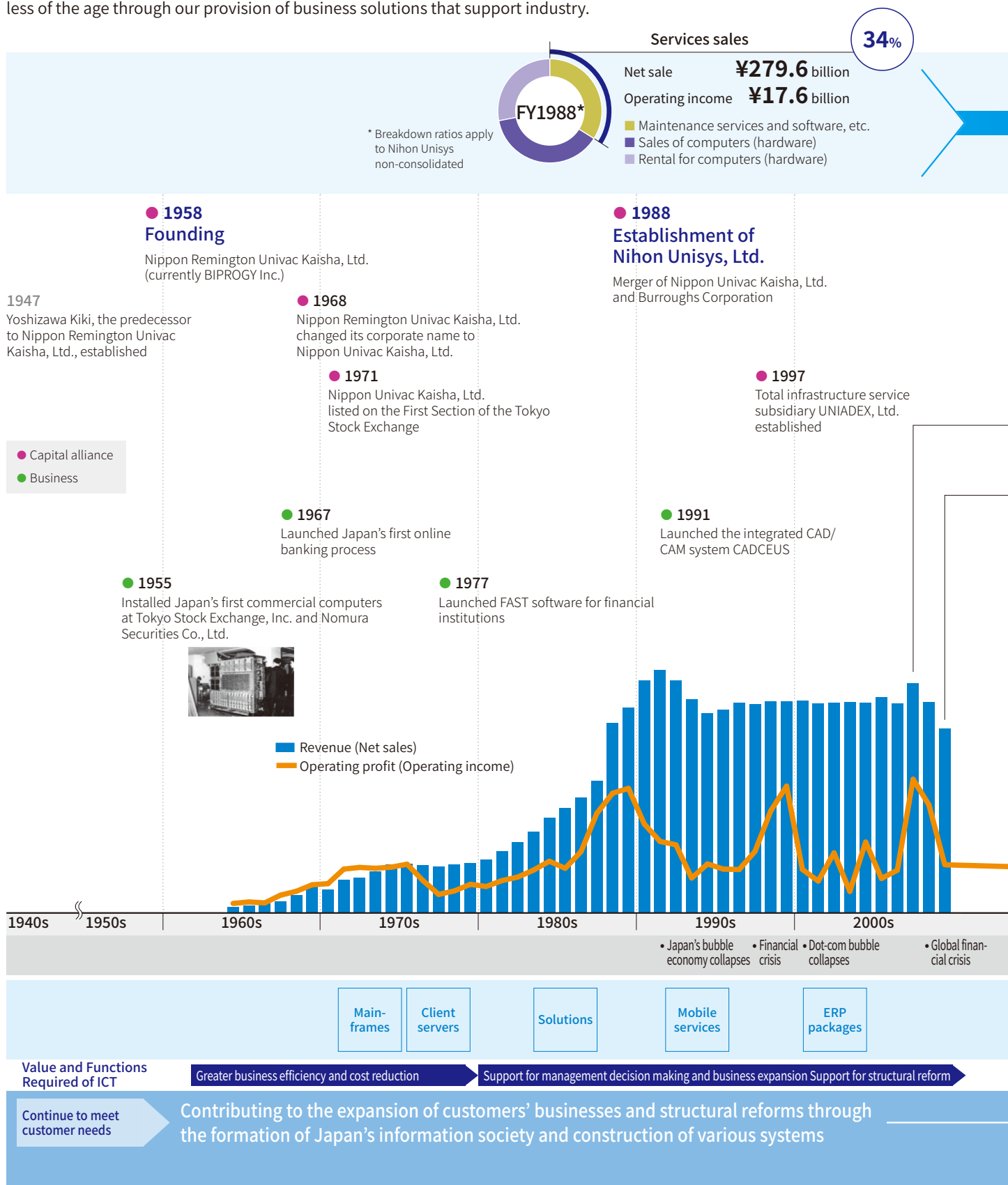
Provided the environmental value management service "Re:lviv" and "PV excess prediction service" that uses AI to predict the amount of excess electricity generated by solar power



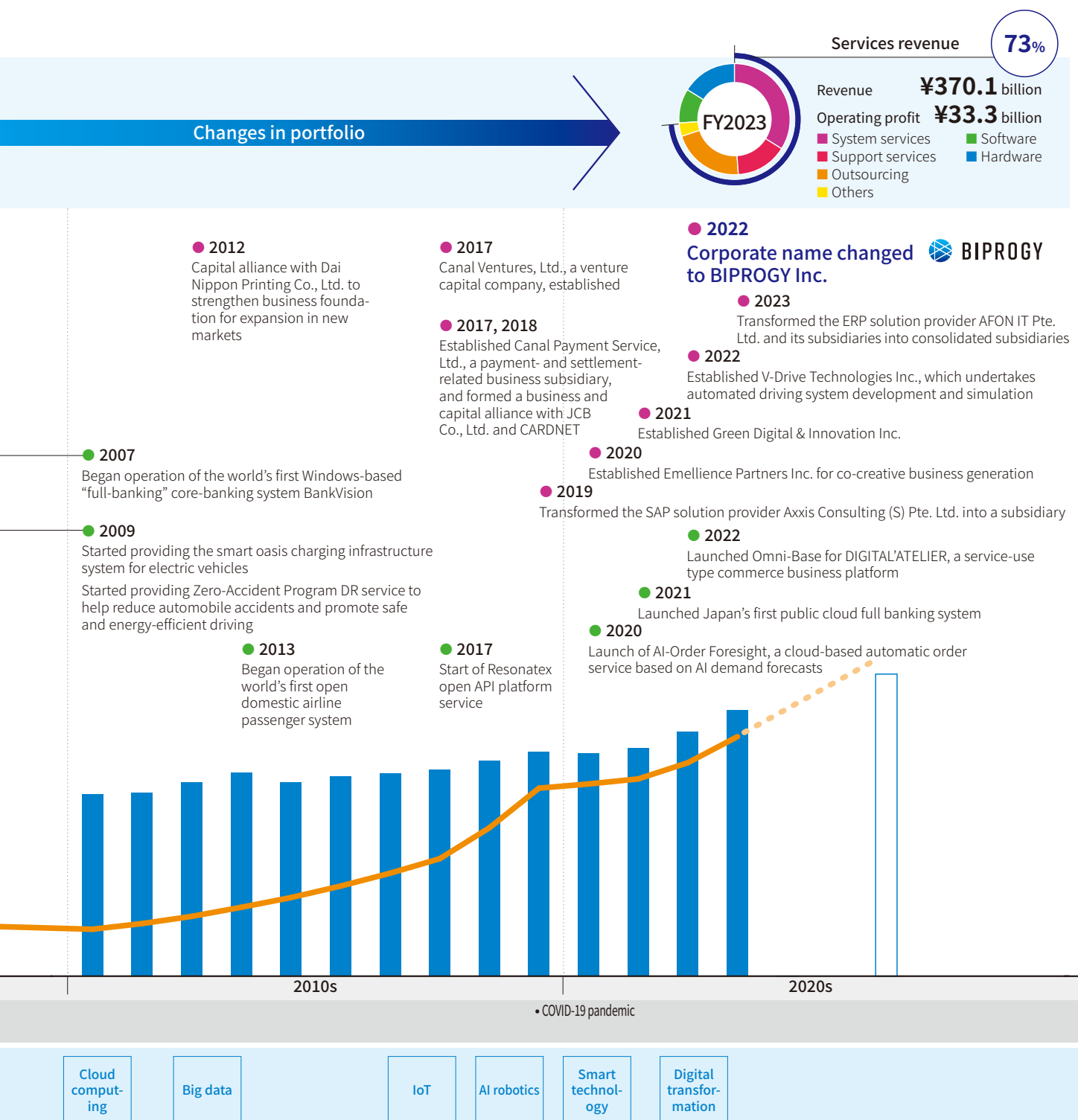
Launched safety verification initiatives using digital twins in Chiba City to realize the social implementation of automated driving services

# History of the BIPROGY Group

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



Using the experience and track record built up in the ICT field over the years to form business ecosystems that link customers and partners in various industries who possess diverse strengths, we will develop those into a Digital Commons—that is, shared assets of society, a system that promotes the creation of a society in which everyone can live happily.



Business innovation / business creation Resolution of social issues

Transform into a company that creates social value

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

## CEO Message



**Noboru Saito**

Representative Director,  
President & CEO

# We will promote a Digital Commons by creating social and economic value through both our core and growth businesses

## On taking up the position of President

My name is Noboru Saito, and I took up the position of Representative Director, President, and CEO in April 2024.

I have been mostly involved in sales as I was initially assigned to the Sales Department when I joined the Company. When making proposals to customers in the logistics industry regarding implementing a DX, I was blessed with the opportunity to talk to numerous people, not only customers' staff in charge of information systems but also managers and staff working in business planning departments. This made it possible for me to deepen my understanding of such issues as market trends and competition and to plan and introduce the merchandising (MD) core system CoreCenter, our current leading solution. It is precisely because of this experience that I am deeply attached to business development.

One turning point in my career was when I worked on the gift card business. This was based on a business model in which we convinced various retailers, including convenience stores, to stock gift cards and use our gateway system for sales. This completely changed the IT system-providing work I had been doing up to this time because even if it was the same customer company, different staff were responsible for the work, and I learned much, such as negotiating with overseas gift card issuers, including Amazon.

Another turning point was launching Canal Ventures, Ltd., a corporate venture capital company, in 2017. The

company has established Fund 1 and Fund 2 and invested in about 40 startups over the years, but being involved from the first company was a valuable experience for me. Even for investments that normally require that a specific decision-making process be followed, there were situations when it was necessary to make a quick decision. While making various decisions and advancing the business in a short period of time made me feel the responsibility, it was exciting. Thanks to that work, I was appointed chair of the Planning Subcommittee of the Japan Business Foundation's Committee on Startups and have been doing that since 2019. It has been a valuable experience as I have been able to meet the managers of numerous startups and people involved in venture capital.

The BIPROGY Group aims to “develop the Digital Commons<sup>\*1</sup> as a platform for creating a society where everyone can live happily,” which is given in our Vision 2030 as the direction that we should take as 2030 approaches. During the period of Management Policies (2021–2023), the first step in this direction, I was in charge of the Marketing and Sales Division as the Chief Marketing Officer (CMO). I am thankful that for the period of Management Policies (2024–2026), the second step, I have been put in a position of responsibility as the CEO and will resolutely move forward so that we can not only meet but exceed the expectations of all stakeholders. I would like the Company to become an entity needed by society by continuing to sincerely respond to the question, “What value can we provide to society?”

\*1 Digital Commons: a community and mechanisms that continually create value through co-creation and make it possible to use the power of digital technology and broadly leverage existing tangible and intangible assets in society as shared assets with few additional costs to create a sustainable society.

## Noboru Saito

### Profile

Mr. Saito joined Burroughs Corporation (currently BIPROGY Inc.) in 1986. Having served in various positions, including Apparel Sales Manager, Industry & Commerce General Manager, and Business Services General Manager, he has launched numerous new businesses through collaboration with companies in various industries and was appointed a Corporate Officer in 2013. He has served as Director, Senior Corporate Officer, and CMO since 2016. When Canal Ventures, Ltd. was established, he held the concurrent position of Representative Director and CEO of Canal Ventures, Ltd. from 2017 through 2020. He has also served as the Chair of the Planning Subcommittee of the Japan Business Foundation's Committee on Startups since 2019 and was appointed an outside evaluator on the Outside Evaluation Committee of the Program for Supporting the Utilization of Specified Research Results at the University of Tokyo in 2020. He was appointed Outside Director of Seiko Group Corporation in June 2022 and Representative Director, President, and CEO of BIPROGY Inc. in April 2024.

### Review of Management Policies (2021–2023)

I think that in FY2023, the final year of Management Policies (2021–2023), we recorded sufficiently strong earnings. With revenue of ¥370.1 billion, which dramatically exceeds the target of ¥340.0 billion, and operating profit of ¥33.3 billion, we posted record revenue and operating profit. The strong growth over the past three years has given the overall Group confidence, and I am proud of all the employees who helped achieve this.

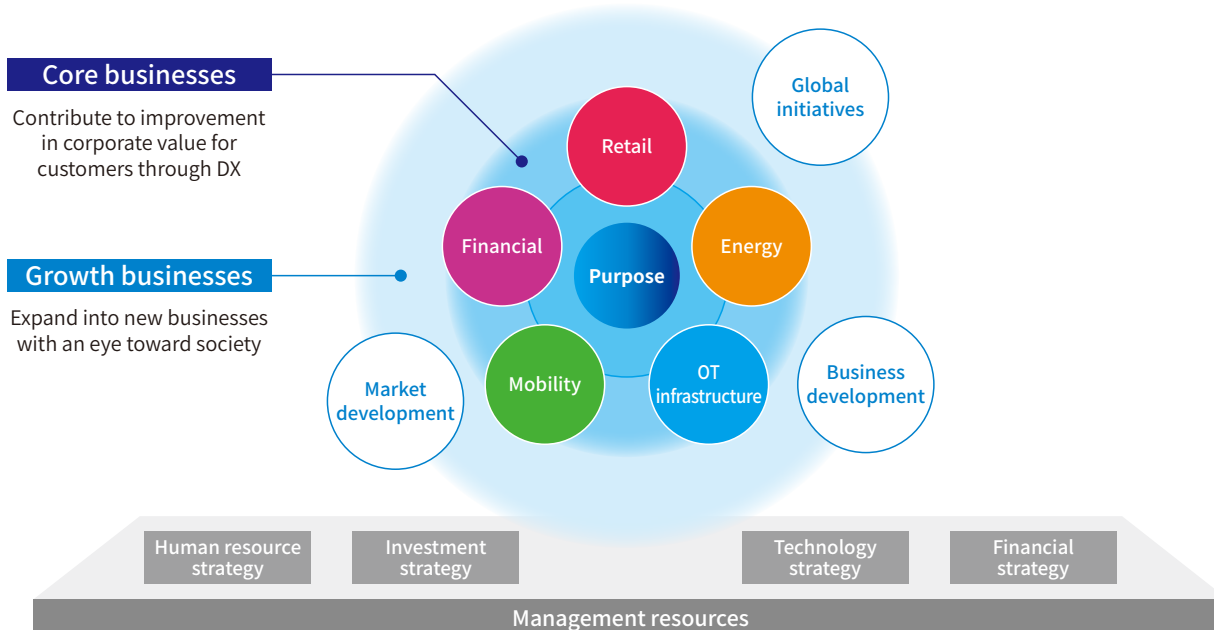
The growth in revenue was partly because of greater social DX-related initiatives but mainly due to dramatic growth in customer DX. To meet the demands of customers who want to increase their corporate value by accelerating their DX and expanding their business, the Group has prioritized its response to these demands as a DX partner and acquired numerous assets that will lead to future growth. On the other hand, with regard to the creation and expansion of new service-type businesses that solve social issues, although we proceeded with evaluation and verification for the market through proof-of-concept, etc., growth was moderate due to our priority on promoting DX for our customers. We are now in a transition period, in which we will grow individual businesses by working closely with stakeholders, but the speed at which we can do this is still an issue.

The relationship of deep trust that we have with customers in a wide range of industries, and the network they form, are important assets for the Group. It is exactly at this time when there are numerous social issues that cannot be solved by a single company on its own that we can demonstrate the true value of these assets. We are entering an era when value will be generated through N-to-N communities, and I think that the Group, which has proposed the best combination of services and products for the needs of the time, without vendors, and implemented those proposals, has the ability to solve social issues by coordinating various types of players.

### What we want to achieve through Management Policies (2024–2026)

In the newly formulated Management Policies (2024–2026), we aim to accelerate the creation of social value and economic value through business activities and to become a company that the market and customers want to work with to resolve social issues. In particular, we will focus on areas we are strong in, our core businesses that are existing revenue sources, and also create a sustainable new business portfolio consisting of growth businesses as new bases of revenue by increasing provided value and profitability.

**Jointly creating social value through the symbiotic expansion of core businesses and growth businesses**





For the core business strategy, we have set financial, retail, energy, mobility, and OT\*<sup>2</sup> infrastructure as focus areas with assets based on a blue-chip client base and thorough business and client knowledge. For example, the retail industry faces the problem of a labor shortage, but DX will likely be effective for eliminating this problem. Despite a trend among financial institutions to reduce the size of their sales offices, they are expected to further increase the number of contact points with customers and provide services with greater value added. Here too, DX is the key, and we will work hard on this type of business.

The keywords in Management Policies (2024–2026) are leveraging data and AI. Every company possesses mountains of data, and there are cases when companies do not make the most of that information. Touting “market development” as a priority element of the growth business strategy, we will roll out services to support customers’ management decisions by leveraging data through both data science and AI. Furthermore, we must tackle the issue of information security, which has become an issue throughout the world. Another element of our market development strategy is rolling out various managed services, such as digital workplaces, security, and cloud management so that customers can focus on their core businesses.

We also have to improve our profitability in order to achieve an adjusted operating margin of 11.0%, one of the targets in Management Policies (2024–2026). Therefore, we will introduce such new technology as generative AI in the Group.

“Thorough understanding of customers and industries” and “project management and formulation of such know-how” are given as two of the Group’s technical strengths. We are skilled at gaining a firm understanding of customer’s operations and the market and proposing how to

make use of available data. One strength of IT is its ability to make things visible. A recent example of this is that we were able to introduce a new service because a customer’s equipment-related data told us of locations prone to breakdowns and in need of maintenance. There are opportunities to not simply provide customers with an analysis of the massive data they possess, but also work with them to create new services.

We are also focusing on training engineers who can create this type of business: We second our engineers to AI-related companies we have invested in so they can learn how to handle data. The knowledge learned there leads to new services for customers.

\*2 OT: Operational Technology. Used to control and operate hardware at factories in the manufacturing industry.

### Taking on the challenge of inorganic growth

In order to achieve the targets in the Management Policies (2024–2026), it is necessary to generate inorganic growth, and thus, we will move forward with a global initiatives included in our growth business strategy. To be specific, we will work to expand our business in key ASEAN member countries and capture service areas and customers through strategic investments with an eye toward M&As. However, our goal is not M&As themselves. We will focus on partnerships with companies that agree with our vision and want to work with us to change society.

We believe that in Asia we can make good use of the technology and the knowhow for providing high quality services that our Group has developed over decades.

In our core business priority areas and growth areas in Japan, too, we will move forward with concluding strategic partnerships if there are attractive companies.

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### Reinforcing human capital with a focus on diversity

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I think that employees are of paramount importance for realizing our vision and strongly hope that employees play an even grander role. Therefore, I want employees to absorb all that they can by taking on various challenges and accumulating experiences on a trial-and-error basis. Every experience, including a failure, is an asset. I want to support employees so that they can take on challenges with no fear of failure and cultivate appealing human resources who possess a wide range of skills. I think that having each and every employee shine will make it possible for the Group to get closer to being a company that others want to work with to resolve social issues.

I also think that it is important to further promote diversity in order to become an attractive corporate group for both customers and partners. To move forward with our global initiatives, a part of the growth business strategy in Management Policies (2024–2026), a major issue is training global talents. I would like to see our Japanese employees possess a global perspective. Before changing its name to BIPROGY, we primarily conducted business in Japan, which is evident in the fact that at that time, our name was Nihon Unisys. However, it is impossible for a company that only conducts business in Japan when it tries to solve social issues through a Digital Commons. I would like to increase opportunities to promote business in partnership with overseas companies so that employees can acquire a global perspective.

In terms of corporate governance, we took the lead in promoting initiatives to establish a Board of Directors that is aware of diversity in order to reinforce the multifaceted perspective within management. Outside directors include one foreign national and one woman, and in June 2024, one woman was appointed an inside director. We will continue our efforts to establish a Board of Directors that is

even more diverse.

While increasing our hiring of new graduates, we are also actively rehiring retirees. Every year we hold an awards ceremony to recognize employees who made strong contributions during the year, and I was extremely pleased to see that one rehired employee was among those recognized this year and that many of their coworkers celebrated the honor. I would like to see BIPROGY be a company in which employees of all ages can shine through their contributions, playing a central role in the workplace. We are also actively moving forward with hiring mid-career workers in order to capture know-how and knowledge that the Company lacks, and this requires engagement. If we are an attractive Group, even new members will want to work hard here. To achieve this, too, we will show that BIPROGY is a company that actively incorporates new technologies and ideas and that tries its hand at various new businesses.

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### Aiming to become a 1 trillion-yen corporate group

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The targets in Management Policies (2024–2026) include revenue of ¥420.0 billion and adjusted operating margin of 11% in FY2026. Further in the future, we aim to become a 1 trillion-yen corporate group, and I want the Company to be in a position to achieve that in 2030. A market value of ¥1 trillion is twice our current market value, which means it is a challenging target. To be able to truly take the initiative to solve social issues, we must become an attractive company that possesses such a corporate value. With an eye toward expanding and, in the future, transitioning our business portfolio, we will aggressively move forward with business-related investments, including M&As.

Because of this, we will first accelerate our initiatives in areas that the Group is particularly strong in—that is, the



## Position of Management Policies (2024–2026)

We aim to become a 1 trillion-yen corporate group by creating both social value and economic value and by being a company that the market and customers want to work with to resolve social issues.

We will execute management on many fronts in pursuit of steady business growth and establish a sustainable new business portfolio.



five priority areas of financial, retail, energy, mobility, and OT infrastructure, which were discussed above. We will establish a cycle in which we leverage the various types of assets that arise from our initiatives to solve customers' issues and link those to the creation of the next business and broader provision of value. I would also like to increase the number of new focus areas through this process.

In our Management Policies (2024–2026), we have set a milestone sales target of ¥15.0 billion for our overseas business. Looking ahead, we aim to expand this business to not just tens of billions of yen but also to a significant two-digit share of our total sales.

Of course, we will undertake management that is conscious of market value, but to do that, we will not simply improve earnings but also increase corporate value and raise our valuation by expanding intangible assets. Although it is difficult to value intangible assets, I want to create and actively communicate about new businesses that will raise future expectations by creating benefits and impacting society through the technologies and initiatives of our group.

As we move toward becoming a 1 trillion-yen corporate group, there might not be a Japanese company that can serve as a benchmark for the type of company I am thinking of. Although there are several famous companies in the same industry that could serve as a benchmark if we only consider some of their activities, I don't think any company is fully putting in practice what we want to become. Perhaps I strongly feel this because I have worked with numerous startups. For example, these companies undertake business activities focused on solving social issues, such as investing

in the development of nutritional food products to prevent malnutrition in poor children, and seriously working to develop new fuels to replace fossil fuels in order to slow climate change. In terms of ambitions, these companies may serve as benchmark corporations.

I know that I, too, must continually improve myself in order to make BIPROGY an unrivaled company. For example, I regularly visit Silicon Valley in the U.S. and exchange ideas with partner companies and venture capitalists at VC companies we have invested in. In Japan, I also work to capture new inputs through discussions with not only customers and partners but also Japan Business Federation member companies and startup companies we have invested in. I aim to become an appealing president by repeatedly finding new inputs and generating output.

Similarly, I want each employee of the Group to improve themselves and grow. Employees finding satisfaction in their work, possessing pride in their work, and shining with a sense of excitement is of paramount importance, and we will create an environment in which employees can come up with numerous bright ideas.

On this basis, we will create a business ecosystem with all stakeholders and open up the future as a corporate group that solves social issues through ICT. We will also create a path to the future. The name of the BIPROGY Group is derived from the first letter of each of the seven colors visible when light is refracted and reflected, and I hope that you have high expectations for our collective strength, which is made by weaving together of the multi-hued brilliance of the BIPROGY Group.

# Value Creation Story

## Value Creation Process

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

### Sources of Competitive Advantages

#### INPUT

Data as of FY2023 or March 31, 2024

#### Social and relationship capital

- Customer base spanning a broad range of sectors and industries
- Relationship with customers and partners
  - Customers: More than 5,000 companies
  - BIPROGY Users Association members: About 550
  - Development partners: More than 500 companies

#### Human capital

- Human resources able to take the initiative to grasp social issues and take action
- Corporate culture that boasts diversity and encourages taking on challenges
  - No. of employees: 8,218
  - Percentage of management positions held by women: 10.1% **Material Issue KPIs**
  - No. of engineers: 5,044

#### Financial capital

- A financial base supporting new service creation and responding to business environment changes
  - Equity attributable to owners of parent: ¥166.4 billion
  - Free cash flows: ¥33.1 billion

#### Intellectual capital

- Business knowledge from various industries and technical skills cultivated over a history of more than 60 years
- Open innovation through collaboration with venture firms and startups
- Services that promote the business ecosystem
- Investments to create new services
  - Obtained DX Certification
  - Investments\*: ¥20.9 billion

#### Natural capital

- Decarbonizing business activities
  - Amount of energy consumption: 7,189kl
  - Percentage of purchased energy used at the BIPROGY Group business locations that is renewable energy: 27.2% **Material Issue KPIs**

#### Manufactured capital

- Quality assurance for products and services
- Transparent and fair processes
- Nationwide service network in Japan, service locations in eight foreign countries
  - Quality control via ISBP\*2
  - Group compliance awareness survey response rate: 96.6%/98.0%

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

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

Strengths

• P.5

## Purpose

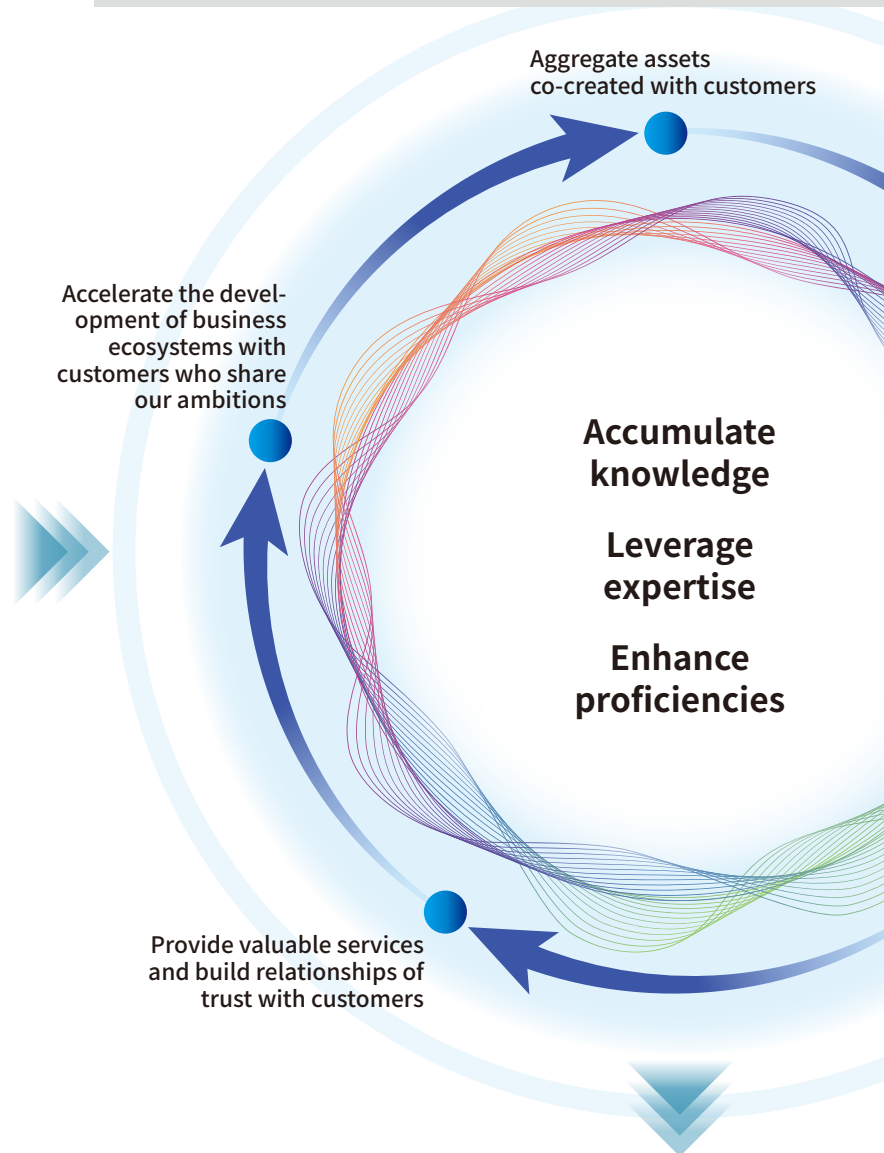
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## Create a sustainable insight to unlock the

Foresight and insight

Technology

### Value Creation Cycle



### Creation of Services

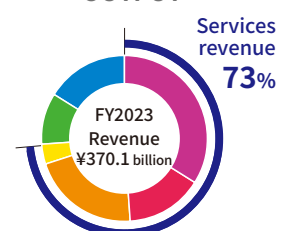
#### OUTPUT

#### For Customers

Promote customer DX that contributes to the sustainable growth of customers

#### For Society

Promote social DX that encourages solutions to social problems in collaboration with various types of customers and partners in numerous industries



# society using foresight and full potential of technology

Business ecosystem = Company that creates social value

## Vision 2030

P.16-19

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



### Material Issues

P.17-19

P.21

## Social and Economic Value Created

### OUTCOME

Data as of FY2023 or March 31, 2024

#### Social and relationship capital

- Contribute to the sustainability of society by providing businesses that solve social issues
- Create the business ecosystem with customers and partners who share our ambitions
- Provide safe and secure products and services
  - Number of businesses that solve the issues faced by society and that look to optimize society and the world: 137.2% compared to FY2020 [Material Issue KPIs](#)

#### Human capital

- Produce innovative human resources that contribute to solving social issues
- Improve labor productivity
  - Number of business producers: 57 [Material Issue KPIs](#)
  - Weighted average score of work style related items in the engagement survey: 3.43 [Material Issue KPIs](#)
  - Operating profit per employee: ¥4.05 million

#### Financial capital

- High capital efficiency and firm financial foundation
  - ROE: 16.5%
  - Issuer rating\*3: A-
  - Ratio of equity attributable to owners of parent to total assets: 53.0%

#### Intellectual capital

- Creation of new services
  - Investments in businesses such as start-ups: 79
  - Investments in funds that target diverse fields both in Japan and overseas: 31

#### Natural capital

- Provide environmental contribution services
- Reduce the environmental burden of the value chain
  - Zero emission achievement rate (an index measuring the extent to which our environmentally friendly products and services contribute to zero emissions in society): 232.8% [Material Issue KPIs](#)
  - Reduction rate of GHG emissions (Scope 1 + Scope 2 (Market-based), vs. FY2019): 37.5% [Material Issue KPIs](#)

#### Manufactured capital

- Reliable operation of services
  - Online uptime rate: 99.999%

\*3 Rating and Investment Information, Inc. (R&I)

## Social Impacts

### Resilience

Viable and resilient autonomous distributed environments

### Regenerative

Regenerative systems for a net positive society

### Zero emissions

Environmental contributions and reduced environmental loads using digital technologies

Combine assets to enhance services

Expand service models suitable for a broad range of customers

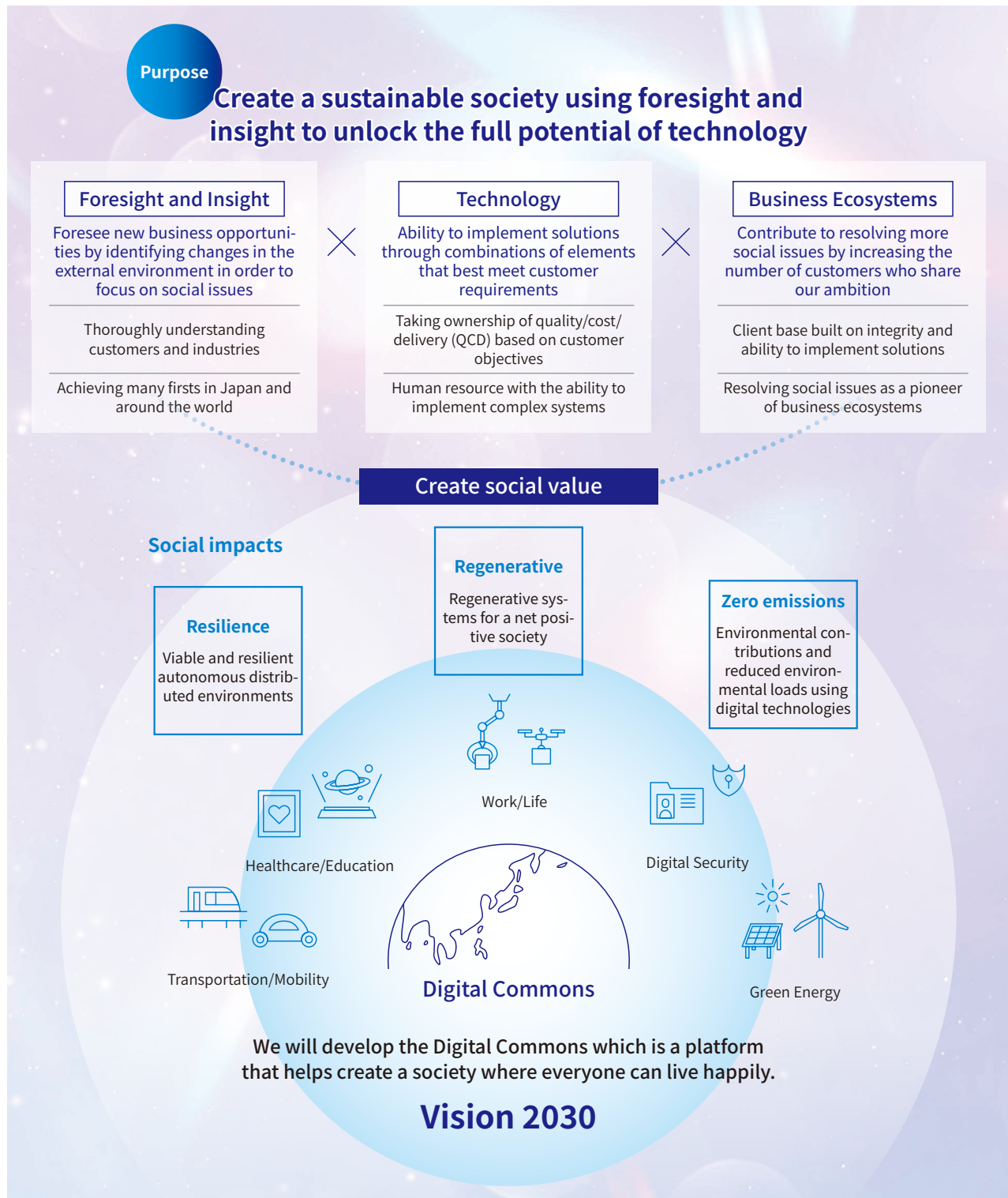
■ System services	34%
■ Support services	15%
■ Outsourcing	21%
■ Others	4%
■ Software	10%
■ Hardware	16%

(Negative output) GHG emissions  
(Scope 1 + Scope 2 (Market-based))  
8,980t-CO<sub>2</sub>e

## Vision 2030—Group’s Ideals and Goals

Based on our Purpose, Vision 2030 sets the direction we should move as 2030 approaches. Through Vision 2030, we want to create and provide business ecosystems and platforms that can match various services, products,

companies, and users with each other as a Digital Commons of shared assets in society to create the three interrelated social impacts of resilience, regenerative, and zero emissions.



## Material Issues

The Group has identified material issues that should be strategically addressed in order to integrate sustainability initiatives with management so that we can achieve Vision 2030. We have set KPIs and targets and are moving forward

with initiatives for each material issue to improve our corporate value by creating both social value and economic value.

### Material Issues

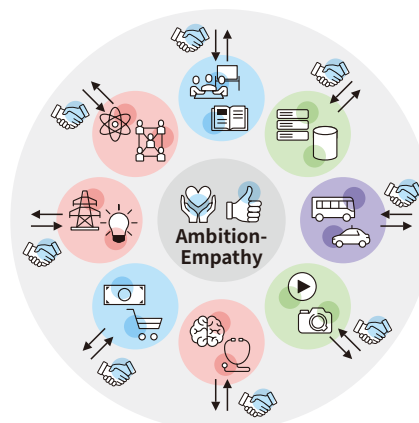
Classification	Material Issues	Group's Ideals and Goals
Material issues for achieving business growth	Create schemes to solve issues through the use of digital technology and business ecosystems	We will help to build a regenerative, resilient society of zero emissions by creating communities with customers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

\* P.18–19 KPIs and Targets for Material Issues / P.87 Material Issues (Actual for FY2023) / P.78 Process of Determining and Updating Material Issues

### BIPROGY Group's Digital Commons Concept

Digital commons are communities where it is possible to create both social value and economic value in the resolution of social issues. These communities are formed thanks to the power of digital, used to make private assets that already exist in society (assets held by companies, organizations and individuals) and surplus assets (assets with a low operation rate) widely usable as common assets with low additional costs.

The BIPROGY Group will promote the social implementation of the Digital Commons by combining its track record and expertise in solving social issues with a network of like-minded people, plus digital technologies founded on many years' experience.



# Value Creation Story

## KPIs and Targets for Material Issues

	Material Issues	Create Social Value	Create Economic Value	Related SDGs
Material issues for achieving business growth	Create schemes to solve issues through the use of digital technology and business ecosystems	<ul style="list-style-type: none"> <li>Contribute to society's sustainability by providing businesses that solve the issues faced by society</li> </ul>	<ul style="list-style-type: none"> <li>Create business opportunities that contribute to the solution of issues faced by society and capture profits in created markets</li> </ul>	
	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	<ul style="list-style-type: none"> <li>Do our part to address the early realization of a decarbonized society and other environmental issues through the provision of environmentally friendly services</li> <li>Help to reduce environmental impact by reinforcing initiatives to reduce carbon emissions from business activities, such as procuring renewable energy</li> </ul>	<ul style="list-style-type: none"> <li>Increase profit from services that contribute to the environment</li> <li>Restrain costs by reducing business risks due to climate change</li> </ul>	
	Sustainably procure and provide safe, secure products and services throughout the entire value chain	<ul style="list-style-type: none"> <li>Contribute to the stability and maintenance of IT infrastructure that supports societal activities by providing safe and secure products and services that comply with various laws, regulations, and social norms</li> <li>Contribute to the spread of ethical consumption and help build a sustainable society by providing products and services that take into consideration the environment and society</li> </ul>	<ul style="list-style-type: none"> <li>Increase profit opportunities by strengthening trust with customers/suppliers and engaging with high-quality partner companies and thus reinforcing relationship capital</li> <li>Reduce business risks related to issues such as human rights and environmental impact throughout the value chain</li> </ul>	
	Develop and strengthen human resources to create a new future and promote diversity and inclusion	<ul style="list-style-type: none"> <li>Help solve social issues by continuously producing innovative, talented workers</li> <li>Create employment opportunities for diverse human resources</li> <li>Contribute to the creation of a society that is physically and mentally healthy, is accepting of individual diversity, and offers work satisfaction</li> </ul>	<ul style="list-style-type: none"> <li>Expand business by generating innovation</li> <li>Increase profitability by raising labor productivity</li> </ul>	
	Further improve corporate governance and integrity	<ul style="list-style-type: none"> <li>Help to solve issues faced by society and the economic growth of society through transparent and fair processes</li> <li>Contribute to the empowerment of all people, regardless of age, sex, handicap status, race, ethnicity, origin, religion, economic position, etc.</li> <li>Help to build a society in which workers can experience job satisfaction by ensuring equal opportunities through the elimination of discriminatory practices, creation and operation of appropriate related rules, promotion of appropriate behavior, and similar activities</li> </ul>	<ul style="list-style-type: none"> <li>Create business ecosystems and expand business opportunities by establishing trust with a wide range of stakeholders</li> <li>Generate sustainable improvements in corporate value</li> <li>Reduce business risks related to scandals, etc.</li> </ul>	

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

\*2 The average positive response rate for the seven questions on job satisfaction and worker-friendliness in the engagement survey conducted in June 2024 was used as the base value.

\*3 Enhancing a sense of fulfillment and happiness by using abilities and growing in one's own career.

KPI (■ = New items set for FY2024)	Targets	FY of Achievement	Reference Pages
Sales from businesses aimed at solving social issues (■)	Six times or more (compared to FY2023)	FY2030	<ul style="list-style-type: none"> <li>• P.20-21 Expanding Our Business Ecosystem to Achieve Our Future Vision</li> <li>• P.22-31 Management Policies (2024-2026), etc.</li> <li>• P.52-55 Environment</li> </ul>
Sales growth rate of managed service business (■)	Three times or more (compared to FY2023)	FY2026	
Zero emission achievement rate*1 (an index measuring the extent to which our environmentally friendly products and services contribute to zero emissions in society)	100% or more	FY2030	
Percentage of business opportunities and risks identified via climate change scenario analysis (impact evaluation) for which a risk response has been implemented	100%	FY2030	
Percentage of purchased energy used at the BIPROGY Group business locations that is renewable energy	50% or more	FY2030	
Reduction rate in GHG emissions (Scope 1 + Scope 2) (compared to FY2019)	50% or more	FY2030	<ul style="list-style-type: none"> <li>• P.52-55 Environment</li> <li>• P.56 Supply Chain</li> <li>• P.57 Human Rights</li> </ul>
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	
Reduction rate in GHG emissions from the use of sold products/services (Category 11, Scope 3) (compared to FY2021) (■)	25% or more	FY2030	
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	
Percentage of BIPROGY Group suppliers having taken the ESG risk survey (■)	100%	FY2026	<ul style="list-style-type: none"> <li>• P.42-47 Human Capital Strategy</li> </ul>
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	
Percentage of management positions held by women	18% or more (as of April 1, 2026)	FY2025	
Number of human resources promoting new business development (■)	100 or more	FY2026	
Average score on items related to job satisfaction and worker-friendliness in the engagement survey (■)	10 points or higher than the base value of 51%*2	FY2026	
Percentage of employees who have set medium- to long-term career goals and have obtained agreement on these goals from their organizational heads (■)	100%	FY2026	
Maintenance and improvement rate of mechanisms to promote career well-being*3 (number of implementations / number of plans) (■)	100%	FY2026	
Percentage of eligible men who took leave or time off for childcare after their spouse gave birth (■)	100%	FY2025	
Percentage of men who coordinated with their family and organization based on their own intentions when considering and deciding to take childcare leave (■)	100%	FY2026	
Percentage of employees with disabilities	0.1 points above the legally mandated percentage	FY2026	
Follow-up rate for those subject to active support in the health insurance specific health guidance (■)	100% Subjects by year are as follows: • FY2024: Employees with four risk factors • FY2025: Employees with three or more factors • FY2026: Employees with two or more factors		<ul style="list-style-type: none"> <li>• P.62-71 Corporate Governance</li> <li>• P.74-75 Further Improve Integrity</li> </ul>
Number of new leave-takers due to mental health issues in FY2026 (■)	New leave-takers: 102 or fewer (i.e., below the number in FY2023)	FY2026	
Actions for each year set in the evaluation of Board of Directors effectiveness are undertaken		Annually	
Improvement and upgrade of the compliance program		Annually	
Spread awareness of integrity among Group executives and employees		Annually	
Monitor compliance incident trends		Annually	
Number of serious security incidents	0 cases	Annually	
Percentage of Group companies in Japan that have applied data protection security mechanisms for hybrid work (blend of working remotely and in the office) (■)	100%	As of March 31, 2027	
Coverage rate of special operation management** (■)	100%	As of March 31, 2027	

\*4 A state where there are no omissions in the application of operations subject to special operation management (Special operation management refers to a mechanism and system in which a specialized security organization objectively examines and approves the appropriateness of safety management measures for projects accessing highly confidential customer information assets, and comprehensively manages and monitors them.)

## Expanding Our Business Ecosystem to Achieve Our Future Vision

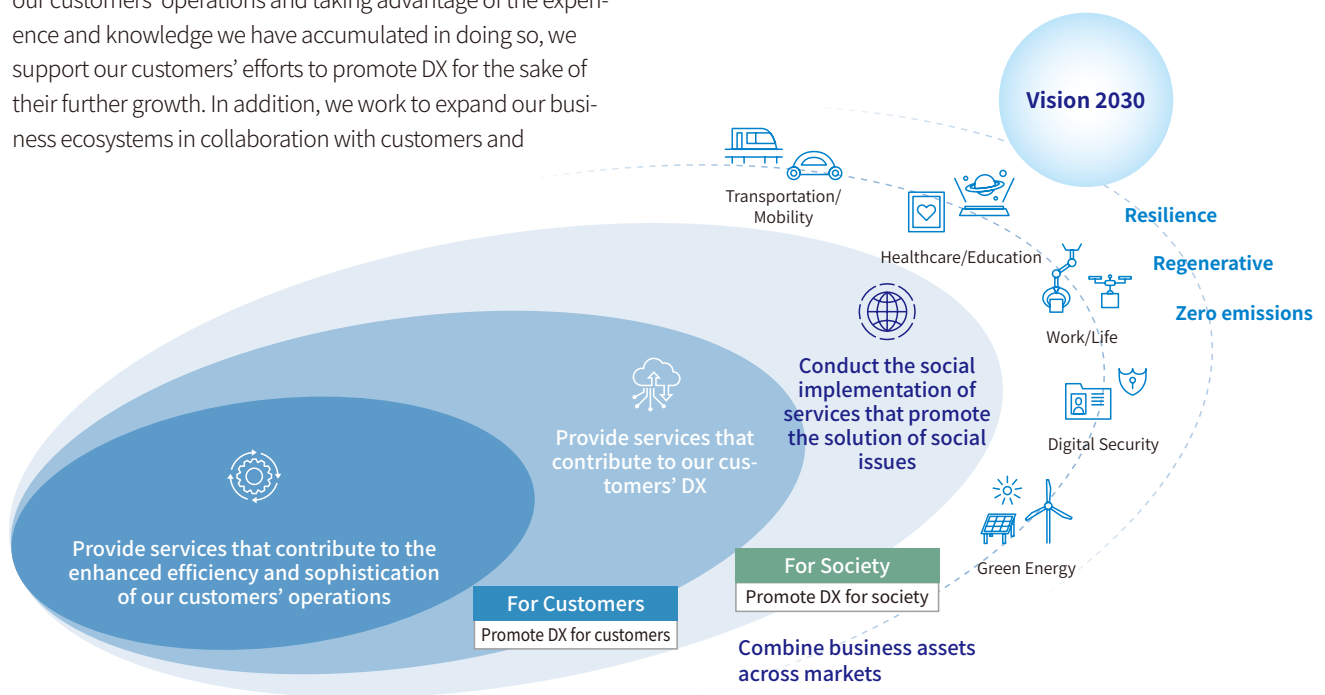
**Material Issues** Create schemes to solve issues through the use of digital technology and business ecosystems

The Group leverages the experience and knowledge it has gained over time through the provision of system integration services to a variety of customers to assist them in their DX promotion efforts. Moreover, we aim to realize our “Vision 2030” by forming a business ecosystem that solves social issues. We will accelerate the further expansion of this business ecosystem through a value creation cycle in which we keep on bringing forth valuable services by accumulating and utilizing the assets we have created with our customers.

### Business Model Transformation

Through the provision of ICT infrastructure and system services over the years, the Group has earned the trust of its customers. By providing system integration services that contribute to the enhanced efficiency and sophistication of our customers’ operations and taking advantage of the experience and knowledge we have accumulated in doing so, we support our customers’ efforts to promote DX for the sake of their further growth. In addition, we work to expand our business ecosystems in collaboration with customers and

partners and contribute to the solution of social issues by combining services and value created in diverse industries, sectors, and markets across the board.



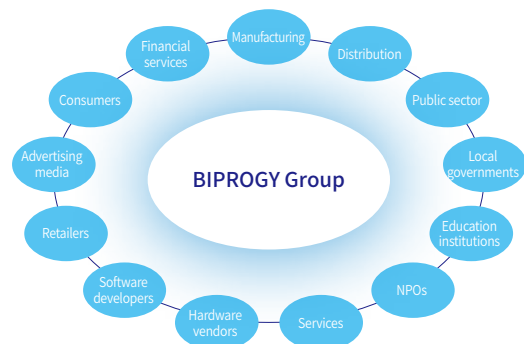
Provide system integration services

Promote business ecosystems

• P.24 Core Businesses and Growth Businesses Strategies

“Business ecosystems,” a form of collaboration that transcends business category and industry boundaries

We live in an era in which ICT has improved operational efficiency and resulted in new businesses and lifestyles, and technology is transforming business models and removing barriers between industries. In this age when new services that were not envisioned up to now are transforming even laws and regulations, it is necessary to apply foresight and insight to focus on social issues and predict new business opportunities. To create businesses that solve the social issues, it is essential to create alliances that transcend business type or industry. The BIPROGY Group, the core of the business ecosystem, creates innovative services.

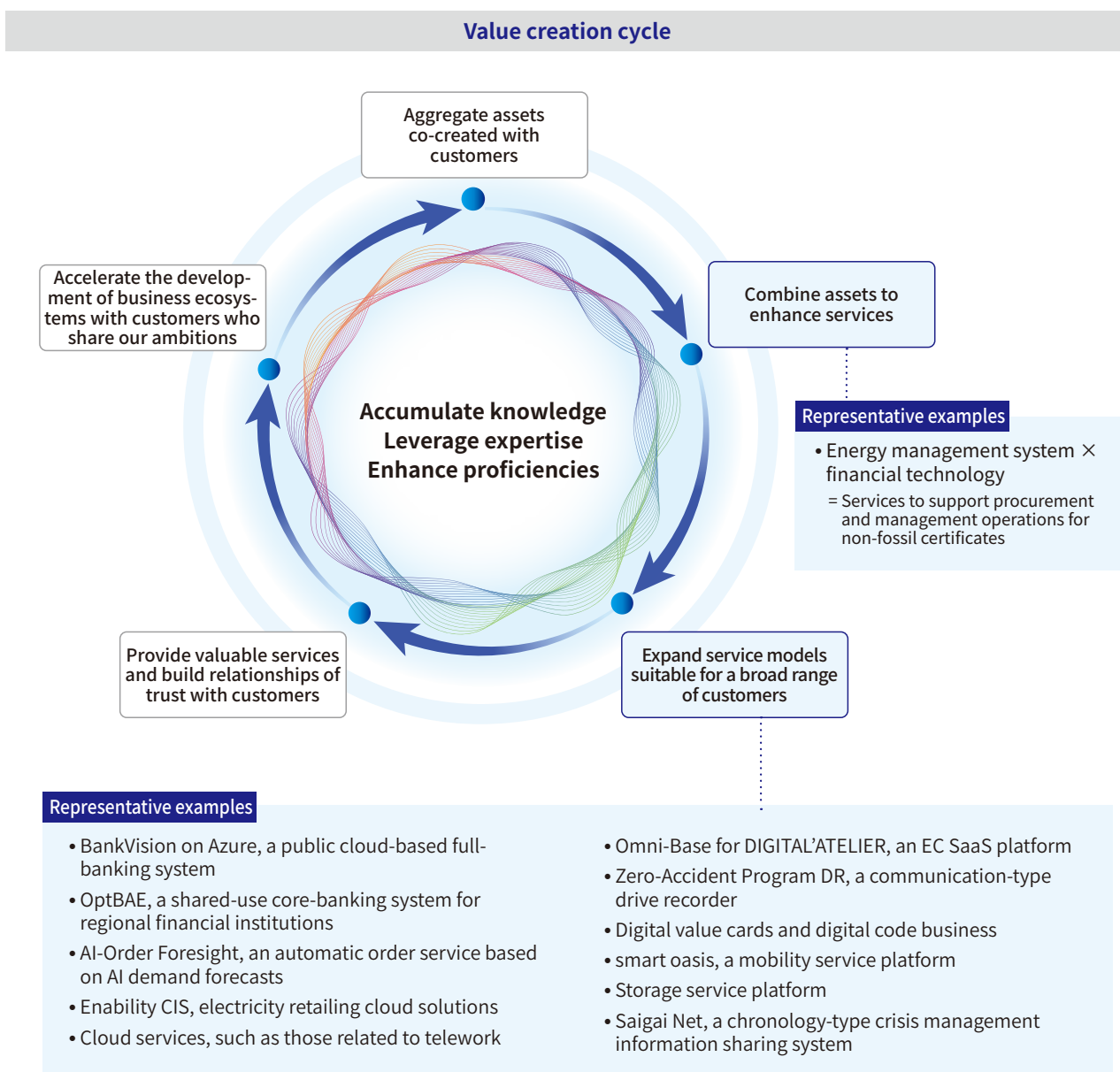


## A “value creation cycle” that accelerates the expansion of business ecosystems

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

knowledge from individual projects into a form applicable to multiple customers and compiling that into a library. Winning the trust of customers accelerates the business ecosystem and gives birth to new practices between customers in new businesses. As trust from society and network effects within business ecosystems increase, more customers share our ambitions, which leads to the resolution of a larger number of issues faced by society.

We are aiming to transform into a company that creates social value by accelerating the expansion of business ecosystems through the implementation of a value creation cycle based on the Group’s foresight and insight and implementation capabilities backed by integrity and the power to get things done.



## Recap of Previous Management Policies

### Management Policies (2021–2023)

FY2021–FY2023

	FY2023 Target	FY2023 Actual	
Revenue	¥340.0 billion	¥370.1 billion	Achieved
Outsourcing Business*1	(¥100.0 billion)	(¥76.6 billion)	
Adjusted Operating Margin*2	10% or higher	9.1%	
ROE	Approx. 15%	16.5%	Achieved
Dividend Payout Ratio	Approx. 40%	39.8%	Achieved

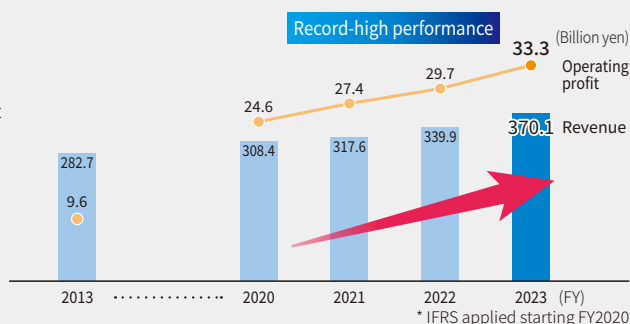
\*1 System outsourcing as well as service businesses where BIPROGY Group is the provider

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

## Review

Although limited in terms of contribution to overall performance, our outsourcing business demonstrated record-high performance backed by our ability to respond to strong demand from customers for digital transformation, providing an excellent opportunity for the BIPROGY Group to make a major leap forward.

Over the last three years, we have steadily built a foundation as a corporate group that tackles the resolution of social issues together with its customers with a view to the realization of our “Vision 2030.” In response to customer demand for DX, we achieved record-high levels of both revenue and operating profit in FY2023, the final year of Management Policies (2021–2023). As a result of prioritizing the provision of system services, we fell short of our targets for adjusted operating margin and outsourcing sales, the latter of which we positioned as a growth driver. Even so, we successfully acquired a large number of assets that would link to our future growth. Furthermore, our business is expanding from “For Customers” to “For Society.”



## Basic Policy

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

For Customers (customer DX)	Pursue DX that leads to sustained growth for customers by strengthening value creation capabilities and generating social value
For Society (social DX)	Use relationships with customers and partners in a wide range of industries, together with best practices, to realize business concepts that benefit all of society and the world
Corporate Culture Reforms	Pursue cultural reforms to strengthen value creation capabilities and achieve the Vision 2030 plan
Investment Strategy	Accelerate strategic investment on leading-edge technologies aiming for sustainable innovation

## What we accomplished

Achieved substantial growth in system services, especially in the area of digital transformation

Expanded social digital transformation initiatives in various fields that help resolve social issues

Made progress in changing employee awareness and behavior by systematically developing business-producing human resources and promoting DEI

Invested in startups and structural reform for internal digital transformation

## What we need for further growth

Define, hone, and expand focus areas that will become strengths for the BIPROGY Group

Identify key themes to accelerate and expand provision of social value

Promote organizational development and train and acquire human resources linked to business strategies

Proactively invest to accelerate business strategies

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

## Management Policies (2024–2026)

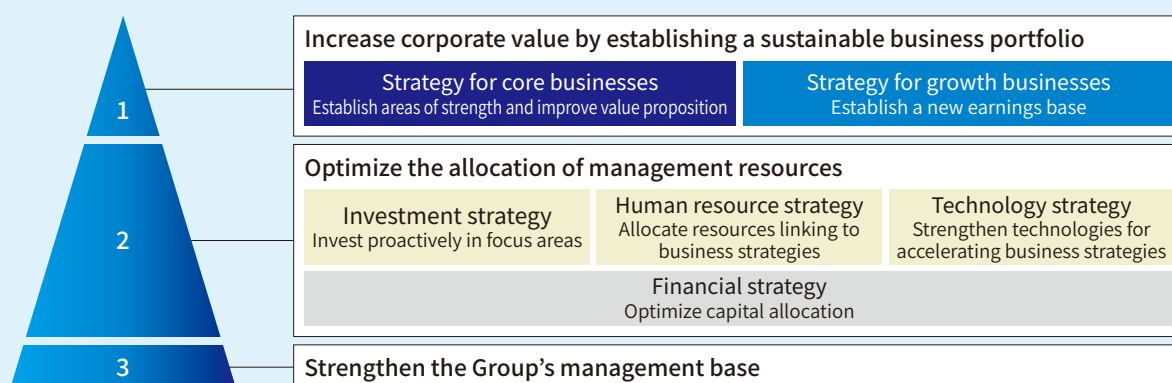
FY2024-FY2026

FY2026 Target

Revenue	<b>¥420.0 billion</b>
Adjusted Operating Margin*2	<b>11.0%</b>
ROE	<b>15.0%</b>
Dividend Payout Ratio	<b>40.0% or more</b> + Flexibly implement share repurchases, taking into account the stock price

### Basic Policy

We will work to realize Vision 2030 through three basic policies



### Business Environment

Possibility that outsourced development (for systems/network integration) may contract over the medium and long term due to factors such as the emergence of new “as-a-service” models and domestic population decline

Continuous growth expected in overseas IT markets, centering on ASEAN countries

Increasing investment in the area of digital transformation by customers in tandem with the evolution of AI, IoT, and other technologies, and strengthening of efforts to resolve social issues, including green transformation

### Challenges

- Now that our financial base is stable thanks to our improved operating margin, we must **establish a new business portfolio and increase our corporate value**.
- We must **acquire new capabilities and further increase both customer and social value** in order to explore new business models and digital transformation initiatives for customers and achieve green transformation and other solutions to social issues.
- We must **develop business across borders** to establish a truly unique BIPROGY brand.
- We must **allocate our management resources and make human capital investments, as well as acquire new resources by investing in growth to drive initiatives with a medium- to long-term perspective**.

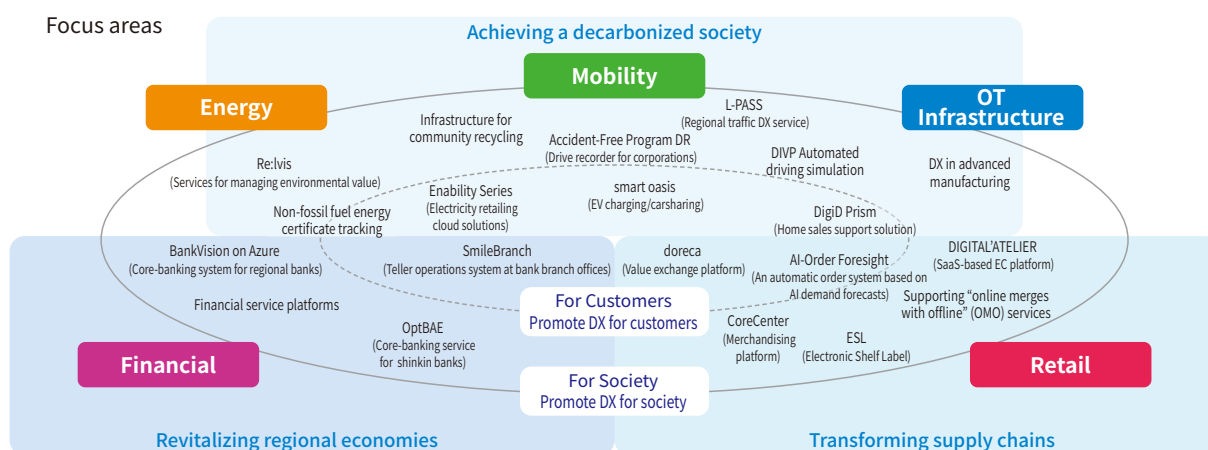
\*SI: System Integration / NI: Network Integration

## Core Businesses and Growth Businesses Strategies

We will use the management resources we have accumulated to date to proactively invest in growth, promote an ambidextrous management approach of core and growth businesses, and create new mainstay businesses. We will

establish these mainstay businesses in the form of a sustainable business portfolio and take on the challenge of achieving a corporate value of 1 trillion yen.

Core Businesses	Establish areas of strength through consolidation and selection, enhance value proposition, and improve profitability
Key Strategic Initiatives	Growth Scenarios
Allocate management resources to focus areas/ customers	<b>Make proactive development investments and human capital allocations in focus areas</b> <ul style="list-style-type: none"> <li>Centered on our assets, which are a product of our excellent customer base and our thorough operational and customer knowledge, define five focus areas: financial, retail, energy, mobility, and operational technology (OT) infrastructure</li> <li>Proactively invest in development to enhance customer value</li> </ul>
Enhance development productivity	<b>Increase development capacity to support business expansion; enhance development productivity and reliability by utilizing new technologies and knowledge</b> <ul style="list-style-type: none"> <li>Standardize project management and engineering, and shift internal processes toward earlier stages in the value chain</li> <li>Strengthen collaboration with domestic and international partners, including through M&amp;As and business alliances, and supplement our human capital through initiatives such as hiring experienced professionals</li> <li>Automate development through the use of generative AI and other new technologies</li> </ul>
Expand service businesses	<b>Enhance value proposition in service businesses through prioritized development investments in focus areas</b> <ul style="list-style-type: none"> <li>Increase the speed with which we can provide solutions by transitioning more services to the cloud, and expand our market share</li> <li>Review operational processes and frameworks for outsourced services and increase efficiency</li> </ul>



Growth businesses	Enhance value proposition through proactive investment and establish a new earnings base	Net Sales Targets (Billion yen)
Key Strategic Initiatives	Growth Scenarios	
Market development Acquire/Expand new service areas and capture/expand market share	<b>Capture/Expand new market share by acquiring new service areas and cultivating growth markets</b> <ul style="list-style-type: none"> <li>Deploy data utilization services that employ data scientists and AI to support customer management decisions</li> <li>Deploy managed services, including digital workplaces, security and cloud management, that free customers to concentrate on their core business processes</li> </ul>	<div> <div>10.0</div> <div>3.4</div> <div>(FY) 2023 2026</div> </div>
Business development Accelerate the co-creation and deployment of social digital transformation businesses	<b>Accelerate the development, co-creation, and deployment of social digital transformation businesses that resolve social issues</b> <ul style="list-style-type: none"> <li>Positioning social/green transformation, smart lifestyles, and regional revitalization as focus themes, establish business ecosystems that span industry fields together with customers and partners who share our ambition, to co-create and accelerate the deployment of social digital transformation businesses</li> </ul>	<div> <div>10.0</div> <div>3.5</div> <div>(FY) 2023 2026</div> </div>
Global initiatives Develop business in major ASEAN countries and strengthen approaches for North America and other markets	<b>Develop business in major ASEAN countries and strengthen approaches with an eye toward entering North America and other markets</b> <ul style="list-style-type: none"> <li>Use strategic investments such as M&amp;As to expand service areas and acquire new customer segments</li> <li>Leverage services and knowledge from operations in Japan to promote customer digital transformation businesses overseas</li> <li>Establish business ecosystems with customers and partners in each country/region and promote social digital transformation businesses centered on resolving social issues</li> </ul>	<div> <div>15.0</div> <div>2.4</div> <div>(FY) 2023 2026</div> </div>

## Special Feature 1

## Initiatives for Focus Areas in Core Businesses Strategies

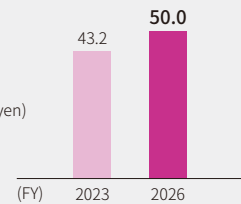
## Financial



## Our Vision for 2030

Play a part in transforming the digital economy through attempting to integrate our financial services and promoting mutual engagement among business partners

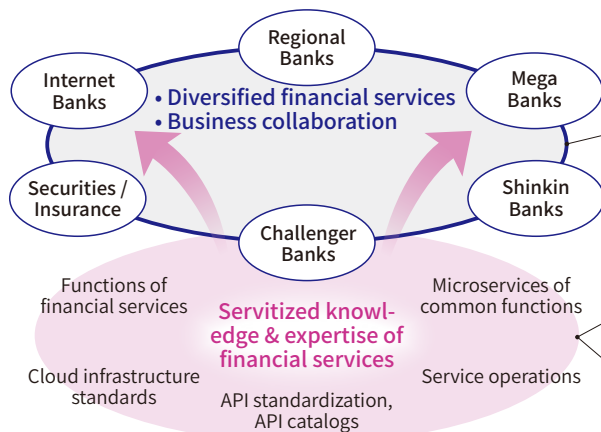
Net Sales  
Target  
(Billions of yen)



Over the past half century, the Group has been developing packaged systems dedicated to operations at financial institutions and introducing them to the financial area. We have incorporated state-of-the-art information technologies (IT) suitable for the times that realize the operation of a core-banking system on a public cloud, the first example of its kind in Japan. We leverage such ever-evolving IT plus our knowledge of the financial industry to provide micro-services-based solutions and reconfigure increasingly diverse financial services and aim to provide them to end customers through megabanks, internet banks, regional banks, shinkin banks, securities and insurance companies and other various financial business partners. The Group aims to exist as a platform provider as opposed to a conventional system integrator and to become a trusted partner that grows alongside its customers and stakeholders with the same line of sight.

## Business Strategies

Strategy 1	<ul style="list-style-type: none"> <li>Differentiate ourselves using BankVision, a core-banking system for regional financial institutions, to establish our position as a third force and aim to become a game-changer in the financial market</li> <li>Achieve long-term relationships of trust with customers by providing a Customer Engagement Platform that combines face-to-face and non-face-to-face channels to enhance the value of customer experiences</li> <li>Continuously maximize provided value through the elimination of EOS, by converting a group of solutions specialized in financial operations into services, as well as by strengthening coordination between systems and expanding functions and external collaborations.</li> </ul>
	<ul style="list-style-type: none"> <li>Work on ideas of servitization in new areas that will impact the market</li> <li>Redefine business requirements (next-generation core banking, wealth management, banking BPO, regional trade area development, etc.) and create new markets</li> </ul>
	<ul style="list-style-type: none"> <li>Integrate and implement architecture that support the above strategies</li> <li>Improve productivity and secure high quality through the standardization of product development and mutual use (Financial Service Platform concept)</li> </ul>



## Strength

## Build trust (from various business partners)

- A wide range of business partners that we have (such as regional banks, shinkin banks, Internet banks, insurance companies, and securities companies) can enable various businesses: **customer base & share**.
- Trust that we have built from performing businesses together with the financial institutions over the years.

## Development capabilities and capabilities for enabling successful system implementation

- Capabilities for system development, maintenance & support, and operation as expected of us by financial institutions
- We have accumulated capabilities mainly about requirements definitions, designs, test strategies, project management, and quality control.

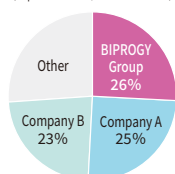
## Pioneering attempts

- Take the lead in the industry in using cutting-edge technologies conducive to core-banking systems operating stably on the cloud, etc. Work on packaging and servitizing in accordance with business operations deepening and evolving, together with financial institutions that serve as our reference.

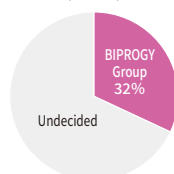
## Pickup

**State of market share in major segments** (Market share among regional banks, second-tier regional banks, and shinkin banks with deposits of at least 3 trillion yen; FY2023)

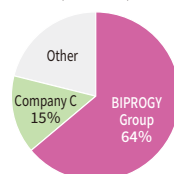
International core-banking system  
(OpenE'ARK/BankForce)



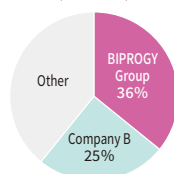
Foreign remittances  
(SurFIN)



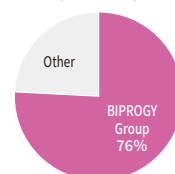
Market-oriented back  
(Siatol-NE)



Market-oriented front and middle  
(Siatol-FM)



Trust business management  
(TrustPORT)



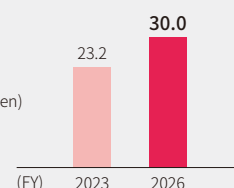
## Retail



### Our Vision for 2030

Enable a futuristic retail that solves issues in society facing retailers, and supports changes in business environments and consumers' purchase behaviors

Net Sales Target  
(Billions of yen)



For about 40 years now, the Group has cultivated industry insight and business knowledge steeped in the building of core systems for the retail industry. Our strength lies in our ability to effectively implement IT based on this knowledge and in our strong customer base. Up to now, we have created a variety of services in the four areas of store digitalization, D2C,\*<sup>1</sup> CX\*<sup>2</sup> and OMO.\*<sup>3</sup> For assets that have already been implemented, we will fortify and create our services in each area with a view to further expanding them. Through these efforts, we aim to solve issues such as human resource shortages and the diversification of consumer needs and realize futuristic retail that contributes to a sustainable society.

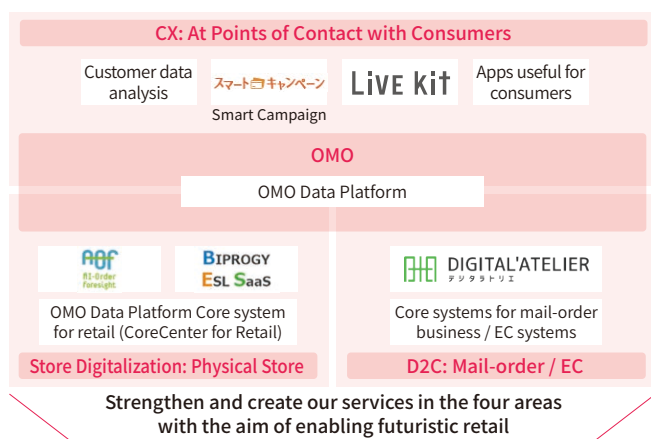
\*1 D2C: Direct-to-Consumer referring to companies selling their products directly on EC sites.

\*2 CX: Customer Experience referring to a series of processes that customers experience by buying goods and services.

\*3 OMO: Online Merges with Offline referring to integrating online services and offline services with the aim of keeping customers from confusions due to differences in the channels.

### Business Strategies

Strategy 1	<ul style="list-style-type: none"> <li>Enhance businesses in the area of Store Digitalization</li> <li>Servitize and generalize “CoreCenter for Retail,” a packaged core system for retailers</li> <li>Improve the value proposition of the store operation reform services useful in light of a labor shortage and create new services (such as AI-Order Foresight and BIPROGY ESL SaaS)</li> </ul>
Strategy 2	<ul style="list-style-type: none"> <li>Enhance businesses in the area of D2C (Direct to Consumer)</li> <li>Expand our Services business and SE services as well as DX businesses generally for mail-order business through the use of catalogues and e-commerce business</li> <li>Deploy DIGITAL'ATELIER, an all-in-one SaaS platform for enabling OMO business</li> <li>Expand the areas (sectors) covered by DIGITAL'ATELIER. Obtain businesses deriving from DIGITAL'ATELIER</li> </ul>
Strategy 3	<ul style="list-style-type: none"> <li>Create new business models through the use of CX and OMO</li> <li>Deploy smart campaigns that constitute a platform for enabling retail media</li> <li>Launch the “OMO Data Platform” to support OMO</li> <li>Create new services through analyzing customer data obtained at points of contact with consumers</li> </ul>



### Strength

Capabilities of implementing effective IT solutions based upon knowledge and expertise about the industries and businesses accumulated through our experience of creating mission-critical systems for more than 40 years

- Aim to enhance our business experience in the area of store digitalization and D2C through adding the keywords, CX and OMO.
- Be conducive to enabling a sustainable society by providing services that solve issues faced in the market such as a shortage of human resources and diversification of consumer needs.

### Pickup

(As of the end of March 2024)

CoreCenter for Retail core system package for the retail industry, etc.

Introduced by **23** companies cumulatively

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

Introduced by **8** companies at over **900** stores cumulatively

BIPROGY ESL SaaS electronic shelf label service

Introduced by **3** companies at over **1,000** stores cumulatively

Omni-Base for DIGITAL'ATELIER EC SaaS platform, etc.

Introduced by **5** companies at **5** websites cumulatively



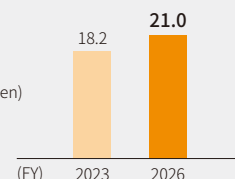
## Energy



## Our Vision for 2030

Create new businesses conducive to promoting renewable energy through the use of IT, with an eye toward realizing a decarbonized society as one of the social issues, in cooperation with our customers and partners

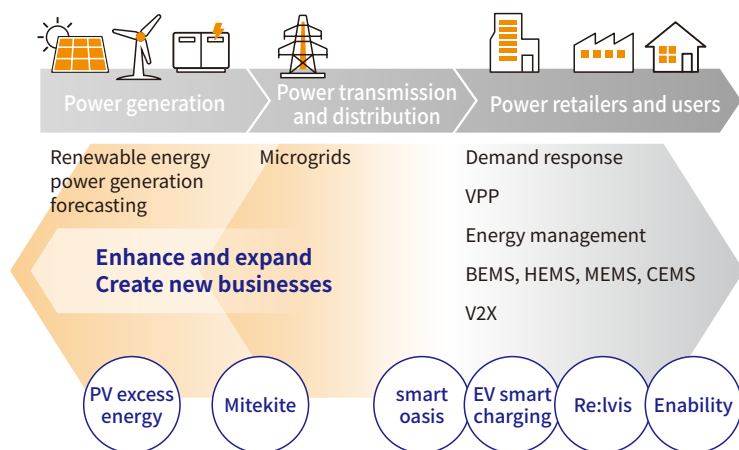
Net Sales  
Target  
(Billions of yen)



Over time, the Group has provided VPP-related services with a particular focus on services for retail and consumers, such as Enability CIS, Enability EMS, a demand forecast/power generation forecast system and a distributed power supply management system. Additionally, we provide EV-related services and, in the environmental value area, services such as Re:lvis through which we facilitate the streamlining of the procurement and management of non-fossil certificates. In addition to enhancing these service functions and expanding other related services, we endeavor to differentiate ourselves by combining the service solutions we have provided thus far, and work towards the creation of new businesses. Our aim is to do our part for the realization of a decarbonized society, one of the social issues we face, by providing services aimed at the various stakeholders in the energy-related value chain.

## Business Strategies

Strategy 1	<ul style="list-style-type: none"> <li>Customer DX: Deepen the value proposition for customers</li> <li>Expand services with an eye towards promoting DX at companies related to energy</li> <li>Enhance service solutions such as Enability</li> </ul>
Strategy 2	<ul style="list-style-type: none"> <li>Social DX: Expand business in relation to carbon neutrality</li> <li>Develop and provide services and solutions about energy management, environmental value, and carbon neutrality</li> </ul>
Strategy 3	<ul style="list-style-type: none"> <li>Social DX: Grow through absorbing external resources</li> <li>Ally with or take a stake in companies related to carbon neutrality</li> <li>Strengthen competitiveness through synergies with existing businesses</li> </ul>



## Strength

Knowledge and expertise that we have accumulated from developing systems as well as services (such as Enability and Re:lvis) for companies related to energy

- Attempt to enhance and expand our service assets in the value chain, with the aim of increasing profit
- Contribute to enabling a decarbonized society

## Pickup

(As of the end of March 2024)

Provides functions required for the electric power retail business on a one-stop, integrated basis  
**Enability CIS**  
Service for electricity retailers

Record of adoption by **25** companies

Includes former general electricity utility companies, major power producers and suppliers/city gas companies and high-voltage collective power reception companies

Accommodates various business models  
**Enability EMS**  
Cloud service for energy management

Actual number of properties managed using BEMS services (for buildings/tenants):

Approx. **1,000**

Actual number of units for which MEMS services (for condominiums) were introduced:

Approx. **338,000**

Centralizes procurement processes and optimizes non-fossil certificate management operations  
**Re:lvis**  
Environmental value management service

Rate of increase in user companies: **300%**  
One-of-a-kind service



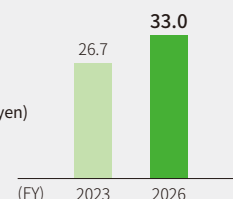
## Mobility



### Our Vision for 2030

Digitally transform mobility with digital technologies. Enable new value propositions conducive to customer DX and social DX through digitally transforming mobility with the digital technologies such as digital twins linking real world and digital space

Net Sales Target  
(Billions of yen)

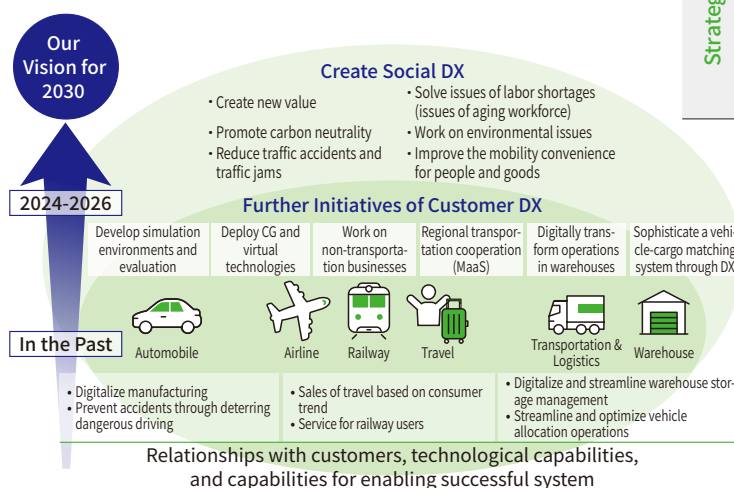


Mobility, which we have established as a focus area, refers to business operators and industries that handle mobile bodies used to transport people and goods as well as business operators and industries that use those mobile bodies to provide new value. The Group aims to apply the power of mobility and digital technologies towards solving social issues stemming from labor shortages accompanying the declining population, environmental problems, traffic accidents and other causes. Over a long period of time, we have assisted with various operational improvements and efficiency enhancements as a DX partner of automobile, airline and railroad operators. In the process, we have gained business insight in manufacturing operations, technological prowess in areas such as CG and virtual technologies and mission-criticality and development and implementation capability, with passenger systems being a leading example. Leveraging these strengths, we aim to provide new value by

further expanding and enhancing customer DX. Additionally, from the standpoint of social DX, our view is that mobility will proceed to shift from being mere mobile bodies and means of transportation of people and goods. Our goal is to provide new value in this area as well.

### Business Strategies

Strategy 1	<ul style="list-style-type: none"> <li>Enable V-Drive Inc. Technologies to grow business and use cross-cuttingly its technologies</li> <li>Aim to enable a practical use of the technologies in other industries as well as in automobile-related industries</li> <li>Aim to improve the convenience and safety of mobility in traffic environments</li> </ul>
Strategy 2	<ul style="list-style-type: none"> <li>Create businesses in the area of non-transportation businesses in the airline industry and the railway industry</li> <li>Create value propositions for customers with the customers through furthermore strengthening relationships with customers and working on closely their business attempts in the business areas other than airline and railway businesses</li> </ul>
Strategy 3	<ul style="list-style-type: none"> <li>Initiatives for addressing labor shortages in the areas of logistics and transportation</li> <li>Study and develop logistics streamlining using knowledge we have acquired through our businesses with existing customers such as logistics/transportation companies and other existing partners as well as cutting-edge technology</li> <li>Examine cooperation, investments, etc. with other companies and venture companies aiming to streamline logistics and warehousing operations</li> </ul>



### Strength

Execution capabilities based on advanced technological skills (CG, virtual technologies, etc.) and a wealth of business experience (in the business areas of automobile industry, airline industry, railway industry, and logistics industry) obtained through developing systems for customers

- Make proposals to customers operating businesses about the movement of people and goods about proactively using digital technologies. Thus, execute new value propositions for customer DX.
- The BIPROGY Group taking on the challenge of enabling an evolution of mobility, as an initiative of social DX, that mobility refers to various value propositions rather than mere transportation modes

### Pickup

#### Looking towards the social implementation of automated driving services

Establishment of V-Drive Technologies Inc., which provides a virtual space verification platform for automated driving

Operations commenced in 2022



August 2024  
Commenced safety verification initiatives using the digital twin in Chiba City as Japan's first project in which the safety of automated driving in a virtual space under the leadership of a municipality

#### Aiming for a society free of traffic accidents

Zero-Accident Program DR (drive recorder) for corporations

Actual sales of **70,000** units  
to **1,400** companies  
(as of March 31, 2024)



Communication type



Provides a collision warning function equipped with behavior-prediction AI from June 2024. Currently offers cutting-edge AI technology in the form of a subscription service with no initial cost.

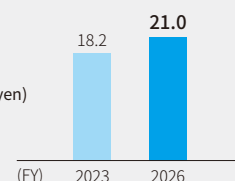
## OT Infrastructure



## Our Vision for 2030

Specifically focus on the manufacturing industry as a managed service provider. Promote digital transformation of the industry from the perspectives of IT and OT, with our businesses about OT network and security used as the stepping stone.

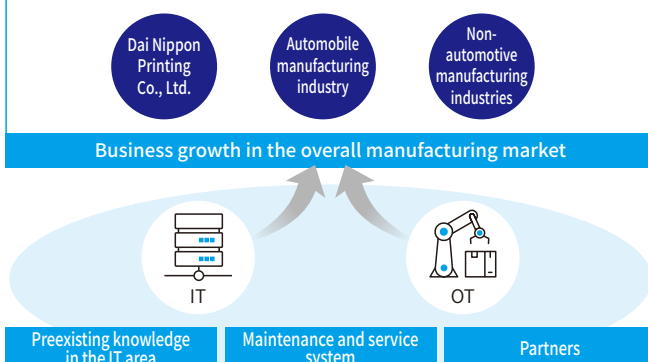
Net Sales  
Target  
(Billions of yen)



In the OT\* infrastructure area, the Group focuses particularly on the manufacturing industry centered on managed services whose functions have been consolidated at its group company UNIADDEX, Ltd. In that manufacturing industry, where digitalization needs are growing in OT areas such as design and manufacturing processes, the Group has a strong customer base and customer relationships built up through its preexisting business in the IT area. Our relationship with Dai Nippon Printing Co., Ltd. is not only capital-based but has also strengthened on the business front, with collaborative efforts to expand security measures for factories and develop and provide related services. We have received very strong inquiries in the OT infrastructure area from automobile manufacturers, and will endeavor to further expand our business by deploying the knowledge and know-how we have gained in that area to non-automobile manufacturing industries.

\*OT: Operational Technology. Used to control and operate hardware at factories in the manufacturing industry.

- Need for digitalization in design and manufacturing processes
- Urgent issues such as IT/OT integration and security



## Pickup

## Sophistication of manufacturing

Introducing infrastructure to support digital-centric manufacturing at automobile manufacturers



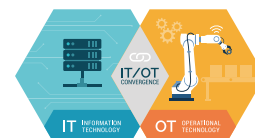
## Networks &amp; security

Cooperation with Cooperation with Cisco and TXOne  
Providing total OT infrastructure and security services



## Together with our OT partners

Supporting the creation of factories of the future as a joint endeavor with OT vendors



## Business Strategies

Strategy 1	<ul style="list-style-type: none"> <li>• Expand the entire businesses in the manufacturing market</li> <li>• Expand the entire businesses in the manufacturing market through creating and establishing business in the OT business area</li> </ul>
Strategy 2	<ul style="list-style-type: none"> <li>• Establish our brand in the area of OT business</li> <li>• Take the lead in getting into shape best practices of services and solutions that can be used for addressing issues at customers. Establish our brand based upon integrating IT and OT.</li> </ul>
Strategy 3	<ul style="list-style-type: none"> <li>• Establish offering models and business models for horizontal development</li> <li>• Establish offering models (standardized value propositions) and business models for horizontal development in the area of OT Business</li> </ul>
Strategy 4	<ul style="list-style-type: none"> <li>• Servitize platforms for using manufacturing data</li> <li>• Provide managed services conducive to solving issues in the business, as exemplified by an attempt to improve productivity through the use of AI. This is based upon collecting and aggregating data mainly about design and manufacturing securely.</li> </ul>

## Strength

## Customer relationships in the IT area

- BIPROGY Group's customer base in the manufacturing industry, which we have built through providing infrastructure technologies in the IT field

## Technological capabilities about networks and security

- Our technological capabilities and knowledge & expertise can address issues about network and security, the urgent issues in the OT area

## Collaborate and cooperate with partners

- Arrangements for allying and collaborating with companies excelling in the OT business area such as OT trading companies and OT vendors as well as Cisco Systems G.K. (Cisco) and TXOne Networks Japan (TXOne) among other manufacturers

## Nation-wide network for maintenance services

- Service networks and arrangements operated by UNIADDEX, Ltd. that can support factories of our manufacturing customers across the nation

## Special Feature 2

# Group Companies & Co-Creation Partners that Realize Value Creation

Here, we introduce initiatives by UNIADEX, Ltd. (UNIADEX), which supports the ICT infrastructure business of the BIPROGY Group, and our cooperative business endeavors with Dai Nippon Printing Co., Ltd. (DNP), with which we formed a business and capital alliance in 2012.



Possesses strengths in areas such as multi-cloud services, next-generation networks, DX, and IT outsourcing. Provides total ICT infrastructure services under the BIPROGY Group brand.

### Professional ICT infrastructure group

#### Business areas

UNIADEX proposes the realization of the optimization of cloud utilization and operation by its customers by leveraging its advantage in multi-vendor services provided from a vendor-neutral standpoint and its many years of experience in the building, operation, and maintenance of customers' on-premises environment.

As a total ICT infrastructure service company, UNIADEX can handle everything from migration to cloud environments to operation and maintenance on a one-stop, integrated basis, and uses its experience in in-house cloud service operation to contribute to solving issues related to cloud operations as a dependable consulting partner for its customers.

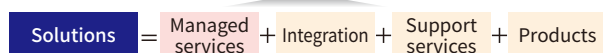


### Provision of managed services that make customer success a reality

The managed services offered by UNIADEX are designed to support our customers' operations by managing their networks, infrastructure, security, applications, and more on their behalf. The company combines services and products that were previously provided individually, restructured as solutions, and delivers them to customers.

#### Value proposition of managed services

##### Making customer success a reality



#### Provision of more comprehensive and integrated managed services

End-to-end service provision	Proactive problem-solving	IT-based backup for business goals
Management across the entire IT environment, including devices, networks, servers, storage, and applications	Utilization of data obtained through services to conduct preventive monitoring, troubleshooting, and performance optimization	Assistance with maximization of business results through optimizing and streamlining customers' IT environment that they require to meet their management challenges and business needs



Main Awards (April 2023 - August 2024)

- Received the Advanced Partner of the Year and OT Partner of the Year awards from Fortinet, Inc.
- Received the Data Ambassador Award in the Domopalooza Japan Customer Awards from Domo, Inc.
- Received the TREND MICRO Partner Award 2022 and TREND MICRO Partner Engineer Award 2022 from Trend Micro Incorporated
- Received the Customer Experience Partner of the Year award from Cisco Systems G.K.
- Received the APJ Workforce Identity Cloud Partner of the Year award from Okta, Inc.
- Received the Rookie of the Year award from Netskope, Inc.
- Received the Gold Partner award and Individual Award from Box Japan
- Received the HPE GreenLake Partner of the Year 2024 award from Hewlett Packard Japan, G.K.
- Received the Cisco Best Contributed Partner Engineer Award 2023 from Cisco Systems G.K.
- Received the AWS Certifications of 2024 Japan AWS All Certifications Engineers and 2024 Japan AWS Jr. Champion Program
- Received the Microsoft Top Partner Engineer Award from Microsoft Japan Co., Ltd.

### BIPROGY Group People



**Ken Tanaka**

President & CEO, UNIADEX, Ltd.

### Emphasis on managed services Seizing the opportunity to promote a strategic approach

Managed services constitute one of the key strategies for the growth of the entire Group in the growth businesses set forth in our Management Policies (2024-2026), as well as crucial services that we want to establish as a new source of profit for us. Starting in FY2024, the Group's managed service functions were consolidated into UNIADEX. This will fortify our strength of technological prowess even more. There is a litany of challenges in the environment surrounding the IT market from rapid exchange rate fluctuations, labor shortages and soaring personnel costs to environmental and energy issues. However, game-changers are already on the way in the form of strong DX investment in line with the economic recovery and the rapid rise of AI technology, among other factors. If we seize this opportunity and take a strategic approach, there is more than enough room for UNIADEX to grow. We intend to further promote this strategic approach as we move forward.



In the twelve years of collaboration between both companies, there has been progress in sales collaborations, new market development and the expansion of their service business base. In addition to continuing to start up new businesses, we will support the DX of customers of both company groups and supply our know-how in areas such as quality control processes and IT human resource development programs to the DNP group, elevating the synergy between our respective companies as we move forward.

### Synergies brought forth by cooperation

#### Examples of cooperation

- Development of e-library and e-textbook delivery services
- Expansion of businesses and development and provision of services related to security measures for factories (UNIADDEX/TXOne Networks Japan)

#### Initiatives

- Joint research activities
- Holding of training camps and workshops ([DXB Collaboration] Meet Your Same-Age Peers 2024 cross-sectoral joint training: Held in FY2024 as well following FY2023 session. A total of 113 people across both companies participated.)

DNP



BIPROGY

### Selected for adoption for the Demonstration Project for Creating Examples of Regional Problem Solving Using Telework by the Ministry of Internal Affairs and Communications

In July 2023, our joint demonstration project with local governments and other entities, entitled Local Government Collaborative-Cooperative Work Region Model Using Telework (implemented between July 2023 and March 2024) was selected for adoption in the public solicitation of demonstration areas for the Ministry of Internal Affairs and Communications' Demonstration Project for the Creation of Examples of Regional Problem Solving Using Telework.

#### ■ Main demonstration items

- (1) Acquisition and smooth implementation of business projects in which local residents who telework engage (examination of elements such as ICT environment that ensures information security and personal information protection)
- (2) Business promotion and management functions
- (3) Human resource development

### Selected for the Cyber-Physical Development Project for Quantum-AI Hybrid Technologies publicly solicited by NEDO

In January 2024, in a public solicitation of commissioned projects for Quantum-AI application development and demonstration for the Development of Quantum/AI hybrid use-case Technologies in Cyber-Physical Space Project conducted by the New Energy and Industrial Technology Development Organization (NEDO), our joint proposal titled Application Development for Streamlining Logistics Operations using Quantum + Classic AI (to be implemented between December 2023 and August 2026) was selected.

#### ■ Roles of both companies

DNP

Development of picking plan optimization applications, introduction trials at manufacturing and logistics sites in the DNP Group, etc.

BIPROGY

Development of delivery planning optimization applications, meta-heuristic module, etc.

### BIPROGY Group People



**Yuichiro Fukuda**

Corporate Officer, BIPROGY Inc.

### Contributing to the establishment of our competitive advantage by creating unique success stories

Since entering its business and capital alliance with DNP in 2012, we have been steadily promoting our business collaboration. Having established the DXB Business Incubation Department, with DXB being a cross between the initials of the two companies' names, the department is promoting initiatives spearheading that business collaboration. Our collaborative business efforts are experiencing an expansionary trend, and we aim to further expand those efforts with a view to realizing our Vision 2030. For that purpose, we will strive to create new market value by taking advantage of the assets we have accumulated alongside DNP to build a network of interaction and matching with customer and partner involvement. In addition, by generating more unique success stories through our alliance, we intend to do our part in establishing a competitive advantage for the Group.



**Promoting growth initiatives,  
including inorganic strategies, to  
further enhance corporate value**

**Kazuma Umehara**

Senior Corporate Officer and CFO

### Analysis and evaluation of the Management Policies (2021-2023)

The final year revenue target was almost achieved in FY2022, one year ahead of schedule, and FY2023 grew beyond this marking our highest revenue yet, surpassing FY1991 revenue (¥356.8 billion), which was mainly from the mainframe business. Within this target, we did not achieve our goal of increasing outsourcing revenue to ¥100.0 billion because over the last two years we allocated resources to system services in order to meet strong DX demand from customers. Still, our assessment is that we have achieved a certain level of success given growth of more than 20% over three years. We also believe that by concentrating on DX development projects, we were able to acquire assets that will lead to future service businesses. With regard to the adjusted operating margin, which we focus on as a KPI, we did not reach our target of a double-digit margin, notably due to future-minded investments to accelerate the creation of new services. However, the adjusted operating profit

increased by more than 30% between FY2021 to FY2023, the previous management policies period, and we believe that our ability to generate profits is steadily increasing.

Meanwhile, we believe that there are two issues that need to be addressed for further growth. One is that among outsourcing services, the service-based type (business creation type), otherwise known as SaaS businesses, did not grow as expected. Though revenue has been steadily increasing, it remains around the ¥8.0 billion level. The service-based model is expected to be highly profitable, with gross profit margins reaching as high as 40%, and growth in this area will contribute to the adjusted operating profit margin, which makes it a priority for us.

The other issue for us to tackle is strategic investment. Our investments made over the three years of the previous management policies amounted to approximately ¥11.0 billion. Considering inorganic growth, it is essential

to strengthen investment, including overseas M&A. However, although our investment in startups for open innovation progressed reasonably, it didn't reach the level

we had expected. To accelerate growth, we believe it is necessary to make slightly larger investments, and make them more quickly.

## Financial and investment strategies in the Management Policies (2024–2026)

The new management policies set forth two business strategies, specifically for core businesses and growth businesses. Our strategy in core businesses is to maintain our current business trajectory. Among these businesses, we have identified five focus areas in which we have strengths in terms of superior customer bases and various assets, and we intend to expand our businesses by concentrating and selectively investing resources in these areas. • P.22-24 Management Policies (2024–2026)

As for the strategy in growth businesses, we will develop markets for data/AI utilization, areas in which we have not been able to capture sufficient market share, despite the fact that these are growth markets, and promote managed services that provide comprehensive support for IT infrastructure. We will also promote business development in areas such as sustainability transformation (SX), green transformation (GX), smart living, and regional revitalization. Furthermore, we will promote global expansion to capture growth in the growing ASEAN region. Our plan is to focus on these three areas.

Our revenue target for FY2026 is ¥420.0 billion with a compound annual growth rate (CAGR) of 4.3%, and we believe that we can naturally achieve these targets if we firmly pursue these growth strategies. Meanwhile, one

measure we are pursuing toward an adjusted operating margin of 11% is to increase productivity by effectively utilizing the assets that have been built up already. Besides, we will work to strengthen collaboration with our partner companies. For example, we are looking to further increase the ratio of partner companies, which currently stands at three partners for every one of our engineers. In addition, we will leverage technology, such as generative AI, to cut costs. At the same time, we will increase gross margin by expanding the service-based businesses area identified above as an issue.

### Investment strategy

Growth investments will be made primarily in the core business focus areas and growth business areas, but we intend to be selective in our investments, taking into account strategic factors and market conditions. For global initiatives, we will expand our business through M&A. In the ASEAN region, our initial steps have been to acquire ERP solution providers. In addition to these, we will continue to acquire companies that are involved in work having affinities with BIPROGY, such as those providing systems in the financial, commerce and distribution sectors. The key to global initiatives is whether we can ensure

### Performance trends

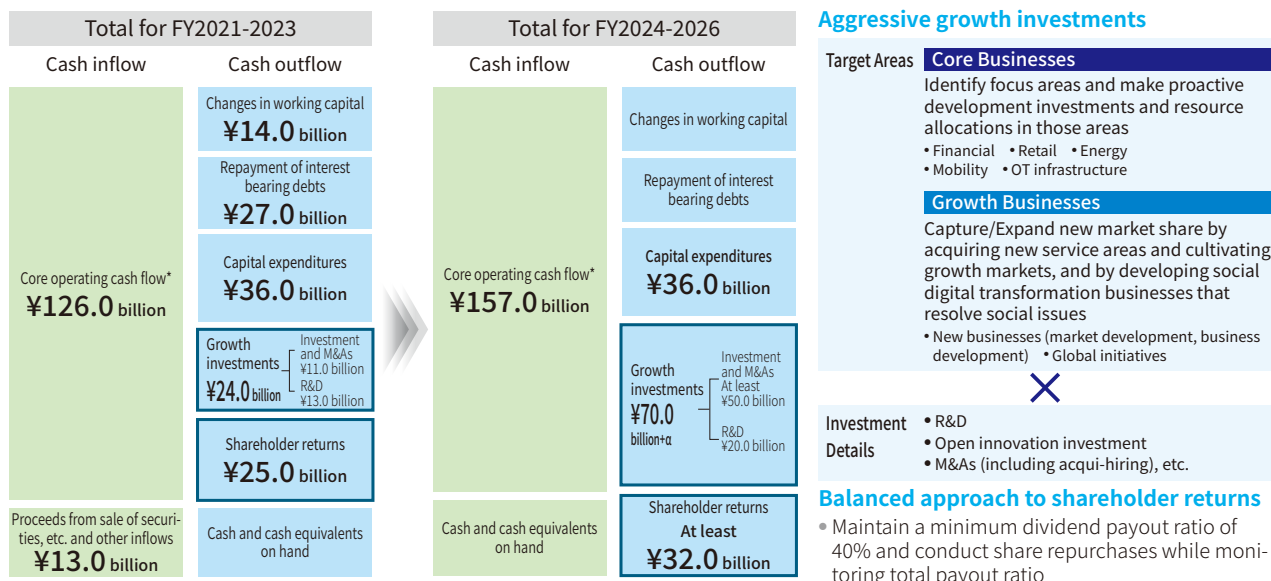
(Billions of yen)		Management Policies (2021-2023)					Management Policies (2024-2026)
	FY2020	FY2021	FY2022	FY2023	(three-year CAGR)	FY2023 target	FY2026 target
Revenue	308.4	317.6	339.9	370.1	6.3%	340.0	420.0
Of which, outsourcing revenue*	59.5	63.4	66.7	76.6	8.7%	100.0	
Entrusted operation type	49.7	49.8	49.0	49.8	0.1%	—	
Corporate DX type	4.9	7.4	10.8	18.8	56.4%	—	
Service-based type (business creation type)	4.9	6.2	6.9	8.0	17.5%	—	
Adjusted operating margin	8.2%	8.4%	8.6%	9.1%		10% or higher	11.0%
ROE	15.5%	17.0%	15.0%	16.5%		Approx. 15%	15.0%
Dividend payout ratio	42.2%	41.7%	39.8%	39.8%		Approx. 40%	40.0% or more

\* P.81 Status of outsourcing

+ Flexibly implement share repurchases, taking into account stock price

## CFO Message

### Financial Strategy (Capital Allocation) and Investment Strategy in the Management Policies (2024 -2026)



\* Operating cash flow excluding changes in working capital and R&D expenses

proper governance, and we will continue to hone this ability as we carry out our initiatives.

Investment in human resources includes costs related to their recruitment and training, and it is difficult to measure returns, plus there is a time lag until the effects are realized. Therefore, it is essential to carry out investments in a flexible manner according to the business situation.

The cash required for these investments will in essence be covered by the operating cash flow to be earned going forward, as well as with cash and cash equivalents on hand.

Through aggressive investment, we will extend our operating profit even further than its current level and increase our adjusted operating margin, which is a KPI.

#### Capital policy/shareholder returns

We believe that the cost of shareholders' equity is around 7-8%, but we intend to understand it with greater

precision. Our policy of improving corporate value by increasing our equity spread remains unchanged. In the Management Policies (2024–2026) we have maintained our ROE target at 15.0%, but we will continue our efforts to further improve capital efficiency. Please note that we would like you to take this 15% as a minimum target. However, we have no intention of forcibly reducing net assets to solely pursue ROE improvement.

The new management policies call for a dividend payout ratio of 40.0% or more, and we intend to boost shareholder return ratios to even higher levels than before given our clear indication that 40% is the minimum. In addition, in terms of capital allocation, our policy is to give priority to growth investments, but we will also flexibly conduct share repurchases depending on investment circumstances.

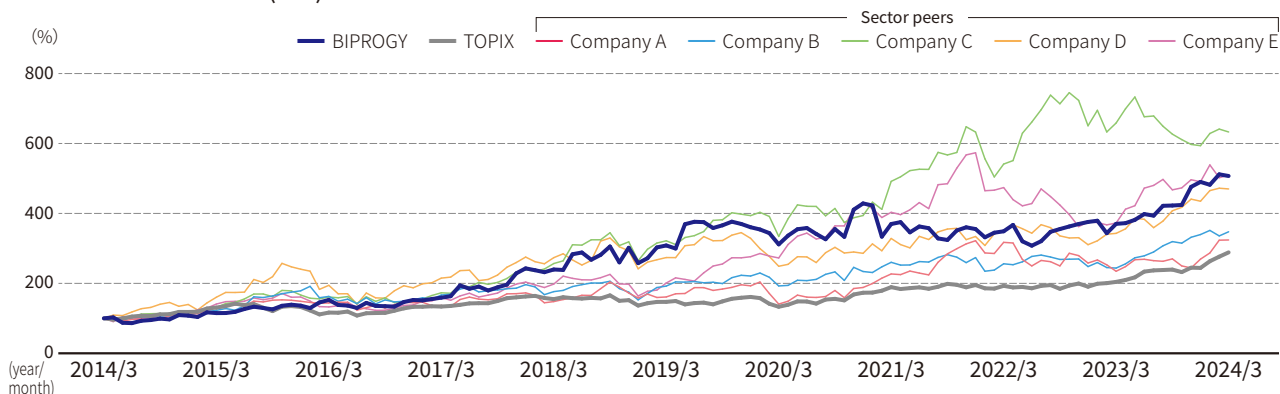
## Toward further improvement of corporate value

Our total shareholder return, or TSR, has significantly outperformed the TOPIX including dividends, but has underperformed that of sector peers over the past five years. We intend to rectify this situation by steadily growing our business performance and raising future expectations for our Group in the capital market.

I believe it is important for the CFO to be both analyst and advisor, that is, balance the two roles of defensive management and offensive decision-making support. Though I have always been fairly mindful of the defensive

side, I intend to focus on the offensive side going forward. Given our Vision 2030, my goal is to bring us within at least striking distance of achieving corporate value of ¥1 trillion in about six years. To this end, it is important to pursue an inorganic strategy while at the same time pursuing solid organic growth. I would like to contribute to the enhancement of corporate value by fulfilling my role as CFO to ensure that the best decisions are made on important investments and other matters.

## Total Shareholder Return (TSR)



	1 year	3 years		5 years		10 years	
		Cumulative	Annual rate	Cumulative	Annual rate	Cumulative	Annual rate
BIPROGY	42.5%	40.6%	12.0%	68.3%	11.0%	407.0%	17.6%
TOPIX	41.3%	52.5%	15.1%	96.2%	14.4%	188.6%	11.2%

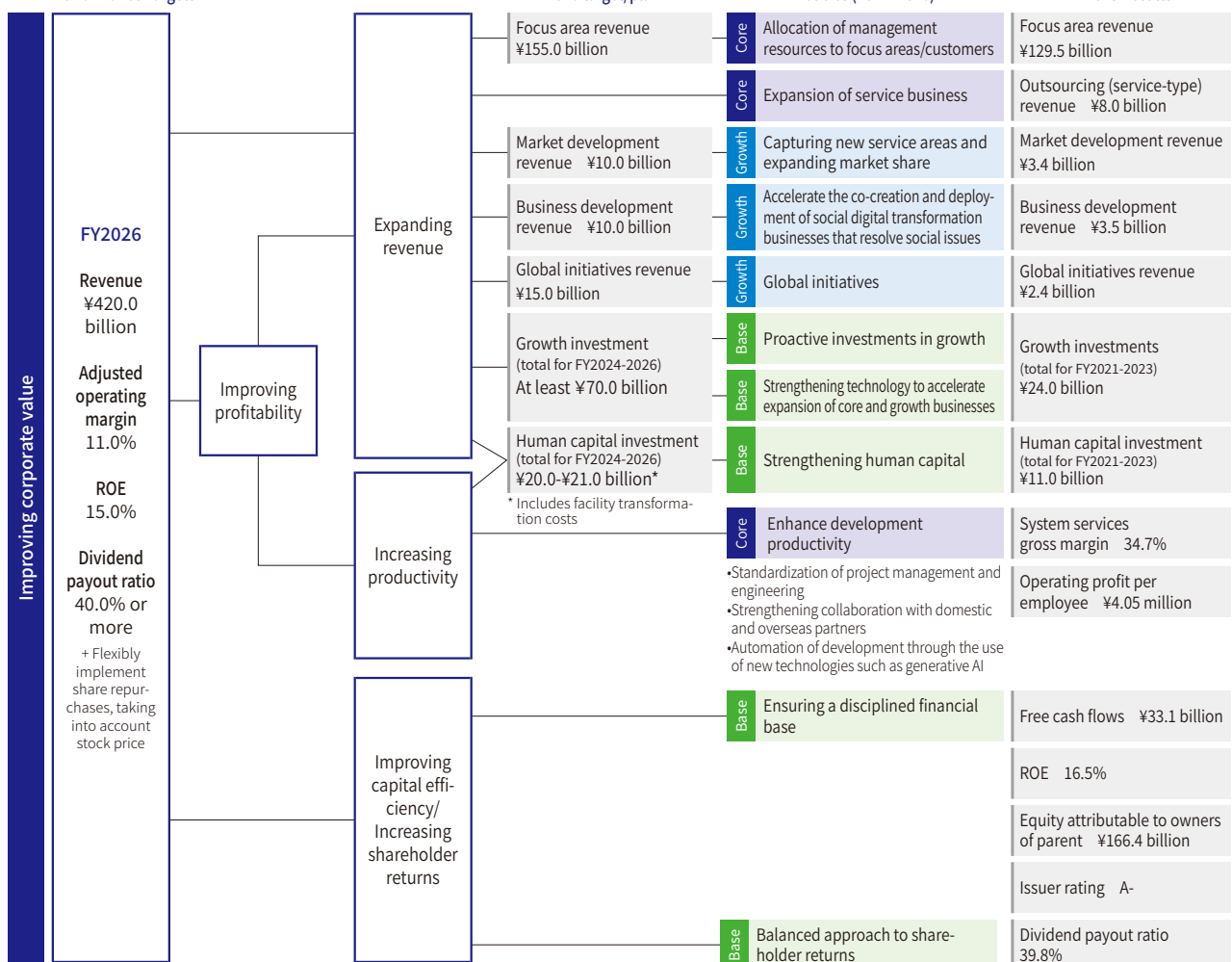
\* Total Shareholder Return (TSR): Total return on investment that combines capital gains and dividends.

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

\* The values in the graph are TSR-indexed market prices, taking the closing price on March 31, 2014, as 100 (with a holding period until March 31, 2024)

## Management Policies (2024–2026) logic tree

### Management Policies (2024–2026) Performance Targets

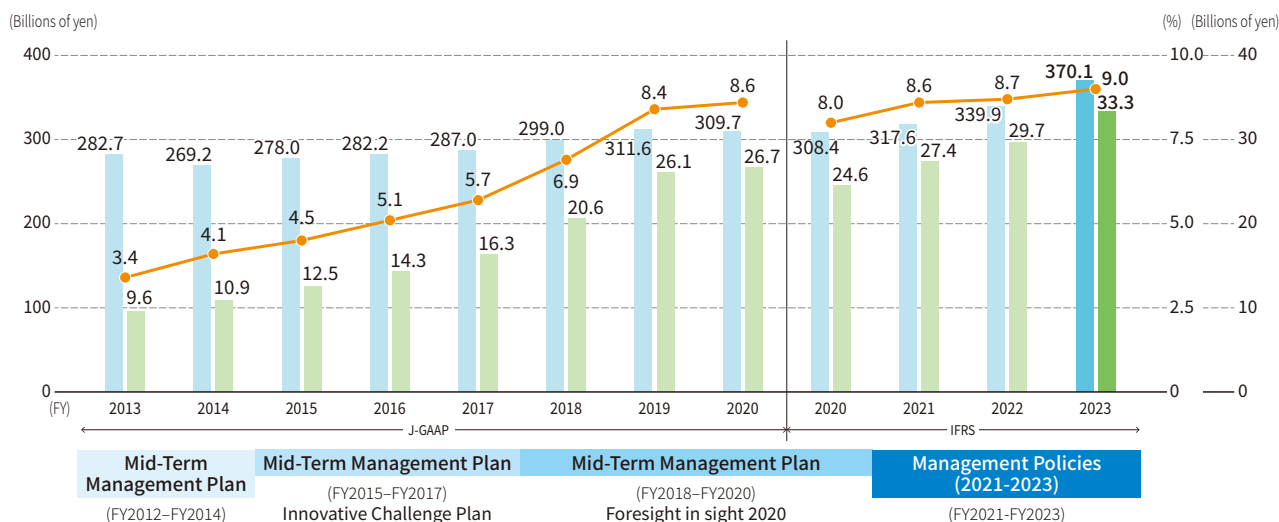


# Financial Highlights

(BIPROGY Inc. and its consolidated subsidiaries)

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

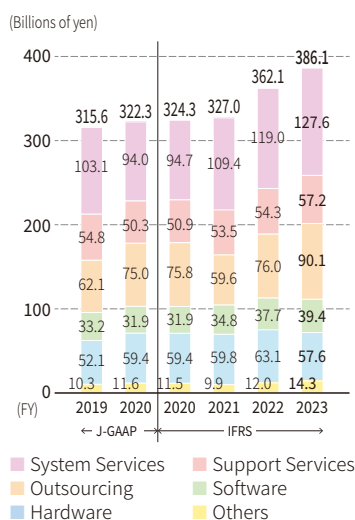
## Revenue (Net Sales)/Operating Profit (Operating Income)/Operating Margin



■ Revenue (Net Sales) (left axis) ■ Operating Profit (Operating Income) (right axis) — Operating Margin (right axis)

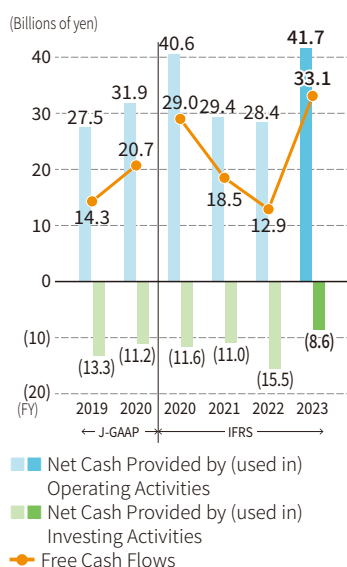
In the Management Policies (2021–2023), we positioned the outsourcing business, which has a high marginal profit rate and provides contributions to establishing a stable revenue base, as a growth driver for our Group. In the final fiscal year, FY2023, revenue increased in all segments, especially in outsourcing and system services, on the back of strong demand from customers for DX investments. Operating profit increased as an increase in SG&A expenses resulting from strengthened investments and other factors was offset by an increase in gross profit due to higher revenue, resulting in an improved profit margin as well.

## Orders by Segment



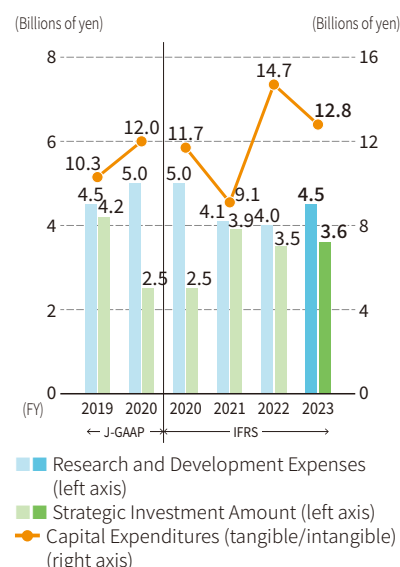
Orders received in FY2023 increased due to strong sales of system services in response to customers' strong demand for DX, as well as the booking of a large, long-term project in outsourcing.

## Operating Cash Flows/Investment Cash Flows/Free Cash Flows



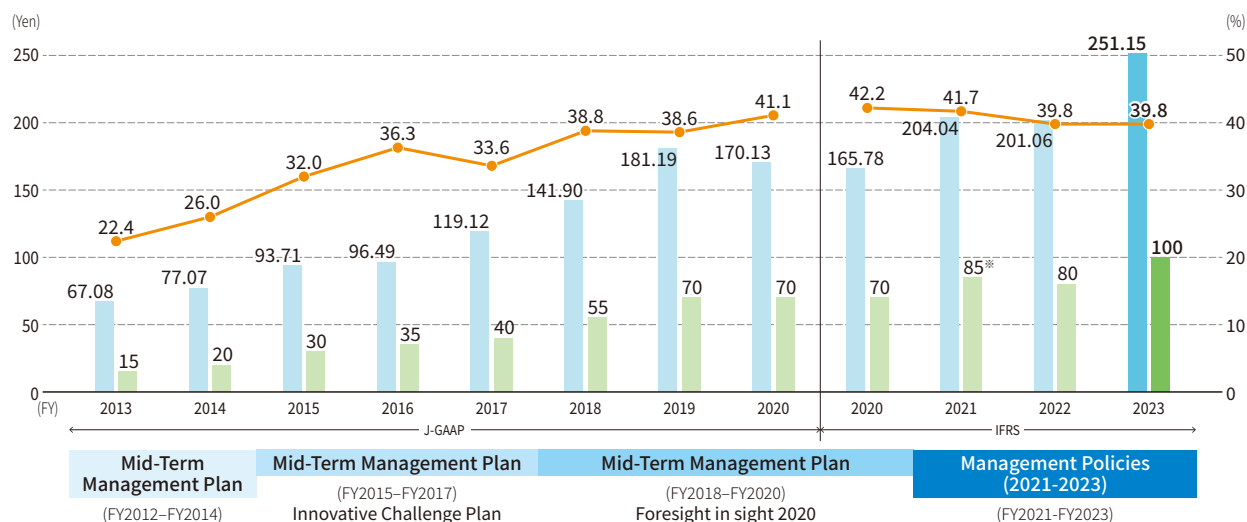
Improved profitability led to stable cash flow generation. While investments were made in the acquisition of intangible assets, primarily investments in software for outsourcing, proceeds from the sale of investment securities, primarily cross-shareholdings, increased in FY2023.

## Research and Development Expenses/Capital Expenditures/Strategic Investments



In the Management Policies (2021–2023), investment strategy was one of our key measures. In the three-year cumulative period through FY2023, our total of R&D expenses, capital expenditures, and strategic investments was ¥60.1 billion. Under the Management Policies (2024–2026), we plan to accelerate strategic investments with multiple aims, including utilizing cutting-edge technologies, continuously generating innovations, and executing M&A in Japan and overseas, mainly in focus areas.

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

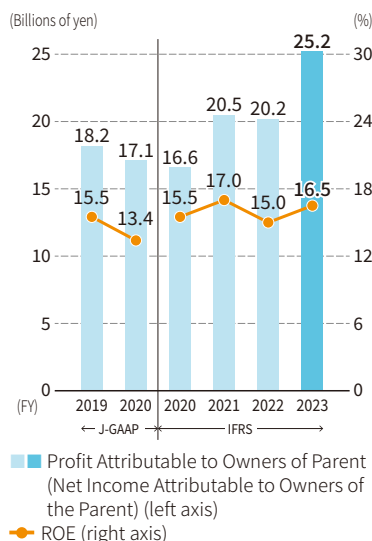


■ Basic Earnings (Net Income) per Share (left axis) ■ Dividends per Share (left axis) — Dividend Payout Ratio (right axis)

BIPROGY strives to provide stable and sustainable profit distribution based on its basic policy of paying dividends in accordance with performance. The specific amount of dividends is determined based on a comprehensive view of the business environment and other factors, while paying attention to securing internal funds for business development. In the Management Policies (2021–2023), we aimed for a consolidated dividend payout ratio of approximately 40%. Based on this basic policy and consolidated performance, the annual dividend for FY2023 was ¥100 per share (interim: ¥45, year-end: ¥55), for a consolidated dividend payout ratio of 39.8%.

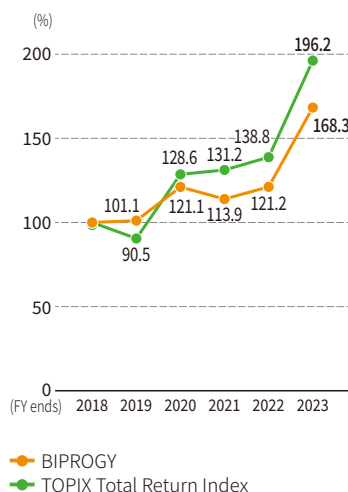
\* Includes an additional ¥10 dividend to celebrate the company name change to BIPROGY Inc.

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



Profit attributable to owners of parent for FY2023 increased due to higher operating profit and lower income tax expenses, including the application of a tax credit to encourage wage increases. Our ROE was 16.5% in FY2023, compared to a target of approximately 15%.

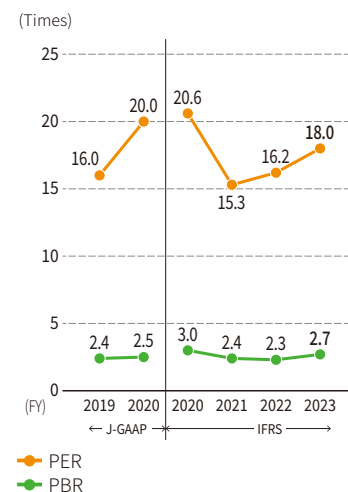
## Total Shareholder Return (TSR)



As for the total shareholder return (TSR) in FY2023, despite maintaining a stable share price for the last five years thanks to strong performance, our TSR remained lower than the TOPIX including dividends.

\* Market price based on TSR indexed with closing price on March 31, 2019 (100).

## PER/PBR

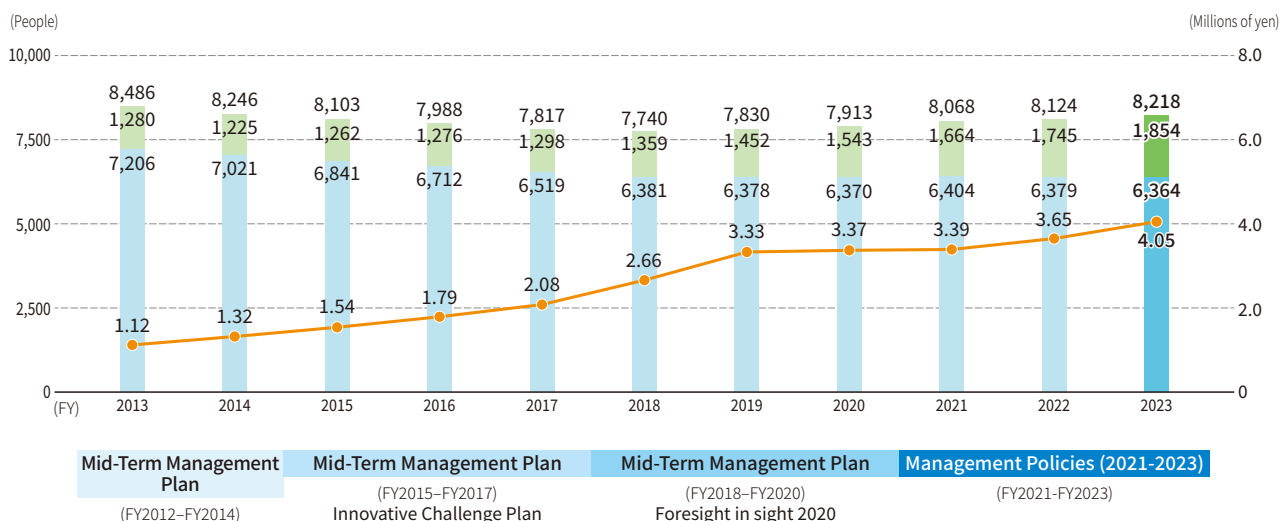


In the Management Policies (2024–2026), BIPROGY has stated that it will improve its corporate value and is emphasizing stock price as well as business growth in its activities. We intend to improve our reputation in the stock market by building on our dialogue with shareholders and investors and achieving targets.

# Non-Financial Highlights

(BIPROGY Inc. and its consolidated subsidiaries)

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

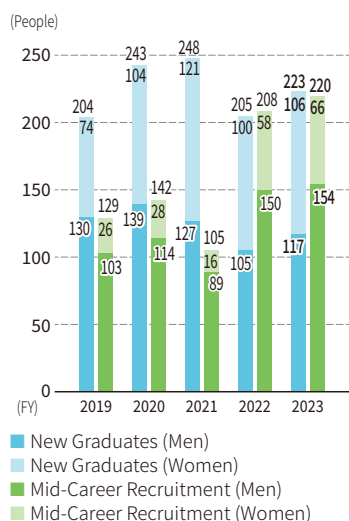


■ Number of Men Employees (left axis) ■ Number of Women Employees (left axis) — Operating Profit (Income) per Employee (right axis)

The BIPROGY Group has long viewed human capital as an important corporate asset, and has been working to strengthen its human capital, the source of its competitive advantage, under the material issue of “develop and strengthen human resources to create a new future and promote diversity and inclusion.” Although the number of employees had continued to decline due to the retirement of baby boom generation employees and other factors, it began to increase again in FY2019, and operating profit per employee has been steadily increasing.

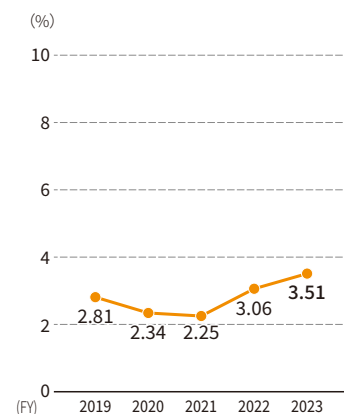
(Note) Up to and including FY2020, our reporting was in accordance with generally accepted accounting principles in Japan (J-GAAP), while the International Financial Reporting Standards (IFRS) have been applied since FY2021

## Number of New Employee Hires\*<sup>1</sup>



We are continuing our active recruitment activities, and the number of mid-career hires who are ready to provide immediate contributions accounted for about half of the total number of hires in both FY2022 and FY2023. We also aim to foster a corporate culture that embraces diverse values, such as by working to make women 50% of our new graduate hires.

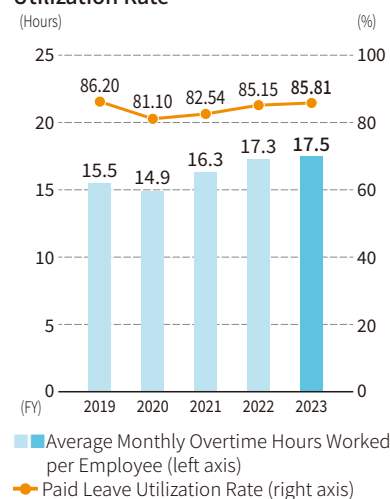
## Employee Turnover Rate\*<sup>2</sup>



In accordance with recent changes in employment circumstances, this rate increased in FY2023 as it did in FY2022, but remained well below the industry average (12.4%<sup>\*</sup>). Going forward, we will continue our efforts to improve the retention rate along with the sustained acquisition of human resources.

<sup>\*</sup> Source: Ministry of Health, Labour and Welfare, Survey on Employment Trends 2023 information and communications industry employee turnover rate

## Average Monthly Overtime Hours Worked per Employee\*<sup>2</sup>/Paid Leave Utilization Rate\*<sup>2</sup>



Overtime hours have been increasing since FY2021. To address this, we will further our efforts toward efficient, judicious use of overtime and provide consultations with industrial physicians for employees who work excessive overtime in the practice of health management. The paid leave utilization rate has stayed high, remaining above our target utilization rate of 80% or higher.

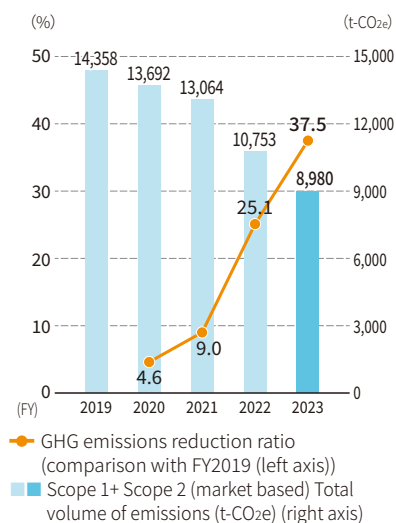
(Scope of Calculation)

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

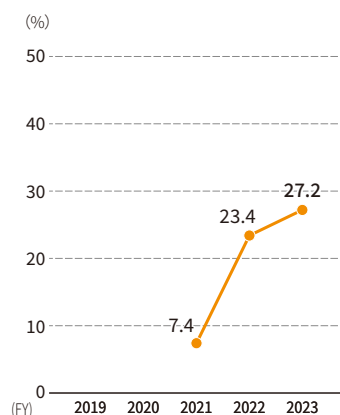
\*<sup>2</sup> BIPROGY Inc. and UNIADEX, Ltd.

## Material Issues-Related Major KPIs

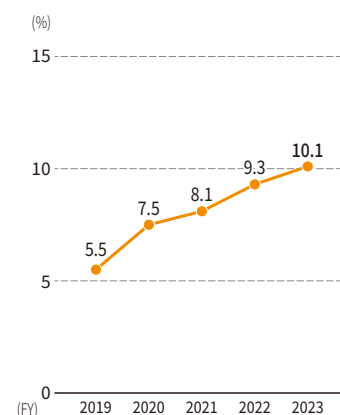
P.18-19 KPIs and Targets for Material Issues, P.87 Material Issues (Actual for FY2023)

Reduction Rate in GHG Emissions /  
Scope 1 + Scope 2 (Market-based)  
total emissions\*3

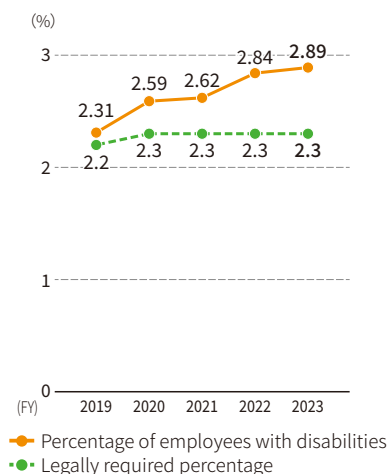
In addition to working to switch our procured electricity to renewable energy sources, we are carrying out energy conservation measures through the promotion of telework and efficient use of offices and equipment, and have achieved a 37.5% reduction in greenhouse gas (GHG) emissions in FY2023 compared to FY2019.

Percentage of purchased energy used  
at the BIPROGY Group business  
locations that is renewable energy\*3

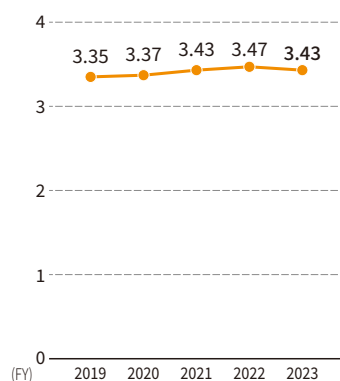
In FY2021, we launched the procurement of electricity from renewable energy sources. In FY2023, this procurement rate was 27.2%. Going forward, we will continue to promote procurement of electricity from renewable energy sources, taking into consideration diversification of procurement methods and other measures.

Percentage of Management Positions  
Held by Women\*4

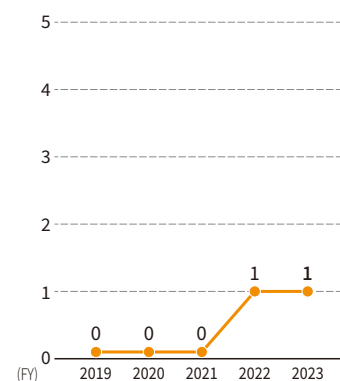
As an important part of our diversity policy, we aim to ensure that women employees are well represented throughout our organization. In FY2023, the percentage of management positions held by women was 10.1%. In order to further accelerate our efforts in this area, we will continue to implement our management promotion plan and monitor the status of individual issues for women employees, as well as provide training and support for their promotion to higher ranks.

Percentage of Employees with  
Disabilities\*5

Our Group is building structures that provide consistent support to employees with disabilities, so that they can work and succeed with peace of mind. In FY2023, we opened a massage room in our head office and made efforts to create new employment opportunities, and we continue to achieve our target employment ratio of at least 0.1% above the level mandated by law.

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

In FY2023, in addition to efforts to improve the ease of working for employees, we focused on strengthening organizational capabilities through measures such as the permeation of our Purpose as part of efforts to address issues identified in the survey results, and exceeded the material issue's KPI standard score of 3.36 (average for FY2019 and FY2020), at 3.43.

Number of Serious Security  
Incidents\*6

In FY2023, there was unauthorized access at servers managed in commissioned business, resulting in the leakage or possible leakage of customer information. Although measures to prevent recurrence have been implemented, we will continue to study this and implement further improvement measures.

## P.74 Information security

\*3 Data for FY2019 is for BIPROGY Inc. and 10 other companies and two other organizations (major offices in Japan and 85% of the BIPROGY Group's total number of employees). Data for FY2020 is for BIPROGY Inc. and 12 other companies and 2 other organizations (major offices in Japan and 85% of the BIPROGY Group's total number of employees). Data for FY2021 is for BIPROGY Inc. and 24 other consolidated companies (major offices in Japan and abroad, 100% of the BIPROGY Group's total number of employees) excluding limited partnerships for investment. Data for FY2022 is for BIPROGY Inc. and 25 other consolidated companies (major offices in Japan and abroad, 100% of the BIPROGY Group's total number of employees) excluding limited partnerships for investment. Data for FY2023 is for BIPROGY Inc. and 28 other consolidated companies (major offices in Japan and abroad, 100% of the BIPROGY Group's total number of employees).

\*4 Data up to FY2020 is for BIPROGY Inc. and UNIADDEX Ltd. Data from FY2021 onward is for BIPROGY Inc. and six other companies.

\*5 Data for FY2019 is for BIPROGY Inc. and UNIADDEX Ltd. Data from FY2020 onward is for BIPROGY Inc. and six other companies.

\*6 Data up to FY2020 is for BIPROGY Inc. and wholly owned Japanese subsidiaries of BIPROGY Inc. Data from FY2021 onward is for BIPROGY Inc. and its consolidated subsidiaries.

# 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.

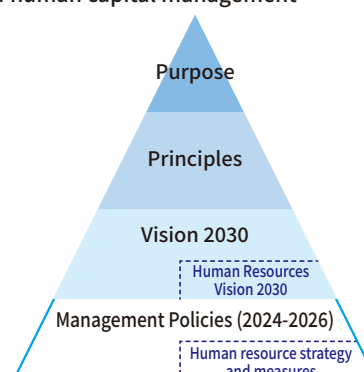
### BIPROGY Group's strengths and acquiring new capabilities

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.

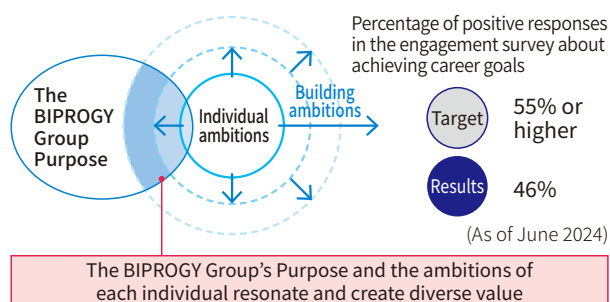
### Types of human resources to strengthen over the long term

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.

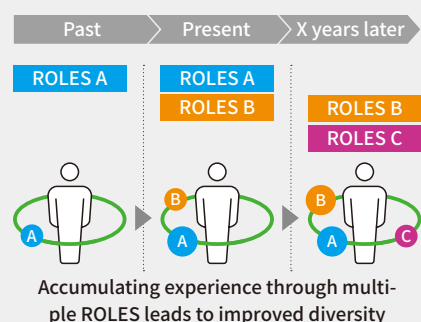
#### • P.68 Succession Plan

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.



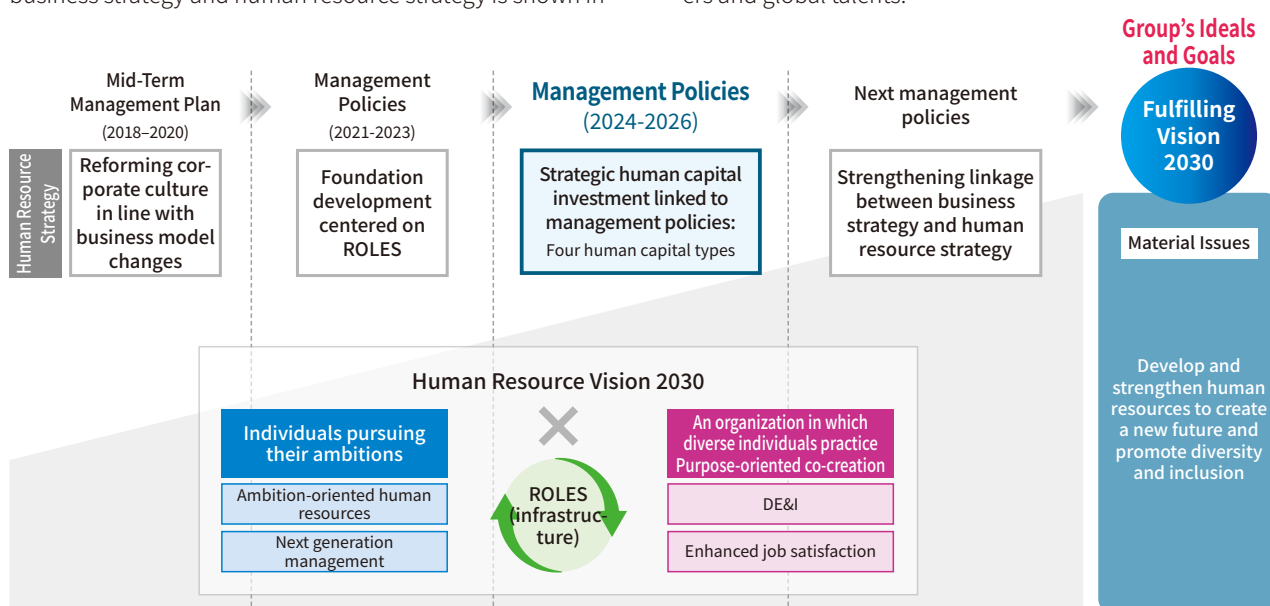
resonance between the Group's Purpose and My Purpose), we have established an item in the engagement survey that reads, "Overall, I feel I can achieve my career goals at the Company," and we are working to improve this KPI.

### Human resource strategy linked to business strategy

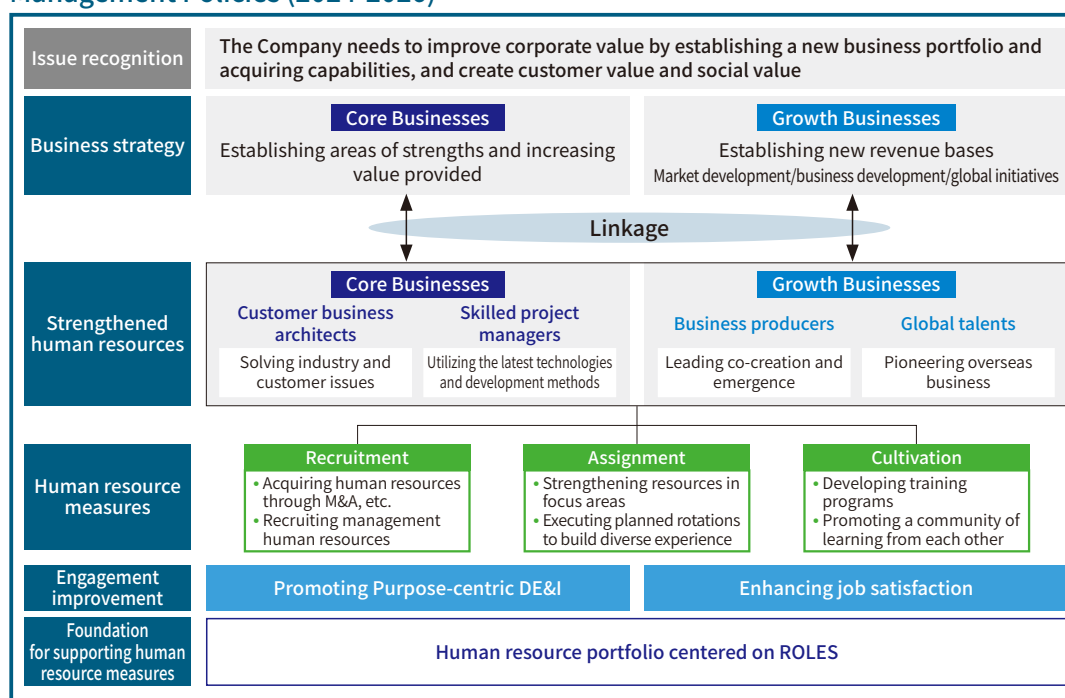
In the Management Policies (2024–2026), we have formulated a human resource strategy that defines focus investment areas linked to our business strategy and human resources to be strengthened, and we will actively invest in human resources in accordance. The linkage between business strategy and human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

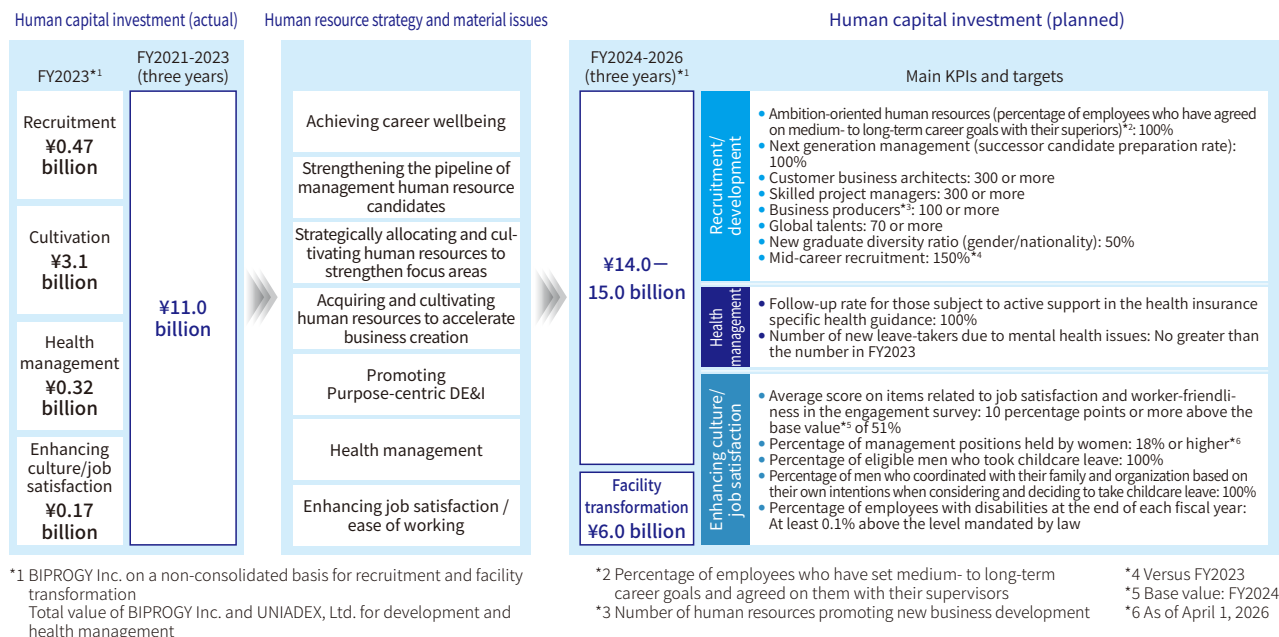


### Management Policies (2024–2026)



# 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%.

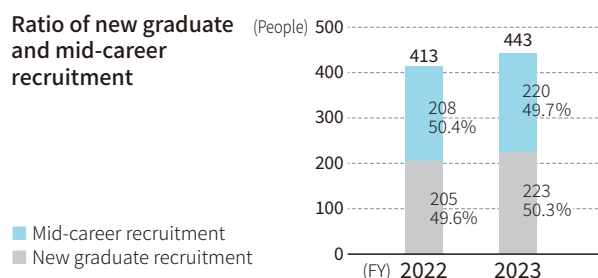
#### Mid-career recruitment

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	<b>Ambition-oriented human resources</b> 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"> <li>Providing various opportunities (learning, dialogue, business creation, transfers, etc.) for employees with ambitions who volunteer</li> </ul>	(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 <b>55% or higher</b> ② <b>100%</b>
	②	<b>Next generation management</b> 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"> <li>Carrying out tough assignments where past successes are not applicable</li> <li>Executing planned rotations at the management level to acquire diverse experience</li> </ul>	Successor candidate preparation rate <b>100%</b>
Core Businesses	③	<b>Customer business architects</b> 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"> <li>Strategically allocating human resources to focus areas</li> <li>Establishing a human resource exchange scheme to strengthen customer relationships and co-create business</li> </ul>	Number of human resources meeting ROLES-based criteria <b>300 or more</b>
	④	<b>Skilled project managers</b> 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"> <li>Systematically cultivating human resources through assignment to challenging projects</li> <li>Expanding training programs to quickly acquire the latest technologies</li> </ul>	Number of human resources meeting ROLES-based criteria <b>300 or more</b>
Growth Businesses	⑤	<b>Business producers</b> 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"> <li>Creating opportunities for open innovation and close support by experts in the field</li> <li>Recruiting of highly-skilled human resources with business creation capability</li> </ul>	Number of human resources promoting new business development <b>100 or more</b>
	⑥	<b>Global talents</b> 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"> <li>Acquiring human resources through aggressive investment for growth (M&amp;A, etc.)</li> <li>Strengthening training through dispatch to and on-the-job training at overseas locations</li> </ul>	Number of human resources meeting ROLES-based criteria <b>70 or more</b>

## 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

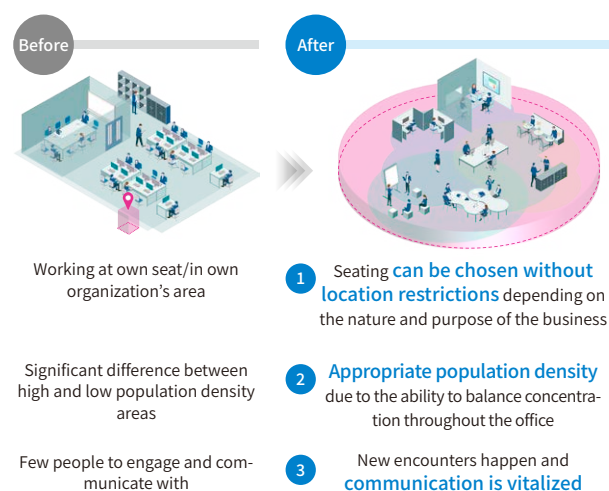
#### Health management

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

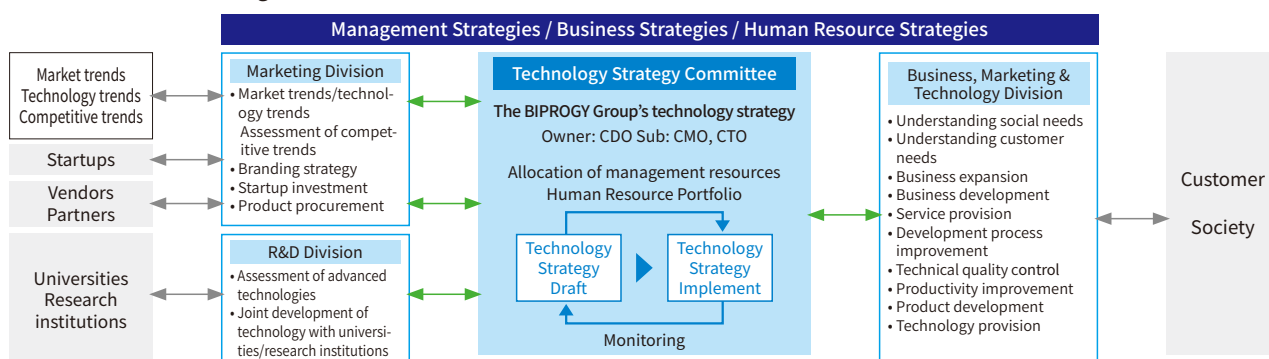
Our Management Policies (2024-2026) set out our technology strategy for core businesses that are our current sources of revenue and for growth businesses that are new pillars of revenue. Based on the strengths that our Group has built up and on our business timeline, we will rebuild our technology portfolio, 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

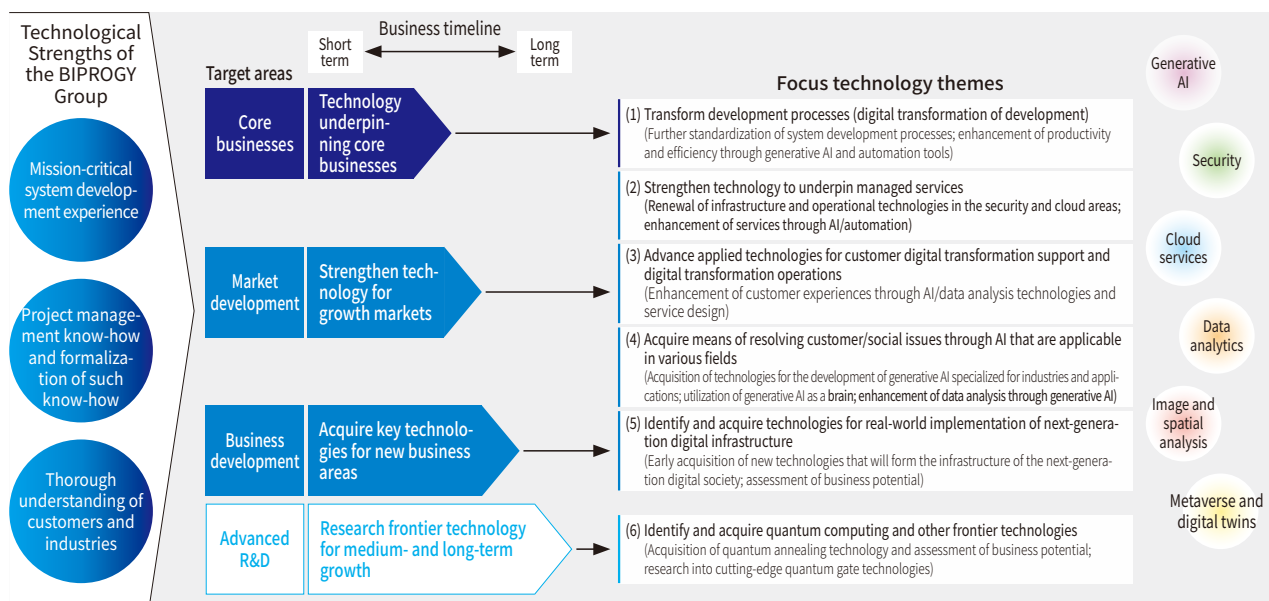
Working primarily through our Technical Strategy Committee, all relevant organizations cooperate in drafting and implementing strategies. The Technology Strategy Committee

### 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)**

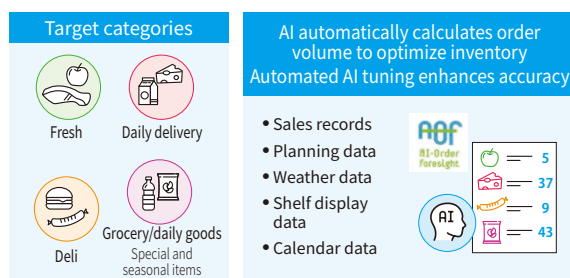
↳ [https://www.biprogy.com/com/ai\\_ethics\\_principles\\_BIPROGY\\_group.pdf](https://www.biprogy.com/com/ai_ethics_principles_BIPROGY_group.pdf)

### Examples of AI-based services for resolving social issues

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

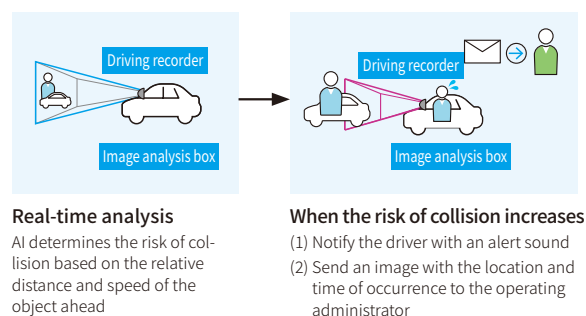
#### Elimination of labor shortages through the automation of order placement work at retail stores

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.

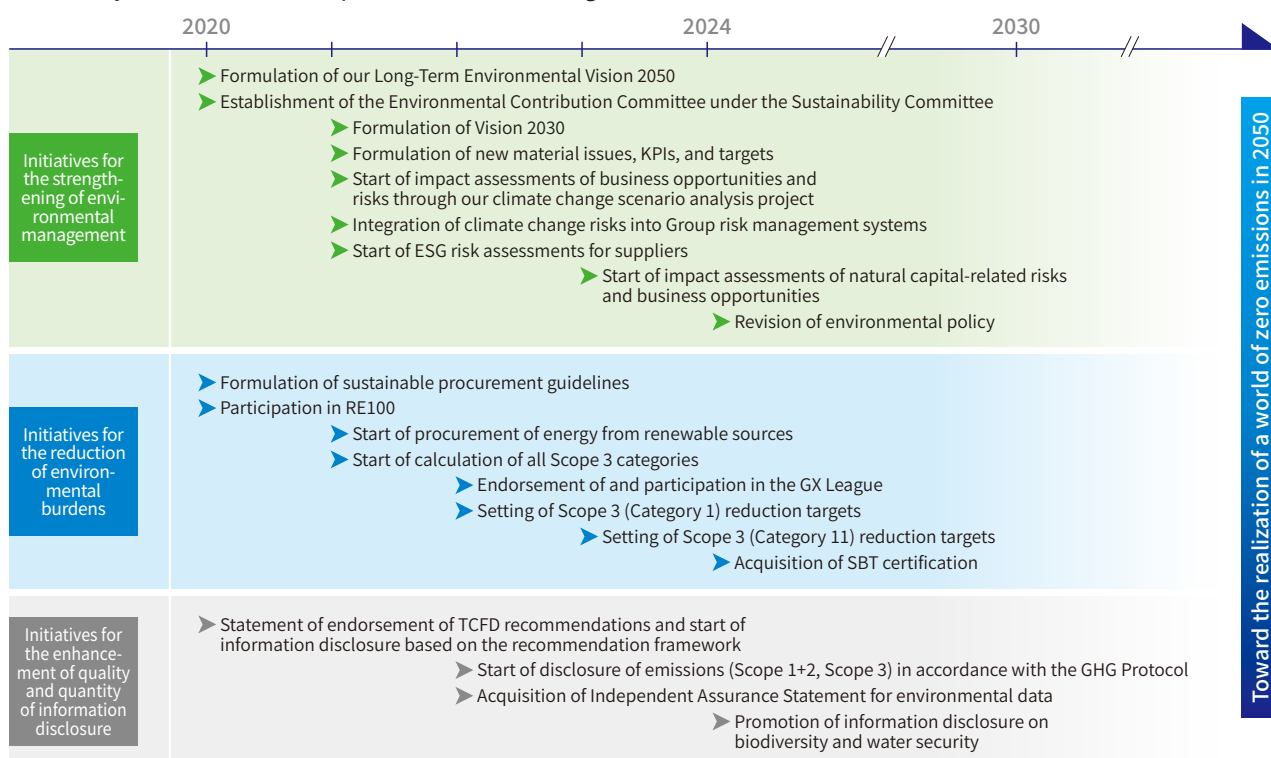
## The BIPROGY Group's Environmental Management

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

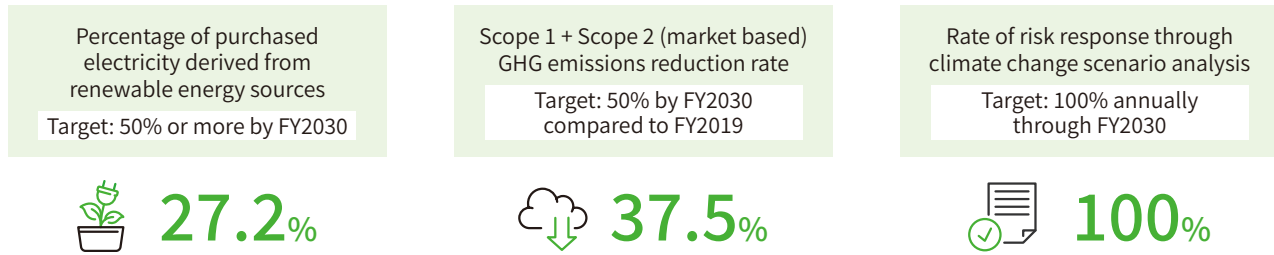
partners and employee training measures aimed at enhancing environmental awareness. We also actively participate in domestic and international initiatives including RE100 and the GX League, with endorsement of the Task Force on Climate-related Financial Disclosure (TCFD) recommendations in 2020 as our 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

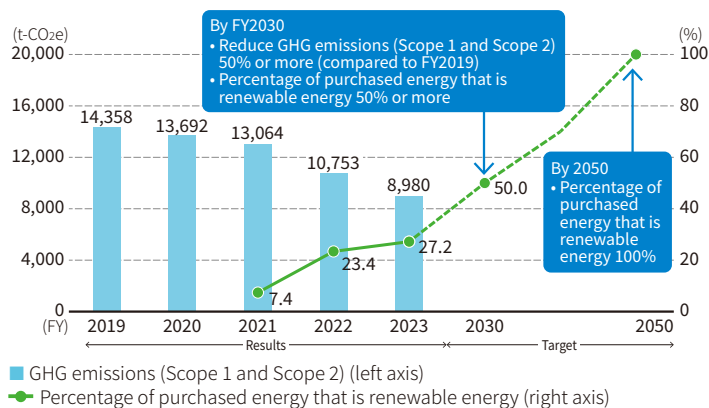
## Reduction of Environmental Burdens throughout the Value Chain

### Reduction of Scope 3 GHG emissions

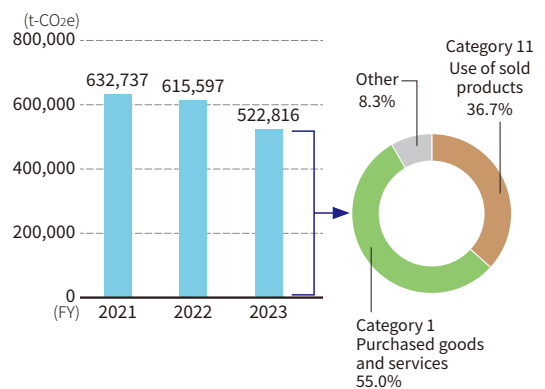
Under the belief that reducing GHG emissions throughout the value chain is important for realizing a world of zero emissions as espoused in our Long-Term Environmental Vision 2050, our Group engages in the reduction measures we have set for our material issues. Amid this, we began calculating Scope 3 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](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<sup>\*1</sup>) 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.

<sup>\*1</sup> 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<sup>\*2</sup> 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.

<sup>\*2</sup> 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				
<b>Governance</b>	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.			
<b>Strategy</b> (responses to potential impacts of risks and opportunities)	<b>Transition risks</b>	<b>Technology</b>	Decrease in profit due to a decline in technical and service development capabilities caused by delayed response to the progress of low-carbon technologies	<b>Measures for the reduction of risk</b> <ul style="list-style-type: none"> <li>Research and development that contributes to the development of low-carbon technologies</li> <li>Provision of services adapted to changes in customers' needs</li> <li>Disclosure of trusted climate-related information</li> <li>Low-carbon business activities</li> </ul>
		<b>Markets</b>	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	
		<b>Reputation</b>	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.	
	<b>Opportunities</b>	<b>Products and services</b>	<ul style="list-style-type: none"> <li>Increase in revenue due to the development of new products and services through R&amp;D and technological innovation</li> <li>Increase in revenue due to the development and expansion of low-carbon products and services</li> </ul>	<b>Measures for the expansion of opportunities</b> <ul style="list-style-type: none"> <li>Expansion of revenue opportunities in new markets and emerging markets through the development of new products and services</li> <li>Expansion of low-carbon products and services</li> </ul>
<b>Risk management</b>	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.			
<b>Metrics and goals</b>	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"> <li>GHG emissions (Scope 1 + Scope 2): Reduction rate (compared to FY2019) of 50% or more (achievement by FY2030)</li> <li>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)</li> <li>GHG emissions (Scope 3, Category 11): Reduction rate (compared to FY2021) of 25% or more (FY2030)</li> <li>Percentage of purchased energy used at the BIPROGY Group business locations that is renewable energy: 50% or more (FY2030)</li> <li>Zero emission achievement rate: 100% or more (annually through FY2030)</li> <li>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)</li> </ul>			

\* 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](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](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.\*<sup>1</sup> 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 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<sup>\*2</sup> 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

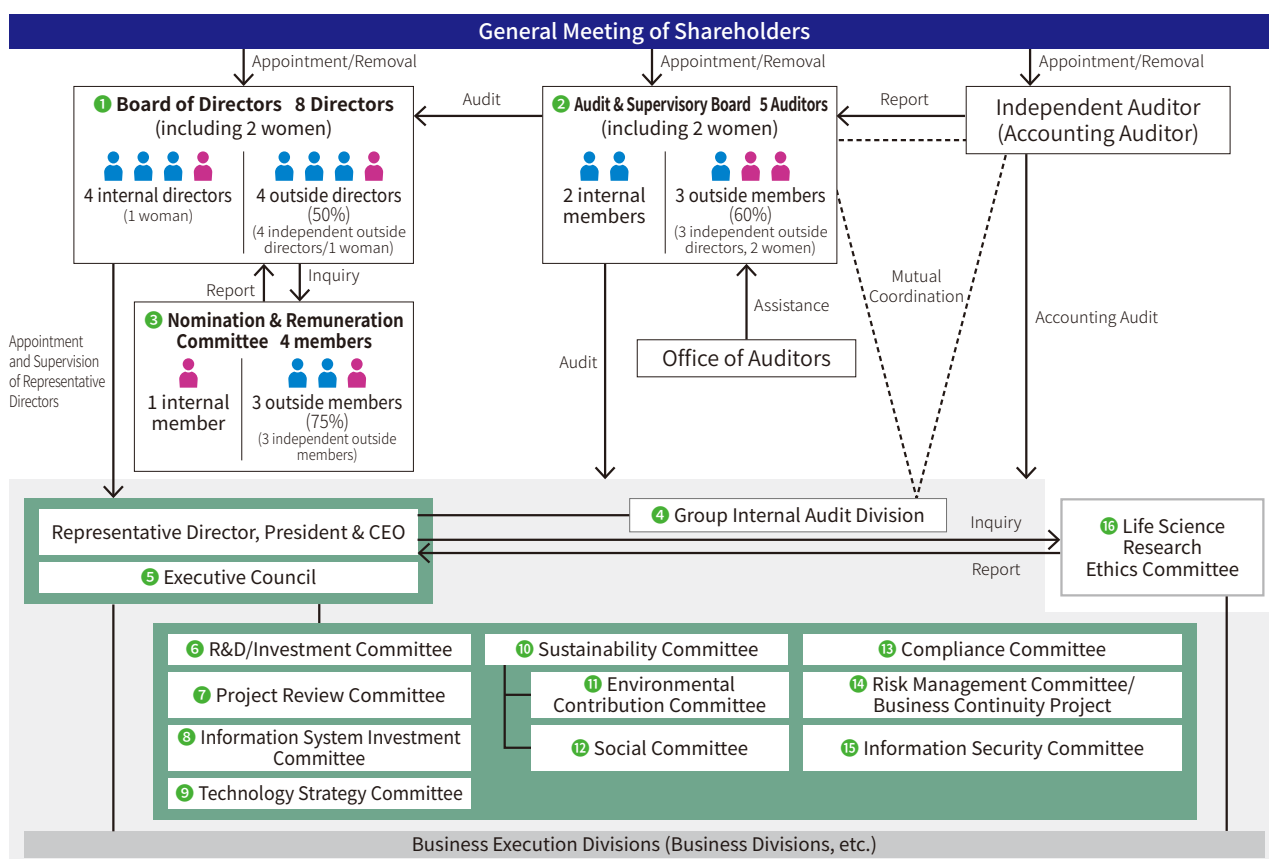
A mechanism of corporate governance that enables management to make prompt and sound management decisions under appropriate and effective supervision is indispensable to the BIPROGY Group's continuous growth and increase in medium- to long-term corporate value. The Company shall create, maintain, and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

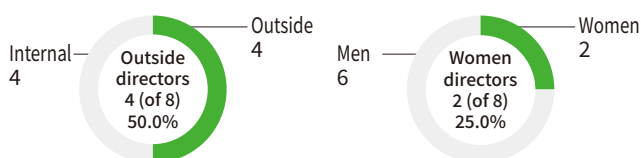
In addition, the CFO, who possesses finance and

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

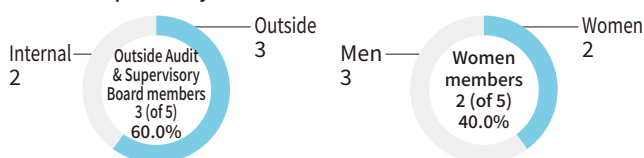
The term of directors is one year to establish a flexible management system and to clarify the responsibility of directors. In addition, in the Audit & Supervisory Board, three of the five members are independent outside members, making up the majority, and including one attorney and two members who 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 <sup>*3</sup>	Global business	
Directors	Representative Director, President & CEO, CHO <b>Noboru Saito</b> (Chairperson of the Board)	8	12/12	—	8/8		●	●		●	●	
	Representative Director, Executive Corporate Officer, CSO <b>Koji Katsuya</b>	8	12/12	—	—		●	●		●	●	
	Director, Corporate Officer, CHRO, CRMO <b>Taeko Sawakami</b> <span>Newly appointed</span> (Nomination & Remuneration Committee member)	—	—	—	—		●	●		●	●	
	Director <b>Takahito Kanazawa</b>	3	12/12	—	—	●	●	●				
	Outside Director, Independent Director <b>Nalin Advani</b> (Chairperson of the Nomination & Remuneration Committee)	3	12/12	—	8/8	●	●	●			●	
	Outside Director, Independent Director <b>Yoshinori Ikeda<sup>*1</sup></b> (Nomination & Remuneration Committee member)	2	12/12	—	5/5			●	●	●	●	
	Outside Director, Independent Director <b>Asako Osaki<sup>*2</sup></b> (Nomination & Remuneration Committee member)	1	10/10	—	—					●	●	
Audit & Supervisory Board Members	Outside Director, Independent Director <b>Yuichi Katayama</b> <span>Newly appointed</span>	—	—	—	—	●	●	●	●			
	Auditor <b>Mikinori Kobayashi</b> <span>Newly appointed</span> (Audit & Supervisory Board Chair)	—	—	—	—		●	●		●		
	Outside Auditor, Independent Officer <b>Masaya Oishi</b>	3	12/12	16/16	—	●	●		●	●	●	
	Auditor <b>Hirofumi Hashimoto</b>	6	12/12	16/16	—	●			●	●	●	●
	Outside Auditor, Independent Officer <b>Harumi Kojo</b>	7	12/12	16/16	—		●		●		●	
	Outside Auditor, Independent Officer <b>Keiko Mizuguchi</b>	3	12/12	16/16	—				●	●	●	●

<sup>\*1</sup> 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.

<sup>\*2</sup> Ms. Asako Osaki was appointed Director on June 28, 2023, and since that day, the Board of Directors has met ten times.

<sup>\*3</sup> 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 &amp; 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. Mikiyori 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	<b>Step 1</b> : Anonymous questionnaire by all Directors and Audit & Supervisory Board members <b>Step 2</b> : Analysis of the results of a questionnaire by outside consultants and individual interviews and report on all Directors and Audit & Supervisory Board members	<b>Step 3</b> : Deliberation and evaluation by the Board of Directors <b>Step 4</b> : Formulation of action policies based on the evaluations <b>Step 5</b> : 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	<b>Overall</b>	Introduced corporate officer system	Separation of management supervision and execution and more efficient business execution
2004	<b>Overall</b>	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	<b>Remuneration</b>	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	<b>Overall</b>	Changed the ratio of outside directors to at least one-third (3 outside directors out of 9)	Improvement of management transparency and objectivity
2015	<b>Overall</b>	Established Corporate Governance and Internal Control Principles	Clarification of basic approach to corporate governance and internal control and its structure/management policy
	<b>Overall</b>	Revised the regulations of the Board of Directors, etc.	Revision of agenda standards at Board of Directors meetings
	<b>Overall</b>	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
	<b>Diversity</b>	Increased the number of women serving as outside directors by 1 (outside directors became 4 from 3)	Strengthening of diverse viewpoints
	<b>Overall</b>	Established Evaluation Criteria for Independence of Outside Directors	Clarification of the Company's standards for independence
2016	<b>Overall</b>	Revised the evaluation criteria for independence in the Evaluation Criteria for Independence of Outside Officers	Clarification of independence criteria for outside auditors
	<b>Succession</b>	Formulated a senior management succession plan including the CEO	Sustainable growth
	<b>Effectiveness</b>	Started evaluation of the effectiveness of the Board of Directors	Improve the functioning of the Board of Directors
	<b>Remuneration</b>	Introduced performance-linked bonuses	Increase in motivation to contribute to improving business results and corporate value
2018	<b>Succession</b>	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
	<b>Effectiveness</b>	Evaluated effectiveness in FY2017 (third time) after appointing an outside specialized agency	Use of objective analysis by external experts for evaluation
2019	<b>Overall</b>	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	<b>Overall</b>	Formulated the selection criteria and procedures for outside directors	Improvement of management transparency and objectivity
	<b>Overall</b>	Increased the number of independent outside directors in the Nomination & Remuneration Committee to 2	Strengthen the independence and objectivity of the Nomination & Remuneration Committee
	<b>Effectiveness</b>	Evaluated effectiveness in FY2019 (fifth time) after appointing an outside specialized agency	Use of objective analysis by external experts for evaluation
2021	<b>Remuneration</b>	Revise director remuneration system (introduce restricted-stock-as-remuneration system)	Raise desire to contribute to greater medium- to long-term performance and corporate value
	<b>Overall</b>	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	<b>Overall</b>	Changed the ratio of outside directors to 1:1 (4 outside directors out of 8 directors)	Improve management transparency and objectivity
	<b>Overall</b>	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	<b>Effectiveness</b>	Evaluated effectiveness in FY2023 (ninth time) after appointing an outside specialized agency	Use of objective analysis by external experts for evaluation
	<b>Diversity</b>	Appoint a woman internal director	Strengthen diverse perspective

## Corporate Governance

### 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

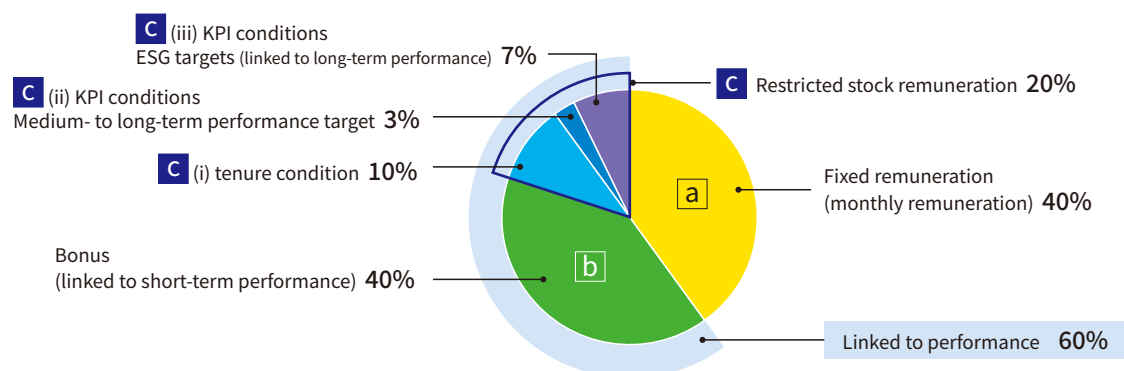
For remuneration for executive directors, the weight of performance-based bonus and stock remuneration was increased and, if performance targets are fully met, the fixed remuneration, performance-based bonus (linked to profit attributable to owners of parent), and stock remuneration are paid in a ratio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

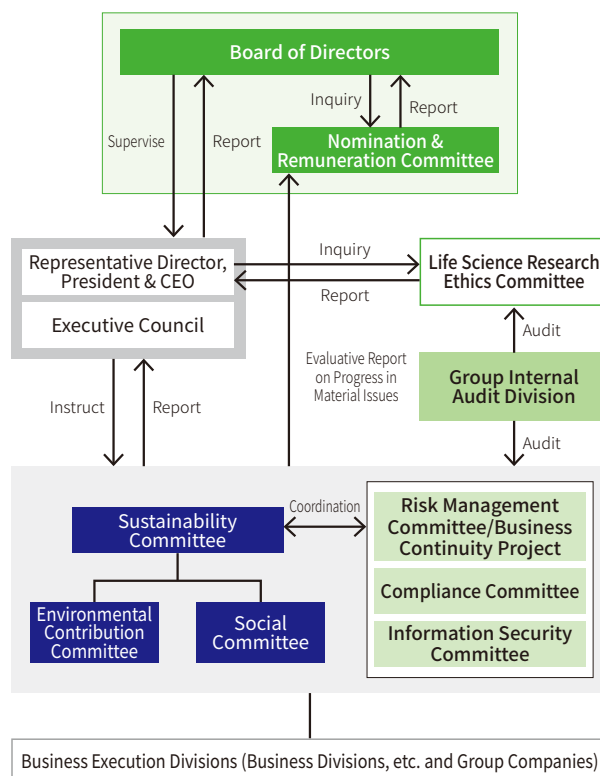
6. The table above includes remunerations, etc. for one director who retired at the conclusion of the 79th Ordinary General Meeting of Shareholders held on June 28, 2023.

## 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"> <li>CSO (Representative Director, Executive Corporate Officer)</li> </ul>	<ul style="list-style-type: none"> <li>CFO</li> <li>Environment Contribution Committee Chair</li> <li>Social Committee Chair</li> <li>President of UNIADEx, Ltd.</li> <li>Compliance Committee Chair</li> <li>Other persons who have been appointed by Chair</li> </ul>
Environmental Contribution Committee	7	<ul style="list-style-type: none"> <li>Appointed by Sustainability Committee Chair (corporate officer)</li> </ul>	<ul style="list-style-type: none"> <li>Environment Contribution Committee Chair selects responsible persons of related responsible organizations within the Group</li> </ul>
Social Committee	6	<ul style="list-style-type: none"> <li>Appointed by Sustainability Committee Chair (corporate officer)</li> </ul>	<ul style="list-style-type: none"> <li>Social Committee Chair selects responsible persons of related responsible organizations within the Group</li> </ul>

### Main items regarding sustainability deliberated on (FY2023)

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

## 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\*<sup>1</sup> with various investment styles\*<sup>2</sup> 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).

\*<sup>1</sup> Active/passive, growth/value/dividend-focused, etc.

\*<sup>2</sup> 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

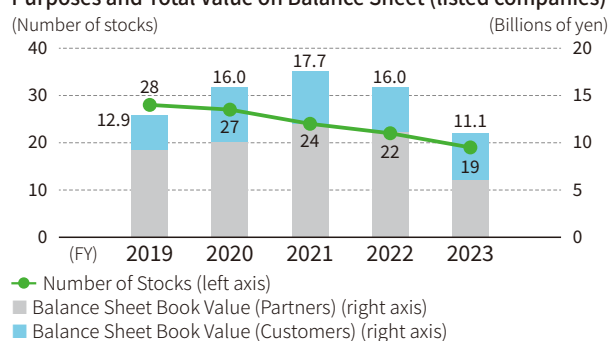
The Company may strategically hold shares of partners if it is deemed that this would contribute to greater corporate value for the Company, such as resulting in a stronger profit basis by maintaining or strengthening the relationship with partners. The determination to acquire stock is made pursuant 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, Kwasei 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 &amp; 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\*<sup>1</sup> and SOC.\*<sup>2</sup> 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\*<sup>3</sup> 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.

\*<sup>1</sup> 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.

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

\*<sup>3</sup> 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](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](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

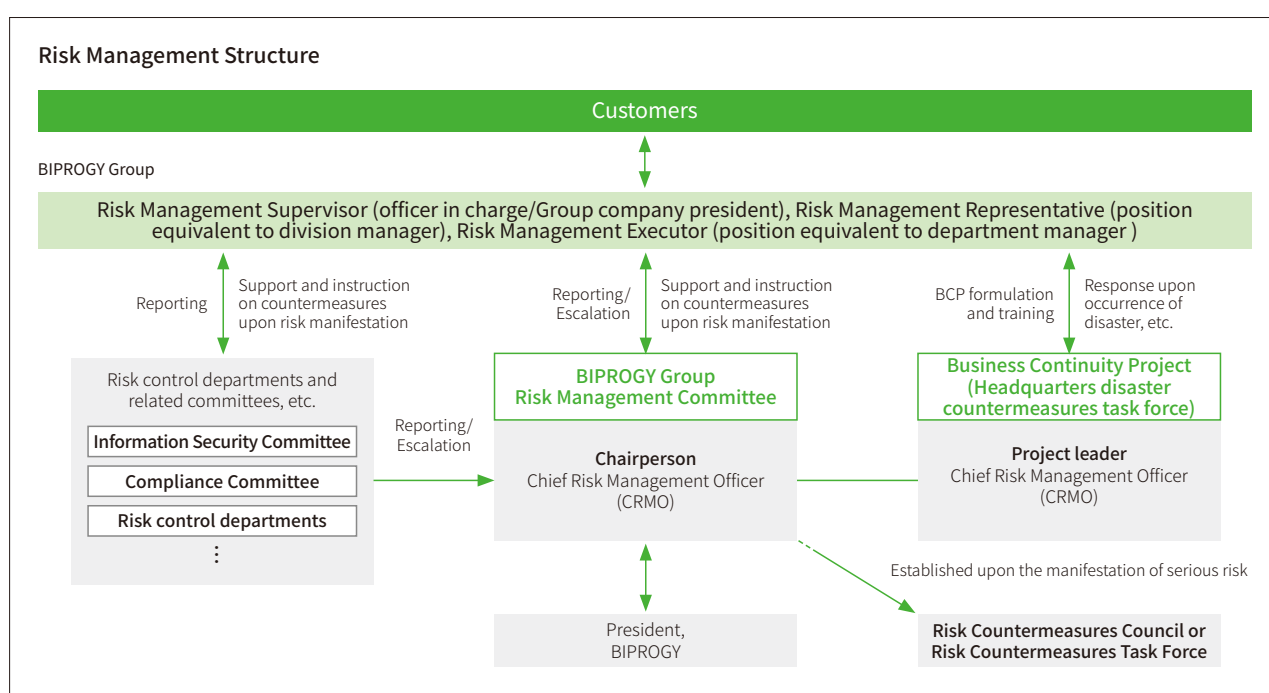
With reference to the ISO31000 international standard for risk management, the BIPROGY Group has named an officer responsible for risk management and established organizations as required, and works on the actions below.

- 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.

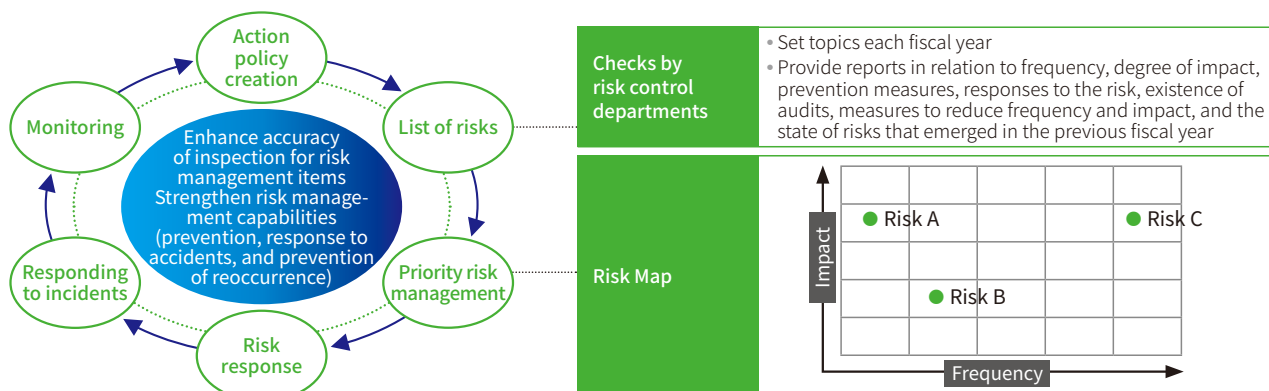
**Details on Our Risk Management Initiatives (Japanese only)**

➡ <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\*<sup>1</sup> 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.

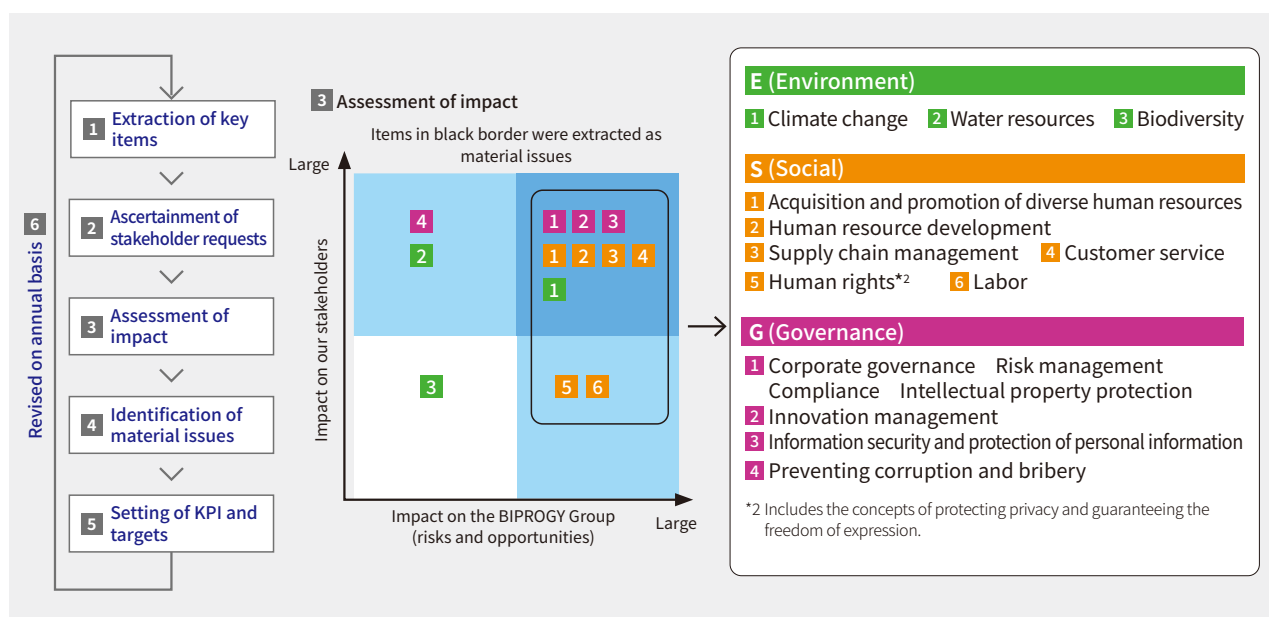
## Risk evaluation to identify material issues

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"> <li>Deterioration in economic environment as a result of change in financial markets and downturn in overseas economies</li> <li>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</li> <li>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</li> <li>Changes in various policies promoted by governments, such as disaster countermeasures</li> </ul>	<ul style="list-style-type: none"> <li>Create business opportunities that contribute to the solution of issues faced by society and capture profits in created markets 2</li> <li>Create business ecosystems and expand business opportunities by establishing trust with a wide range of stakeholders 2</li> </ul>
	Procurement	<ul style="list-style-type: none"> <li>Impact on the purchase of the Group's products due to changes in the business strategy of or deterioration in management at suppliers 3</li> <li>Occurrence of serious failures due to service malfunctions, security incidents, etc. 3</li> <li>Declining social credibility and brand image</li> </ul>	<ul style="list-style-type: none"> <li>Increase profit opportunities by strengthening trust with suppliers and capturing quality partner companies and thus reinforcing relationship capital 3 4</li> <li>Reduce business risks related to issues such as human rights and environmental burden throughout the value chain 3 4</li> </ul>
	Intellectual property rights	<ul style="list-style-type: none"> <li>Infringement of intellectual property rights by third parties 1</li> <li>Expenses associated with disputes over intellectual property rights 1</li> <li>Possibility of not being able to obtain necessary licenses and no longer being able to provide certain products and services 1</li> <li>Not being able to use the expected intellectual property from partner companies despite tie-ups 1</li> </ul>	<ul style="list-style-type: none"> <li>Increase profit opportunities by capturing quality partner companies</li> <li>Improve social credibility</li> <li>Expand business by generating innovation 2</li> </ul>
	Technical innovation	<ul style="list-style-type: none"> <li>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</li> </ul>	<ul style="list-style-type: none"> <li>Accelerate the shift toward high added value and increased sophistication in the market development field 2</li> </ul>
	Project management	<ul style="list-style-type: none"> <li>Delay in deliveries and cost overruns due to increasing complexity of customer requirements and project complexity</li> <li>Increased safety and security risks due to diversification of products and services 3</li> </ul>	
Business Activities	System failure	<ul style="list-style-type: none"> <li>Serious failures due to system malfunctions, cyberattacks, or other problems 3</li> <li>Declining social credibility and brand image</li> <li>Compensation for damages</li> </ul>	<ul style="list-style-type: none"> <li>Secure a stable revenue base as productivity increases and cost overruns decrease</li> <li>Increase profit opportunities by strengthening trust with customers/suppliers 4</li> <li>Provide secure services and platforms to customers 3</li> </ul>
	Information security	<ul style="list-style-type: none"> <li>Leaks of confidential customer information or personal information 3</li> <li>Cyberattacks 3</li> <li>Declining social credibility and brand image</li> <li>Incurring of response costs</li> </ul>	
	Human resources	<ul style="list-style-type: none"> <li>Intensifying competition for IT personnel 1</li> <li>Securing human resources with technical capabilities, the ability to continuously innovate and adapt to diversifying social issues and customer needs 1 2</li> </ul>	<ul style="list-style-type: none"> <li>Expand business by generating innovation 2</li> <li>Contribute to the creation of employment opportunities for diverse human resources 1 2</li> <li>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</li> <li>Provide high-value-added services that make use of advanced skills</li> <li>Ensure competitive advantages</li> </ul>
	Investment	<ul style="list-style-type: none"> <li>Insufficient return on investment</li> <li>Inconsistency with business partners' management strategies</li> <li>Business growth below initial expectations</li> </ul>	<ul style="list-style-type: none"> <li>Expand business by generating innovation 2</li> <li>Develop high-value-added human resources with the ability to assess where and how much to invest</li> <li>Increase return on investment</li> <li>Ensure competitive advantages</li> </ul>
	Compliance	<ul style="list-style-type: none"> <li>Personnel and labor issues 5 6 1 4</li> <li>Occurrence of inadequate data handling and other serious compliance violations 1 3</li> <li>Decline in social credibility, payment of compensation for resulting damages, and reexamination of business dealings by key suppliers and customers</li> </ul>	<ul style="list-style-type: none"> <li>Improve social credibility</li> <li>Contribute to the solution of issues faced by society and the economic growth of society through transparent and fair processes</li> </ul>
	Climate change	<ul style="list-style-type: none"> <li>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</li> </ul>	<ul style="list-style-type: none"> <li>Increase in profit due to the development and expansion of low-carbon products and services 1 2 3</li> </ul>
	Natural disasters, infectious diseases, and other events	<ul style="list-style-type: none"> <li>Catastrophic damage from natural disasters, such as earthquakes, or terrorism</li> <li>Restrictions on providing services or other business activities due to an outbreak of infectious disease, etc.</li> <li>Threats to the health and safety of employees</li> </ul>	<ul style="list-style-type: none"> <li>Contribute to society's sustainability by providing businesses that solve the issues faced by society 1 2 3</li> </ul>
Others			

# 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.

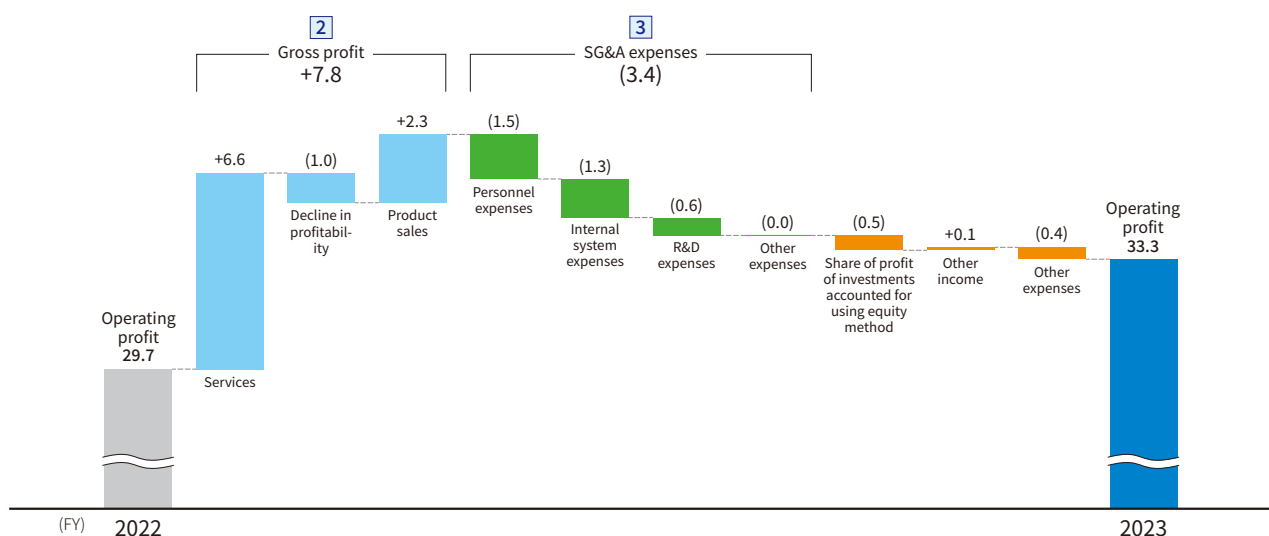
Despite unexpected developments, including an increase in the cost of renewing and upgrading internal systems and impairment loss on Group companies' goodwill, financial results remained firm as there were no changes in business conditions.

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 <sup>1</sup>
Cost of sales	250,547	272,968	+22,420
Gross profit	89,350	97,173	+7,823 <sup>2</sup>
Selling, general and administrative expenses	59,955	63,360	+3,404 <sup>3</sup>
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	<b>System Services</b> 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		
	<b>Support Services</b> 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)		
	<b>Outsourcing</b> 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)		
	<b>Others</b> 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	<b>Software</b> 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		
	<b>Hardware</b> 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)
Charac- teristics	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"> <li>Overall IT outsourcing and business outsourcing services</li> <li>BankVision, an open core-banking system (on-premises type)</li> <li>SBI21, a core-banking system for regional financial institutions</li> </ul>	<ul style="list-style-type: none"> <li>BankVision on Azure, a public cloud-based full-banking system</li> <li>OptBAE, a shared-type core-banking system for regional financial institutions</li> <li>AI-Order Foresight, an automatic order services based on AI demand forecasts</li> <li>Enability CIS, electricity retailing cloud solutions</li> <li>Cloud services, such as those related to telework</li> </ul>	<ul style="list-style-type: none"> <li>Omni-Base for DIGITAL'ATELIER, an EC SaaS platform</li> <li>Zero-Accident Program DR, a communication-type drive recorder</li> <li>Digital value cards and digital code business</li> <li>smart oasis, a mobility service platform</li> <li>Storage service platform</li> <li>Saigai Net, a chronology-type crisis management information sharing system</li> </ul>

### 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
<b>Assets</b>			
Current Assets	164,650	187,914	+23,264
Non-current assets	115,745	126,304	+10,558
<b>Total Assets</b>	280,396	314,219	+33,822
<b>Liabilities</b>			
Current Liabilities	98,940	112,464	+13,523
Non-current liabilities	39,858	33,440	(6,417)
<b>Total Liabilities</b>	138,798	145,905	+7,106
<b>Equity</b>			
Total equity attributable to owners of parent	139,887	166,423	+26,536
Non-controlling interests	1,710	1,890	+180
<b>Total Equity</b>	141,597	168,314	+26,716
<b>Total Liabilities and Equity</b>	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
<b>Free Cash Flows</b>	12,882	33,142	+20,260
Net Cash Provided by (Used in) Financing Activities	(18,043)	(17,621)	+421
<b>Effect of exchange rate changes on cash and cash equivalents</b>	103	97	(5)
<b>Net increase (decrease) in cash and cash equivalents</b>	(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

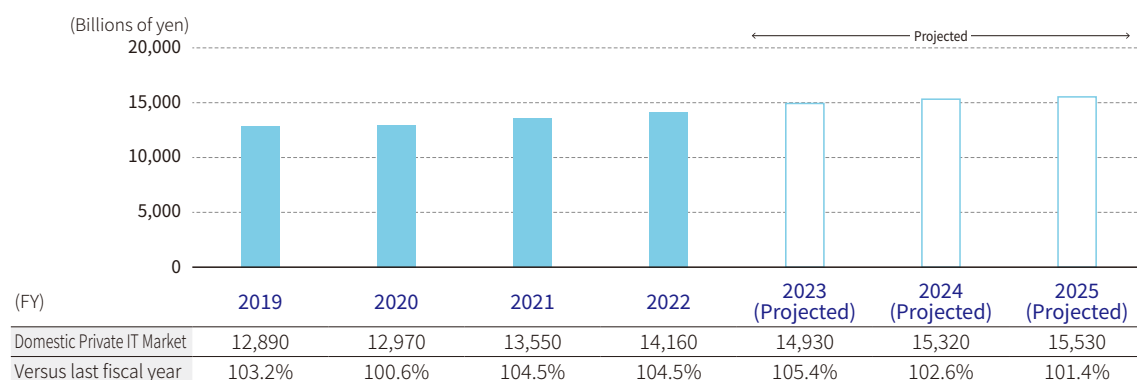
In the IT market, companies continue to show a strong investment appetite, particularly toward digital transformation (DX).

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.

(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



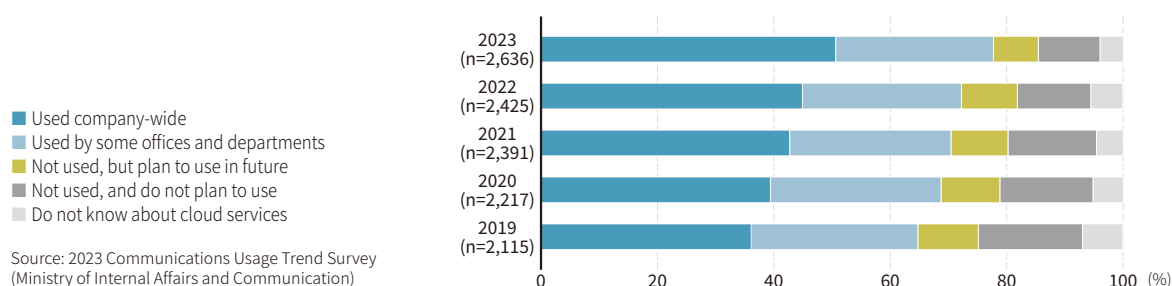
Source: Japanese Company IT Investment Survey (2023) (Yano Research Institute, November 27, 2023)

\*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 (FY2012–FY2014)		Mid-Term Management Plan (FY2015–FY2017)			
	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018
<b>Fiscal Year</b>						
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
<b>Fiscal Year-End</b>						
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
<b>Per Share Information</b>						
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
<b>Stock Information</b>						
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
<b>Other Information</b>						
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
<b>Fiscal Year</b>						
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
<b>Fiscal Year-End</b>						
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
<b>Per Share Information</b>						
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
<b>Stock Information</b>						
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
<b>Other Information</b>						
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	<b>FY2014</b> Operating Margin <b>4.1%</b> Net Sales <b>¥269.2 billion</b> ROE <b>9.7%</b> Dividend Payout Ratio <b>26.0%</b>	<b>FY2017</b> Operating Margin <b>5.7%</b> Net Sales <b>¥287.0 billion</b> <small>(Net sales in the areas of digital innovation and life innovation)</small> <b>(¥27.0 billion)</b> ROE <b>12.4%</b> Dividend Payout Ratio <b>33.6%</b>	<b>FY2020</b> Operating Margin <b>8.6%</b> Net Sales <b>¥309.7 billion</b> <small>(Net Sales in Priority Areas)</small> <b>(¥68.4 billion)</b> ROE <b>13.4%</b> Dividend Payout Ratio <b>41.1%</b>
Strategies and Key Outcomes	<b>Acquired Strengths</b> Added the ability to design and implement new services to our existing strengths <ul style="list-style-type: none"> <li>• Took a social perspective to create business ecosystems that link different industries</li> <li>• Collaboration with Dai Nippon Printing Co., Ltd., which has strengths in the content field</li> <li>• Provided payment/settlement platforms as a service business entity</li> <li>• Strengthened financial condition</li> </ul>	<b>Acquired Strengths</b> Took on challenges in new business areas and strengthened our foundation for further growth <ul style="list-style-type: none"> <li>• Increased profit and number of potential new businesses by expanding business in the digital and life innovation fields</li> <li>• Increased profitability by concentrating on fields of strengths, such as business ICT platforms, and improving labor productivity</li> <li>• Promoted a change in skill sets in line with business model transformation</li> <li>• Proactively promoted investments in business partners in Japan and overseas as well as Fund of Funds (FoF)</li> </ul>	<b>Acquired Strengths</b> Acquired assets to transform the Group into one that creates social value by expanding business in priority areas <ul style="list-style-type: none"> <li>• 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</li> <li>• Reviewed human resources and roles in business execution, cultivated relationships with customers, and contribute to greater customer value</li> <li>• Strengthened platform provision capabilities through measures to integrate technology throughout the Group, increase productivity, and increase efficiency</li> <li>• Implemented measures on various fronts, including corporate culture reforms that promote challenges and reforms in awareness regarding diversity</li> <li>• Proactively implemented initiatives that foster open innovation and acquired knowledge through investments that target new business creation</li> </ul>
Issues	<b>Strategies</b> <ul style="list-style-type: none"> <li>• Address business model transformation through global and cross-industry collaboration, etc.</li> </ul> <b>Business Environment</b> <ul style="list-style-type: none"> <li>• Address major changes in the social environment resulting from expansion of digitalization and the emergence of new consumers</li> <li>• Creation of a new business platform to address the spread of the cloud and usage-based services</li> </ul>	<b>Strategies</b> <ul style="list-style-type: none"> <li>• Further expand businesses in the areas of digital innovation and life innovation and reinforce initiatives in the various strategies</li> </ul> <b>Business Environment</b> <ul style="list-style-type: none"> <li>• Address the decline in system integration needs due to the emergence of business-related ICT services</li> <li>• Address the risk that a delay in responding to the digital shift will impede growth</li> <li>• Address the risk of hardware and software market contraction due to commoditization</li> <li>• Address the aging workforce and mismatched skills</li> <li>• Address the risk of a slowdown in growth of Japan's ICT market</li> </ul>	<b>Strategies</b> <ul style="list-style-type: none"> <li>• Accumulate experience in the field of business creation and make use of related intellectual assets and resources</li> <li>• Create intellectual assets to accelerate the development and provision of platforms and enhance verification of combined technologies</li> <li>• Manage the investment portfolio to further increase benefits of knowledge acquired through investments</li> </ul> <b>Business Environment</b> <ul style="list-style-type: none"> <li>• Restrained investments by some customers and stagnation of inbound and sharing-related businesses due to the COVID-19 pandemic</li> <li>• 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</li> </ul>

# 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](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) <sup>1</sup>			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 <sup>1, 2</sup>							
Scope 1 GHG emissions (t-CO <sub>2</sub> e)			0	218	1,470	1,406	1,257
Scope 2 GHG emissions (Location-based) (t-CO <sub>2</sub> e)			—	—	13,442	12,370	11,571
Scope 2 GHG emissions (Market-based) (t-CO <sub>2</sub> e)			14,358	13,475	11,593	9,347	7,723
Scope 1 + Scope 2 (Market-based) total emissions (t-CO <sub>2</sub> e) <sup>1</sup>			14,358	13,692	13,064	10,753	8,980
Scope 3 GHG emissions (t-CO <sub>2</sub> e) <sup>3</sup>			—	—	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) <sup>4</sup>			1,511	725	—	—	—
Paper used (kg) <sup>4</sup>			—	—	25,696	23,698	23,650
Waste emissions (t) <sup>5</sup>			426	213	649	339	386
Water used (million m <sup>3</sup> ) <sup>6</sup>			—	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) <sup>7</sup>			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 <sup>7</sup>			46.0	46.1	46.1	46.3	46.4
Paid leave utilization rate (%) <sup>8</sup>			86.20	81.10	82.54	85.15	85.81
Percentage of employees with disabilities (%) <sup>9</sup>			2.31	2.59	2.62	2.84	2.89
Percentage of management positions held by women (%) <sup>10</sup>			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 <sup>11</sup>			204	243	248	205	223
Men			130	139	127	105	117
Women			74	104	121	100	106
Average annual salary (yen) <sup>7</sup>			8,374,830	8,088,571	8,100,039	8,163,349	8,502,857
Gender pay gap (%) <sup>12</sup>			—	—	—	76.3	76.6

## KPIs in bold relate to Material Issues

	(FY)	2019	2020	2021	2022	2023
Employee turnover rate (%) <sup>8</sup>		2.81	2.34	2.25	3.06	<b>3.51</b>
Average monthly overtime hours worked per employee (hours/month) <sup>8</sup>		15.5	14.9	16.3	17.3	<b>17.5</b>
<b>Weighted average score of work style related items in the engagement survey<sup>13</sup></b>		<b>3.35</b>	<b>3.37</b>	<b>3.43</b>	<b>3.47</b>	<b>3.43</b>
Absenteeism rate <sup>8</sup>		0.22	0.14	0.21	0.23	<b>0.21</b>
<b>Work-life balance</b>						
Percentage of employees returning to work after childcare leave (%) <sup>8</sup>		97	99	98	99	<b>100</b>
Percentage of eligible people taking childcare leave (Men) (%) <sup>14</sup>		20.9	24.8	30.1	48.7	<b>49.5</b>
Number of employees taking paid leave for nursing care <sup>8</sup>		488	296	501	515	<b>464</b>
<b>Development of Human Capital</b>						
Capital investment in people (billion yen) <sup>15</sup>		—	—	—	—	<b>4.1</b>
<b>Other</b>						
Online uptime rate (%) <sup>8</sup>		99.997	99.996	99.999	99.998	<b>99.999</b>
Number of occupational accidents <sup>16</sup>		6	5	12	6	<b>12</b>

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	<b>50.0</b>
Audit & Supervisory Board ratio of independent outside auditors (%)		60.0	60.0	60.0	60.0	<b>60.0</b>
Dividend payout ratio (%) <sup>17</sup>		38.6	41.1	41.7	39.8	<b>39.8</b>
ROE (%) <sup>17</sup>		15.5	13.4	17.0	15.0	<b>16.5</b>
<b>Number of serious security incidents<sup>18</sup></b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>1</b>

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&amp;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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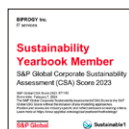
	Stakeholder	Major methods of communication	Connection to material issues
Customers	We provide comprehensive services, from analysis of management issues to their resolution. Communicating with our customers allows us to deliver systems that meet customer needs, increase satisfaction, and build even greater 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

<b>Company Name</b>	BIPROGY Inc.	<b>Independent Auditor</b>	Deloitte Touche Tohmatsu LLC
<b>Established</b>	March 29, 1958		
<b>Paid-in Capital</b>	¥5,483.17 million		
<b>Description of Business</b>	Services business including cloud computing and outsourcing; computer and network system sales/rentals; software development and sales; system-related services	<b>Business Offices</b>	<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>
<b>Number of Employees</b>	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.

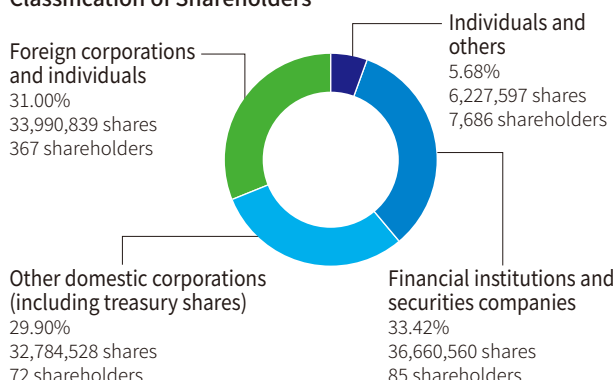
## Number of equity method affiliates 19

## 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-CO<sub>2</sub>e)
- Amount of Scope 2 GHG emissions (t-CO<sub>2</sub>e), Location-based and Market-based
- Amount of Scope 3 GHG emissions (t-CO<sub>2</sub>e) Categories 1-15
- Amount of total energy consumption (GJ, MWh, kL)
- Amount of energy consumption (kL) and specific consumption (kL/m<sup>2</sup>) 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 (m<sup>3</sup>), heavy fuel oil A (kL), gasoline (kL), LPG (m<sup>3</sup>), hot water (MJ), cold water (MJ), steam (MJ))
- Amount of water used (m<sup>3</sup>)
- 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](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](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

## **BIPROGY Inc.**

1-1-1 Toyosu, Koto-ku, Tokyo 135-8560, Japan

Finance Department

<https://www.biprogy.com/e/>

TEL: 81-3-5546-4111

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