BIPROGY

Foresight in sight

BIPROGY Group

# Integrated Report 2025

For the Year Ended March 31, 2025

## Purpose

The Unique Characteristics and Management Resolve of the BIPROGY Group

Foresight and Insight × Technology × Business Ecosystem = Company that Creates Social Value

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

## 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

## 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.

## 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."

# Contents

**Using the Integrated Report**
This report has navigation between pages and references to external sites.

Go to the contents.

P.00 XXXXX
Go to the corresponding page.

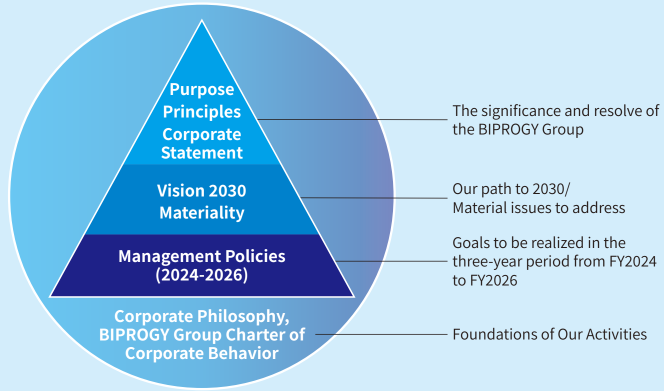
XXXXXXXXXX
Go to the website.



## Integrated Report 2025 Concept

The BIPROGY Group states as its “Purpose” that it will transform into a company that creates social value by combining foresight and insight into social change, technology with ICT at its core, and the formation of business ecosystem with diverse partners. To achieve this, we have established Vision 2030 as the direction toward 2030 and identified material issues, while our Management Policies (2024-2026) are working on enhancing corporate value by establishing a sustainable business portfolio.

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.






**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.

**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.

**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 FY2024 (April 1, 2024 to March 31, 2025), with activities during past fiscal years and conditions following FY2025 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 IFRS Foundation
- 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 2025

**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 (Data as of FY2024 or March 31, 2025)

## Establishment
1958

## Consolidated subsidiaries
30 companies

## No. of employees
8,362

## No. of engineers
5,092

## Revenue
¥404.0 billion

## Operating profit
¥39.1 billion

## Profit attributable to owners of parent
¥27.0 billion

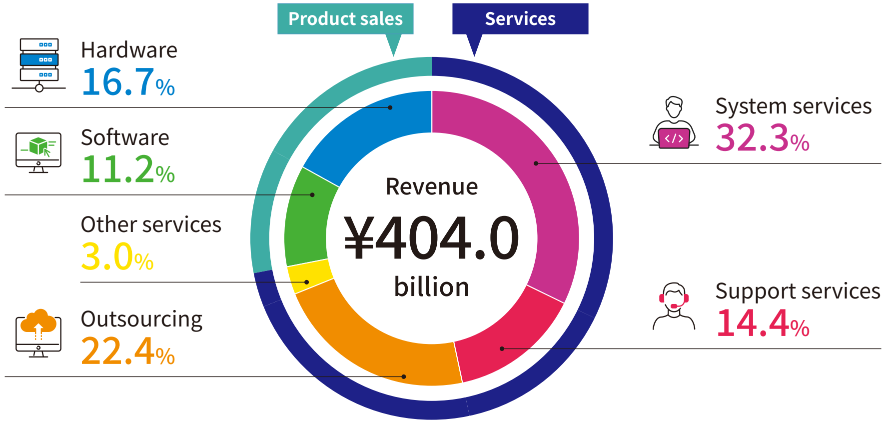
## ROE
16.1%

## Annual dividend
¥10.8 billion
(¥110 per share)

## Issuer rating*1
A-

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

## Revenue by Segment




**Services**

**System services**
Provision of contracted software development, SE services, consulting, etc.

**Support services**
Software and hardware maintenance/support services, installation assistance, etc.

**Outsourcing**
Entrusted operation of information systems and service-based businesses, etc.

**Other services**
Communications network services, electrical installations, educational services, etc.

**Product Sales**

**Software**
Provision of software under a software license agreement, etc.

**Hardware**
Provision of hardware through equipment sales contracts, lease agreements, etc.

# BIPROGY Group's Strengths

## Implementation Capabilities Backed by Integrity, the Power to Get Things Done

### Relationships with Customers and Partners in Various Industries

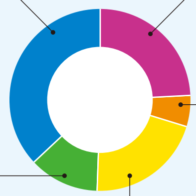
■ Customers in broad types and categories of businesses

Number of customers*1

More than **5,000** companies

*1 Total for BIPROGY and UNIADEX (FY2024)

Breakdown of sales by market (FY2024)



**Utilities/Services/Other**
Electricity and gas, information and communications, transport, services, real estate, travel, leasing companies, etc.

**Financial services**
Banks, shinkin banks, cooperative central financial institutions, securities, insurance, etc.

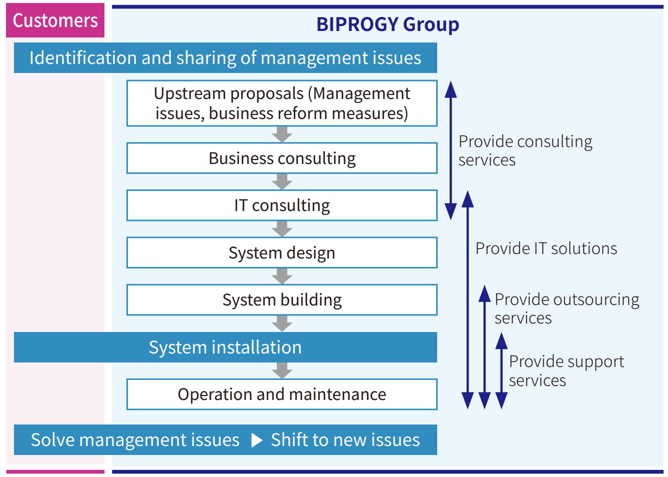
**Public/government**
Government offices, local governments, related organizations, schools and nursery schools, healthcare, etc.

**Commerce/Distribution**
Retail, wholesale, mail order, apparel, distribution, trading companies, etc.

**Manufacturing**
Automobiles, printing, housing, chemistry, precision instruments, food, pharmaceuticals, etc.

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

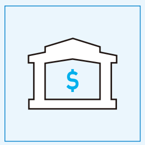
■ Provide the optimal vendor-free ICT environment for solving problems faced by customers




### 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

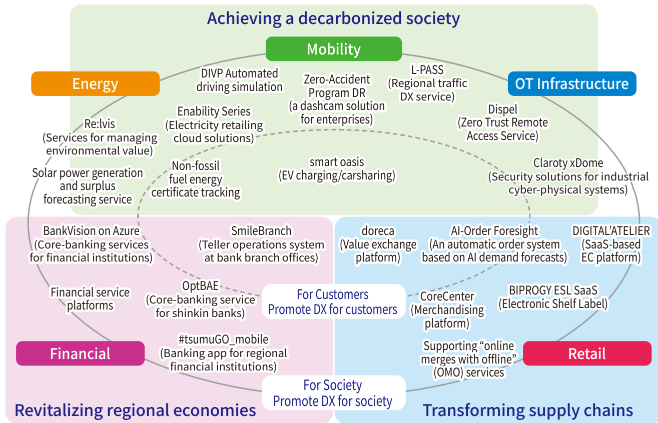
Operate Japan's first public cloud–based "full-banking" system BankVision on Azure

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

### Capabilities for Designing and Delivering New Services

■ Providing services that leverage our accumulated expertise and track record

Examples of services in core business focus areas



# CEO Message

## We will advance our core and growth businesses and enhance our corporate value by leveraging the talent and commitment of our employees

The BIPROGY Group is aiming to become a corporate group with a value of 1 trillion yen. Centered on our human resources strategy and technology strategy, we are building an organization where every employee can grow into a capable and valued professional. We will work to create value through the Digital Commons while broadening empathy through sincere and open communication with our stakeholders.

**Noboru Saito**
Representative Director,
President & CEO

## Looking back on my first year as President

It has been one year since I took up the position of Representative Director, President & CEO. What I focused on especially was dramatically increasing opportunities for communication with stakeholders, including Group employees. I had already interacted with many customers as CMO, but as President I would now like to speak once again about the Group's future and the future we will realize together.

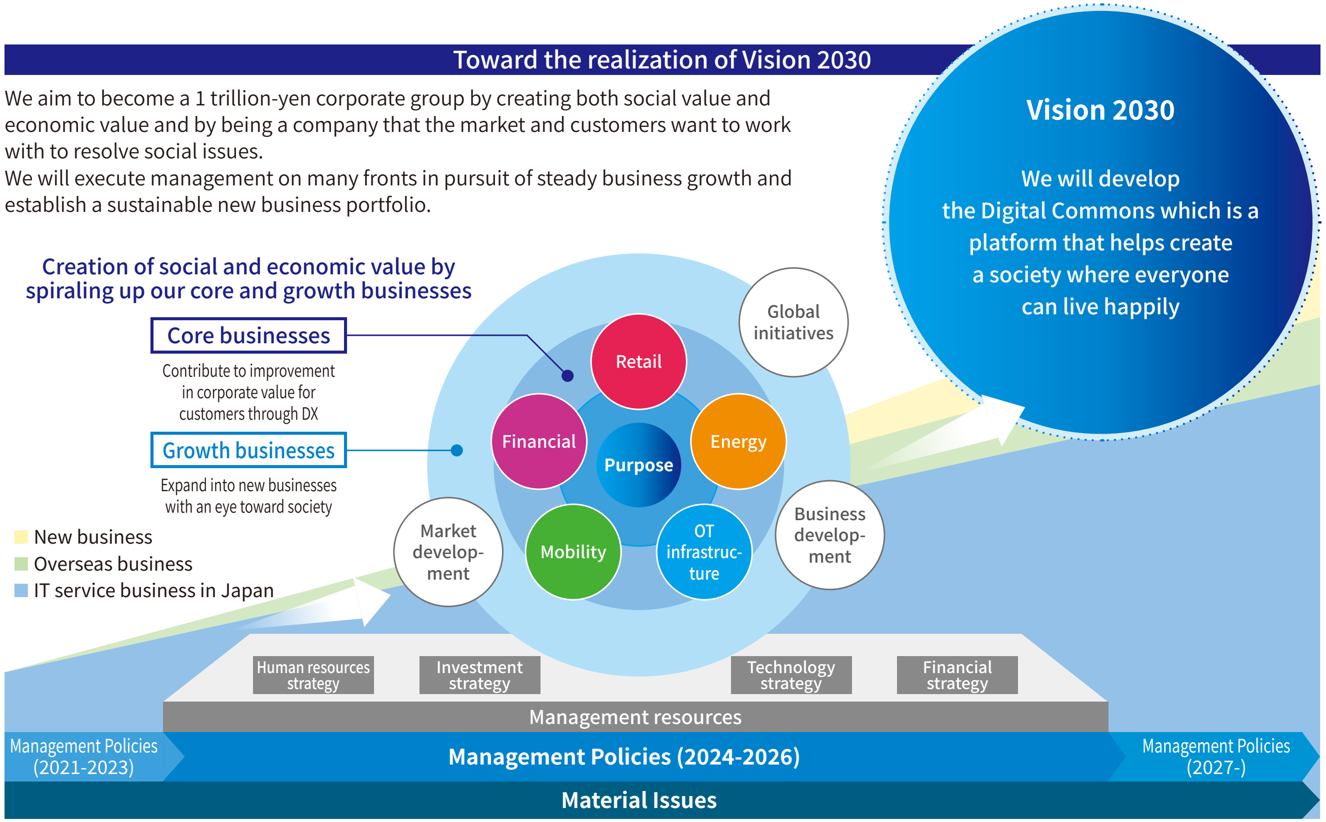
Regarding the Management Policies (2024-2026) that I presented after assuming the position of President, I placed the utmost importance on disseminating them within the Group. I wanted to properly convey both the direction and the thoughts behind it. Three directors, including myself, made a series of on-site visits to Group companies and offices across Japan, meeting face to face not only with management but also with younger members. Although the schedule was tight, we were determined to make this the most important activity of the first year of the Management Policies. This was also the year we started a new management structure, and we wanted employees to know the faces of the management team and build trust between management and employees through open communication. I was impressed by how openly our employees shared their thoughts with me—even more than I had expected. Through these dialogues, I feel we were able to deepen empathy for the Management Policies (2024-2026).

## Evaluation of the first year of the Management Policies (2024-2026)

In FY2024, the first year of the Management Policies (2024-2026), we believe we were able to deliver solid results, partly driven by sustained strong investment by companies, particularly in the digital transformation (DX) field. Revenue reached ¥404.0 billion, exceeding ¥400 billion for the first time, and operating profit was ¥39.1 billion, both of which were record highs. At the same time, we have raised the performance targets for revenue and ROE for FY2026. One challenge has been the limited progress of growth investments under our investment strategy. With the launch of a new

### Toward the realization of Vision 2030

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.



fund and the number of potential investment opportunities increasing, we will steadily accelerate our investments for growth.

Vision 2030, which sets the direction we should pursue toward 2030, we aim to create three mutually related social impacts: resilience, regenerative, and zero emissions. Based on these areas, the previous Management Policies (2021-2023) set the promotion of customer DX and social DX as our basic policies. While carrying forward these policies, our Management Policies (2024-2026) further define the key areas of focus. We have identified financial, retail, energy, mobility, and OT infrastructure—fields in which the Group has particular strengths and that are also closely connected to social issues—as priority domains within our core businesses.

We are able to demonstrate our strengths in these fields because we bring together outstanding engineers and skilled sales professionals with exceptional proposal capabilities, who share a deep understanding of their respective industries. The Group has been making strategic investments in these areas in order to deliver better proposals and solutions to our customers. As a result, these initiatives have already begun to yield tangible outcomes, such as the launch of new services, in the first year of the Management Policies.

In our growth businesses, we have identified market development, business development, and global initiatives as key focus areas. Through the creation of businesses that contribute to social impact in the areas of resilience, regeneration, and zero emissions, we aim to establish a new revenue base for the Group. Because these areas include services based on SaaS and recurring models, the financial impact remains limited at this stage. However, over the past year, we have seen steady progress, with many new projects and business ideas emerging that are expected to generate revenue over the longer term.

We are intensively concentrating our resources on growth businesses. For the heads of each area, we assign experts who can leverage their accumulated knowledge and business ideas to create new value. For example, in the carbon-neutral domain within Business Development, we have appointed professionals from the energy field who are deeply familiar with this area.

These growth business domains are not isolated from our core businesses. The BIPROGY Group's long-standing customer relationships—supported by our engineers and sales professionals—provide the foundation for new business creation in adjacent fields where we have a deep understanding of the market. To this end, we are also strengthening collaboration between our core and growth businesses to realize these synergies.

## Significance of aiming to become a 1 trillion-yen corporate group

As we advance toward Vision 2030, we are looking toward becoming a corporate group with a  value of 1 trillion yen. When I became President, my initial target was to double

our market capitalization, and over the past year we have made significant progress toward that goal.

However, as I tell everyone in the Group, becoming a corporate group with corporate value of 1 trillion yen is not the goal. As we advance toward our vision—"We will develop the Digital Commons which is a platform that helps create a society where everyone can live happily,"—It is essential that BIPROGY Group possesses sufficient value to attract diverse stakeholders and fulfill its reason for being. Becoming a truly attractive and value-creating presence—that is the real meaning behind our aspiration to achieve one trillion yen in corporate value.

I believe that the Digital Commons is ultimately created by the collective power of people. Building a sound financial base and enhancing our market capitalization, which is indicated by stock price multiplied by the number of shares, are important. However, we place even greater importance on ensuring that each and every employee is recognized as an attractive and valued individual. We aim to nurture professionals whom customers trust and say, "I want to work with that person at BIPROGY," or "With BIPROGY's engineers, we can truly communicate and shape the future together." We believe that this is what truly enhances our corporate value. All of our initiatives—from our focus on material issues to our human resources and technology strategies—are aligned with our Vision 2030 and drive us toward its realization.

## Human resources strategy to maximize the strength of the organization

Our human resources strategy clearly defines the type of professionals we aspire to develop—those who resonate with our purpose and vision, and act with a strong sense of mission. We have defined a profile of Ambition-Oriented Human Resources ("MOTIV8 HR") and are driving Group-wide adoption of the concept to ensure it is embraced across the organization. While promoting core businesses and growth businesses is important, it is the creativity and collaboration of people that support such strategies and drives them forward. I believe that the accumulation of these efforts will lead to the realization of Vision 2030.

What I value is dialogue. Each employee is encouraged to have open and constructive conversations about their goals with their managers — and managers, in turn, with their own leaders. By taking ownership of goals they truly understand and accept, and by continuously reflecting on their progress through dialogue, they can gain a genuine sense of achievement and growth. I have asked all managers to make sure that they engage in dialogue that fosters the realization of aspirations and a true sense of growth.

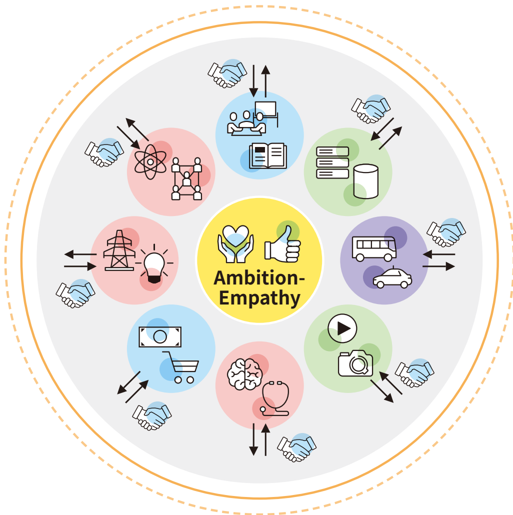
Our human resources strategy also sets the number of key talent we plan to recruit and develop. However, because the Group has more than 8,000 employees, I do not believe that it is enough to focus only on achieving those numbers. What truly matters is that each and every employee works with aspiration, engages sincerely with their work, and feels energized in what they do.

It is also important to note that the Group's business is not driven solely by our in-house engineers, but is built upon an ecosystem that includes our partner companies. Currently, approximately 5,000 in-house engineers work alongside engineers from our partner companies. Sales in system services, support services, and outsourcing have been increasing, and these businesses are expected to continue expanding in scale. Rather than simply outsourcing work, we regard our partners as equal members of our team and provide them with opportunities for training

### 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.



— including security programs — to strengthen our collaboration. When Management Policies (2024-2026) was announced, our engineers shared the direction and key strategies with our partner companies, strengthening mutual understanding and alignment. I also continue to engage in regular dialogue with the management of our key partners. I personally engage in an ongoing dialogue with the management of key partners.

## Growth investment to create new value

In Management Policies (2024-2026), we plan to invest at least ¥70 billion in growth investments such as investments and M&As. As a major initiative in FY2024, we established a joint fund in North America together with a local venture capital firm. Structured as a partnership, we participated as a limited partner (LP) and launched a fund of up to USD 80 million. The fund aims to invest in North American startups with outstanding technologies and business models that have potential to enhance and accelerate our core and growth businesses. In partner development, we will also collaborate with BIPROGY USA* and promote co-creation with startups that can become future business platforms. Through these collaborations, we aim to generate new value that contributes to a more sustainable society.

We will also pursue M&A strategically. In particular, we are focusing on IT companies in ASEAN, including Singapore, Malaysia, Indonesia, and Thailand, which are experiencing remarkable growth. However, I believe that M&A should never become an end in itself. What truly matters is whether the target company shares our Group's Purpose, and whether we can be confident that its capabilities are essential to our focus areas and that working together will enable both businesses to grow further. If such a company exists, we will positively consider its participation in the Group, regardless of the size of the deal.

We also recognize that AI will be a key driver of future business. Across our Group, we are actively and swiftly integrating AI into our operations. Many global IT companies are moving quickly, and as they adopt AI, they are rapidly streamlining their workforces. However, I do not believe that cutting jobs is the right path. What matters is how we interpret this moment of change, how we apply AI to our businesses, and how—through human-AI collaboration—we create new value. This is precisely where BIPROGY can best demonstrate its true value.

* BIPROGY USA: a Group company responsible for driving our business activities, exploring advanced technologies, and collaborating with startups in North America

## Efforts to solve social issues

The Group is accelerating its efforts to solve social issues. For example, to address issues such as driver shortages and traffic accidents, we have launched initiatives to verify the safety of autonomous driving services using digital twins, and we have also conducted field trials with self-driving trucks. These goals cannot be achieved overnight, but we are making steady progress—carefully overcoming each technical challenge and advancing through close collaboration with our partners within the business ecosystem.

We are working with a startup in which the Group has invested to roll out "SmaGO," a smart IoT waste bin. Powered by solar energy, it uses sensors to monitor fill levels and automatically compress the waste inside, making it possible to hold up to five times more than a standard bin and improving collection efficiency. On Miyajima Island, Hiroshima, due to overtourism, an increase in litter left behind by visitors had become a concern, affecting local wildlife. By working with local government to install SmaGO, we are helping to address this issue. Going forward, we aim to build a platform that supports entire cities by leveraging accumulated waste data and applying AI to optimize collection routes.

At the Expo 2025 Osaka, Kansai, Japan Osaka Healthcare Pavilion Nest for Reborn, we co-sponsored together with partner companies including West Japan Railway Company. Visitors can capture their own PHR (personal health record) using the body analysis pods installed in the Pavilion and in public spaces around the city. Using this data, the system projects their "future self" and offers personalized future healthcare experiences. Powered by "Dot to Dot," our decentralized platform for personal data sharing, we ensure secure and reliable management and exchange of data. We expect PHR to play an increasingly vital role, and starting from this initiative, we will diversify revenue models and

continue contributing to a sustainable and healthy society even after the Expo. As exemplified by this case, cross-industry, co-creative initiatives are emerging in which diverse players share assets, build ecosystems, and co-create continuous value.

## Enhancement of corporate governance

The Group views corporate governance as the cornerstone of its management and continues to refine it. Having previously served as the executive responsible for governance, I have long paid close attention to the effectiveness and composition of the Board of Directors. I am confident that the Group's governance framework is already highly advanced.

With the appointment of a woman internal director in 2024 and a new woman external director in 2025, three of our nine board members are now women. The Board of Directors has become increasingly diverse and well-balanced, including members of foreign nationality and those with executive management experience. Each director contributes a unique professional perspective, and discussions are both lively and constructive. At times, proposals are even sent back for further consideration—an indication of the Board's genuine effectiveness and healthy sense of tension.

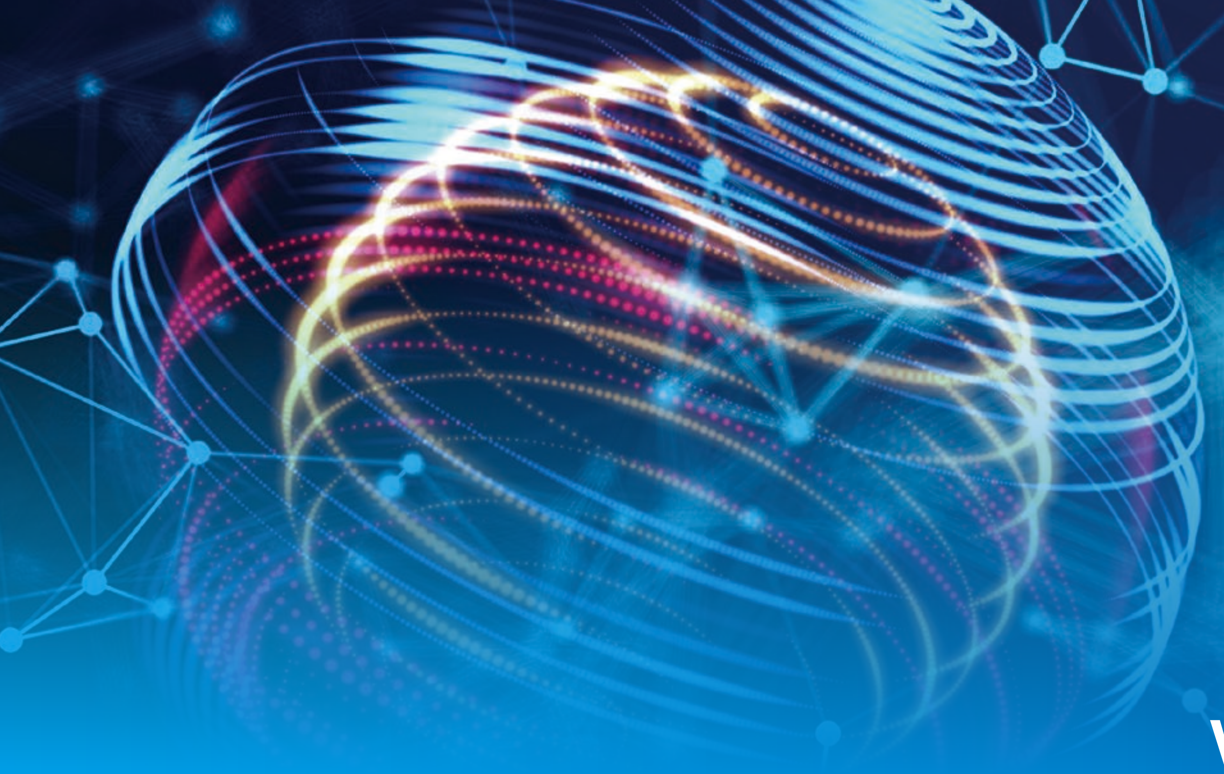
## Message to our stakeholders

Since its founding, the Group has provided the best combination of products and solutions to meet the evolving needs of society over time. I believe that this DNA will remain a source of strength in a business environment where co-creation with diverse stakeholders drives new value. We will continue to build strong, trust-based relationships with our customers and partners across diverse industries , while also ensuring that our employees—our most important stakeholders—can thrive and find fulfillment in their work. The name "BIPROGY" embodies the idea of combining the light that each person emits to illuminate the path toward the future. True to that origin, we aspire to be a light that brightens the future, creating both social and economic value.

Although we achieved record earnings, our stock price declined in May 2024. That experience brought the management team—including directors and executive officers—closer together and renewed our shared determination to enhance corporate value. Through this experience, we reaffirmed the importance of not only improving financial performance but also engaging in dialogue with investors to communicate our strategy and strengths clearly and foster deeper understanding both inside and outside the Group.

In the past, there were times when our stock was undervalued compared with other IT companies, as our earnings structure and growth potential were not yet fully understood. Today, however, we believe that the current upward trend in our stock price is the result of our ongoing dialogue with investors, which has deepened their understanding of our growth strategy and the direction we are aiming for in our Management Policies (2024-2026). As expectations for growth across the industry continue to rise, I sense that investors now view our Group more favorably. I also feel truly fortunate to have many shareholders who support us with a long-term perspective.

To meet and exceed those expectations, we will continue to communicate openly and sincerely, sharing information transparently and engaging in meaningful dialogue with all our stakeholders.



# Value Creation Story



The BIPROGY Group has been solving customer issues as a system integrator and building systems that support society and industry.

Leveraging this experience and track record as our backbone, we aim to increase the Group's corporate value over the medium to long term through transformation into a company that creates social value. In this section, we introduce our value creation process.

# History of the BIPROGY Group

**Since delivering Japan's first commercial computer more than 60 years ago, the BIPROGY Group has helped shape and advance the information services industry, addressing the requests of diverse clients and the changing needs of the times through a host of business solutions.**

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

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

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

1967
Launched Japan's first online banking process

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

1971
Nippon Univac Kaisha, Ltd. listed on the First Section of the Tokyo Stock Exchange

**1988**
## Establishment of Nihon Unisys, Ltd.
Merger of Nippon Univac Kaisha, Ltd. and Burroughs Corporation

1991
Launched the integrated CAD/CAM system CADCEUS

1997
Total infrastructure service subsidiary UNIADEX, Ltd. established

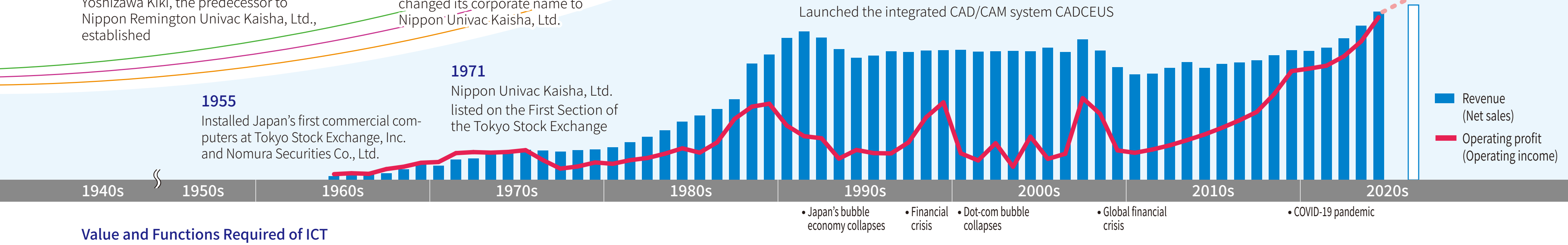
2007
Began operation of the world's first Windows-based "full-banking" core-banking system BankVision

2012
Capital alliance with Dai Nippon Printing Co., Ltd. to strengthen business foundation for expansion in new markets

2013
Began operation of the world's first open domestic airline passenger system

2021
Launched Japan's first public cloud full banking system

**2022**
## Corporate name changed to BIPROGY Inc.
BIPROGY




### Value and Functions Required of ICT

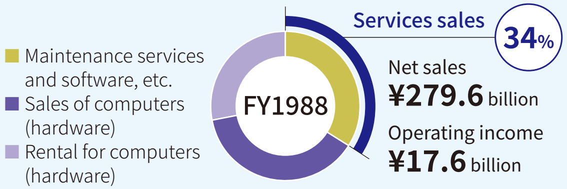
Greater business efficiency and cost reduction → Support for management decision making and business expansion Support for structural reform → Business innovation/business creation Resolution of social issues

### Role of the BIPROGY Group

**Continue to meet customer needs**: Contributing to the expansion of customers' businesses and structural reforms through the formation of Japan's information society and construction of various systems

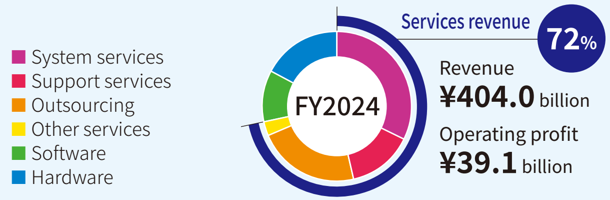
**Transform into a company that creates social value**: Transforming into a company that creates social value by building business ecosystems that solve social issues

### Changes in portfolio




Net sales
**¥279.6** billion
Operating income
**¥17.6** billion

* The year Nihon Unisys, Ltd. was established. Breakdown ratios apply to Nihon Unisys non-consolidated.




Revenue
**¥404.0** billion
Operating profit
**¥39.1** billion

# Value Creation Process

INPUT and OUTCOME data as of FY2024 or March 31, 2025

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

## Purpose

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

Foresight and Insight × Technology × Business Ecosystem = Company that creates social value

## Sources of Value Creation
**INPUT**

### Social and relationship capital
Relationships with a wide range of industries and partners
- Customers: More than 5,000 companies
- BIPROGY Users Association members: About 570
- Development partners: More than 450 companies

### Human capital
Corporate culture that boasts diversity and encourages taking on challenges
- No. of employees: 8,362
- ■ Percentage of management positions held by women: 11.2%
- No. of engineers: 5,092

### Financial capital
A financial base supporting new service creation and responding to business environment changes
- Equity attributable to owners of parent: ¥169.1 billion
- Free cash flows: ¥36.0 billion
- Issuer rating*1: A –

### Intellectual capital
Business knowledge from various industries and technical skills cultivated over a history of more than 60 years
Investments to create new services
- Obtained DX Certification
- Growth investments*2: ¥8.0 billion

Quality assurance for products and services
- Quality control via ISBP*3

### Natural capital
Decarbonizing business activities
- Amount of energy consumption: 6,553kl
- ■ Percentage of purchased energy used at the BIPROGY Group business locations that is renewable energy: 33.1%

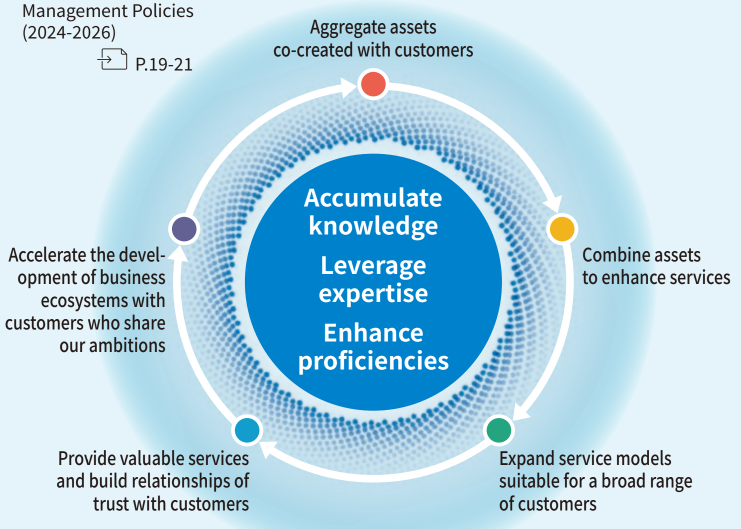
### Manufactured capital
Nationwide service network in Japan, service locations in eight foreign countries

**BIPROGY Group's Strengths**
P.3

- Relationships with Customers and Partners in Various Industries
- Capabilities for Enabling Successful System Implementation
- Capabilities for Enabling One-stop Vendor-Free Support
- Capabilities for Designing and Delivering New Services

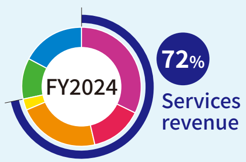
## Value Creation Cycle
**BUSINESS ACTIVITIES**
P.13

Management Policies (2024-2026)
P.19-21




## Creation of Services
**OUTPUT**
P.22-30

Revenue
¥404.0 billion




## Social and Economic Value Created
**OUTCOME**

### Social and relationship capital
Provision of businesses that solve social issues and offer safe and secure products and services
- ■ Sales from businesses aimed at solving social issues 1.2 times compared to FY2023
- ■ Sales growth rate of the managed service business 1.4 times compared to FY2023

### Human capital
Produce innovative human resources that contribute to solving social issues
Improve labor productivity
- ■ Number of human resources promoting new business development: 48
- ■ Average score on items related to job satisfaction and worker-friendliness in the engagement survey: 51%
- Operating profit per employee: ¥4.67 million

### Financial capital
Sustainable growth/Shareholder returns
- ROE: 16.1%
- Ratio of equity attributable to owners of parent to total assets: 51.1%
- Annual dividend: ¥10.8 billion (dividend payout ratio 40.3%)

### Intellectual capital
Creation of new services
- Investments in funds that target diverse fields both in Japan and overseas: 32 funds
- Investments in start-ups and other businesses: 15

### 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): 279.9%
- ■ Reduction rate of GHG emissions (Scope 1 + Scope 2 (Market-based) ) (vs. FY2019): 42.1%

### Manufactured capital
Reliable operation of services
- Online uptime rate: 99.999%

## Vision 2030

We will develop the Digital Commons which is a platform that helps create a society where everyone can live happily.
P.14

Material Issues
P.15-17

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

■ is a material issue KPI

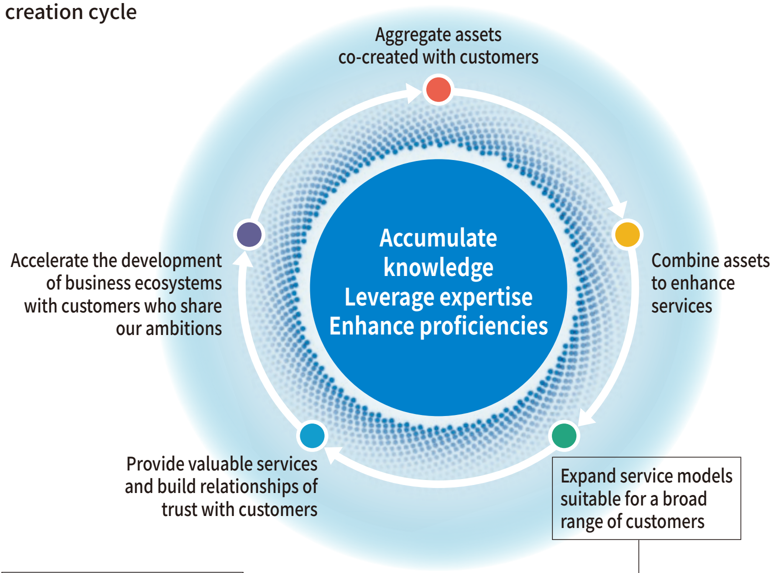
*1 Rating and Investment Information, Inc. (R&I)
*2 Total investment, M&As and R&D expenses
*3 ISBP (Information Services Business Process): The Group's standard business process, summarizing the work required for system development in order to provide high-quality systems.

# 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 (P.40), 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.

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.

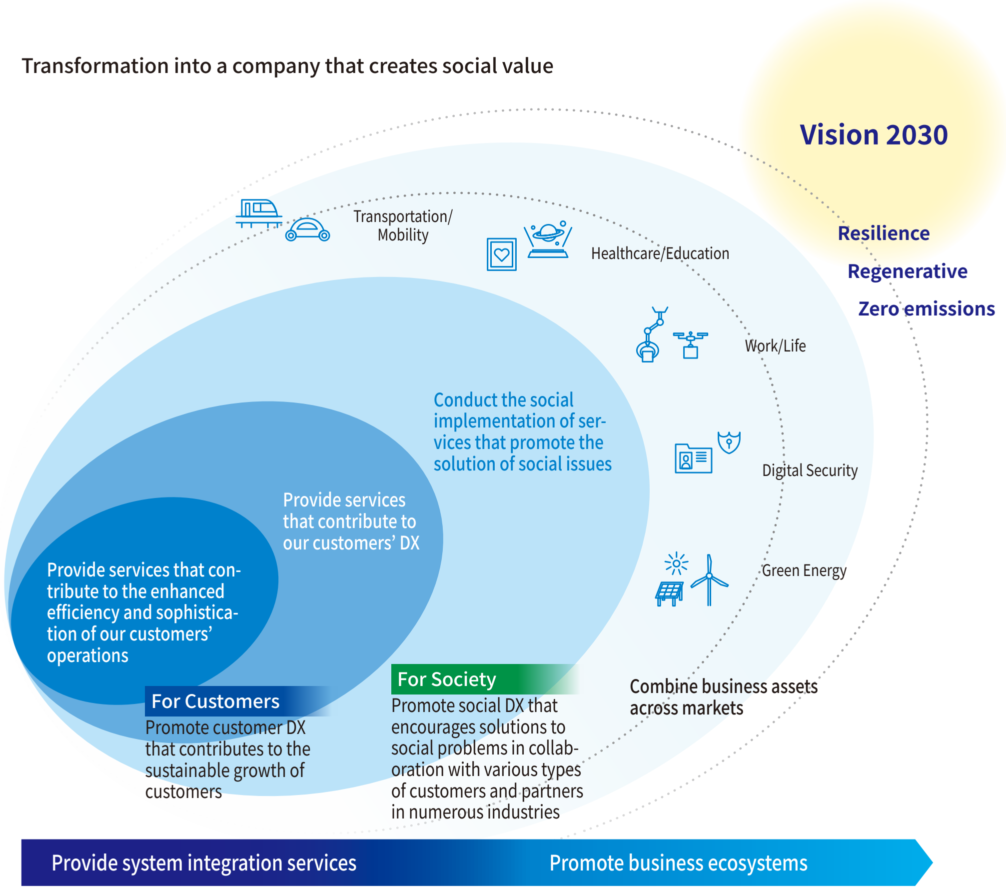
## Value creation cycle




Representative examples

- BankVision on Azure, a public cloud-based full-banking system
- OptBAE, a shared-use core-banking system for regional financial institutions
- AI-Order Foresight, an automatic order service based on AI demand forecasts
- Enability CIS, electricity retailing cloud solutions
- Cloud services, such as those related to telework
- Omni-Base for DIGITAL’ATELIER, an EC SaaS platform
- Zero-Accident Program DR, a connected dashcam solution
- Digital value cards and digital code business
- Smart oasis, a mobility service platform
- Storage service platform
- Saigai Net, a chronology-type crisis management information sharing system

## Transformation into a company that creates social value



# Vision 2030

Based on our Purpose, the BIPROGY Group formulated its Vision 2030 as the direction for the corporate group toward 2030. Under "Vision 2030," we aim to create and provide business ecosystems and platforms that can link diverse services, products, companies, and users as Digital Commons to be a shared asset for society. Guided by aspiration and empathy, and by unlocking the potential of technology, we seek to make a sustainable society a reality. Achieving this will require the transformative power of digitalization and technology. Working hand in hand with business ecosystem partners across diverse industries, sectors, and markets, we aim to create new value and open up entirely new markets.

Combining keen foresight and insight into social change with ICT-driven technology and robust partnerships, our Group will move beyond providing ICT services alone, accelerating the creation of new value that enriches society and the resolution of social challenges to evolve into a company that creates social value.

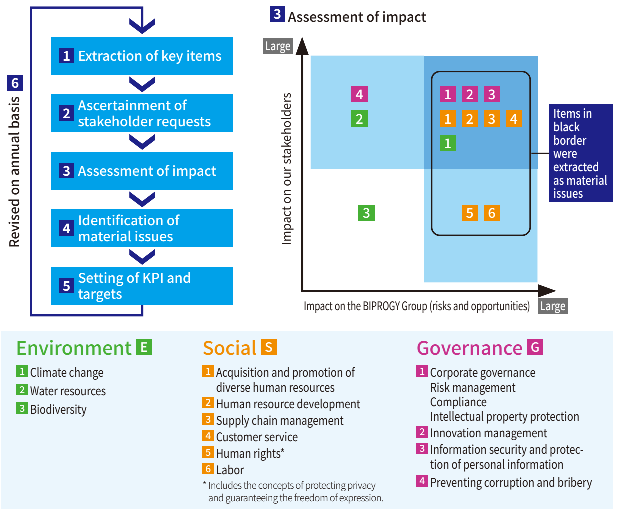
# Material Issues

**The Group is working to realize Vision 2030 by integrating sustainability into our management practices and further enhancing corporate value. As a core initiative, we have identified key items as material issues, established KPIs and targets that contribute to creating both social and economic value, and are advancing measures to realize the Group's Ideals and Goals.**

## Formulating and revising material issues in a changing environment

To advance sustainability management, the Group reviews its material issues every year in light of internal and external environmental changes. With the aim of increasing the effectiveness of initiatives toward Vision 2030 and strengthening alignment with overall management policy, we are redesigning our KPIs and targets for FY2024 onward.

### Process of Determining and Updating Material Issues




P.70 Connection to business risks, etc.

| 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. |

## KPIs and Targets for Material Issues

We set KPIs and targets for each material issue to realize the vision outlined for each, and advance related initiatives under the supervision of the Board of Directors. Although a few challenges remain in some areas, progress toward the targets is largely on track, and overall we are beginning to see steady results.

| | Material Issues | Create Social Value | Create Economic Value | KPI (■=New items set for FY2024) | Targets | FY of Achievement | FY2024 results and major responses (parentheses indicate results from the previous fiscal year) | Reference Pages |
|---|---|---|---|---|---|---|---|---|
| Material issues for achieving business growth | Create schemes to solve issues through the use of digital technology and business ecosystems | • Contribute to society's sustainability by providing businesses that solve the issues faced by society | • Create business opportunities that contribute to the solution of issues faced by society and capture profits in created markets | Sales from businesses aimed at solving social issues ■ | Six times or more (compared to FY2023) | FY2030 | **1.2 times** To expand our social digital transformation businesses, we will collaborate with partners and create new services with a focus on business development in growth business areas | P.19-21 Management policies (2024-2026)<br>P.27 Growth businesses Market development / business development |
| | | | | Sales growth rate of managed service business ■ | Three times or more (compared to FY2023) | FY2026 | **1.4 times** With a focus on UNIADEX, Ltd., the entire Group is working to provide new services and expand its service lineup | |
| Material issues for supporting business growth | 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 | • Do our part to address the early realization of a decarbonized society and other environmental issues through the provision of environmentally friendly services<br>• Help to reduce environmental impact by reinforcing initiatives to reduce carbon emissions from business activities, such as procuring renewable energy | • Increase profit from services that contribute to the environment<br>• Restrain costs by reducing business risks due to climate change | 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 | Annually until FY2030 | **279.9%** (232.8%) Promote decarbonization efforts across business operations and the delivery of green products and services | P.47-51 Environment |
| | | | | Percentage of business opportunities and risks identified via climate change scenario analysis (impact evaluation) for which a risk response has been implemented | 100% | Annually until FY2030 | **100%** (100%) Assess climate change risk and perform a scoping study based on the TNFD recommendations | |
| | | | | Percentage of purchased energy used at the BIPROGY Group business locations that is renewable energy | 50% or more | FY2030 | **33.1%** (27.2%) Progressing as planned. Begin examining ways to diversify procurement methods for early target achievement | |
| | | | | Reduction rate in GHG emissions (Scope 1 + Scope 2) (compared to FY2019) | 50% or more | FY2030 | **42.1%** (37.5%) Promoting energy-saving measures and a shift to renewable electricity | |
| | Sustainably procure and provide safe, secure products and services throughout the entire value chain | • 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<br>• 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 | • Increase profit opportunities by strengthening trust with customers/suppliers and engaging with high-quality partner companies and thus reinforcing relationship capital<br>• Reduce business risks related to issues such as human rights and environmental impact throughout the 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 | **23.1%** (19.1%) Continue to identify and promote reduction targets through dialogue with suppliers | P.47-51 Environment<br>P.52 Supply Chain<br>P.53 Human Rights |
| | | | | Reduction rate in GHG emissions from the use of sold products/services (Category 11, Scope 3) (compared to FY2021) ■ | 25% or more | FY2030 | **17.4%** Promote collaboration toward product decarbonization through dialogue with customers and partners | |
| | | | | Review of human rights policy and activities to promote understanding among employees ■ | Implement every year | To be implemented every year until FY2026 | **Implemented;** Revised Human Rights Policy and conducted e-learning for all employees | |
| | | | | Progress rate on re-performing human rights risk assessments and addressing issues at all Group companies ■ | 100% | FY2026 | **Assessment implemented, Progress rate 50%** Re-implemented, and identified four risks, then initiated two measures in the current fiscal year | |
| | | | | Percentage of BIPROGY Group suppliers having taken the ESG risk survey ■ | 100% | FY2026 | **70.3%** Create a questionnaire and request responses from applicable companies | |
| | | | | 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 | -[The current fiscal year is not subject to performance measurement] | |

*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.

| | Material Issues | Create Social Value | Create Economic Value | KPI (■=New items set for FY2024) | Targets | FY of Achievement | FY2024 results and major responses (parentheses indicate results from the previous fiscal year) | Reference Pages |
|---|---|---|---|---|---|---|---|---|
| Material issues for supporting business growth | Develop and strengthen human resources to create a new future and promote diversity and inclusion | ● Help solve social issues by continuously producing innovative, talented workers<br>● Create employment opportunities for diverse human resources<br>● Contribute to the creation of a society that is physically and mentally healthy, is accepting of individual diversity, and offers work satisfaction | ● Expand business by generating innovation<br>● Increase profitability by raising labor productivity | Percentage of management positions held by women | 18% or more | As of April 1, 2026 | **12.3%** (11.2%)*2<br>Strengthen planned development and human resource pipeline creation | P.31-36 Human Capital Strategy |
| | | | | Number of human resources promoting new business development ■ | 100 or more | FY2026 | **48 people** Provide training according to proficiency levels to enhance business-creation capabilities and visualize progress | |
| | | | | 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%*3 | FY2026 | **51%** Promote initiatives to improve job satisfaction, informed by analysis results | |
| | | | | 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 | **100%** Set ROLES and medium- to long-term career goals through career design program | |
| | | | | Maintenance and improvement rate of mechanisms to promote career well-being*4 (number of implementations / number of plans) ■ | 100% | FY2026 | **83%** Advance process development in parallel with the above measures | |
| | | | | Percentage of eligible men who took leave or time off for childcare after their spouse gave birth ■ | 100% | FY2025 | **83.3%** Introduce spouse pregnancy reporting, distribute a "Childcare Leave Handbook," and introduce success stories about men who took childcare leave | |
| | | | | 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 | **91.8%** Support communication among stakeholders through the promotion of these measures | |
| | | | | Percentage of employees with disabilities | 0.1 points above the legally mandated percentage | Annually | **2.98%** (2.89%) Carry out employment measures such as the activities of special subsidiaries and the promotion of job creation at Group companies | |
| | | | | Follow-up rate for those subject to active support in the health insurance specific health guidance until FY2026 ■ | 100%<br>Subjects by year are as follows:<br>• FY2024: Employees with four risk factors<br>• FY2025: Employees with three or more factors<br>• FY2026: Employees with two or more factors | | **Follow-up rate for employees with four risk factors 100%**<br>Taking measures to improve employee health awareness and supporting positive behavior changes, and enhancing follow-up efforts in workplace health management | |
| | | | | Number of new leave-takers due to mental health issues ■ | New leave-takers: 102 or fewer (i.e., below the number in FY2023) | FY2026 | **120 people per year** (102people) Promote early detection and prevention measures through enhanced support for young employees | |
| | Further improve corporate governance and integrity | ● Help to solve issues faced by society and the economic growth of society through transparent and fair processes<br>● Contribute to the empowerment of all people, regardless of age, sex, handicap status, race, ethnicity, origin, religion, economic position, etc.<br>● 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 | ● Create business ecosystems and expand business opportunities by establishing trust with a wide range of stakeholders<br>● Generate sustainable improvements in corporate value<br>● Reduce business risks related to scandals, etc. | Actions for each year set in the evaluation of Board of Directors effectiveness are undertaken | | Annually | ● Improvement of management and information sharing to deepen discussions<br>● Monitoring of efforts to reform organizational climate and raise compliance and risk-management awareness | P.56-65 Corporate Governance<br>P.66-67 Further Improve Integrity |
| | | | | Improvement and upgrade of the compliance program | | Annually | ● Holding of Compliance Roundtable activities<br>● Improvement of the internal reporting system (compliance hotline)<br>● Enhanced education and awareness raising activities through Compliance Week and similar initiatives | |
| | | | | Spread awareness of integrity among Group executives and employees | | Annually | **Compliance Awareness Survey score: Good** (highest of four levels) | |
| | | | | Monitor compliance incident trends | | Annually | **Disciplinary actions in FY2024: 6 cases** (8cases) | |
| | | | | Number of serious security incidents | 0 cases | Annually | **0 cases** (1 case) | |
| | | | | Percentage of Group companies in Japan that have applied data protection security mechanisms for hybrid work (blend of working remotely and in the office)*5 ■ | 100% | As of March 31, 2027 | Proceeding with the organization and verification of system proposals applicable to the entire Group, and implementing pilot application of measures at BIPROGY. | |
| | | | | Coverage rate of special operation management*6 ■ | 100% | As of March 31, 2027 | At BIPROGY, gradually promoting various measures that contribute to improving the comprehensiveness of special operation management. | |

*2 As of April 1, 2025. (as of April 1, 2024)

*3 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.

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

*5 System application in the Group: Applies to domestic group companies

*6 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.)

# Value Creation Strategy



The BIPROGY Group aims to increase corporate value by establishing a sustainable business portfolio through the advancement of its core business strategies and growth business strategies outlined in Management Policies (2024-2026). Alongside these business strategies, we present the underlying investment, human capital, and intellectual capital strategies.

# Management Policies (2024-2026)

**Vision 2030**

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

## Review of Past Mid-Term Management Plans

| | Mid-Term Management Plan FY2012-FY2014 | Mid-Term Management Plan FY2015-FY2017 Innovative Challenge Plan | Mid-Term Management Plan FY2018-FY2020 Foresight in sight 2020 |
|---|---|---|---|
| Vision | Corporate Transformation for Sustainable Growth | Business Model Transformation | Become a sustainable company and achieve a sustainable growth cycle predicated on resolving, through business activities in our priority areas, social issues in the context of customer issues. |
| KPIs | FY2014<br>Operating Margin 4.1%<br>Net Sales ¥269.2 billion<br>ROE 9.7%<br>Dividend Payout Ratio 26.0% | FY2017<br>Operating Margin 5.7%<br>Net Sales ¥287.0 billion<br>(Net sales in the areas of digital innovation and life innovation) (¥27.0 billion)<br>ROE 12.4%<br>Dividend Payout Ratio 33.6% | FY2020<br>Operating Margin 8.6%<br>Net Sales ¥309.7 billion<br>(Net Sales in Priority Areas) (¥68.4 billion)<br>ROE 13.4%<br>Dividend Payout Ratio 41.1% |
| Strategies and Key Outcomes / Acquired Strengths | **Added the ability to design and implement new services to our existing strengths**<br>• Took a social perspective to create business ecosystems that link different industries<br>• Collaboration with Dai Nippon Printing Co., Ltd., which has strengths in the content field<br>• Provided payment/settlement platforms as a service business entity<br>• Strengthened financial condition | **Took on challenges in new business areas and strengthened our foundation for further growth**<br>• Increased profit and number of potential new businesses by expanding business in the digital and life innovation fields<br>• Increased profitability by concentrating on fields of strengths, such as business ICT platforms, and improving labor productivity<br>• Promoted a change in skill sets in line with business model transformation<br>• Proactively promoted investments in business partners in Japan and overseas as well as Fund of Funds (FoF) | **Acquired assets to transform the Group into one that creates social value by expanding business in priority areas**<br>• 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<br>• Reviewed human resources and roles in business execution, cultivated relationships with customers, and contribute to greater customer value<br>• Strengthened platform provision capabilities through measures to integrate technology throughout the Group, increase productivity, and increase efficiency<br>• Implemented measures on various fronts, including corporate culture reforms that promote challenges and reforms in awareness regarding diversity<br>• Proactively implemented initiatives that foster open innovation and acquired knowledge through investments that target new business creation |

## Review of Previous Management Policies

### Management Policies (2021-2023)

FY2021-FY2023

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

*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

**What we accomplished**

- For Customers (customer DX): Achieved substantial growth in system services, especially in the area of digital transformation
- For Society (social DX): 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**

- For Customers (customer DX): Define, hone, and expand focus areas that will become strengths for the BIPROGY Group
- For Society (social DX): 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

## Current Management Policies

### Management Policies (2024-2026)

FY2024-FY2026

| | FY2024 Actual | FY2026 Target*3 | Initial target |
|---|---|---|---|
| Revenue | ¥404.0 billion | ¥440.0 billion | ¥420.0 billion |
| Adjusted Operating Margin*2 | 9.5% | 11.0% | 11.0% |
| ROE | 16.1% | 17.0% or more | 15.0% |
| Dividend Payout Ratio | 40.3%<br>+Treasury stock acquisition ¥11.2 billion | 40.0% or more | 40.0% or more |

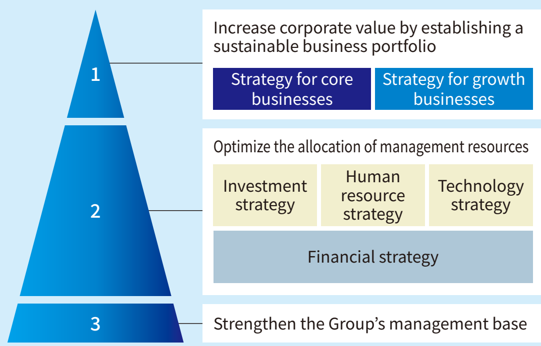
+ Flexibly implement share repurchases, taking into account the stock price

*3 Target revised upward in April 2025

### Basic Policy

P.20

We will work to realize Vision 2030 through three basic policies



## Basic Policies of Management Policies (2024-2026)

Through our 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.

We have set three basic policies to achieve Vision 2030. First, to "increase corporate value by establishing a sustainable business portfolio," we will focus on two business strategies: a core business strategy and a growth business strategy. In the core businesses, we will concentrate management resources on focus areas, make proactive development investments, and allocate human capital appropriately to improve our value proposition and enhance the value we deliver. At the same time, we will implement productivity-enhancement measures, expand service-oriented businesses, and improve profitability. In the growth businesses, we will capture market share in new service fields and growth markets, accelerate social digital transformation (DX), and expand global operations with a focus on ASEAN. The second policy is to "optimize the allocation of management resources," under which we will pursue aggressive growth investment, human-capital deployment, and technological enhancements linking to our business strategies. The third is to "strengthen the Group's management base," through which we will drive transformation toward a more flexible Group value chain.

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.

### Basic Policy

**We will work to realize Vision 2030 through three basic policies**

**1** Increase corporate value by establishing a sustainable business portfolio

- **Strategy for core businesses**: Establish areas of strength and improve value proposition
- **Strategy for growth businesses**: Establish a new earnings base

**2** Optimize the allocation of management resources

- **Investment strategy**: Invest proactively in focus areas
- **Human resource strategy**: Allocate resources linking to business strategies
- **Technology strategy**: Strengthen technologies for accelerating business strategies
- **Financial strategy**: Optimize capital allocation

**3** Strengthen the Group's management base

### Business Environment

**Markets and customers**

- 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

**Competitors**

- Expanding businesses, including through the acquisition of human resources, capabilities, and channels, as well as by capturing overseas markets based on aggressive growth investments (e.g., M&As)
- Intensifying competition due to the emergence of global conglomerates and cloud services companies and the entry of companies from other industries

### 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.

# Increase corporate value by establishing a sustainable business portfolio

**Core Businesses** Establish areas of strength through consolidation and selection, enhance value proposition, and improve profitability

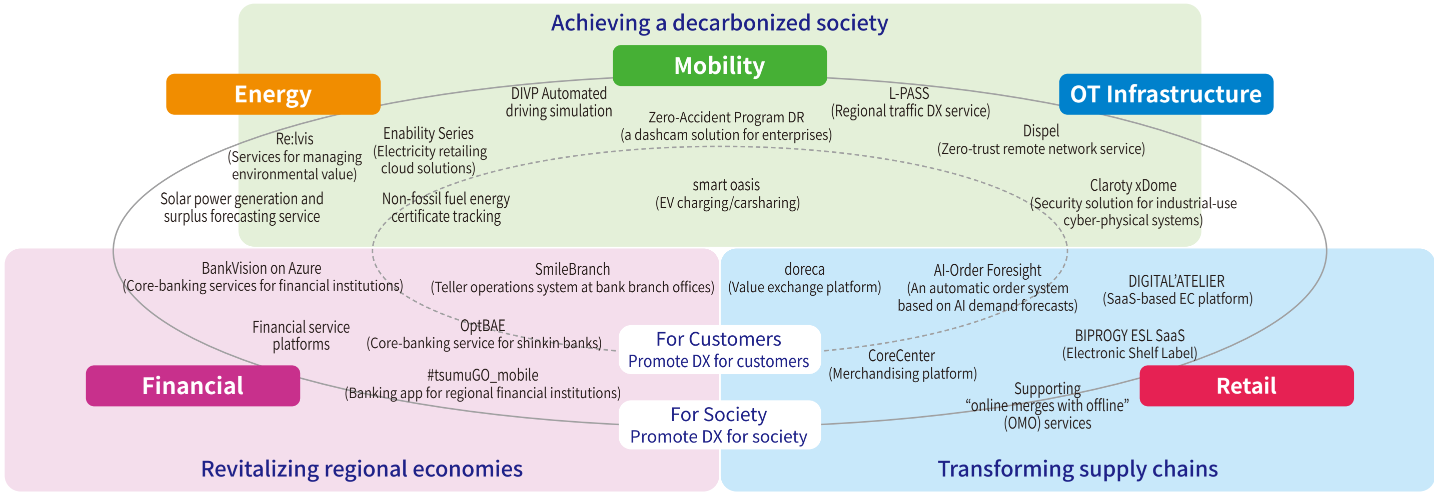
| Key Strategic Initiatives | Growth Scenarios |
|---|---|
| Allocate management resources to focus areas/ customers | **Make proactive development investments and human capital allocations in focus areas**<br>• Centered on our assets, which are a product of our excellent customer base and our thorough operational and customer knowledge, define five focus areas: financial, retail, energy, mobility, and operational technology (OT) infrastructure<br>• Proactively invest in development to enhance customer value |
| Enhance development productivity | **Increase development capacity to support business expansion; enhance development productivity and reliability by utilizing new technologies and knowledge**<br>• Standardize project management and engineering, and shift internal processes toward earlier stages in the value chain<br>• Strengthen collaboration with domestic and international partners, including through M&As and business alliances, and supplement our human capital through initiatives such as hiring experienced professionals<br>• Automate development through the use of generative AI and other new technologies |
| Expand service businesses | **Enhance value proposition in service businesses through prioritized development investments in focus areas**<br>• Increase the speed with which we can provide solutions by transitioning more services to the cloud, and expand our market share<br>• Review operational processes and frameworks for outsourced services and increase efficiency |

**Growth businesses** Enhance value proposition through proactive investment and establish a new earnings base

| Key Strategic Initiatives | Growth Scenarios |
|---|---|
| **Market development**<br>Acquire/Expand new service areas and capture/expand market share | **Capture/Expand new market share by acquiring new service areas and cultivating growth markets**<br>• Deploy data utilization services that employ data scientists and AI to support customer management decisions<br>• Deploy managed services, including digital workplaces, security and cloud management, that free customers to concentrate on their core business processes |
| **Business development**<br>Accelerate the co-creation and deployment of social digital transformation businesses | **Accelerate the development, co-creation, and deployment of social digital transformation businesses that resolve social issues**<br>• 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 |
| **Global initiatives**<br>Develop business in major ASEAN countries and strengthen approaches for North America and other markets | **Develop business in major ASEAN countries and strengthen approaches with an eye toward entering North America and other markets**<br>• Use strategic investments such as M&As to expand service areas and acquire new customer segments<br>• Leverage services and knowledge from operations in Japan to promote customer digital transformation businesses overseas<br>• Establish business ecosystems with customers and partners in each country/region and promote social digital transformation businesses centered on resolving social issues |

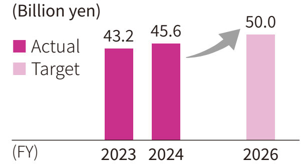
## Core business focus areas

Within our current revenue-generating core businesses, we will concentrate management resources on five areas where the Group can leverage its strength of a "deep understanding of our customers and operations," cultivated through mission-critical solutions and infrastructure services experience. This will allow us to increase the value we provide while improving profitability.



# Core Businesses    Focus areas: Financial

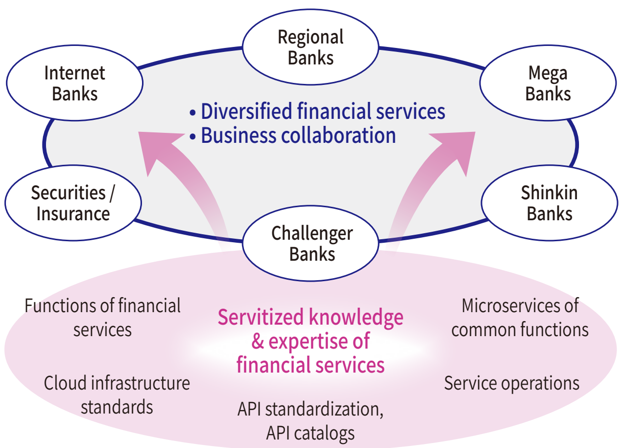
Actual revenues and target




**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**

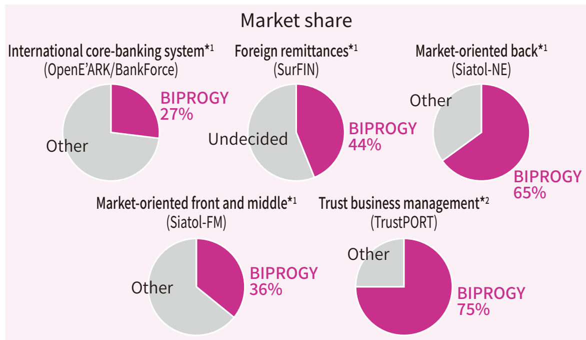
Over the past 50 years, the Group has developed and delivered packaged systems for financial institutions. Embracing cutting-edge IT as times change, we launched the world's first open core-banking system in 2007 and, in 2021, achieved Japan's first core-banking system running on a public cloud. Harnessing advanced IT and our financial-industry know-how, we are decomposing increasingly diverse financial services into microservices and recomposing them, and, as a business partner to mega banks, online banks, regional banks, credit unions, securities firms, and insurers, we aim to deliver these services to their customers. As a trusted partner that grows alongside our clients and stakeholders, the Group will continue supporting financial institutions in solving challenges and making their IT and management strategies successful.




| | Strategies | FY2024 progress |
|---|---|---|
| 1 | Enhance the customer base for and increase the business volume of the existing businesses (core-banking businesses, front-end businesses and financial solutions businesses) | • Considerations on a next-generation core-banking system "BankVision on Azure" began for THE SHIGA BANK, LTD.<br>• The usage of smartphone apps "#tsumuGO_mobile" spread to seven financial institutions in the regional banks and Shinkin banks industries. |
| 2 | Materialize concepts in the new business areas and create new markets | • Continuously promoting the commercialization of the three areas identified as new business areas (banking BPO, wealth management, and regional trading areas development).<br>• Materialization of concepts of next-generation core-banking system Finvision-Core. |
| 3 | Integrate architecture through the use of Financial Service Platform in an attempt to enable IT optimization | • A standard architecture position paper that we created is being used for new projects mainly of front-end business areas. |

**Strength** (as of the end of March 2025)

● Build trust (from various business partners)/Development capabilities and capabilities for enabling successful system implementation/Pioneering attempts




*1 Market share among regional banks, second-tier regional banks, and credit unions with deposits of at least 3 trillion yen each
*2 Market share among trust banks with system installation

**Pick up**

**"BankVision 2.0": An advanced open core-banking system**

- Will launch an automatic environment-switching service between the East and West regions in FY2026 in order to enhance Business Continuity Plan (BCP) measures. Also considering strengthening API integration services and utilizing generative AI
- Have established the BankVision-CSIRT Partnership, a collaborative security organization aiming for a world-class level of information security, to advance cybersecurity measures

**Companies participating in the BankVision-CSIRT Partnership** (As of May 2025, sorted by financial institution code)

- The Yamanashi Chuo Bank, Ltd.
- The Ogaki Kyoritsu Bank, Ltd.
- CHIKUHO BANK Ltd.
- THE SAIKYO BANK, LTD.
- The HOKKOKU Bank
- The Hyakugo Bank, Ltd.
- THE BANK OF SAGA LTD.
- The Shoko Chukin Bank, Ltd.
- Suruga Bank Ltd.
- The Kiyo Bank, Ltd.
- The KAGOSHIMA BANK, LTD.

## Inside BIPROGY Group Strategy

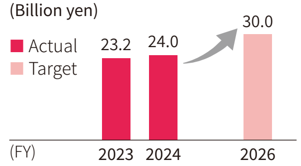
### Promoting solutions that spearhead change in the financial industry

Hiromi Watanabe
Corporate Officer
BIPROGY Inc.

We made steady progress in FY2024: new customers began evaluating our core-banking system, and adoption of our smartphone app continued to expand. We are also advancing forward-looking initiatives such as planning and developing our next-generation core-banking system and further enhancing the mechanisms that deliver our Group's solutions as a financial platform. By supporting both the "offensive" and "defensive" IT strategies of our customers, the Group aims to help regional financial institutions address labor shortages and spur economic growth within their communities. To achieve this, we will continue to enhance the value of our financial solutions and steadily launch new businesses, taking on a key role in reshaping the financial industry.

# Core Businesses  Focus areas: Retail

Actual revenues and target
(Billion yen)

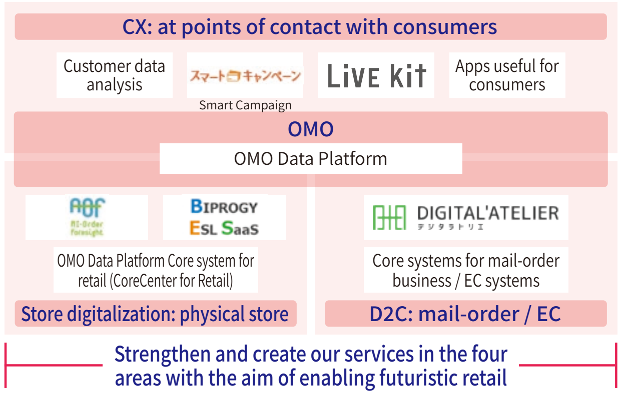



**Our Vision for 2030**

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

The Group has spent roughly 40 years building core systems for the retail industry, during which we have accumulated extensive industry insight and business knowledge. This experience enables us to implement IT solutions effectively and has given us a strong customer base—key strengths of our business. To date, we have created a variety of services in four main areas: store digitalization, D2C*1, CX*2, and OMO*3, which links them all together. During FY2024, adoption of services that leverage our strengths expanded, including electronic shelf labels and core e-commerce platforms, while we also actively advanced proof-of-concept initiatives to address social challenges and pursued partnerships for the creation of new business models. These initiatives aim to tackle labor shortages and diversifying consumer needs, paving the way for future-oriented retailing 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.




| | Strategies | FY2024 progress |
|---|---|---|
| 1 | Enhance businesses in the area of Store Digitalization | • Eight new users, including TSURUHA CO., LTD. and HalloDay Co., Ltd., decided to use the "BIPROGY ESL SaaS" services.<br>• "Fresh Optimizer" that automatically adjusts and indicates prices was verified through field trials from the viewpoints of solving labor shortage and reducing food loss/waste. |
| 2 | Enhance businesses in the area of D2C (Direct to Consumer) | • A major outdoor brand decided on the "DIGITAL'ATELIER" services.<br>• Sales channels for approaching e-commerce companies were expanded through furthermore functional enhancement and differentiation. |
| 3 | Create new business models through the use of CX and OMO | • GROWTH VERSE Co., Ltd. joined us in aiming to improve customer satisfaction through the use of AI-driven data analyses. |

**Strength** (as of the end of March 2025)

● 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

| | |
|---|---|
| CoreCenter for Retail core system package for the retail industry, etc.<br>Introduced by 24 companies cumulatively | AI-Order Foresight automatic order system based on AI demand forecasts<br>Introduced by 8 companies at over 900 stores cumulatively |
| BIPROGY ESL SaaS electronic shelf label service<br>Introduced by 7 companies at over 1,500 stores cumulatively | Omni-Base for DIGITAL' ATELIER EC SaaS platform, etc.<br>Introduced by 5 companies at 5 websites cumulatively |

**Pick up**

**"BIPROGY ESL SaaS," an Electric Shelf Label (ESL) solution**

- A comprehensive cloud service covering all processes needed for introducing electronic shelf labels
- Reduces the heavy workload of creating and replacing paper POP displays and price cards, improving employee satisfaction and cutting costs
- The service is being increasingly adopted, primarily among major supermarkets and drugstores.


## Inside BIPROGY Group Strategy

### Harnessing technology to tackle the social issues retailers face

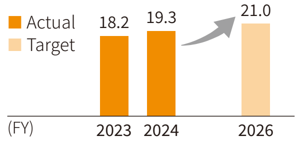
Akinobu Murakami
Corporate Officer
BIPROGY Inc.

Retail businesses are facing a range of challenges, including labor shortages, diversifying consumer purchasing behaviors, and rising personnel and utility costs.

Guided by our Purpose—creating a sustainable society—the Group is committed to offering services that help solve social issues in the retail sector, including streamlining store operations and cutting food waste. Drawing on the industry knowledge and technological capabilities we have developed through years of building core systems for retailers, we will work together with many stakeholders to drive the digital transformation of retail businesses.

# Core Businesses Focus areas: Energy

Actual revenues and target
(Billion yen)

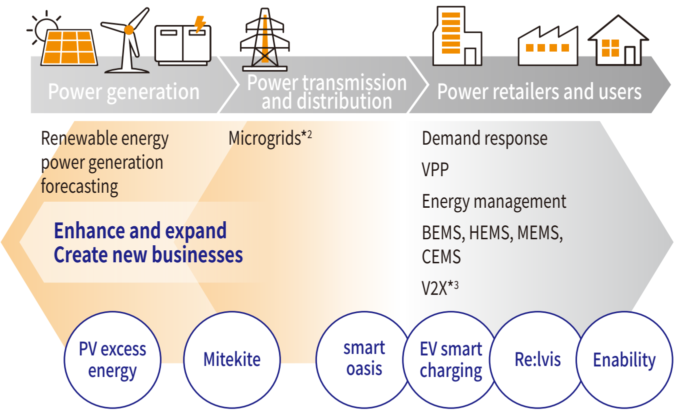



**Our Vision for 2030**

**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**

The Group aims to contribute to realizing the social challenge of achieving a decarbonized society by providing services to stakeholders across the energy value chain. Thus far, we have focused on electricity retailers and end users, offering VPP*1-related solutions such as the Enability series, demand and power generation forecasting systems, and distributed power management systems. We also provide EV-related solutions and Re:lvis, a service that improves the efficiency of procuring and managing non-fossil certificates. In addition to expanding these service functions, we are differentiating ourselves and creating new businesses by combining multiple services.

*1 VPP (Virtual Power Plant): A system that uses IoT technology to integrate and remotely control energy resources such as on-site power generation systems and storage batteries distributed across factories and homes so that they operate as if they were a single power plant.




*2 Microgrid: stand-alone or isolated small-scale electrical grid designed to generate and manage power for facilities or in local areas
*3 V2X (Vehicle to Everything): A technology that uses communication systems to connect and coordinate automobiles with various objects and devices

| | Strategies | FY2024 progress |
|---|---|---|
| 1 | Deepen the value proposition for customers | • A major power company decided on the use of services such as "Enability" series, electricity retailing cloud solution. An implementation project started. |
| 2 | Expand business in relation to carbon neutrality | • Microgrid businesses started according to the plan, as exemplified by a launch of services of forecasting solar power generation amount and surplus power amount. |
| 3 | Grow through entering new businesses | • Taking part in renewable energy aggregation business is in the works through an effective use of our knowledge and expertise as well as capabilities. |

**Strength** (as of the end of March 2025)

● **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**

**"Enability CIS*4" electricity retail cloud service**

Major city gas providers, leading home-builders, major electric utilities, etc.

Adopted by **27** companies in total

Serving **21.2** million registered IDs

**"Enability EMS*5" energy management cloud service**

Buildings using BEMS management services (for buildings/tenants):

Approx. **1,000**

Buildings using MEMS services (for condominiums):

Approx. **343,700**

**"Re:lvis" environmental value management service**

Companies using the service:

Up **75**% year on year*6

**Solar power generation and surplus forecasting service**

Volume of forecasted power generation:

Up over **200**% year on year*6

*4 CIS (Customer Information System): A system supporting customer management, rate calculation, and billing/payment management in the energy sales business
*5 EMS (Energy Management System): A system that visualizes energy consumption and performs monitoring and control based on measurement data
*6 Comparison of FY2023 and FY2024 results

**Pick up**

**"Enability CIS" electricity retail cloud service**

- Offers a one-stop platform covering the key functions required for electricity retailing, from customer management and rate calculation to data visualization
- By adopting the service, power retailers can significantly reduce administrative workload and eliminate billing mistakes
- Since its launch in 2014, adoption has been expanding mainly among leading electricity retailers in the power industry

## Inside BIPROGY Group Strategy

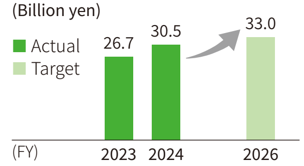
### We will speed up our efforts by leveraging our accumulated knowledge and capabilities

Satoshi Kanai
Corporate Officer
BIPROGY Inc.

Our energy-related efforts contribute to achieving a decarbonized society by offering solutions that foster the adoption of renewable energy and improve energy efficiency. These initiatives are also aligned with our Purpose and Vision 2030 of building a sustainable society. Looking ahead, we plan to broaden our focus to include the power and supply-demand adjustment market and to enter the renewable energy aggregation business to make more efficient use of renewable resources. This new challenge will further accelerate our initiatives in focus areas, but expanding the value we provide and the scale of our business will require collaboration with many partners. To achieve this, we will build a business ecosystem to drive this business forward.

# Core Businesses Focus areas: Mobility

Actual revenues and target
(Billion yen)

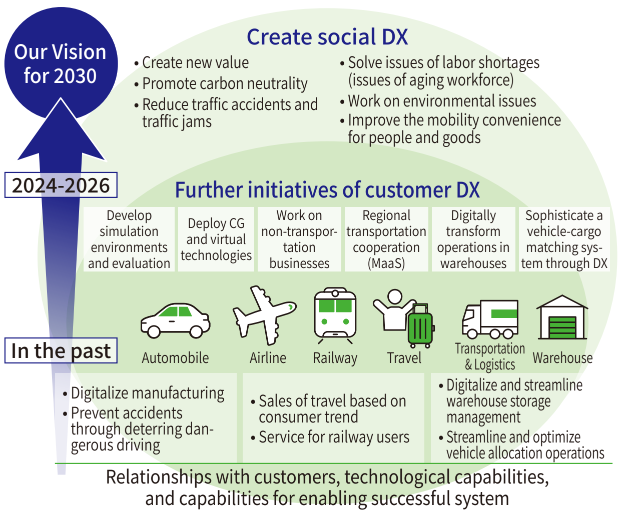



**Our Vision for 2030**

**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**

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 the years, we have helped improve and streamline operations as a DX partner to customers in the mobility industry—those involved in moving people and goods. Drawing on the operational expertise we have gained in manufacturing, our technological strengths in CG and virtual technologies, and our ability to develop and implement mission-critical systems, we seek t o deliver new value that drives digital transformation for both customers and society. In the field of autonomous driving, we are making steady progress in our efforts to expand our business, including conducting pilot programs with local governments, supporting the businesses of airline and railway operators in areas other than transportation, and collaborating with logistics partners.




| | Strategies | FY2024 progress |
|---|---|---|
| 1 | Enable V-Drive Technologies Inc. to grow business and use cross-cuttingly its technologies | • Field trials about driverless vehicles in cooperation with local autonomous bodies are under way with a government-industry-academic collaboration about safety evaluation methods in progress. |
| 2 | Creation of businesses outside the transportation sector in the airline/railway industry | • Efforts to help a railway operator take part in a payment business are in progress.<br>• Efforts to enable DX in the area of railway maintenance through the use of AI are in progress. Aim to re-use the efforts and create value for airline companies. |
| 3 | Initiatives for addressing labor shortages in the areas of logistics and transportation | • Quantum technologies and AI research are in progress with Dai Nippon Printing Co., Ltd. to optimize logistics and distribution business. P.30<br>• Warehousing DX businesses gather speed through investing in Dialog.inc, a provider of logistics and distribution solutions. |

## Strength

(as of the end of March 2025)

● 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

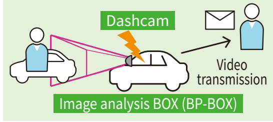
**V-Drive Technologies Inc., which provides a virtual space verification platform for automated driving**

(Established and operation commenced in 2022)

Provides the Driving Intelligence Validation Platform (DIVP), a virtual testing platform for autonomous driving safety. The company participates in autonomous driving pilot projects conducted on expressways and by local governments, and contributes to safety verification using digital-twin simulations.

**"BP-BOX," which uses behavioral prediction AI to help prevent traffic accidents, has been available since June 2024**

An initiative that aims to use AI to mitigate various value losses caused by traffic accidents. Taking dashcam*1 technology to the next level.



When the risk of a collision increases

*1 Dashcam: Zero-Accident Program DR, a dashcam solution for enterprises

## Pick up

**Provision of payment platform for JR-West's new payment service "Wesmo!"**

• Provides a payment platform for "Wesmo!," a new payment service launched by West Japan Railway Company (JR-West) in May 2025.

• Pursuing our goal of becoming a comprehensive platformer that improves the quality of everyday life and boosts partner companies' earnings, BIPROGY is developing embedded-finance and direct online charge businesses. In the mobility segment, we collaborate with transport operators to deliver new value.

## Inside BIPROGY Group Strategy

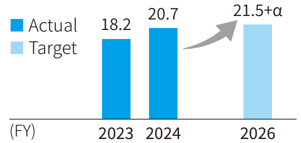
**"Think mobility, think BIPROGY"**

Hiroshi Matsumoto
Corporate Officer
BIPROGY Inc.

The Group strives to generate new value in the mobility domain and to make meaningful contributions to customers and society. Achieving this goal requires close collaboration with a wide range of partners. We are productizing the outcomes of industry–academia–government collaborative projects as a simulation platform and, together with automobile manufacturers and suppliers, are pursuing the real-world deployment of autonomous driving. In addition, we are partnering with railway operators to apply generative AI to equipment maintenance, providing both operational support and labor savings, thereby helping to maintain and enhance railway transport quality while addressing labor shortages. We will accelerate these efforts so that people will think of BIPROGY when they think of mobility.

# Core Businesses　Focus areas: OT Infrastructure

Actual revenues and target

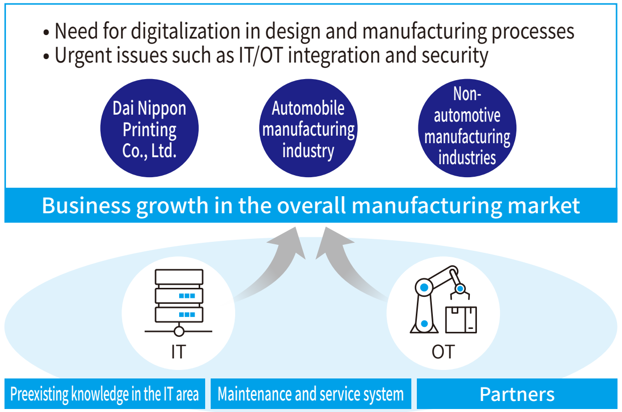



**Our Vision for 2030**

**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**

In the area of OT*1 infrastructure, the Group, with UNIADEX Ltd. at its core, is focusing especially on the manufacturing industry, where there is an increasing need for digitalization in OT domains such as the design and manufacturing processes. The Group has built up a strong customer base and relationships in the manufacturing sector through our traditional IT business. Interest from automotive manufacturers is particularly strong, with growing demand for OT network and security projects. To capture this momentum, we have launched an offering that implements an ideal OT network architecture. Leveraging our proven ability to integrate diverse products and services into optimal systems, we deliver end-to-end support—from consulting to design, construction, and operation and maintenance—accelerating digital transformation in manufacturing.

*1 OT (Operational Technology): Used to control and operate hardware at factories in the manufacturing industry




| | Strategies | FY2024 progress |
|---|---|---|
| 1 | Expand the entire businesses in the manufacturing market through creating and establishing business in the OT business area | • OT networks and security projects increase and projects in pipelines continuously increase, due to manufacturing sector companies highly keen on investment. |
| 2 | Establish our brand in the area of OT business | • The "Japan OT Partner of the Year" award was given from Fortinet Japan G.K. |
| 3 | Establish offering models and business models for horizontal development | • A roll-out for offerings compatible to the Purdue Model*2 is under way with a footing in the market. |

*2 The Purdue Model: Framework for the purpose of optimizing production management and operations mainly in the manufacturing and processing industries

**Strength** (as of the end of March 2025)

**● End-to-End OT portfolio**

In addition to our existing offerings, we collaborate with vendors such as Dispel and Claroty to offer a stronger, multi-vendor suite of solutions

CISCO Partner　txOne networks　CLAROTY　DISPEL

**● OT consulting and assessment framework**

Working with consulting firms that specialize in the OT domain, we provide OT support from individual sites to top management through a comprehensive perspective

**● Partnerships and collaboration**

By broadening alliances with OT-focused trading companies and vendors, we are strengthening a framework that can seamlessly address both IT and OT as the two domains increasingly converge

**Pick up**

**Collaboration with Dai Nippon Printing Co., Ltd.**

- Collaborating to expand businesses related to factory security measures and to jointly develop and provide services, delivering a comprehensive, one-stop security solution for factories
- Leveraging Dai Nippon Printing's extensive knowledge and proven achievements in factory security and UNIADEX's expertise in IT infrastructure and networks to ensure the safety and reliability of Japan's manufacturing operations

**Inside BIPROGY Group Strategy**

**Building on our respective areas of specialization to broaden the value proposition of our OT infrastructure business**

Tomohiro Nakamura
Corporate Officer
UNIADEX, Ltd.

In the OT infrastructure field, we classify the technologies and security requirements needed in manufacturing production facilities by each IT/OT system layer. We then set sales targets for each layer to drive our business forward. In FY2024, UNIADEX concentrated on its core strengths—network and security—and successfully built a full suite of solutions. Sales and pipeline have been steadily expanding, and we anticipate reaching our originally planned final-year goal as early as FY2025, the second year of the plan. Going forward, we will extend into AI-powered data analytics and security operations to expand services and accelerate digitalization in the manufacturing sector alongside our customers.

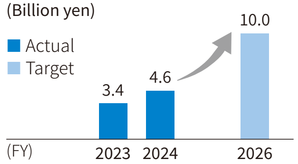
# Growth Businesses

## Market development

**Growth Scenarios** Capture/Expand new market share by acquiring new service areas and cultivating growth markets

| | Focus themes | FY2024 progress |
|---|---|---|
| 1 | Data use & AI use | • The "Azure OpenAI Service Starter Set Plus" development kit was launched. Business systems were sophisticated through the use of generative AI. |
| 2 | Managed Services | • Managed security services ("CloudPas MSS" and "iSECURE MSS") were merged and released. |

**Actual revenues and target**
(Billion yen)




For market development, we seek to secure and grow our presence in growth areas of the domestic IT market where we have previously had limited involvement, with the goal of building a new revenue base. Under our focus theme of "Data use & AI use," we provide services that leverage data and AI to support customers' management decision-making. A large number of projects that feature business systems that embed and utilize generative AI have already gone live, and we expect further expansion ahead. In Managed Services, Group company UNIADEX, Ltd. is taking the lead in broadening the service lineup by consolidating the Group's knowledge and expertise. We will continue to expand managed services that integrate the customer's entire ICT environment, helping optimize costs and strengthen governance while enabling customers to focus on their core business.

### Inside BIPROGY Group Strategy

Shinsuke Chiba
Corporate Officer
BIPROGY Inc.

Junichi Mitsui
Corporate Officer
UNIADEX, Ltd.

#### Providing DX services unique to the BIPROGY Group

For our "Market Development" strategy, we aim to steadily enter growth markets where our Group has yet to capture a sufficient share, while also expanding our service coverage.

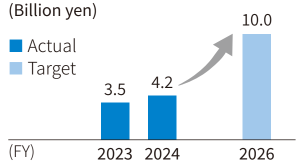
For Data use & AI use services, we launched the Data & AI Innovation Lab, a DX support business designed to accelerate business-improvement cycles through the application of data and AI. In the Managed Services area, another key theme, we established the new brand GASSAI and began providing services in the Security, Multi/Hybrid Cloud, and Digital Workplace domains, making steady progress. To drive further value creation, we will continue to offer DX services that are unique to the BIPROGY Group.

## Business development

**Growth Scenarios** Accelerate the development, co-creation, and deployment of social digital transformation businesses that resolve social issues

| | Focus themes | FY2024 progress |
|---|---|---|
| 1 | SX/GX | • Sales of GX-type SaaS services that include the "EcoLume", CFP (Carbon Footprint of Product) calculation service for the chemical industries were promoted. |
| 2 | Smart Life | • "doreca", platform for value exchange, entered the digital salary payment area, with a focus on increasing users among business operators. |
| 3 | Regional Revitalization | • A City OS generated in the KASHIWA-NO-HA SMART CITY was implemented in the whole areas of Kobe City. Plan to deploy a shared-service version to other local governments. |
| 4 | Healthcare | • Future healthcare visions were on exhibition and under validation at the Osaka Healthcare Pavilion of Expo 2025 Osaka, Kansai, Japan. |

**Actual revenues and target**
(Billion yen)




For business development, we aim to enhance the value we deliver and establish new revenue foundations by accelerating the development, co-creation, and deployment of social DX businesses that address social issues. As our customers step up their own efforts to solve social challenges, the Group is also required to acquire new capabilities and further enhance both customer and social value. To this end, we are expanding services that contribute to solving social issues and that include expanding sales of GX-related SaaS services and entering the digital payroll business. Going forward, we will continue to form cross-industry business ecosystems with customers and partners who share our ambitions, and co-create and expand social DX businesses.

### Inside BIPROGY Group Strategy

Shinsuke Chiba
Corporate Officer
BIPROGY Inc.

#### Establishing a new revenue base by solving social issues

Our "Business development" initiative focuses squarely on the Group's contributions to society. The KPI set out in our material issue of "sales from businesses aimed at solving social issues" corresponds to the revenue generated under this initiative. We view this as a key initiative for driving the Group's growth and realizing Vision 2030. Specific projects under way include GX-related SaaS services, digital payroll solutions, regional revitalization initiatives leveraging an inter-company personal-data exchange platform, and healthcare programs for the Osaka World Expo 2025. While these efforts are still developing, our goal is to expand them substantially and establish them as a new revenue base by 2030.

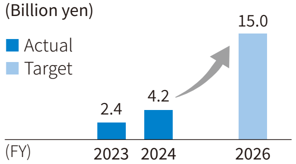
## Global initiatives

**Growth Scenarios**

**Develop business in major ASEAN countries and strengthen approaches with an eye toward entering North America and other markets**

| | Focus themes | FY2024 progress |
|---|---|---|
| 1 | Develop business in major ASEAN countries and strengthen approaches for North America and other markets | • Two companies in the ASEAN region became our subsidiaries on a consolidated basis. Promote continuously M&A attempts and creation of corporate synergies.<br>• Improvement of programs for developing employees for overseas business deployment, and assignment of middle management personnel as trainers are in progress. |

**Actual revenues and target**




Through strategic investments such as mergers and acquisitions, the Group continues to expand its service coverage and customer base. We are now building on the know-how and service models developed in Japan to accelerate customer DX businesses in international markets. In parallel, we are working with local customers and partners to create business ecosystems that enable social DX businesses aimed at addressing social issues. By pursuing these activities, we seek to achieve sustainable global growth and contribute to the realization of a sustainable society.

As part of our ongoing expansion in the ASEAN region, and as a move that has expanded our ICT/DX business in major ASEAN countries, we converted Nexus System Resources Co., Ltd. of Thailand and iByte Solutions Sdn. Bhd. of Malaysia—both providers of SAP solutions—into consolidated subsidiaries in June and September 2024, respectively. In February 2025, we established a corporate venture capital (CVC) fund in North America with a view toward entry into North American and other markets. We will continue to promote M&A activities, create inter-company synergies, and strengthen our global talent base.

### Inside BIPROGY Group Strategy

Takeshi Yamada
Corporate Officer
BIPROGY Inc.

#### Accelerating global business and talent development toward 2030

One year has passed since we set forth our global strategy in Management Policies (2024–2026), and while the foundations for future growth are steadily taking shape, tangible results remain limited. In FY2024, we converted two companies into new subsidiaries with the aim of contributing to future revenue and earnings. However, achieving FY2026 sales targets will require even greater speed. We will pursue not only the organic growth of our existing overseas subsidiaries but also the creation of synergies by combining their respective strengths, while also carrying out additional M&A. Looking toward 2030, our foremost goal is to strengthen global human capital. Talent capable of independently leading and managing global projects will be the source of billion-dollar-scale businesses over the long term. We will accelerate future-oriented efforts on both the business and talent fronts to build a foundation for sustainable growth.

### Pick up

#### Development of ICT/DX business in major ASEAN countries

The Group is steadily expanding ERP service offerings and geographic reach in Southeast Asia while developing a dual-base support structure spanning Japan and the region. Through support for the overseas expansion and business development of Japanese enterprises and the promotion of DX among local companies, we seek to create a business ecosystem that contributes to solving social issues and to establish a position as a global company that realizes a Digital Commons in society. By 2030, we aim to make our global operations a core revenue driver for the Group.

**Group companies in the ASEAN region that became consolidated subsidiaries in FY2024**

**Nexus System Resources Co., Ltd.**

Headquartered in Bangkok, Thailand, this IT consulting company implements and maintains solutions for SAP SE and Blue Yonder Group, Inc.

Main solutions offered

SAP S/4HANA Cloud Private Edition, SAP S/4HANA Cloud Public Edition, SAP Analytics Cloud, SAP Business One, Blue Yonder Luminate Planning / Luminate Logistics

**iByte Solutions Sdn. Bhd.**

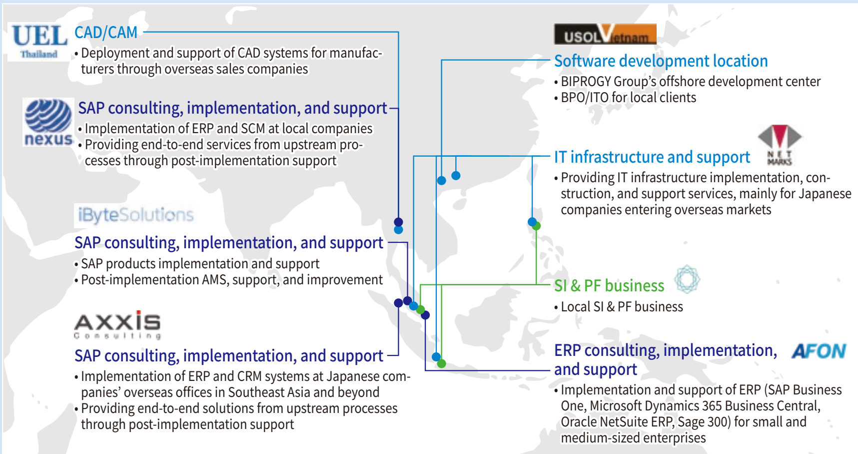
An IT consulting company headquartered in Kuala Lumpur, Malaysia, that implements and maintains SAP SE solutions

Main solutions offered

SAP S/4HANA Cloud Private Edition, SAP S/4HANA Cloud Public Edition, SAP Business One, SAP ECC, SAP SuccessFactors, SAP Ariba

**Business locations in the ASEAN region**

(As of the end of March 2025)

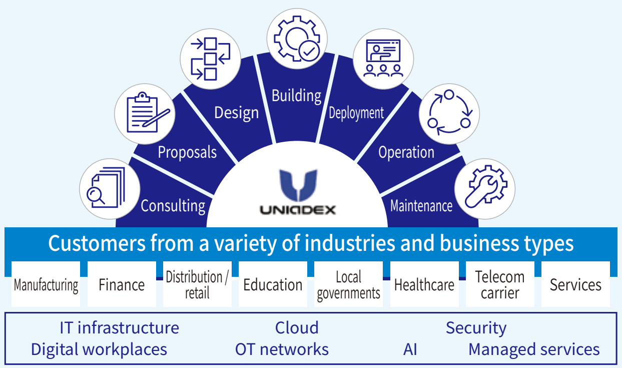


# Special Feature Group Companies & Co-Creation Partners that Realize Value Creation

**The BIPROGY Group is creating new synergies through collaborations with other companies. 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.**

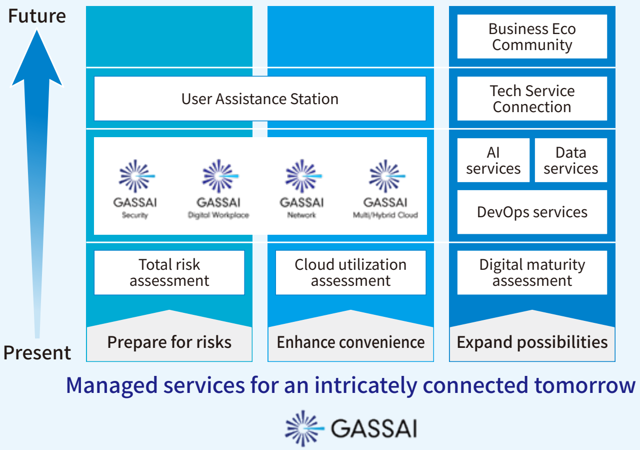
**UNIADEX** | BIPROGY Group (Established: March 1997) | UNIADEX possesses strengths in areas such as multi-cloud services, next-generation networks, DX, and IT outsourcing. Provides total ICT infrastructure services within the BIPROGY Group.

UNIADEX leverages multi-cloud technologies in combination with on-premises systems to deliver a wide range of services tailored to customer needs, including managed services that provide integrated operations and new insights through AI, across increasingly complex ICT infrastructure environments. The Group is also working to strengthen the value delivered to customers by maximizing synergies between BIPROGY and UNIADEX. Sales and engineering teams from both companies collaborate closely, making the most of each team's strengths, to build systems from both applications and ICT infrastructure optimized for customers' issues. In the managed services area, identified as a growth business in our Management Policies (2024-2026), BIPROGY's support and security functions are being consolidated into UNIADEX to enhance specialization.




## Managed service brand "GASSAI"

UNIADEX revamped and systematized the BIPROGY Group's managed services and launched a new brand under the name GASSAI in June 2025. These services are designed to help customers prepare for IT-related risks such as cyber threats and natural disasters and maximize the convenience and possibilities of their IT environment.




**The meaning behind GASSAI**
The name "GASSAI" reflects our intention to offer a service that brings together all of the BIPROGY Group's extensive knowledge and expertise, while also leveraging AI to empower customers to achieve their own success and satisfaction.

By integrating cutting-edge technologies like AI and advanced data utilization, GASSAI provides a standardized (ready-made) portfolio of managed services capable of addressing a broad range of IT-operations issues quickly. Through GASSAI, customers can implement "lean and intelligent management" and establish a robust, risk-prepared IT infrastructure.

### Inside BIPROGY Group Strategy

**We are prioritizing the expansion of OT infrastructure and the establishment of a managed services business.**

Ken Tanaka
President & CEO, UNIADEX, Ltd.

In FY2024, demand for ICT infrastructure increased as customers actively invested in digital transformation (DX), enabling UNIADEX to achieve record-high results. This success has further strengthened our presence within the BIPROGY Group.

We are dedicated to becoming a company that can anticipate and resolve customer challenges, focusing our full efforts on planning and developing services that deliver added value. In FY2024, we focused especially on expanding our focus area of OT infrastructure and launching our managed services business. In June 2025, we began rolling out a new managed service.

Going forward, we will continue to collaborate closely with the BIPROGY Group's human resource and technology strategies as we pursue further growth. We appreciate your continued support and confidence in our future.

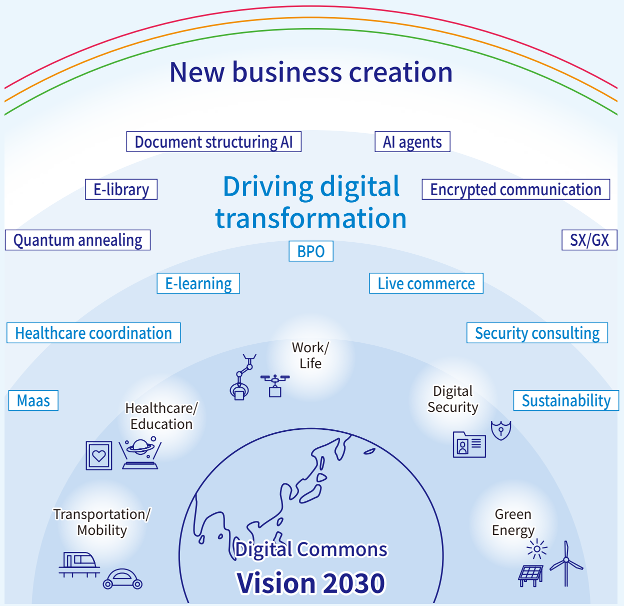
**DNP**

Business alliance partner
(Business and capital alliance: August 2012)

Steady progress has been made in sales collaboration, the cultivation of new market opportunities, and the expansion of our 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.

Since their 2012 business and capital alliance, Dai Nippon Printing Co., Ltd. (DNP) and BIPROGY have progressively deepened their cooperative relationship. To accelerate business initiatives with DNP, BIPROGY established a dedicated "DXB Business Incubation Department," aiming to further expand "DNP × BIPROGY" synergies. At present, the two companies are jointly engaged in advanced technological domains such as XR (extended reality), the metaverse, artificial intelligence, and quantum computing, in addition to jointly offering a variety of services that include ICT platform businesses such as e-libraries.

**Overview of collaborative projects**

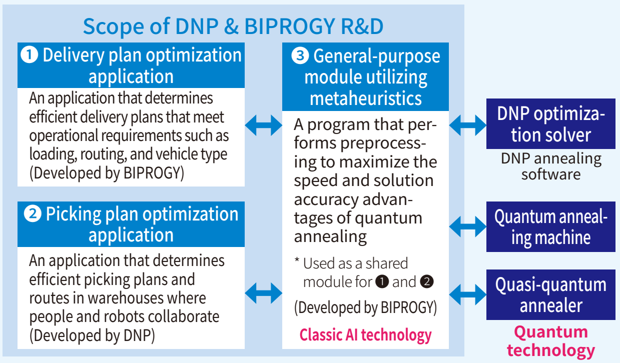



## Examples of cooperation

### Advancing research on logistics efficiency using quantum technology and AI

As part of the New Energy and Industrial Technology Development Organization (NEDO)'s Development of Quantum-Classical Hybrid Use-Case Technologies in Cyber-Physical Space project, we are conducting full-fledged research on applications that improve logistics efficiency through the combined use of quantum technology and AI. This project aims to create optimization applications that combine quantum annealing and AI, using "Quantum–AI Hybrid Technology," to address challenges such as delivery route optimization in logistics and transportation and picking plan optimization within warehouses. The applications developed will be tested at DNP Group manufacturing and logistics sites as well as with our customers, paving the way for full-scale service deployment and contributing to solving social issues through our business.

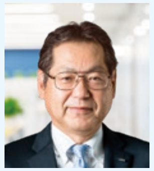
**Research and development framework**




### "LibrariE&TRC-DL" e-library service

This jointly operated e-library service leverages DNP's expertise in content production and management and BIPROGY's know-how in system development and operation. The service is seeing increasing adoption not only in municipal libraries for e-books and other digital resources, but also in schools equipped with GIGA School devices. This is Japan's No. 1 service by domestic adoption, with more than 700 libraries in operation as of April 2025.

**Inside BIPROGY Group Strategy**



### Promoting the development and maturation of a collaborative culture

Yuichiro Fukuda
Corporate Officer, BIPROGY Inc.

The DXB Business Incubation Department is spearheading efforts to broaden cooperative projects between DNP and BIPROGY and to nurture a collaborative culture. Achieving this requires strengthening marketing and communication channels, improving business development capabilities, and establishing an organizational culture that embraces diversity. The partnership is steadily expanding, with advanced technology and new-business initiatives gaining momentum. Recently, DNP has undertaken bold structural reforms, including making its publishing division a subsidiary. Knowledge acquired through our support of DNP's DX will be fed back to our own clientele to assist their DX efforts, including business transformation. We will continue striving to further deepen the collaboration between the two companies.

# 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.**

## Taeko Sawakami

**Director, Corporate Officer, CHRO**

Since 2015, the BIPROGY Group has been working to transform both our business models and corporate culture. Under our Purpose and Vision 2030 established in 2021, we have continued to develop the potential of our people and organization. In FY2024, we formulated Human Resources Vision 2030 aligned with our long-term Vision 2030, expressing our aspirational state as "inspired individuals pursuing their ambitions" and "a vibrant organization where diverse individuals focus on Purpose-driven co-creation."

Our people are our Group's greatest asset. While leveraging our strengths in execution capabilities, project completion skills, and trusted relationships with stakeholders, we are evolving our human resources strategy to acquire new capabilities for the future. Beginning in FY2024, we have particularly emphasized Ambition-Oriented Human Resources (MOTIV8 HR), envisioning individuals creating value driven by their own ambitions. Furthermore, to make this vision concrete in FY2025, we are focusing on strengthening four human resource types directly linked to business strategy: Customer Business Architects, Skilled Project Managers, Business Producers, and Global Talent.

We are also working to cultivate an organizational culture that leverages diverse values through DE&I promotion, welcomes and praises challenges, and promotes the active participation of senior personnel. Going forward, we will continue to evolve our human resources strategy in tandem with our management strategy, connecting individual challenges to corporate growth and delivery of value to society.

## BIPROGY Group Human Resources Strategy

To realize the vision set forth in Vision 2030, our Group has established Human Resources Vision 2030, defining our aspirational state as "inspired individuals pursuing their ambitions" and "a vibrant organization where diverse individuals focus on Purpose-driven co-creation." To achieve this vision, we have formulated and are implementing the BIPROGY Group Human Resources Strategy (2024-2026). For individual initiatives, we focus on "developing human resources as the foundation for sustainable growth" and "strengthening human resources to lead business strategies." For organizational initiatives, we emphasize "DE&I promotion" and "boosting motivation" as priority strategies. We aim to realize individual employee careers and operate human resource portfolios linked to business strategy by utilizing ROLES, which we have developed as the foundation for human capital management. We are also strategically advancing both new graduate and mid-career recruitment not only to address talent shortages but to create value through acquiring new capabilities.

By executing these priority strategies and their associated key drivers, our Group aims to further enhance employee engagement. In 2024, we adopted a survey methodology that enables more precise understanding of engagement states, revealing that creating an environment where employees feel they can achieve their career goals is a critical factor for improving engagement. Based on these results, we defined Ambition-Oriented Human Resources (MOTIV8 HR) as our human resource model for those who independently build careers toward their own ambitions. We are advancing the development of opportunities and environments to increase and promote the success of MOTIV8 HR.

**BIPROGY Group engagement score* (FY2024 results)**

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

* Positive response rate

| | | | | |
|---|---|---|---|---|
| Human Resources Vision 2030 | Inspired individuals pursuing their ambitions × Vibrant organization where diverse individuals focus on Purpose-driven co-creation | | | |
| Human resources strategy KGI | Engagement score: 61% (FY2027) | | | |
| Priority strategies | 1 Developing human resources as the foundation for sustainable growth | 2 Strengthening human resources to lead business strategies | 3 DE&I promotion | 4 Boosting motivation |
| Key strategy drivers | Ambition-oriented Human Resources (MOTIV8 HR) | Customer business architects / Business producers | Gender diversity at the decision-making level | Penetration of philosophy and strategy |
| | Next-generation management | Skilled project managers / Global talent | Active mid-career hires | Active 55+ personnel |
| | Strategic human resource recruitment according to business portfolio | | | |
| | Achieving ROLES-based human capital management | | | |

## Priority Strategy 1: Developing Human Resources as the Foundation for Sustainable Growth

Our Group positions the development of Ambition-Oriented Human Resources (MOTIV8 HR) and Next-Generation Management as pillars of our human resources strategy toward realizing our Purpose and achieving sustainable corporate growth. These are important human resource types for drawing out employee autonomy and transformational capabilities while enhancing organizational vitality.

### Ambition-Oriented Human Resources (MOTIV8 HR)

Ambition-Oriented Human Resources (MOTIV8 HR) are those who identify the overlap and complementarities between what they want to achieve and the Group's Purpose, seeking opportunities for self-growth and independently building their careers. We are advancing efforts for each employee to articulate their own ambitions while creating environments where they can find overlaps with our Purpose through dialogue with colleagues and feel a sense of excitement. We are also renewing career interviews with supervisors to establish mechanisms for setting medium- to long-term career goals centered on ambition and supporting challenges toward those goals.

Through these initiatives, we aim to improve career well-being and create a virtuous cycle where individual growth leads to organizational vitality.

### Next-generation management

Realizing our Group's Vision 2030 requires forming more diverse management teams and human resource pools with management executive successor candidates organized by tier. Our previous development initiatives through open-application programs faced challenges due to the absence of a structured framework, resulting in limited impact on talent pipeline enhancement and appointments.

Therefore, starting in FY2024, we launched a selective development program across two tiers, systematically deploying assessments through multi-faceted evaluations and management knowledge diagnostics, coaching with management executive involvement across divisions, and challenging assignments. We are building systems to support the Company's sustainable transformational capabilities by defining priority development areas based on qualities required of chief executive officers and strengthening succession planning.

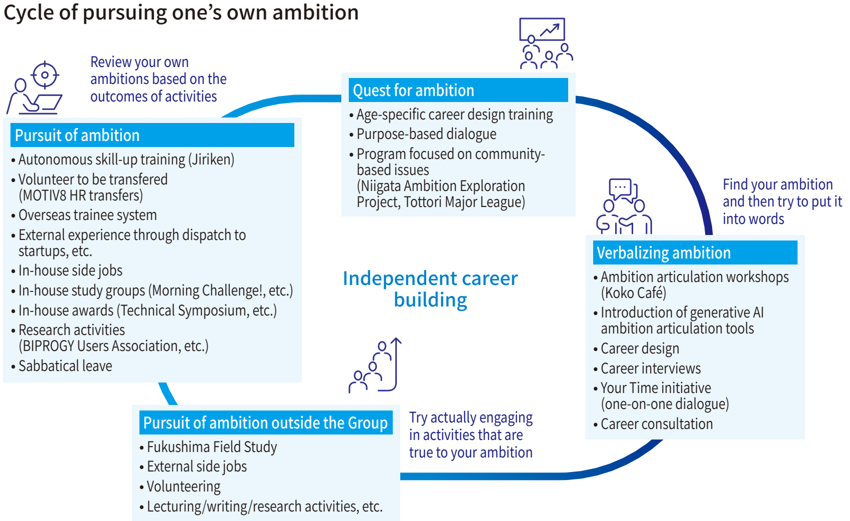
P.63 Succession planning

## Priority Strategy 2: Strengthening Human Resources to Lead Business Strategies

In our Management Policies (2024-2026), we will actively invest in focus investment areas linked to business strategy and human resources. We organize the linkage between business strategy and human resources strategy as shown in the diagram below, designing human resource measures around this framework.

In core business areas, we have identified Customer Business Architects and Skilled Project Managers, and in growth business

**Cycle of pursuing one's own ambition**




| | | | KPI | FY2024 results | Targets for FY2026 |
|---|---|---|---|---|---|
| All employees | ① | **Ambition-Oriented Human Resources**<br>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 | ① Percentage of positive responses in the engagement survey about achieving career goals<br>② Percentage of employees who have set medium- to long-term career goals and agreed on them with their supervisors<br>③ Maintenance and improvement rate of mechanisms to promote career well-being (number of implementations /number of plans) | ① 46%<br>② 100%<br>③ 83% | ① 55% or higher<br>② 100%<br>③ 100% |
| Leaders | ② | **Next-Generation Management**<br>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 | Successor candidate preparation rate | 100% | 100% |
| Core businesses | ③ | **Customer Business Architects**<br>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 | Number of human resources meeting ROLES-based criteria | 147 | 300 or more |
| | ④ | **Skilled Project Managers**<br>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 | Number of human resources meeting ROLES-based criteria | 239 | 300 or more |
| Growth businesses | ⑤ | **Business Producers**<br>Human resources who can grasp social issues with foresight and insight, design their own businesses, and co-create by involving diverse stakeholders | Number of human resources promoting new business development | 48 | 100 or more |
| | ⑥ | **Global Talents**<br>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 | Number of human resources meeting ROLES-based criteria | 39 | 70 or more |

areas, Business Producers and Global Talent as human resource types to develop. We are advancing various measures by fully leveraging the foundation for human capital management centered on ROLES, which we developed from FY2021-2023.

## Priority Strategy 3: DE&I Promotion

Our Group aims to cultivate an organizational culture where each individual enhances their individual diversity, respects each other's uniqueness, and can maximize their own characteristics and abilities.

### Gender diversity at the decision-making level

To achieve sustainable growth, we believe it is essential to reflect diverse values and perspectives in decision-making, and we are working to promote diversity at the executive and management levels. Specifically, based on material issues, we have set a KPI to achieve a percentage of management positions held by women of 18% or higher as of April 1, 2026. Additionally, on a non-consolidated basis, we have set a target of 26% for the percentage of executive positions held by women by FY2029 in our general business owner action plan based on the Act on Promotion of Women's Participation and Advancement in the Workplace, steadily advancing our efforts.

To achieve these targets, we are promoting systematic development of women in management and formation of human resource pipelines, while establishing systems for monitoring and reporting progress at the Sustainability Committee and Board of Directors based on management appointment plans formulated by the Company and its group companies. Furthermore, we are implementing tiered development programs to enable women employees to proactively form careers and cultivate management awareness, supporting both awareness change and capability development. Externally, we actively participate in initiatives such as endorsing the Women's Empowerment Principles (WEPs) and supporting the Japan Business Federation's Challenge Initiatives for 30% of Executives to be Women by 2030. As a result of these efforts, our Group's percentage of management positions held by women reached 12.3% (as of April 1, 2025) and the percentage of executive positions held by women reached 13.9% (as of June 26, 2025). While we did not achieve our target values, we see steady progress with numerical improvements compared to the previous year.

Going forward, under our new plan that started on April 1, 2025, we will strengthen the appointment of women executives and managers, positioning gender diversity promotion at decision-making levels as one of management's highest priorities.

**Percentage of management positions held by women / Percentage of executive positions held by women (FY2024 results)**

| Percentage of management positions held by women Material issue KPI (as of April 1, 2025) | Percentage of executive positions held by women BIPROGY non-consolidated (as of June 26, 2025) |
|---|---|
| 12.3% | 13.9% |

### Promoting men employees' childcare leave take-up

For men employees taking childcare leave, we believe that the important point is not merely improving take-up rates but respecting diverse values and enabling each employee to realize their desired parenting style. Based on this recognition, our Group established two types of KPIs starting in FY2024 and began initiatives toward qualitative improvement in childcare leave take-up. In the same fiscal year, we strengthened information provision to supervisors and related parties by introducing spouse pregnancy notification, while promoting understanding of the system and encouraging take-up through distributing Childcare Leave Handbooks and introducing take-up examples. As a result of these efforts, the average number of days of childcare leave taken by men in FY2024 was 154 days, with steady progress in developing an environment that enables long-term leave.

**KPI achievement status for the promotion of childcare leave for men (FY2024 results)**

| KPI①*1 | KPI②*2 |
|---|---|
| 83.3% | 91.8% |

*1 Percentage of eligible men who took leave or time off for childcare after their spouse gave birth
*2 Percentage of men who coordinated with their family and organization based on their own intentions when considering and deciding to take childcare leave

### Gender pay gap

To eliminate gender pay disparities, we conduct regular surveys and implement corrective measures. While there are no differences in basic salary for the same job levels, disparities result from more men in senior positions and the recent increase in percentage of women hired ratios leading to more women in lower-paid positions. To resolve these disparities, we are promoting systematic appointment of women and strengthening human resource pipelines.

**Gender pay gap for all workers (FY2024 results)**

| BIPROGY Group | BIPROGY non-consolidated |
|---|---|
| 78.2% | 78.4% |

### Success of mid-career hires

We aim for a state where diverse people with various business experience and skills are attracted to our Group, succeed from an early stage, and contribute to organizational growth. We actively recruit from different industries and enhance onboarding measures including training, surveys, and supervisor training to support retention and success, implementing continuous follow-up.

## Priority Strategy 4: Boosting Motivation

We consider creating motivating organizations and workplaces where diverse human resources can maximize their abilities as the source of growth and competitiveness, and we are taking initiatives to improve motivation.

### Penetration of philosophy and strategy

We are working on penetrating our philosophy and strategy so that each employee can feel connections between their work and the Company/organization's Purpose and management strategy, enabling them to act autonomously with motivation. In FY2024, we engaged in setting our organizational Purpose, implementing dialogue measures themed on the organizational Purpose and individual ambition called Purpose Dialogue, and holding nation-wide Management Policy meetings and Meet-up Lounge dialogues as opportunities for management to explain our policies and have dialogue. Through these efforts, our survey on the degree of penetration of the Purpose conducted in FY2024 showed a 10-point increase in the total of "understanding," "relevance to me," and "practical application" compared to the previous year. Going forward, we will maintain dialogue-based efforts to improve penetration while moving beyond one-way communication from the Company by focusing on the overlap with individual aspirations. This will foster an organizational culture where employees support the philosophy and strategy, take pride in them, and eagerly engage in their work.

**Average score on items related to job satisfaction and worker-friendliness in the engagement survey (FY2024 result)**

| Score | FY2026 target |
|---|---|
| 51% | 10 points or higher than the base value* of 51% |

* 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.

### Active 55+ personnel

Considering social environmental changes such as the declining working population due to the aging society and the widespread adoption of "100-year life era" values, our Group promotes various measures aiming for a state where senior personnel with valuable experience fully demonstrate their abilities and skills in their roles while growing and working vibrantly toward future careers and lives. In FY2024, we held training to build second careers and individual career interviews for motivation purposes, and seminars for re-employed persons and those hoping for re-employment. For management levels, we held seminars on understanding senior personnel careers and key points in communication and feedback, attended by many organizational heads. We will continue to enhance our initiatives and work on human resource system reforms to create environments where senior personnel can thrive.

### Health management

We believe that improving officer and employee well-being promotes productivity and creativity improvements, ultimately leading to enhanced corporate value, and our Group works on promoting health management. Among our wide-ranging initiatives, we have identified the maintenance and promotion of the physical and mental well-being of our officers and employees as one of our key material issues. Based on this, we have designated five focus areas—addressing lifestyle-related diseases, improving sleep quality, supporting mental health, promoting early detection and prevention of cancer, and addressing women-specific health issues—and are strengthening our efforts in these areas.

For mental support, we implement counseling for employees with shorter tenure while introducing 1-on-1 meetings with supervisors called Your Time. Furthermore, we arrange industrial physician consultations and work/workplace environment adjustments as needed, establishing support systems from early career stages and working to prevent mental health issues. For physical support, we introduced integrated regular health checkups including cancer and gynecological tests, promoting early detection according to age and health risks. We also provide financial assistance for detailed examinations after health checkups, strengthening our follow-up system for preventing the progression of medical issues.

Additionally, we disseminate health-related information through our health portal, provide online community for women, and support health literacy improvement and autonomous health management by promoting collaborative health with health insurance associations. Going forward, we will actively work on preventing employee health problems and maintaining and promoting health by enhancing health guidance, continuous follow-up for high-risk individuals, and multifaceted support using health data.

### Facility transformation

In pursuit of value creation, we are advancing facility transformation to build attractive offices that encourage employees to come together.

Facility transformation will make it possible to select work locations without time and place limitations according to work content and purposes, achieving a well-balanced mix of dense and open areas throughout the office to create a comfortable working environment, and creating new encounters and activating communication. Furthermore, we will promote communication not only among employees but also with partner companies, aiming for the vibrant organizations where diverse individuals focus on Purpose-driven co-creation depicted in our human resources strategy, creating spaces where each individual can work freely and creatively.

## Achieving ROLES-Based Human Capital Management

In our Group, we call work execution roles ROLES. ROLES is the core concept in visualizing the types, quality, and quantity of human capital needed to carry out management and business strategies. Currently, we have approximately 200 ROLES across the Group, defining the work content and skills necessary for work execution. Management Policies (2024-2026) is a stage that transitions from development of ROLES to expanded utilization, improving recruitment, placement, and development precision through work visualization. Additionally, we will utilize this for promoting career formation and strengthen ROLES as a more useful talent management foundation through feedback gained from practice.

Employees can independently design their careers based on ROLES, expand the scope of their work areas, and enhance their expertise.

We also promote career development by utilizing ROLES and establishing support systems and environments with various human resource measures, so that Ambition-Oriented Human Resources (MOTIV8 HR) can reflect their ambitions in their work.

### Human capital planning using ROLES

Our Group's human capital planning visualizes the AS-IS (current state) and TO-BE (planned state) of the numbers of personnel and ROLES needed for each organization. Business divisions/headquarters and the Human Capital Management Department jointly examine the ROLES needed for each business and the types of human resources that will be required in the future, formulating and executing human resource measures (recruitment, development, placement, etc.) aligned with business strategy.

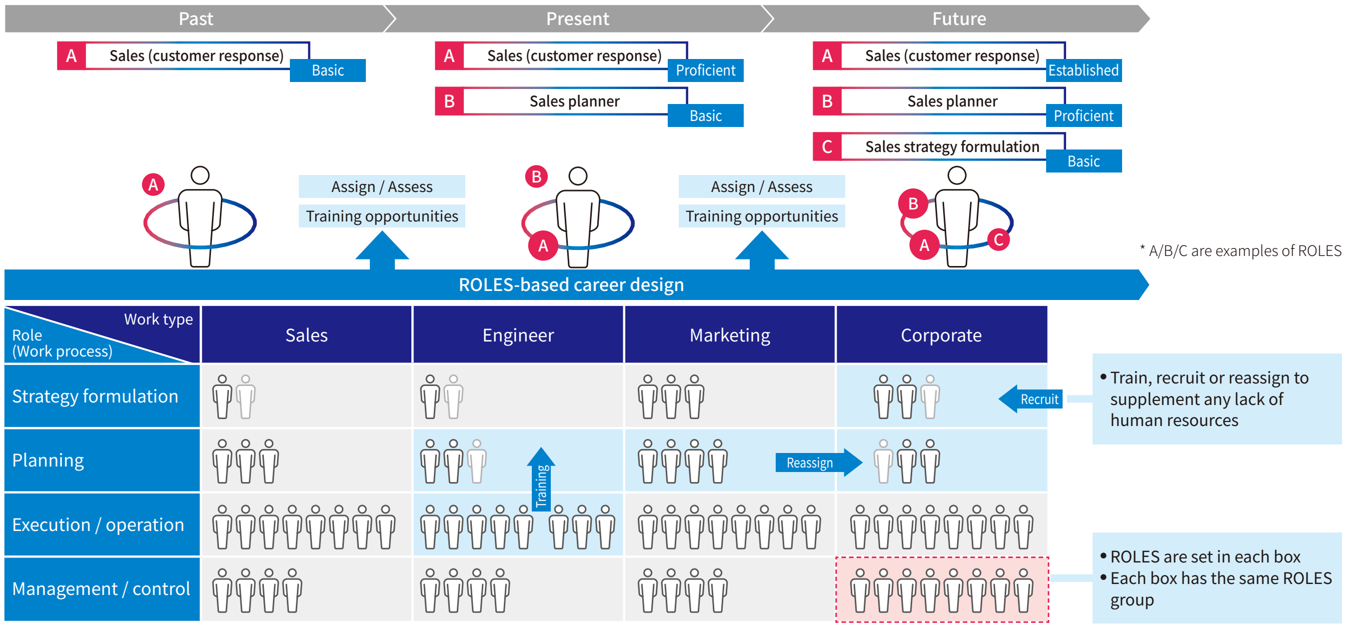
## Securing Human Resources through Strategic Recruitment

In response to the declining working population due to the accelerating aging society, it is becoming increasingly important for companies to enhance human resource retention mechanisms (virtuous cycle of recruitment → success support → human resource circulation) and build portfolios of diverse and individualistic human resources with varied demonstrated abilities, ages, and genders. As we work toward realizing our Vision 2030 and sustainable corporate value improvement, we define human resource recruitment approaches considering the labor market and competitor trends, and internal situations, then deploy PDCA cycles of consider, select, execute, and track the effectiveness of recruitment measures.

### Setting targets and measures

Based on recruitment challenges and activity policies, we will implement the priority measures listed in the table below through FY2026, the final year of our current management policies. In advancing these measures, cooperation from the business division management and individual employees as well as the recruiting department is essential, so we will promote the measures with coordination as needed.

| Target human resources | Priority measures | New graduates | Mid-career |
|---|---|---|---|
| Middle-layer personnel<br>Next-generation organizational head | • Job discovery and role definition tailored to this age group (recruiting positions)<br>• Executive hiring (acquiring high-layer human resources, hiring with expectations for organizational management roles) | – | ◎ |
| Regional human resources | • Building and strengthening new relationships with regional universities and technical colleges<br>• Guaranteed initial placement location<br>• Hosting internships and company information sessions at regional offices to strengthen connections | ◎ | ○ |
| Human resources supporting core businesses | • Building relationships with new universities and IT vocational schools<br>• Referral recruitment and alumni recruitment<br>• Potential hiring (recent graduates with job experience) | ◎ | ◎ |
| Human resources who can deep-dive into growth businesses<br>Human resources who can plant new seeds | • Newly graduated professional employees<br>• Role model promotion<br>• Headhunting and direct recruiting | ○ | ◎ |



## Linking Technology Strategy and Human Resources Strategy

In Management Policies (2024-2026), we define technology strategies for core businesses, which are our current revenue sources and growth businesses which are new revenue pillars. Based on our Group's strengths cultivated to date and business time axes, we are rebuilding our technology portfolio, focusing on development DX for core businesses and technology strengthening to accelerate high-value-added and sophistication in market development areas for growth businesses.

We are also working on discovering, acquiring, and implementing cutting-edge and next-generation digital technologies for sustainable business growth. We have selected six focus technology themes according to target areas, defining human resources along these themes and advancing strengthening of required skills and systematic development based on ROLES.

Through these efforts, we are building a human resource foundation that steadily supports our technology strategy.

## Human Capital Investment

In addition to acquiring and training of human resources with enhanced skills, we actively invest in priority strategy areas. We are also working on office facility transformation from FY2024-2026 for DE&I promotion and boosting motivation.

**Expanding human capital investment**

**Active investment of between ¥3.0 to ¥4.0 billion over the course of three years, including acquisition and training of human resources with enhanced skills**

| | Results for FY2021-2023 | | | Plan for FY2024-2026 | | |
|---|---|---|---|---|---|---|
| | FY2023 only | | | FY2024 only (results) | | |
| Recruitment | ¥0.47 billion | ¥4.06 billion | Cumulative ¥11.0 billion | ¥0.48 billion | ¥4.47 billion | Cumulative ¥14.0 - ¥15.0 billion |
| Training | ¥3.1 billion | | | ¥3.13 billion | | |
| Enhancing corporate culture, booting motivation | ¥0.17 billion | | | ¥0.47 billion | | |
| Health management | ¥0.32 billion | | | ¥0.39 billion | | |

**Major measures and initiatives in FY2024**

| | |
|---|---|
| Recruitment | • Introduction of referral and alumni recruitment<br>• New relationship building and strengthening with regional universities and technical colleges |
| Training | • Introduction of autonomous skill-up training (Jiriken)<br>• Enhancement of training content for four human resource types who will lead business strategy |
| Enhancing corporate culture, booting motivation | • Further expansion of Purpose Dialogues to discuss Purpose and individual ambitions within the organization<br>• Holding second career training for employees in their 50s |

For details on the BIPROGY Group's approach to human capital management and human resources strategy, please see our Human Resources Strategy Report.
https://www.biprogy.com/invest-e/

### BIPROGY Group People

**Planning and implementing training programs as the Skilled Project Manager Development Team**

(From left)
Takeshi Matsuda, Hiroki Toratani, Hiroshi Yuasa
Development Productivity Headquarters , BIPROGY Inc.

Skilled Project Managers are human resources who can formulate strategies for actual development based on goals drawn by Customer Business Architects, create engineering processes, and establish development execution plans. Scratch development requirements are custom-made and diverse. For project members too, each encounter is unique. We need to emphasize the essential aspects: what needs to be defined to become a development plan, why certain procedures are necessary. Thoroughly examining why design drawings are drawn in certain ways becomes the shortcut to success.

At BIPROGY, we have formulated eight types of training programs, with approximately 800 expected to complete courses by the end of FY2024. For online training, we conduct the initial sessions in groups to enhance motivation. Although departmental nomination is currently the primary approach, we are also offering group training available online to create an environment where all applicants can participate. Participant surveys have confirmed steady progress in ensuring that students acquire the targeted levels of knowledge. Going forward, we hope that participants will themselves create a cycle of applying the knowledge gained from the training programs in practice and continuing to develop, with ongoing support from supervisors and colleagues.

**Joined UEL the first foreign woman employee, taking on the challenge of balancing career development and childcare**

Son Nami
Tech Design Planning Department, Planning Headquarters , UEL Corporation

In the development department where I was initially assigned, I was assigned the same responsibilities as my Japanese colleagues and opportunities to utilize my language skills were limited. Later, I transferred to a department handling overseas collaboration and could fully utilize English and Chinese. Currently in the planning department, I'm involved in planning web systems for product data management, leveraging my broad experience while taking on new challenges at the forefront.

I was able to use various systems including reduced working hours, hourly paid leave, special paid leave, and teleworking without any hesitation. Most importantly, my colleagues, supervisors, and the company were highly supportive, which enabled me to balance career development and childcare without significant difficulties.

# Intellectual Capital Strategy

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

**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.**

Sadayuki Baba
Corporate Officer, CTO

### Harnessing the collective intelligence of the Group to improve overall optimization and effectiveness

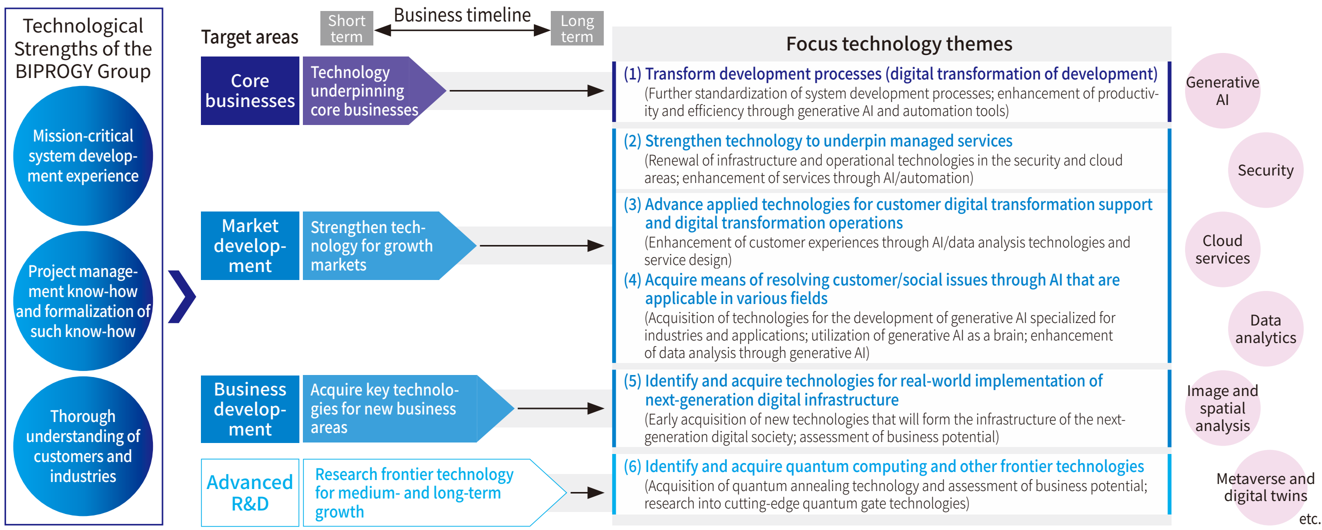
The BIPROGY Group leverages its solid customer base to support client systems across a variety of industries, including financial institutions and retail, through proprietary software packages and other solutions. Yet the market landscape is undergoing a major transformation, moving away from vertically integrated models toward horizontal specialization. The emergence of new competitors, shifts in customers' ICT investment priorities, and rapid advances in AI are adding further complexity to our business environment. To secure a competitive edge and create new value under these conditions, we must practice technology management grounded in a full understanding of market and technological trends, and execute strategies that align our business strategy and human capital strategy. For this reason, we emphasize drawing on diverse expertise and harnessing the collective intelligence of the Group. Under the leadership of the Technology Strategy Committee, which I chair, we will promote and monitor our technology strategy to achieve overall optimization and strengthen execution.

## The BIPROGY Group's Technology Strategy

The Group is implementing a technology strategy that encompasses the entire technology life cycle involved in our corporate activities, with the objective of realizing our management and business strategies and achieving sustainable growth. Under Management Policies (2024-2026), we have identified six focus technology themes covering both our core businesses, which constitute our current sources of revenue, and our growth businesses, which are expected to serve as new earnings pillars.

The Group takes pride in its strengths, which include a proven record of building and operating mission-critical systems that require a high degree of reliability and availability, the ability to verbalize and systematize project-management knowledge, and a deep understanding of our customers and their industries. We are now rebuilding our technology portfolio by leveraging these strengths and taking into account the time horizon of each business. While advancing development DX in our core businesses, we are also focusing on strengthening technologies that will enhance the added value and sophistication of the market-development initiatives in our growth businesses. Furthermore, through the discovery, acquisition, and implementation of advanced and next-generation digital technologies, we will continue to pursue sustained business growth.

**Overall technology strategy and key technology themes**



## The BIPROGY Group's technological strengths

Technological Strengths of the BIPROGY Group

### Mission-critical system development experience

**● 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.

**● 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.

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

**● 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.

### Thorough understanding of customers and industries

**● 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.

**● 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.

**● 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.

**● 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.

## Structure for advancing the technology strategy

Working primarily through our Technology Strategy Committee, all relevant organizations cooperate in drafting and implementing strategies. The Technology Strategy Committee oversees technology strategy activities, determines the technical fields that the Group should tackle, and formulates policies for development, investment, and utilization aimed at the acquisition, strengthening, and business application of target technologies, as well as deliberates on the validity of action plans for the technologies. The committee also monitors the progress of action plans.

### Promotion structure diagram


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

# Utilizing AI to Enhance Corporate Value

The Group views its core strength in AI as the capacity to unlock the full potential of "Business × AI." By aligning the value of AI with each of our varied businesses, we drive customer problem-solving and innovation while contributing to greater social sustainability.

## Features of BIPROGY Group's AI

**Business × AI**

We aim to maximize the value of "Business × AI" by drawing on our operational know-how, developed through value creation with a broad array of partners in all fields, and combining it with our advanced AI capabilities.

**Foresight and risk management**

Through forward-looking AI technology research, we are constantly working to enhance our services, while providing all AI offerings in compliance with our proprietary AI Ethics Principles to help our client companies achieve genuine value creation.

## Utilizing generative AI

Promoting the six focus technology themes set out in our technology strategy will require the effective use of generative AI, which the Group will leverage to enhance corporate value by differentiating our services, improving efficiency in system development, and enabling flexible work styles.

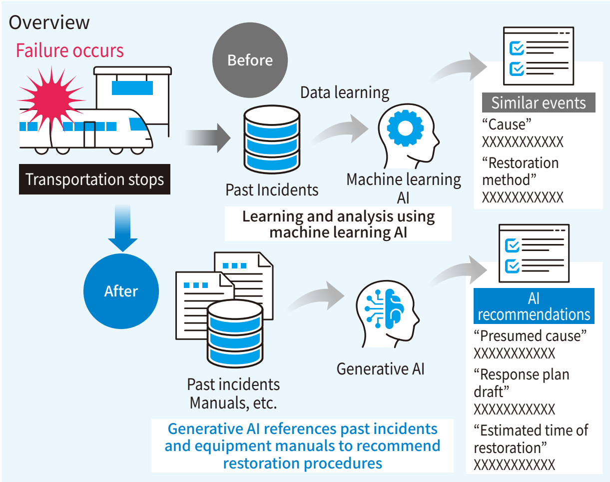
### Service differentiation

We integrate generative AI into our own solutions and services to enhance the value provided to society and customers. We attempt to differentiate from others and thus strengthen our competitiveness.

Examples of generative AI use cases

**Launch of recovery support system using generative AI for JR East —Contributing to improved transport quality through digital transformation of railway maintenance operations—**

For the communication infrastructure of East Japan Railway Company (JR East)'s conventional lines, we have developed and rolled out a recovery support system that makes use of generative AI. This system captures time-series data on malfunction status, enabling generative AI to retrieve comparable historical cases and provide recommendations on root causes and restoration measures. This will shorten restoration times while reducing operators' workload and ensuring consistent quality in restoration instructions.




### Streamlining system development

We enable efficient and speedy system development through highly automated processes, aiming to shorten project periods and improve quality.

Main initiatives

The Group is advancing the use of AI technology by combining a variety of AI tools available in society with proprietary agents tailored to our operations. Through this initiative, we are integrating AI into each phase of system development to enhance efficiency and improve quality.

### Achieving flexible work styles

We enable employees to focus on higher value-added work by automating routine tasks with an eye on improving productivity for their sections and for the entire company as well as enabling more flexible and efficient work styles.

Main initiatives

Since 2023, all officers and employees have been using the Company's ChatGPT environment "BIPROGY Chat" in their work, while also making broad use of products incorporating generative AI such as Microsoft Copilot and BoxAI from Box, Inc. Through active discussions in a community launched by volunteers, we are amassing up-to-date knowledge on generative AI.

## Addressing ethical, legal, and social issues (ELSI)

The Group strives to continuously enhance its services through forward-looking AI technology research, while providing all AI services in conformity with its own AI Ethics Principles. We have formulated the "BIPROGY Group AI Ethics Principles" and the "Guidelines for the Business Use of ChatGPT and Other Generative AI," and we provide all officers and employees with education and awareness programs on topics such as data-subject protection (security and privacy), individual autonomy and respect for human rights, and the appropriate scope of AI utilization. In August 2024, we also revised the "BIPROGY Group Human Rights Policy" to explicitly commit to proactively considering and addressing a wide range of human-rights issues surrounding advanced technologies and data, and we are promoting Group-wide initiatives to address human-rights challenges posed by AI.

BIPROGY Group AI Ethics Principles
https://www.biprogy.com/e/com/ai_ethics_principles_BIPROGY_group_e.pdf

BIPROGY Group Human Rights Policy
https://sustainability-cms-biprogy-s3.s3-ap-northeast-1.amazonaws.com/pdf/humanrightspolicy_e.pdf

# Creating Value through Open Innovation

The Group is promoting open innovation toward realizing Vision 2030 by leveraging digital technologies and business ecosystems. Through collaboration with a diverse range of partners in Japan and overseas, we are creating new value via a multifaceted approach that includes CVC (corporate venture capital) investments, M&A and capital/business alliances, and community building. Our initiatives include strengthening our business platform in North America through a CVC fund and expanding operations in ASEAN through M&A, all while advancing our global strategy and contributing to solutions for social challenges and greater social sustainability.

## Main initiatives

Centering on inorganic strategies such as CVC and M&A, we combine co-creation with external ecosystems and collaboration in human resources and public policy to achieve both short-term business results and the creation of new value over the medium to long term. We will continue to adapt to social and market changes in pursuit of sustainable growth and greater corporate value.

| | |
|---|---|
| **Investment** | |
| CVC | Began investing in domestic startups through Canal Ventures, Ltd. in FY2017. Starting in FY2025, will expand investments in North American startups via a North America-focused CVC fund. |
| LP (Limited Partner) investment | Made investments in domestic and international venture capital funds, enabling us to quickly identify market dynamics and advanced technology trends. |
| M&A | Promoted M&A to strengthen and expand our business base in ASEAN, and pursued M&A and capital/business alliances to accelerate both our core and growth businesses. |
| **Co-creation** | |
| Community management | Formed a “CVC Co-Creation Community” involving operating companies, VCs, CVCs, and startups. Operated domain-specific and technology-focused communities and conducted the in-house event Morning Challenge! to foster a culture of open innovation. |
| External collaboration | Participated in events and programs run by accelerators and universities to expand collaboration opportunities and our talent network. |
| VCM*1 | Served as a launch customer for startup products and technologies to shorten the path from PoC to market rollout. |
| **Talent and Policy Collaboration** | |
| Human resource development | Systematically developed innovative talent by seconding employees to venture-capital arms and universities and engaging in practical joint projects. |
| Policy collaboration | Through the Keidanren (Japan Business Federation)’s Committee on Startups and related forums, participated in programs that match major corporations with startups and contributed to policy recommendations. |

## Accelerating new value creation through CVC

### Establishment of CVC fund in North America

In February 2025, we launched a U.S.-headquartered corporate venture capital fund with a scale of up to $80 million.

This fund is part of a strategic approach based on the Management Policies (2024-2026), which call for the “establishment of a new earnings base,” and it reflects a vision of entry into the North American market. Through this fund, we will promote collaboration with startups that can serve as a future business foundation and strive to create new value aimed at promoting greater social sustainability.

### Establishment of a CVC co-creation community

Canal Ventures, Ltd., a member of our Group, is building a co-creation community that connects operating companies, VC and CVC firms, and startups with the aim of strengthening the startup ecosystem.

By hosting collaboration-oriented events and facilitating discussions on advanced technologies with startup engineers, the initiative is steadily evolving into a platform that bridges external ecosystems and corporate enterprises.

## External evaluation of value creation through our ecosystem

### Ranked 3rd in the third “Startup Friendly Scoring” survey by Keidanren

BIPROGY ranked third out of 111 participating firms in the third Startup Friendly Scoring*2 survey organized by Keidanren. This assessment measures the degree of commitment to collaboration with startups, with high marks awarded to our efforts in procurement of products and services, capital provision, and human-resource contributions.

## Promoting open innovation through internal communities

### “Morning Challenge!” expands the circle of co-creation

Launched in 2017, the monthly morning “Morning Challenge!” sessions gather employees across departments and positions to discuss startups and advanced technologies, forming networks that drive new business creation and foster a culture of open innovation.

**BIPROGY Group’s investment track record**

- Investments in funds that target diverse fields both in Japan and overseas: 32 funds (as of the end of March 2025)
- Investments in startups and other businesses: 15 companies (FY2024)

Major Investments

Companies in which we have invested include Booost, Inc. (providing sustainability-management support), Dialog. inc. (offering a SaaS-based warehouse management system), GROWTH VERSE Co., Ltd. (specializing in marketing AI), LexxPlus Inc. (developer of robots for manufacturing and logistics), fondi Inc. (operator of an English-conversation metaverse), SUSHI TOP MARKETING, INC. (focused on NFT marketing), WAmazing, Inc. (an inbound-tourism platform), and APTO, Inc. (an AI-development platform), among others.

*1 VCM (Venture Client Model): A mechanism through which an established company acts as an early-stage client for a startup, evaluating and implementing its products or services to leverage external innovation for business growth and the creation of new businesses.

*2 Startup Friendly Scoring: A framework established in fiscal 2022 by Keidanren (Japan Business Federation) that assigns a numerical score of up to 1,000 points to measure a company’s commitment to partnering with startups. The assessment covers three aspects—resource provision, business and talent acquisition, and business and talent output.

# CFO Message


## Analysis and Evaluation of the First Year of "Management Policies (2024-2026)"

In FY2024, the Company delivered revenue of ¥404.0 billion, surpassing the original forecast of ¥385.0 billion and achieving a 9.2% increase year on year. Robust IT investment by customers drove revenue growth across almost all segments, raising gross profit by 8.9% over the previous year. At the same time, selling, general and administrative (SG&A) expenses increased due to higher personnel expenses resulting from a base-salary increase that reflected market trends and revisions to the human-resources system, as well as greater investment in the company-wide Business Process Reengineering (BPR) project. However, the rise in gross profit more than absorbed the increases in SG&A expenses, resulting in higher operating profit as well as adjusted operating profit, both of which exceeded the original plan. As a result, the adjusted operating margin improved to 9.5%, up 0.4pt year on year, marking steady progress toward our long-standing double-digit target. The System Services business in particular worked to enhance profitability by increasing the added value of its services, productivity improvements in development process, and price optimization in response to cost inflation and other factors, all of which enhanced profitability. Based on this performance and overall business conditions, the Company has raised the targets in Management Policies (2024-2026).

However, challenges remain. The Group has been working to expand its service-based-type (business creation-type) outsourcing model that is highly profitable and contributes to solving social issues. Yet FY2024 revenue was essentially unchanged from the previous year and has not progressed as planned. Although there are early signs of various new businesses emerging, even if we can take them from "zero to one," we have not yet reached the stage of scaling them to "ten" or "one hundred." We will draw lessons from past experience, including human-resource development, and address this comprehensively. We will also accelerate both service expansion and new service creation, aiming to improve profit margin.

In regard to generative AI, which has attracted considerable attention in recent years, we are leveraging it in three areas to enhance overall corporate value. First, we are differentiating our services by incorporating generative AI into them. Second, we are improving quality and reducing costs by applying AI to programming and testing processes. Third, we are improving overall organizational productivity and enabling more flexible work styles by streamlining administrative tasks. Although our engineering organizations have begun proof-of-concept initiatives for AI utilization, we cannot yet point to any significant achievements in FY2024. Given the

**FY2024 results and Management Policies (2024-2026) targets**

| (Billions of yen) | | | Management Policies (2024-2026) | |
|---|---|---|---|---|
| | FY2023 | FY2024 | FY2026 targets (revised upward in April 2025) | FY2026 targets (initial targets) |
| Revenue | 370.1 | 404.0 | 440.0 | 420.0 |
| Adjusted operating margin* | 9.1% | 9.5% | 11.0% | 11.0% |
| ROE | 16.5% | 16.1% | 17.0% or more | 15.0% |
| Dividend payout ratio | 39.8% | 40.3% +Share repurchases ¥11.2 billion | 40.0% or more + Flexibly implement share repurchases, taking into account stock price | 40.0% or more + Flexibly implement share repurchases, taking into account stock price |

* Adjusted operating profit is the result obtained after deducting cost of sales and SG&A expenses from revenue.

growth potential of this field, we believe that proactive investment and further initiatives will be crucial going forward.

From a human-capital management standpoint, personnel costs are expected to continue increasing, making it necessary to pursue a range of measures to achieve the desired improvement in operating margin. A shift toward higher-margin businesses is essential. In addition to expanding service-oriented operations, we plan to increase the proportion of sales from areas such as System Services and Support Services and to raise the share of own products in product sales. Furthermore, we see initiatives to enhance productivity through the use of AI as an effective way to improve profitability.

## Financial and Investment Strategies Under Management Policies (2024-2026)

The Group's Management Policies (2024-2026) place emphasis on an inorganic growth strategy, and we intend to prioritize investments aimed at driving growth.

Over the three years beginning in FY2024, we plan to allocate at least ¥70 billion for growth investments. Because a certain amount of time is required to move from investment planning to execution, investment in the initial year (FY2024) was limited to ¥8.0 billion. While we continue to establish the mechanisms needed to advance our inorganic strategy and promote awareness among employees, our pipeline of investment projects is now taking shape, and we will actively pursue growth investments over the remaining two years.

The largest potential themes for growth investment lie in the growth businesses area of market development, business development, and global initiatives. AI-related initiatives, a priority within market development, are advancing rapidly in terms of technology, and given the limits of developing this field solely within the Group, collaboration with external partners is essential. In business development, many innovative start-ups are driving Green Transformation (GX), and we are examining initiatives through partnerships and equity investments with these companies. We also continue to pursue M&A, with a focus on ASEAN markets.

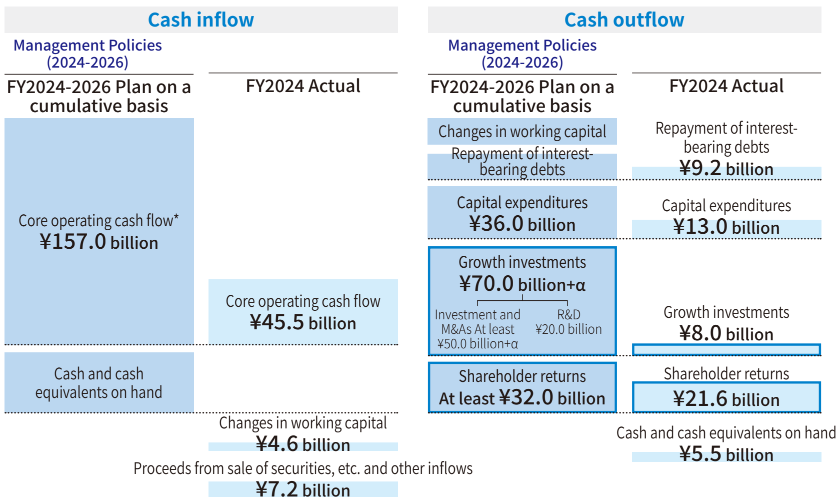
The Group regards M&A and overseas expansion as strategic means of growth. At present, however, we recognize the need to further strengthen our organizational framework, particularly in securing and developing the human resources to support these efforts. Accordingly, in addition to hiring mid-career employees, we are working on forward-looking human resource development by dispatching young employees to overseas subsidiaries as trainees, where senior staff seconded to the local site serve as mentors to foster their development. We also view ensuring the effectiveness of the post-M&A PMI (integration process) and group governance as critical issues. We also view ensuring the effectiveness of post-M&A PMI processes and group governance as critical issues.

In its existing corporate venture capital (CVC) activities, the Group makes small initial investments to assess the characteristics of target companies before proceeding with follow-on investments or partnerships. By contrast, the Group's CVC fund in North America launched in February 2025 (up to US$80 million) is managed with the aim of identifying future growth-investment candidates and promoting collaboration.

## Capital Policy

In April 2025, the Company revised upward its return on equity (ROE) target for the final year of Management Policies (2024-2026), increasing it from "15.0%" to "17.0% or more." This goal is considered attainable through the share repurchase announced in March 2025 and steady progress of financial performance in line with the plan. While additional repurchases may be undertaken if conditions warrant, the Group intends to enhance ROE through profit growth—the numerator of the calculation—as its primary means of improvement.

**Financial strategy (capital allocation) in Management Policies (2024-2026) and progress**




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

**Aggressive growth investments**

Target areas

**Core businesses**
Identify focus areas and make proactive development investments and resource allocations in those areas
• Financial • Retail • Energy
• Mobility • OT infrastructure

**Growth businesses**
Acquiring/expanding new service areas and capturing/expanding market share
• New businesses (market development, business development)
• Global initiatives

×

Investment details
• R&D
• Open innovation investment
• M&As (including acqui-hiring), etc.

**Balanced approach to shareholder returns**

• Maintain a minimum dividend payout ratio of 40% and conduct share repurchases while monitoring total payout ratio

We currently estimate our cost of shareholders' equity at around 8%. However, in light of recent interest-rate trends and a further rise in market expectations for growth, we believe it may be necessary to revise this estimate upward. Our near-term focus is to achieve an ROE of 17.0%, ensuring an equity spread that exceeds any increase in the cost of shareholders' equity and supports enhanced corporate value.

In addition to these initiatives to improve capital efficiency, we are continuously reviewing and reducing cross-shareholdings. As of the end of FY2024, cross-shareholdings accounted for 6.8% of total equity, down from 7.6% at the end of the previous fiscal year. We will continue to carefully examine the rationale for each holding and work toward further reductions.

## Shareholder Returns

Regarding shareholder returns, we have revised our dividend policy in Management Policies (2024-2026) by specifying a payout ratio of "40.0% or more," as a minimum level and include flexible share repurchases as part of the shareholder return policy. In addition, we have incorporated flexible share repurchases into our shareholder-return policy, acquiring shares worth ¥11.2 billion in July 2024 with plans to repurchase up to ¥10.0 billion in FY2025. Looking ahead, we will continue to pursue proactive shareholder returns while monitoring our cash position when investment opportunities are limited.

**Status of shareholder returns**

### Dividends

For FY2024, the annual dividend was ¥110 per share, up ¥10 year on year, with a dividend payout ratio of 40.3%.

### Acquisition of Treasury Shares

**Treasury share holding policy**

Holdings of treasury shares will be capped at 3% of the total issued shares, with any surplus above 3% to be retired.

**Acquisition status**

- The Company acquired treasury shares of ¥11.2 billion (2.44 million shares) in July 2024 and cancelled 9.0 million treasury shares (Percentage of total number of shares issued prior to cancellation: 8.2%) in August 2024.
- For FY2025, the Company plans to acquire up to ¥10.0 billion (2.50 million shares) of treasury shares and retire all shares acquired (as announced on March 27, 2025).

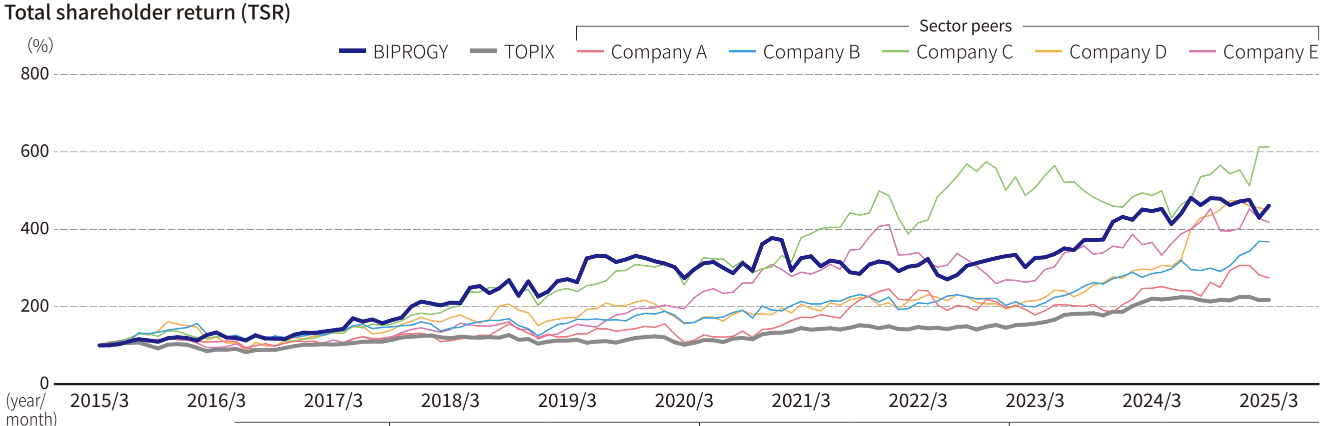
## Toward Improvement of Corporate Value

Our total shareholder return (TSR) has far outpaced the TOPIX, including dividends. Recognizing that timely and appropriate information disclosure so as not to cause surprises and active engagement with shareholders and investors are vital to increasing corporate value, we are enhancing both the timeliness and the content of our communications. Opinions and requests obtained through dialogue are reflected in management, and we are working to enhance our disclosures. For instance, given the very robust performance of our infrastructure-building operations and strong market interest, we started disclosing the results of our consolidated subsidiary UNIADEX, Ltd. beginning with the FY2024 fourth-quarter financial results.

The Group has set a goal of becoming a 1 trillion-yen corporate group. As we believe that achieving the "1 trillion-yen" mark would take considerable time through organic growth alone, we intend to proactively pursue inorganic strategies. As I mentioned earlier, there are certain challenges associated with M&A, but my honest view is that we cannot achieve a major leap in corporate value without taking on a certain level of risk. We will therefore pursue bold, aggressive decision-making.

For these investment strategies and related issues, we consider it essential to examine a more in-depth measure under the next management policies—new policies from FY2027 toward 2030. We are also placing emphasis on nurturing successors to help drive the Group's long-term growth.

**Total shareholder return (TSR)**




| | 1 year | 3 years | | 5 years | | 10 years | |
|---|---|---|---|---|---|---|---|
| | | Cumulative | Annual rate | Cumulative | Annual rate | Cumulative | Annual rate |
| BIPROGY | 3.6% | 56.4% | 16.1% | 73.8% | 11.7% | 361.2% | 16.5% |
| TOPIX | -1.5% | 47.2% | 13.8% | 113.4% | 16.4% | 117.4% | 8.1% |

* 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, 2015, as 100 (with a holding period until March 31, 2025).

## Management Policies (2024-2026) logic tree

Improving corporate value

**Management Policies (2024-2026) performance targets**

FY2026

- **Revenue** ¥440.0 billion
- **Adjusted operating margin** 11.0%
- **ROE** 17.0% or more
- **Dividend payout ratio** 40.0% or more

+ Flexibly implement share repurchases, taking into account stock price

| | FY2026 target/plan | Key strategies in the Management Policies (2024-2026) | Related financial indicators and FY2024 Results |
|---|---|---|---|
| Expanding revenue | Focus area revenue ¥155.5 billion +α | Core: Allocation of management resources to focus areas/customers | Focus area revenue ¥140.0 billion |
| Expanding revenue | | Core: Expansion of service business | |
| Expanding revenue | Market development revenue ¥10.0 billion | Growth: Acquiring/expanding new service areas and capturing/expanding market share | Market development revenue ¥4.6 billion |
| Expanding revenue | Business development revenue ¥10.0 billion | Growth: Accelerate the co-creation and deployment of social digital transformation businesses that resolve social issues | Business development revenue ¥4.2 billion |
| Expanding revenue | Global initiatives revenue ¥15.0 billion | Growth: Global initiatives | Global initiatives revenue ¥4.2 billion |
| Expanding revenue | Growth investment (total for FY2024-2026) At least ¥70.0 billion | Base: Proactive investments in growth<br>Base: Strengthening technology to accelerate expansion of core and growth businesses | Growth investments ¥8.0 billion |
| Expanding revenue / Increasing productivity | Human capital investment (total for FY2024-2026) ¥14.0-¥15.0 billion | Base: Strengthening human capital | Human capital investment ¥4.5 billion |
| Increasing productivity | | Core: Enhance development productivity<br>• Standardization of project management and engineering<br>• Strengthening collaboration with domestic and overseas partners<br>• Automation of development through the use of new technologies such as generative AI | System services gross margin 34.3%<br>Operating profit per employee ¥4.67 million |
| Improving capital efficiency/Increasing shareholder returns | | Base: Ensuring a disciplined financial base | Free cash flows ¥36.0 billion<br>ROE 16.1%<br>Equity attributable to owners of parent ¥169.1 billion<br>Issuer rating A- |
| Improving capital efficiency/Increasing shareholder returns | | Base: Balanced approach to shareholder returns | Dividend payout ratio 40.3%<br>Share repurchases ¥11.2 billion |

Improving profitability: Expanding revenue; Increasing productivity

# Foundation for Value Creation



The BIPROGY Group aims to pursue sustainability for the environment, society, and our Group by creating both social and economic value.

To achieve this, we introduce our environmental, social, and governance initiatives, which form the foundation of our management.

# CSO Message

**We will contribute to the sustainable growth of society by reinforcing our organizational strength and ensuring that all executives and employees work on sustainability in line with their roles.**

**Koji Katsuya**
Representative Director, Executive Corporate Officer, CSO

## Strategic direction for Purpose-based sustainability management

The BIPROGY Group has formulated its Purpose—"Create a sustainable society using foresight and insight to unlock the full potential of technology"—as the foundation of its corporate activities and articulated a long-term vision, Vision 2030. Guided by this Purpose and Vision, we are working with a forward-looking mindset to create value and address social issues. The challenges before us are wide-ranging, from elevating, maintaining, and improving corporate governance to deepening relationships of trust with stakeholders. Upholding our corporate philosophy of "Listen sincerely to our stakeholders to improve our corporate value," we will continue to reinforce the significance of the Group's existence.

To achieve Vision 2030, we are advancing initiatives for FY2025 in line with the Management Policies (2024-2026). These initiatives focus on increasing corporate value by establishing a sustainable business portfolio, optimizing management resource allocation, and strengthening the Group's management base. As part of our organizational development, the Sustainability Management Division was renamed the Corporate Sustainability Division and collaboration with the Corporate Planning Division was reinforced. All executives and employees are actively engaged in sustainability in line with their respective roles, steadily working toward the realization of our Purpose.

In addition, we conduct an annual internal sustainability awareness survey to monitor the organization's understanding of our Purpose and long-term vision over time. In FY2024, the survey scope was expanded to cover the entire Group. As CSO, I will continue to work to ensure that sustainability is firmly rooted in the Group's corporate culture.

## BIPROGY Group's initiatives to create social value

To drive sustainable growth, we reidentified our material issues in FY2021 and are reinforcing the necessary capital base and technological utilization to address these priorities.

Human resources are the driving force behind our value creation. Guided by the BIPROGY Group Human Resources Strategy (2024-2026), we seek to strengthen our human capital by refining HR systems, broadening training initiatives, and advancing diversity, equity, and inclusion (DE&I) to foster an environment where every employee can pursue their ambitions and take pride in their work.

We are fostering a culture that values trust and embraces challenge, encouraging employees to maintain a positive mindset and continue growing. By bringing together diverse strengths, we aim to further enhance our organizational capabilities to help solve social issues.

We are also working to strengthen natural capital. As part of our climate change initiatives, we have established GHG emissions reduction targets in line with SBTi standards to achieve carbon neutrality by 2050, and we are shifting the electricity used in our offices to renewable energy. In addition, we strive to reduce environmental impact across the entire life cycle of our products and services.

In terms of social and relationship capital, companies are expected to ensure the provision of safe and secure products and services across the entire supply chain. Achieving this requires close collaboration with customers and suppliers. This is why we have established the BIPROGY Group Sustainable Procurement Guidelines and are working to build a sustainable supply chain by sharing our values through briefings and risk assessments.

As part of our focus on "technology utilization," we are integrating system-development technologies and business expertise with generative AI under the guidance of the CTO and CDO, working to maximize the value created through "Business × AI." To ensure the safe and secure use of generative AI, the BIPROGY Group has formulated its AI Ethics Principles and is strengthening AI governance.

We are enhancing an environment for the use of generative AI under the leadership of the CSO and CIO to improve operational efficiency and promote work style reform. Building an environment conducive for frontline employees to integrate generative AI into both IT infrastructure and organizational culture is a key challenge not only for our Group but also for our customers, and we regard sharing our expertise with them as an important part of the value we provide.

Continuing to fully leverage generative AI, we will further drive our DX and SX initiatives and contribute to greater social sustainable growth through enhanced operational efficiency and decision-making support.

# 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

Addressing environmental challenges including climate change and biodiversity represents a critical management issue that could significantly impact value creation across the BIPROGY Group. Given the need for strategies and flexibility to respond to uncertain circumstances, we have established our Long-Term Environmental Vision 2050 and Vision 2030 to continuously strengthen our environmental management.

To reduce environmental risks and expand opportunities throughout the BIPROGY Group, we promote initiatives centered on annual scenario analysis evaluations and material issue-focused approaches. Beyond reducing GHG emissions from our business activities, we aim to realize the zero-emission society outlined in our Long-Term Environmental Vision 2050 through environmental contributions via customer service delivery and Digital Commons development. Additionally, we promote various initiatives including collaboration with customers and partners, and employee education aimed at raising environmental awareness.

### Participation in international initiatives

Recognizing that stakeholder engagement is essential for solving environmental challenges, we actively participate in various domestic and international partnerships and initiatives, including endorsing the Task Force on Climate-related Financial Disclosures (TCFD) recommendations and joining RE100.

In FY2024, we newly endorsed the Task Force on Nature-related Financial Disclosures (TNFD) recommendations and obtained SBT certification for our GHG emission reduction targets.

**The history of the BIPROGY Group's environmental management**

2020 2021 2022 2023 2024 2025

**Initiatives for the strengthening of environmental management**

- Formulation of our Long-Term Environmental Vision 2050
- Establishment of the Environmental Contribution Committee under the Sustainability Committee
- Formulation of Vision 2030
- Formulation of new material issues, KPIs, and targets
- Start of impact assessments of business opportunities and risks through our climate change scenario analysis project
- Integration of climate change risks into Group risk management systems
- Start of ESG risk assessments for suppliers
- Start of impact assessments of natural capital-related risks and business opportunities
- Revision of environmental policy
- Achieved first Leadership level evaluation (A-) in CDP Climate Change Questionnaire 2024

**Initiatives for the reduction of environmental impacts**

- Formulation of sustainable procurement guidelines
- Participation in RE100
- Start of procurement of energy from renewable sources
- Start of calculation of all Scope 3 categories
- Endorsement of and participation in the GX League
- Setting of Scope 3 (Category 1) reduction targets
- Setting of Scope 3 (Category 11) reduction targets
- Acquisition of SBT certification

**Initiatives for the enhancement of quality and quantity of information disclosure**

- Statement of endorsement of TCFD recommendations and start of information disclosure based on the recommendation framework
- Start of disclosure of emissions (Scope 1+2, Scope 3) in accordance with the GHG Protocol
- Acquisition of Independent Assurance Statement for environmental data
- Promotion of information disclosure on biodiversity and water security
- Endorsed TNFD recommendations and published report

# Reduction of Environmental Impacts throughout the Value Chain

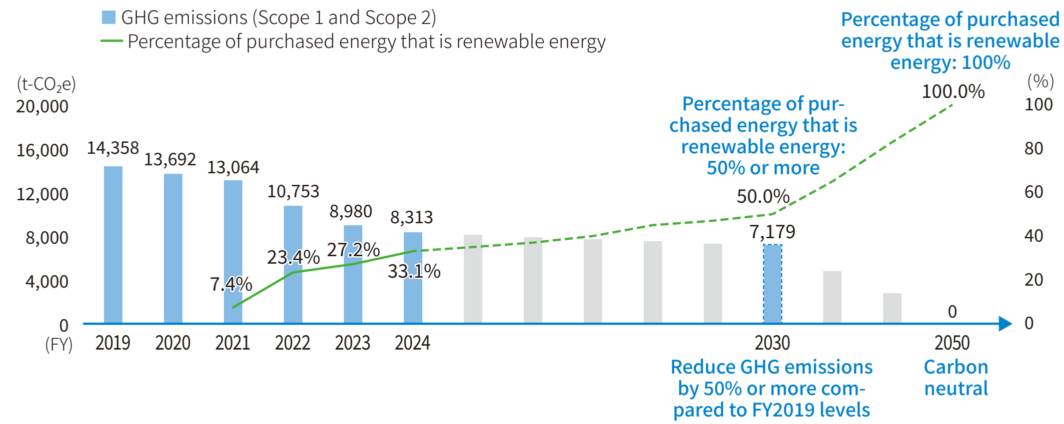
## Developed climate transition plan

The BIPROGY Group recognizes that reducing greenhouse gas emissions across the entire value chain is crucial for achieving the zero-emission society outlined in our Long-Term Environmental Vision 2050. To further accelerate reduction efforts, we have developed a climate transition plan consisting of GHG emission reduction plans, key action plans, and investment plans, building upon our previous initiatives. Plan progress is reported to the Board of Directors through the CSO and operated under monitoring through advice and guidance. This plan will continue to be improved and updated with enhanced content going forward.

BIPROGY Group Sustainable Procurement Guidelines
https://sustainability-cms-biprogy-s3.s3-ap-northeast-1.amazonaws.com/pdf/Sustainable_Procurement_Guidelines__e.pdf

### Climate transition plan

**Reduction plan**




**Key action plans**

Scope1+2
- Office energy consumption optimization
- Renewable energy procurement rate of 50% or more through retail operators and direct JEPX purchases

→
- 100% renewable energy procurement rate through PPAs with additionality and self-generation

Scope 3
- Provision of environmental products and services
- GHG emission reduction during product use phase
- Supplier engagement

→
- Provision of environmental products and services
- Strengthened collaboration with business partners
- Customer engagement through dialogue

**Investment plan**

- Investment in environmental contribution products and services
- Renewable energy procurement costs (diversification of procurement methods)

→
- Expansion aligned with phased business scale growth

**Zero emission**

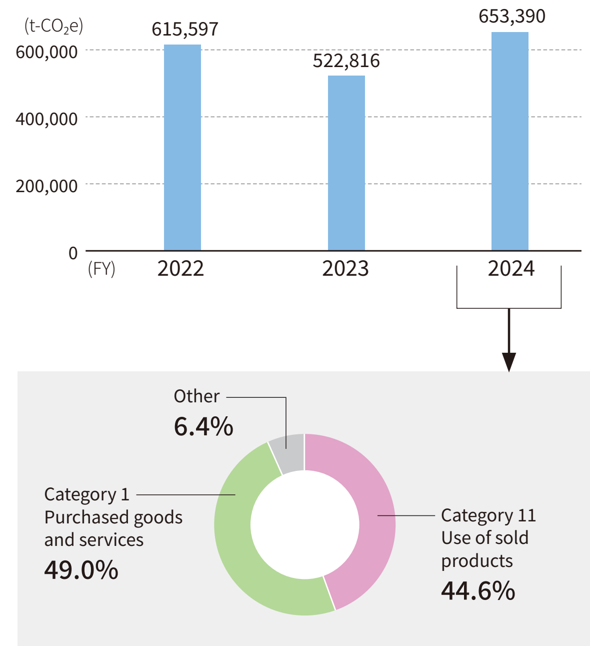
Environmental contribution and environmental impact reduction through digital utilization

**Carbon neutrality**

### GHG emission reduction related KPIs

| KPI | Targets | FY of achievement | FY2024 results |
|---|---|---|---|
| GHG emissions (Scope 1 + Scope 2) reduction rate | 50% or more compared to FY2019 | FY2030 | 42.1% |
| SBT-equivalent reduction target setting by suppliers accounting for 40% of procurement value corresponding to Scope 3 Category 1 | 40% or more | FY2027 | 23.1% |
| GHG emission reduction rate corresponding to Scope 3 Category 11 | 25% or more compared to FY2021 | FY2030 | 17.4% |
| Renewable energy procurement rate (Group business locations) | 50% or more | FY2030 | 33.1% |

### GHG emissions (Scope 3) and breakdown of FY2024 GHG emissions (Scope 3)



# Environmental Contribution through Our Business

Our Group believes that resolving environmental issues including climate change will require digital technological innovation and transformation of social systems on an unprecedented scale. We further believe that the Digital Commons, a community of like-minded partners, is essential in achieving this. Our aim is not only to reduce the environmental impacts 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.

### Environmental contribution in Management Policies (2024-2026)

Our Management Policies (2024-2026) aim to create value that benefits both the environment and society, including zero-emission society realization, regional economic revitalization, and supply chain transformation.

In our core business strategy, we have designated Financial, Retail, Energy, Mobility, and OT Infrastructure as focus areas where our strengths can be leveraged, aiming to improve delivered value and profitability through strategic capital allocation. These areas are expected to deliver direct functional benefits through DX-driven improvements in operational efficiency, while also contributing to environmental impact reduction through enhanced energy efficiency and effective resource utilization.

In our growth business strategy, we continuously promoted new service development for solutions to environmental challenges, various business partnerships, and participation in public-private collaborative demonstrations. Results from these initiatives are steadily contributing to revenue opportunities, with new environmental contribution services launching in GX and SX domains from FY2024 onward. Executing these strategies involves appropriate allocation of human capital and strategic investment in development to maximize delivered value through service business expansion and cloud adoption.

The BIPROGY Group will continue to accelerate corporate value enhancement by contributing to the environment through its business activities, driven by both core and growth strategies.

Core business areas

#### Launch of Solar Power Generation and Surplus Forecasting Service

We renewed our solar surplus forecasting service launched in April 2023, expanding it to include total generation forecasting as the Solar Power Generation and Surplus Forecasting Service, which began in October 2024. Supporting both ground-mounted and rooftop solar installations, our proprietary AI technology enables highly accurate forecasting of both total generation and surplus amounts. We also offer service plans where we cover imbalance charges—penalties incurred when actual generation falls short of planned values—to help users mitigate risk.

Core business areas

#### Environmental Impact Reduction through Shared-Use Services for Financial Institutions

With the transition to a low-carbon economy, demand for efficient shared IT infrastructure among financial institutions is growing, and the market is expected to expand accordingly. Shared usage services contribute to GHG emission reduction by consolidating and streamlining systems, thereby reducing power consumption and resource use compared to individually developed systems. The BIPROGY Group's main services include OptBAE, a shared core-banking service for regional financial institutions; BankVision on Azure, a public cloud-based fullbanking system; and #tsumuGO_mobile, a banking app for regional financial institutions.

Growth business areas

#### Launch of CFP Calculation Service EcoLume for Chemical Industry

We launched EcoLume, a Carbon Footprint (CFP) calculation service for the chemical industry, in January 2025. CFP calculation for chemicals faces challenges due to complex manufacturing processes and unique calculation rules that general tools cannot handle effectively. EcoLume adopts the calculation logic from SUMITOMO CHEMICAL COMPANY, LIMITED's CFP calculation tool CFP-TOMO, enabling CFP calculation for complex manufacturing processes. We provide comprehensive support from data collection to calculation, contributing to CFP calculation adoption and decarbonization in the chemical industry.

Growth business areas

#### Capital and Business Alliance with Booost, Inc. for SX/GX Business Expansion

To advance business in the expanding SX (Sustainability Transformation) and GX (Green Transformation) markets, we signed a capital and business alliance with Booost, Inc., provider of integrated SX platform Sustainability ERP, in October 2024. Furthermore, we began offering sustainability ERP booost Sustainability in July 2025. This solution supports corporate sustainability management by realizing operational efficiency and optimization through centralized management of broad ESG data, including GHG emissions, human capital, and governance.

## Biodiversity and Natural Capital Initiatives

People's lives and the economy are sustained by the benefits derived from ecosystems based on biodiversity. Human activities over the past century have led to serious environmental concerns due to the degradation and loss of natural capital, including forests, air, water, soil, and biodiversity. Companies face concerns about nature-related risks across their value chains.

The BIPROGY Group recognizes that reducing the risks and uncertainties associated with business dependence on biological resources contributes to enhancing the resilience of business activities and creating new business opportunities. Based on this recognition, we promote management practices that take biodiversity and natural capital into consideration.

### Natural capital/Biodiversity risk management

Under these circumstances, the BIPROGY Group initiated the scoping process in FY2023, based on the LEAP approach advocated by TNFD, to identify priority areas for analysis and assess how our business activities impact or depend on biodiversity.

Furthermore, we endorsed TNFD in November 2024 and are evaluating the BIPROGY Group's business dependencies, impacts, risks, and opportunities related to natural capital following the LEAP approach. Based on the evaluation results, we are actively discussing pathways to risk reduction and opportunity creation, centered on our Environmental Contribution Committee. Information about these initiatives and progress is published annually in our TCFD/TNFD Report.

### Future initiatives

The BIPROGY Group considers environmental responsibility a crucial element for enhancing corporate competitiveness. We promote management that integrates carbon neutrality, resource circulation, and biodiversity, aiming to simultaneously improve corporate value and realize a sustainable society. This approach will reduce environmental impact of our business activities while expanding opportunities to contribute to the environment through our business.

TNFD Taskforce on Nature-related Financial Disclosures

TOPICS

**Introduction of AI demand forecasting automatic ordering service AI-Order Foresight to all Inageya stores**

AI-Order Foresight, an automatic order service based on AI demand forecasts, serves retail businesses facing numerous challenges including labor shortages and food waste. AI predicts demand based on sales records and weather data, automatically calculating order quantities to advance operational automation. This enables store operations that do not rely on individual experience or skills, while also contributing to inventory optimization and food waste reduction across the entire supply chain. Operations began at all 130 stores of Inageya Co., Ltd. in March 2025. We will continue contributing to effective resource utilization by improving ordering accuracy through accumulated demand forecasting data and supporting sustainable store operations.

AOF AI-Order Foresight

TOPICS

**Launch of XtoCar Project for automotive recycled plastic supply system construction through industry collaboration**

Five companies—Resource Circulation Systems Co., Ltd., Daiei Kankyo Co., Ltd., Nifco Inc., BIPROGY Inc., and Yagikuma Co., Ltd.—launched the XtoCar Project, an automotive recycled plastic supply system, in March 2025. This project establishes a new recycling system where arterial (manufacturing) and venous (resource recovery) industries collaborate to regenerate non-automotive waste plastics into automotive parts. We aim to realize a sustainable resource circulation society by comprehensively promoting processes from waste plastic sorting through compounding and chemical/physical property evaluation with full traceability.

# Initiatives to Enhance Environmental Information Disclosure Quality and Quantity

The BIPROGY Group aims to improve both the quality and quantity of its environmental information disclosures. In April 2020, the Group endorsed the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), and in 2025, it also endorsed and registered with the Task Force on Nature-related Financial Disclosures (TNFD). Detailed information is published annually in our BIPROGY Group TCFD/TNFD Report.

### Overview of our disclosure of climate-related information based on TCFD/TNFD recommendations

<table>
<tr><th></th><th colspan="3">TCFD</th><th colspan="2">TNFD</th></tr>
<tr><td>Governance</td><td colspan="5">The Sustainability Committee (Chair: CSO) and its subordinate body, Environmental Contribution Committee, deliberate and decide response policies for climate change and natural capital issues, implementing environmental management based on ISO 14001. Important matters are reported and deliberated in the Executive Council, with the Board of Directors providing supervision and guidance through regular CSO reports. As a TCFD endorsing company, we are advancing human rights policies and systems to respect indigenous and local community rights and cultures.</td></tr>
<tr><td rowspan="4">Strategy</td><td colspan="3">In 2021, the Environmental Contribution Committee established a Company-wide project to analyze scenarios for all climate-related risks and opportunities indicated in the TCFD recommendations, and conducted an assessment of the impacts of the identified risks and opportunities. The results of the assessment were shared with management through reporting routes and have been incorporated in strategies and measures, including our material issues.</td><td colspan="2">We are advancing understanding of our business activities' natural capital dependencies and impacts and their importance, while working to organize nature-related risks and opportunities. Based on these evaluation results, we are proceeding with consideration of future response policies and measures, promoting initiatives to improve information disclosure quality based on the TNFD framework.</td></tr>
<tr><td>Transition risks</td><td>• Policy/Regulation: Increased carbon costs and operating expenses due to regulatory strengthening accompanying low-carbon economic transition<br>• Technology: Competitive disadvantage and revenue deterioration due to delayed response to low-carbon technologies<br>• Market: Competitive and profitability deterioration due to insufficient response to market changes in low-carbon products and services<br>• Reputation: Decreased corporate evaluation and increased capital costs due to delayed information disclosure response accompanying low-carbon economic transition</td><td>Risk reduction response<br>• Low-carbon business activities<br>• Technology development contributing to social decarbonization<br>• Provision of services adapted to changes in customers' needs<br>• Disclosure of reliable climate-related information</td><td>Assessment of nature-related issues<br><br>Priority location identification</td><td>We conducted analysis of our outsourcing business targeting direct operations and supply chains to evaluate natural capital dependencies, impacts, risks, and opportunities. Through our analysis, we grasped dependencies and impacts across our entire business including office operations and data centers, identifying and evaluating key dependencies as climate regulation/flood mitigation and freshwater supply (upstream), and impacts as GHG emissions, terrestrial and marine use changes, pollution, and water use (upstream).<br><br>We identified priority locations targeting domestic and international business sites and outsourced data centers, and confirmed that a relatively high number of sites are exposed to flood risk. The analysis results will be reflected in nature-related risk management and used for selecting priority sites for environmental impact reduction and ecosystem conservation.</td></tr>
<tr><td>Physical risks</td><td>• Acute: Revenue reduction and increased response costs due to production capacity decline from supply chain disruption by severe flood or storm disasters<br>• Chronic: Revenue reduction and increased response costs due to a rise in employee illness and greater demand for air conditioning caused by rising temperatures</td><td>Risk reduction response<br>• Promote measures contributing to business resilience improvement<br>• Promote measures contributing to climate change adaptation</td><td>Risks</td><td>For data center and office-related businesses, we are advancing responses to physical risks from storm and flood disasters and regulatory risks such as e-waste.</td></tr>
<tr><td>Opportunities</td><td>Products and Services<br>• Increased sales and improved profitability from growing demand for low-carbon products and services<br>• Increased sales and improved profitability through entry into new and emerging markets</td><td>Opportunity expansion response<br>• Development of new environmental contribution products and services<br>• Further expansion of low-carbon products and services</td><td>Opportunities</td><td>In the data center business, we are creating opportunities for water usage and GHG emission reduction, while the office-related business also strives to create GHG emission reduction opportunities.</td></tr>
<tr><td>Risk management</td><td colspan="5">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 also incorporated into our risk classification system, developed by the Risk Management Committee that oversees our risk management systems. Furthermore, we are advancing integration of nature-related risks into our risk management systems.</td></tr>
<tr><td>Indicators and targets</td><td colspan="3">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.<br>• GHG emissions (Scope 1 + Scope 2): Reduction rate (compared to FY2019) of 50% or more (To be achieved by FY2030/FY2024 result: 42.1%)<br>• GHG emissions (Scope 3, Category 1): Suppliers accounting for 40% of our total procurement of purchased goods and services set targets equivalent to SBT (To be achieved by FY2027/FY2024 result: 23.1%)<br>• GHG emissions (Scope 3, Category 11): Reduction rate (compared to FY2021) of 25% or more (To be achieved by FY2030/FY2024 result: 17.4%)<br>• Percentage of purchased energy used at the BIPROGY Group business locations that is renewable energy: 50% or more (To be achieved by FY2030/FY2024 result: 33.1%)<br>• Zero emission achievement rate: 100% or more (annually through FY2030/FY2024 result: 279.9%)<br>• 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/FY2024 result: 100%)</td><td colspan="2">We established the following new nature-related targets in FY2025 to promote initiatives:<br>• Target for natural capital conservation: Habitat surveys at group-owned sites and understanding forest conservation contribution potential (achievement by FY2026)<br>• Target considering water resources: Maintain or reduce water intake relative to sales annually based on FY2024 results (Annual implementation through FY2030)</td></tr>
</table>

# 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 inflict severe damage not only on customers but also on society as a whole. Such disruptions could 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 BIPROGY Group has established the BIPROGY Group Procurement and Transaction Guidelines and the BIPROGY Group Sustainable Procurement Guidelines with the aim of ensuring fair and transparent purchasing transactions and promoting procurement practices that take into account human rights, the environment, and other ESG issues. We work to familiarize our suppliers with these policies and to build mutual trust by maintaining close communication through our supplier web portal, periodic written communications, and information exchanges at networking events. In addition, we have set up a supplier hotline to allow anonymous reporting or consultation through an external contact point.

BIPROGY Group Procurement and Transaction Guidelines (Japanese only)
https://www.biprogy.com/com/purchase.html

BIPROGY Group Sustainable Procurement Guidelines
https://sustainability-cms-biprogy-s3.s3-ap-northeast-1.amazonaws.com/pdf/Sustainable_Procurement_Guidelines__e.pdf

## Supply Chain Risk Survey

In order to fulfill social responsibilities throughout the supply chain and work toward a sustainable economy and society, we conduct a survey to review our suppliers' efforts in areas such as human rights, labor practices, environment, fair business practices, quality and safety, and information security.

In FY2021, we surveyed 98 main suppliers to assess the status of their ESG initiatives and, in FY2022, requested improvements from 49 of them. In FY2024, we drew up annual action plans through 2030 with a view to achieving the KPIs and targets set in FY2023. We also added new survey items and carried out a survey covering 156 companies, equivalent to 70.3% of the entire Group.

We survey system development and system-engineering service suppliers to verify their adherence to information-security requirements and to encourage ongoing improvements.

The survey conducted in FY2024 confirmed that each company is actively working to address the areas of "fair business practices" and "information security." On the other hand, differences were found among suppliers in their responses within the "human rights" and "environment" fields. We will examine appropriate countermeasures for these areas going forward.

**Sustainable procurement KPIs**

| KPI | Targets | FY of achievement | FY2024 results |
|---|---|---|---|
| Percentage of BIPROGY Group suppliers having taken the ESG risk survey | 100% | FY2026 | 70.3% |
| 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 | —* |

* "—" in the FY2024 results column indicates that FY2024 was not a measurement year.

## Future Initiatives for Sustainable Procurement

In line with the overall plan, we will continue to gradually expand the scope of suppliers subject to a risk survey each year. Based on the responses received, we ask suppliers to make improvements where needed and foster stronger ties through ongoing dialogue. In addition, we confirm our policies and compliance requirements with new suppliers at the time of contracting, and we conduct an ongoing risk survey for existing suppliers.

Building on mutual trust with our suppliers, the Group will continue to advance initiatives aimed at establishing a sustainable supply chain.

# Human Rights

## Our Approach to Human Rights

The BIPROGY Group formulated the BIPROGY Group Human Rights Policy in 2020 in support of international norms such as the Universal Declaration of Human Rights and in accordance with the UN Guiding Principles on Business and Human Rights. Subsequently, we revised our Human Rights Policy in 2024 to reflect the points raised through dialogues with stakeholders and changes in the environment surrounding human rights recently.

**BIPROGY Group Human Rights Policy**
https://sustainability-cms-biprogy-s3.s3-ap-northeast-1.amazonaws.com/pdf/humanrightspolicy_e.pdf

## Initiatives to Respect Human Rights

Initiatives to respect human rights are being implemented in accordance with the BIPROGY Group Human Rights Policy. We have educational programs to help each employee understand and act on human rights, and conduct human rights due diligence to identify, prevent, mitigate, and remediate adverse human rights impacts throughout the value chain. We have also established a grievance mechanism to respond to human rights violations.

In FY2024, we conducted human rights risk assessments with the support of the Caux Round Table Japan (CRT Japan), a non-profit organization, as part of a series of due diligence processes under our Human Rights Policy.

## Human Rights Due Diligence

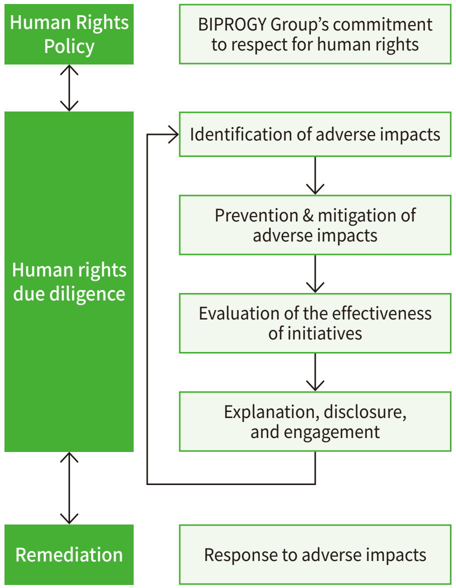
**Identification, prevention, and mitigation of adverse impacts**

We have conducted human rights risk assessments in the nine countries in which the Group has offices. Country-specific human rights risks (country risks) were assessed based on the human rights risk database of an international risk analysis and research organization. In addition, business risks were assessed through desk research based on data such as sales, number of employees, nationality, gender, and employment status of employees. Furthermore, a risk workshop was held with participants from domestic and international departments, including hiring and procurement, to discuss potential human rights risks. Based on those results, we have identified four items as potential human rights risks and are working on prevention, mitigation, and remediation measures.

### Dialogue with rights holders

With regard to labor practices vis-à-vis BIPROGY Group employees, we conducted a human rights impact assessment in February 2025 at USOL Vietnam Co., Ltd. It is one of our overseas business locations with a particularly large number of employees. Although the interviews did not identify any human rights violations, there were requests regarding the promotion of communication between employees and management. We will continue to strengthen our efforts based on the results of the interviews.

**Overall scheme of initiatives to respect human rights**




**Human rights risk identification and response**

| | Potential human rights risks | Rights holder | Human rights indicators to note | Prevention, mitigation, and remediation measures |
|---|---|---|---|---|
| 1 | Labor practices vis-à-vis BIPROGY Group employees | Employees | Forced labor, child labor, occupational health and safety, discriminatory practices, freedom of association | • Promoting an understanding of human rights among employees to prevent and mitigate human rights risks |
| 2 | Labor practices for employees of suppliers and contractors | Employees of suppliers and contractors | Appropriate working hours, occupational health and safety, fair wages, discriminatory practices, freedom of association | • Preventing and mitigating human rights risks through assessments and dialogue with suppliers and contractors |
| 3 | Privacy rights in new product and service usage | Users of products and services and the general public | Right to privacy, child labor (sexual exploitation using ICT), complicity in human rights violations | • Preventing and mitigating human rights risks through the use of AI and other technologies |
| 4 | Labor exploitation in the equipment procurement supply chain | Workers from equipment suppliers | Forced labor, child labor, occupational health and safety, discriminatory practices, freedom of association | • Preventing and mitigating human rights risks through dialogue with equipment suppliers |

**KPIs for initiatives to respect human rights**

| KPI | Targets | FY of achievement | FY2024 Results |
|---|---|---|---|
| Review of human rights policy and activities to promote understanding among employees | Implement every year | To be implemented every year until FY2026 | Assessment implemented |
| Progress rate on re-performing human rights risk assessments and addressing issues at all Group companies | 100% | FY2026 | Assessment implemented Progress rate: 50% |

# Message from an Outside Director

## The role of outside directors in improving the effectiveness of governance and aiming for a corporate value of 1 trillion yen

**Nalin Advani**
Director
(Outside Director, Independent Director)
Chairperson of the Nomination & Remuneration Committee

### Looking back on the first year of President Saito's presidency

It has been four years since I became an outside director of BIPROGY. I have had many learnings and insights during this time, and I feel I have encountered a truly good company.

Among these experiences, with respect to the April 2024 transition to President Saito, I was involved as Chairperson of the Nomination & Remuneration Committee, and as a result, I believe the logic of the timing and process made a lot of sense.

Former President Hiraoka had deep foresight into social and economic trends, and was able to gain an understanding on major trends in the world in terms of where to lead the Group, how to structure human resources as a team, and how to structure the key outside members of the Board of Directors. During President Hiraoka's tenure, President Saito, then CMO, consistently maintained a customer-oriented attitude. That spirit has not changed since he took office as President. Over many years, he has built relationships with customers, and he is committed to nurturing as well as protecting them.

I feel that President Saito is thinking seriously about and acting on two strategic focuses. The first is global initiatives. Rather than expanding indiscriminately worldwide, drawing on past experience he is strategically focusing on growth markets centered on the ASEAN region, such as Singapore, Thailand, and Indonesia. For example, in Singapore, where the per capita GDP exceeds that of Japan, SAP technologies is at the center of our services. As for M&As, the targets are not companies merely for securing human resources, but companies with strengths in technology. In FY2024, Nexus System Resources Co., Ltd. in Thailand and iByte Solutions Sdn. Bhd. in Malaysia became consolidated subsidiaries, and the logic-based global strategy is advancing.

The second is investment in technology and startups. We are evolving into a company group capable of developing new technologies by combining development starting from customer needs, basic research, and collaboration with external startups. In February 2025, we launched a CVC (corporate venture capital) fund of up to USD 80 million with U.S.-based venture capital firm Translink Capital. This structure was discussed in great depth by the Board of Directors. Although results may not be visible for another ten years, this is a highly strategic initiative that not only seeks capital gains, but also incorporates technology through personal exchanges with investees, with a view to business opportunities in Japan.

### Initiatives to enhance the effectiveness of governance

Five of the Company's nine directors are outside directors. The outside directors collectively cover a broad range of fields, including legal affairs, global business, technology, and DE&I. We learn much from one another, and set aside time for dialogue through informal discussions over meals and study sessions.

At the meetings of the Board of Directors, the expertise and wisdom that each member has cultivated is fully demonstrated, and questions are exchanged freely and vigorously. Even with challenging questions, the executive side does not evade them, as there is a real back-and-forth. The discussions are courteous, but not conclusive, and ultimately constructive in reaching a conclusion.

Although about three hours are secured for meetings of the Board of Directors in the morning each month, if no conclusion is reached on a given issue, the Board responds swiftly by convening an additional meeting the following week or by holding a meeting via Zoom. The secretariat handles schedule coordination thoroughly, and 100%

attendance, including outside directors, is consistently achieved, which reflects BIPROGY's earnestness and seriousness. While President Saito's strong leadership has been the driving force behind this approach, I feel that a system is also in place in which each director, both internal and outside, responds to this leadership and makes a firm commitment.

The succession plan has been clarified so that candidates are organized by job level and timing and career paths are structured systematically. What is important is that it is becoming clear that the evaluation criteria are based on the ability to produce results, train subordinates, and grow the business. In considering succession, emphasis is also placed on what ROLES* a candidate has assumed, how they have carried them out, and the track record they have built. The combination of ROLES is also important; to use a baseball analogy, if the pitcher changes, the catcher must also change. I feel that the succession plan is structured taking into account the overall balance of the company.

With regard to executive remuneration, the mainstream for Japanese companies, including our own, is to evaluate all executives on a team basis. However, it may be necessary to set targets for each individual going forward. For example, the compensation structure could be considered as a 1:1:1 ratio among fixed, short-term, and long-term components, or as a 1:1:1 ratio among fixed, individual, and team components. While team-based evaluation requires a longer-term perspective, it is difficult to apply the same evaluation criteria to an executive in charge of human resources and an executive in charge of customer relations, and therefore a mechanism to evaluate short-term results on an individual basis is necessary. I believe that such a framework should be embedded throughout the organization.

*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.

## Creating value through the BIPROGY Group's corporate culture

I feel that there are two major aspects to the Group's culture. The first is that all employees are truly sincere, and the second is their customer-first approach. You can sense a strong customer orientation not only among sales personnel but also among engineers and even among employees involved in the BIPROGY Users Association. For the Group to be a company that solves social issues, it is essential to adopt the stance of regarding society itself as our customer and of confronting its challenges with technology and wisdom.

As a technology company, it is also essential for us to be agile (flexible and fast). What I found admirable was the Group had already established its "AI Ethics Principles" in 2020. Rather than creating them once and leaving them unchanged, they have been revised in 2022 and 2024 in light of technological advances and social trends, particularly heightened awareness around data privacy. I feel that this sincere attitude of reviewing policies in accordance with changing circumstances truly embodies the Group's agile culture.

## What is needed to aim for a corporate value of 1 trillion yen

The Group is aiming for a corporate value of 1 trillion yen, but it will not be easy to achieve through traditional organic growth alone. I believe there are three stages to achieve this aim. First, organic growth will be the foundation, then we will strongly pursue startup initiatives and global initiatives in earnest, not on a trial basis. On top of that, we will use inorganic growth with an awareness of risk, in other words, the use of M&As.

As we already have a track record of global initiatives, I believe we should begin to consider large-scale M&A going forward. Although we have ample funds, M&A is not something that can be achieved simply by having capital. Among investment funds, there are cases where they roll up mid-sized software companies facing succession challenges to streamline operations and aim for a stock exchange listing in a short period of time. However, we will not pursue such short-term M&A but will instead seriously work on integrations that truly benefit our customers. The key to this is post-merger integration (PMI), and we believe it is essential to secure human resources and accumulate skills that can implement PMI.

The development of such talent is essential not only through internal training but also through external recruitment. While M&A will inevitably bring in people from outside the company, it is important to proceed under conditions that ensure a good cultural fit.

Moreover, we also need to expand our business domains. We have begun providing SAP solutions primarily in the ASEAN region, but we must now consider what we should pursue next. It is important to identify what opportunities exist upstream and downstream of the business areas we are currently pursuing. Understanding what our customers truly want is essential to our goal of achieving 1 trillion yen in corporate value. I myself intend to draw on my past experience and participate actively in these discussions.

# 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.**

## Initiatives to Enhance Corporate Governance

2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025

### Changes in governance

**2015**
Established Nomination & Remuneration Committee → **2019** Appointed an outside director as chairperson of the Nomination & Remuneration Committee → **2020** Increased the number of independent outside directors in the Nomination & Remuneration Committee to two (2 outside directors out of 4 committee members) → **2022** Independent outside directors became the majority of Nomination & Remuneration Committee members (2 outside directors out of 3 committee members)

Established Corporate Governance and Internal Control Principles

**2016**
Started evaluation of the effectiveness of the Board of Directors (An external professional organization was used for the evaluation in FY2017, FY2019, and FY2023)

Introduced performance-linked bonuses → **2021** Revised director remuneration system (introduced restricted-stock-as-remuneration system)

Formulated a senior management succession plan including the CEO → **2018** Launched the Management Leader Program
Expanded the scope of the senior management succession plan including the CEO

### Changes in director composition

**2015**
Increased the number of women serving as outside directors by 1 (outside directors became 4 from 3)

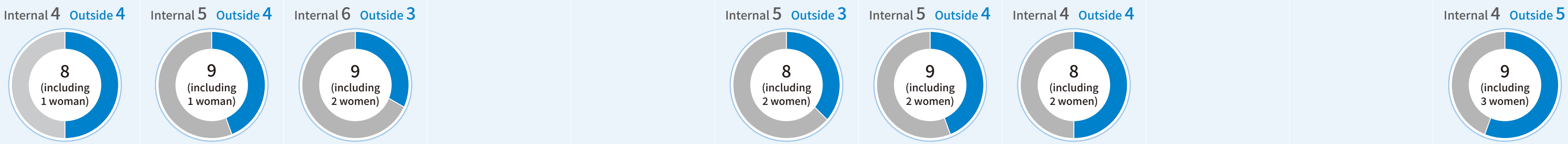
Established Evaluation Criteria for Independence of Outside Directors → **2016** Revised the Evaluation Criteria for Independence of Outside Officers to include outside auditors

**2021**
Increased the number of outside directors and disclosed skill matrix

**2022**
Outside directors reached half of the Board of Directors

**2024**
Appointed a woman internal director

**2025**
Outside directors became the majority of the Board of Directors




* Pie chart shows the composition of the Board of Directors after the Ordinary General Meeting of Shareholders for each year.

## Corporate Governance Structure

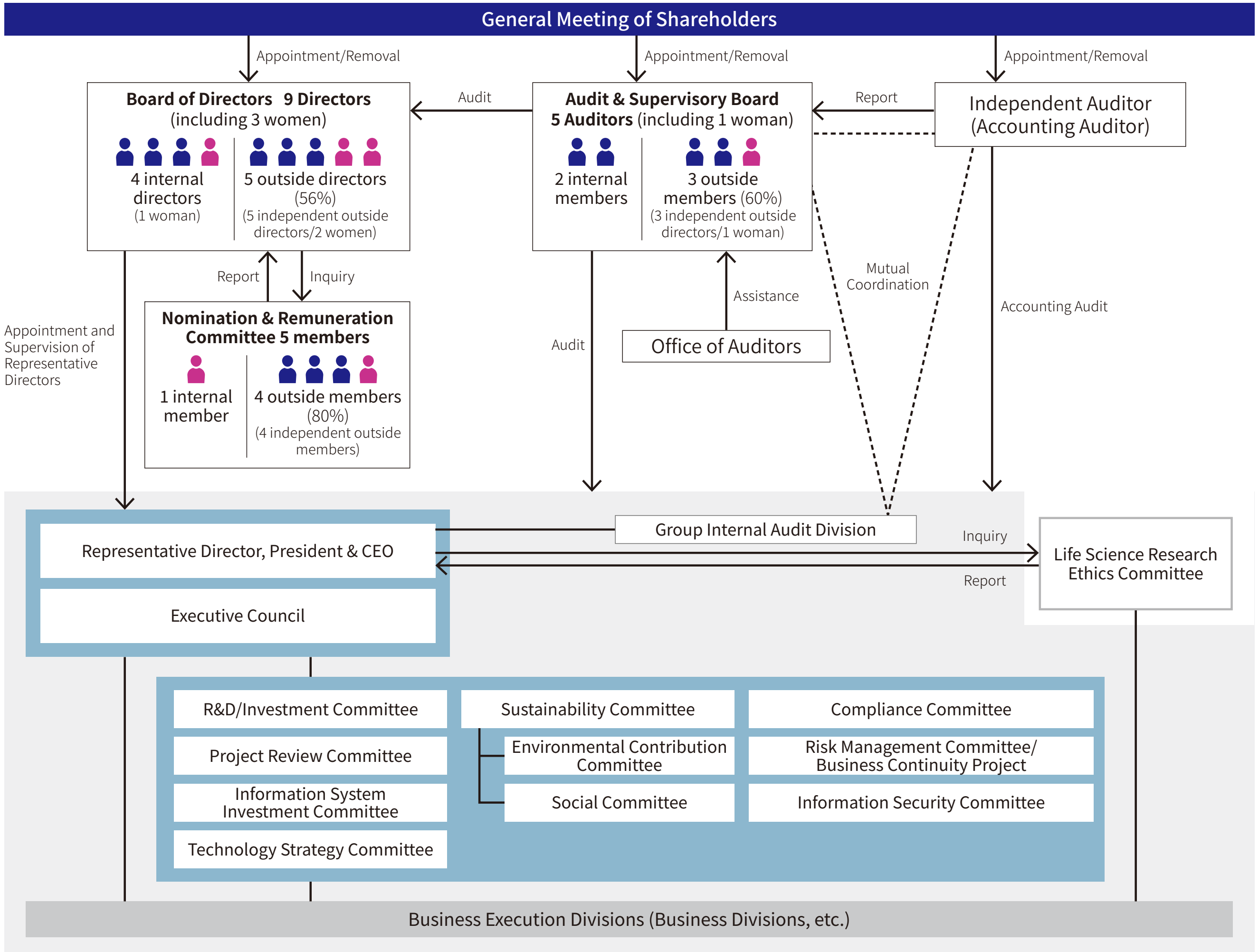
BIPROGY has determined that an audit system involving supervision by the Board of Directors, including outside directors, and auditing by outside Audit & Supervisory Board Members is effective for monitoring management. Accordingly, the Company has adopted an Audit & Supervisory Board structure and has appointed accounting auditors. Given the rapidly changing nature of the industry, the Board of Directors is composed of internal directors, selected primarily from those who are familiar with the industry and internal affairs, and external directors, selected from those with extensive management experience and expertise. The aim is to achieve decision-making based on a broader perspective and objectivity, as well as effective oversight of business execution. The Company has adopted a system of corporate officers (for shikkoyakuin and gyomu-shikkoyakuin), which enables the appropriate delegation of authority in order to separate supervision of management from its execution and to enable prompt business execution.

### TOPICS

#### Independent outside directors became a majority in June 2025

To achieve the Vision 2030 and the Management Policies (2024-2026), we appoint directors and auditors with diverse knowledge and experience, including business management experience at other companies, ESG/sustainability, and global business, as outlined in the skill matrix (P.60). To strengthen the advisory and supervisory functions of the Board of Directors, we appointed Yasuko Teraura, an attorney with expertise and advanced knowledge in legal affairs and risk management, as a new independent outside director in June 2025. This increased the number of independent outside directors by one, bringing the number of independent outside directors to a majority on the Board of Directors. As the business environment becomes increasingly uncertain, by incorporating diverse perspectives from outside the Company, we will improve the quality of our decisions as a company and enhance our corporate value over the long term.

**Corporate governance structure (As of June 26, 2025)**



## 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 13 times in FY2024.

### State of deliberations by the Board of Directors

| | | 2024 | | | | | | | | | 2025 | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | 1Q | | | 2Q | | | 3Q | | | 4Q | | |
| | | Apr. | May | Jun. | Jul. | Aug. | Sep. | Oct. | Nov. | Dec. | Jan. | Feb. | Mar. |
| Board of Directors meetings held | | ● | ●● | ●● | ● | | ● | | ●● | ● | | ●● | ● |
| Content of main deliberations | State of progress in implementing Management Policies (2024-2026) | — | — | — | — | — | — | — | — | — | — | — | → |
| | 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 | | ● | | | | | | ● | | | | |

## 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 FY2024.

**Content of main deliberations in FY2024**

- 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

## 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 10 times in FY2024.

**Content of main deliberations in FY2024**

- 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.

## 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.

## 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.

# 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 the FY2024, we conducted Non-anonymous questionnaire survey to all directors and auditors, including the following evaluation items, and after compiling the results internally, we had an outside consultant analyze them. Based on the results of such analysis, the Company deliberated and evaluated the current status of the Board of Directors and areas for improvement.

### Evaluation method

**Step 1** Non-anonymous questionnaire survey for all directors (8) and auditors (5) in FY2024

**Evaluation Items (71 questions in total)**

① Management issues and role and function of Board of Directors
② State of progress in implementing FY2024 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

↓

**Step 2** Deliberation and evaluation by the Board of Directors

↓

**Step 3** Formulation of action policies based on the evaluations

↓

**Step 4** Initiatives

### Results of FY2024 evaluation and policies for FY2025

#### Evaluation results (summary)

As a result of discussion by the Board of Directors based on the results of the questionnaire, the rankings for the evaluation items were generally high, and the initiatives for our Actions for FY2024 were also recognized, as described below. However, there were the following points for improvement and other matters where initiatives are needed to further enhance the effectiveness of the Board of Directors, centering on the operating conditions of the Board of Directors and the configuration and roles of the Nomination and Remuneration Committee.

1. Currently, active discussions are taking place in the Board of Directors, but regarding the important management issues, particularly the items listed in the subsequent section "Actions to be taken in FY2025 (1)," further enrichment of discussions is necessary. While there is no need to change the basic roles and functions of the Board of Directors, it is necessary to devise agenda settings and secure time for discussions to thoroughly debate important themes with a sense of urgency.
2. Regarding successors for senior management, including the CEO, it is necessary to further advance measures to enhance the pipeline and ensure diversity, as well as to improve information sharing with those outside the committee members.

### Results of FY2024 evaluation and policies for FY2025

**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) To achieve deeper discussion regarding business strategies including allocation of management resources, technical strategies, human resources strategies (including the Succession Plan), risks, and other matters, we will make further improvements to the selection of topics for discussion by the Board of Directors and the conduct of discussions, further increase the use of opportunities outside Board of Directors meetings, and expand the information that is shared with outside directors.

(2) The Board of Directors will continue to effectively monitor initiatives aimed at reforming the organizational culture and instilling compliance and risk management awareness at the operational level to prevent severe incidents or accidents.

**FY2024 Evaluation**

(1) Based on measures such as devising agendas, enhancing pre-briefings, and conducting on-site inspections, positive evaluations have been made. However, it is necessary to continue deepening discussions on business strategies, technology strategies, human resource strategies, and specific risks considering domestic and international social conditions, such as overseas strategies, and to devise ways to provide information ahead of time and set agendas conducive to such aims.

(2) Although there has been some progress with measures such as regular reporting and pre-briefings, it is necessary to enhance the effectiveness of monitoring by devising ways to provide information related to efforts to reform organizational culture and instill compliance and risk management awareness at the operational level.

**Actions to be taken in FY2025**

(1) With our Vision 2030 in mind, we will prioritize the following key management issues and risks, deepen discussions both inside and outside the Board of Directors, and continue efforts to enhance information sharing, set agendas throughout the year, and devise materials:

- Our areas of expertise considering medium- to long-term competitive conditions and market trends
- Evaluation and verification of the steady execution of business strategies
- Risk tolerance and risk mitigation measures in advancing investment strategies and overseas strategies
- Global strategy
- Human resource development and securing (including promoting diversity in the medium- to long-term management layer, succession plans for the CEO and other senior management)
- Medium- to long-term trends in technology and innovation considering changes in the external environment
- Strengthening group management in M&A and subsidiary establishment, including overseas

(2) Enhance the effectiveness of monitoring by improving information provision related to efforts to reform organizational culture and instill compliance and risk management awareness at the operational level.

# Composition of Directors and Auditors, Skill Matrix

Independent outside directors and auditors

| | Position | Name | Number of years in post | Attendance in FY2024 (times attended / times held): Board of Directors | Audit & Supervisory Board | Nomination & Remuneration Committee | Skill Matrix: Business manage-ment experience at other companies | Industry knowledge | Technology/R&D | Finance/ Accounting | Legal/Risk management | ESG/ Sustainability*1 | Global business |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Directors | Representative Director, President & CEO (Chairperson of the Board) | Noboru Saito*2 | 9 | 13/13 | — | 4/4 | | ● | ● | | ● | ● | ● |
| Directors | Representative Director, Executive Corporate Officer, CSO | Koji Katsuya | 9 | 13/13 | — | — | | ● | ● | | ● | ● | |
| Directors | Director, Corporate Officer, CHRO (Nomination & Remuneration Committee member) | Taeko Sawakami*3 | 1 | 10/10 | — | 6/6 | | ● | ● | | ● | ● | |
| Directors | Director | Takahito Kanazawa | 4 | 13/13 | — | — | ● | ● | ● | | | | |
| Directors | Outside Director, Independent Director (Chairperson of the Nomination & Remuneration Committee) | Nalin Advani | 4 | 13/13 | — | 10/10 | ● | ● | ● | | | | ● |
| Directors | Outside Director, Independent Director (Nomination & Remuneration Committee member) | Yoshinori Ikeda | 3 | 13/13 | — | 10/10 | | | | ● | ● | ● | ● |
| Directors | Outside Director, Independent Director (Nomination & Remuneration Committee member) | Asako Osaki*4 | 2 | 13/13 | — | 6/6 | | | | | | ● | ● |
| Directors | Outside Director, Independent Director (Nomination & Remuneration Committee member) | Yuichi Katayama*5 | 1 | 10/10 | — | — | ● | ● | | ● | ● | | |
| Directors | Outside Director, Independent Director | Yasuko Teraura Newly appointed | — | — | — | — | | | | | ● | ● | ● |
| Audit & Supervisory Board members | Auditor (Audit & Supervisory Board Chair) | Mikinori Kobayashi*6 | 1 | 10/10 | 10/11 | — | | ● | ● | | ● | | |
| Audit & Supervisory Board members | Outside Auditor, Independent Officer | Satoshi Matsunaga Newly appointed | — | — | — | — | ● | | | ● | ● | | |
| Audit & Supervisory Board members | Auditor | Hirofumi Hashimoto | 7 | 13/13 | 16/16 | — | ● | | | ● | ● | ● | ● |
| Audit & Supervisory Board members | Outside Auditor, Independent Officer | Masahiro Fuchizaki Newly appointed | — | — | — | — | ● | ● | ● | ● | ● | | |
| Audit & Supervisory Board members | Outside Auditor, Independent Officer | Masako Inoue Newly appointed | — | — | — | — | | | | ● | ● | | ● |

*1 The S in ESG (environmental, social, and governance) includes human resources strategy, diversity, inclusion, etc.
*2 Noboru Saito resigned as a member of the Nomination & Remuneration Committee on June 26, 2024, and the Nomination & Remuneration Committee met four times before that day.
*3 Taeko Sawakami assumed the position of Director on June 26, 2024 and was appointed as a member of the Nomination & Remuneration Committee. The Board of Directors and the Nomination & Remuneration Committee have met ten times and six times, respectively, since that day.
*4 Asako Osaki was appointed as a member of the Nomination & Remuneration Committee on June 26, 2024, and the Nomination & Remuneration Committee has met six times since that day.
*5 Yuichi Katayama assumed the position of Director on June 26, 2024, and the Board of Directors has met ten times since that day.
*6 Mikinori Kobayashi assumed the position of Auditor on June 26, 2024. The Board of Directors and the Audit & Supervisory Board have met ten times and eleven times, respectively, since that day.

## Reasons for selecting items in the skill matrix

| | |
|---|---|
| Business manage-ment 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 judge-ments 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. |

Reasons for the appointment of directors and new auditors can be found in the notice of the 81st Ordinary General Meeting of Shareholders (P.9-23).
https://www.biprogy.com/invest-e/uploads/2025gm_e.pdf

# Directors, Audit & Supervisory Board Members, and Corporate Officers (As of June 26, 2025)

## Directors

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

No. of company shares held
31,600

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 of Seiko Group Corporation (present)
Apr. 2024 Representative Director, President & CEO of the Company (present)

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

No. of company shares held
18,600

Jan. 1985 Joined the Company
Jul. 2007 Senior Project Manager of S-BITS Project, Software & Services Department of the Company
Apr. 2011 General Manager of Financial 3 Department of the Company
Apr. 2012 Deputy Division Manager of Financial Business Division of the Company
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)

### Taeko Sawakami
Director, Corporate Officer, Chief Human Resource Officer (CHRO)

No. of company shares held
5,200

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

### Takahito Kanazawa
Director

No. of company shares held
none

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 of Dai Nippon Printing Co., Ltd.
Apr. 2017 Representative Director, President of DNP Data Techno Co., Ltd.
Apr. 2018 General Manager of Information Systems Division of Dai Nippon Printing Co., Ltd.
Jul. 2018 General Manager of ICT Business Development Division, Advanced Business Center of Dai Nippon Printing Co., Ltd.
Jun. 2019 Corporate Officer, General Manager of ICT Business Development Division, Advanced Business Center of 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 of Dai Nippon Printing Co., Ltd.
Jun. 2022 Senior Corporate Officer, General Manager of Advanced Business Center, in charge of Information Systems 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)

### Nalin Advani
Outside Director, Independent Director

No. of company shares held
none

Apr. 1984 Venture Capitalist, Investment / Corporate Strategy Advisor (present)
Sep. 1998 Director, Chief Marketing Officer of eSOL Co., Ltd.
Jan. 2007 President of Barco Co., Ltd (Japan) (Retired in Jul. 2011)
Aug. 2009 Managing Director of 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 of Barco Pte Ltd. (Retired in Dec. 2015)
Aug. 2013 Guest Lecturer of National University of Singapore Business School (Adjunct Professor from Aug. 2023, Program Director from Apr. 2025) (present)
Nov. 2015 Co-Founder of KPISOFT Inc (currently entomo pte ltd) (present)
Feb. 2016 CEO Asia Pacific & Japan of 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 of Shizenkan University (present)
Mar. 2023 Representative Director (Chairman), General Incorporated Association Yokohama India Centre (present)

### Yoshinori Ikeda
Outside Director, Independent Director

No. of company shares held
none

Apr. 1985 Joined the National Tax Agency JAPAN
Jul. 1992 District Director, the Seto Taxation Office of 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) Director, General Affairs Division of 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 of Okinawa Regional Taxation Bureau
Oct. 2020 General Manager, International Tax Division of Hongo Tsuji Tax & Consulting
Nov. 2020 Admitted as Certified Public Tax Accountant
Apr. 2021 Lecturer at Graduate School of Global Business of Meiji University
Apr. 2022 Professor at Graduate School of Global Business of Meiji University (present)
Advisor of Hongo Tsuji Tax & Consulting (present)
Jun. 2022 Outside Director of the Company (present)

### Asako Osaki
Outside Director, Independent Director

No. of company shares held
none

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. 2005 Worked independently as an expert on international cooperation and gender issues (present)
Apr. 2009 Visiting Professor, School of Policy Studies of Kwansei Gakuin University (Retired in Mar. 2024)
Jun. 2011 Director of Specified non-profit corporation Gender Action Platform (present)
Apr. 2016 Evaluation Committee Member, National Action Plan on Women, Peace and Security (WPS) of Ministry of Foreign Affairs (present)
Apr. 2021 Expert Member, Council for Gender Equality of 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
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)
Sep. 2024 Director of General Incorporated Association Changing Men (present)
May 2025 Adviser to the External Advisory Board of the Sustainability Management Committee, Fuji Television Network, Inc. (present)

### Yuichi Katayama
Outside Director, Independent Director

No. of company shares held
none

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.
Jun. 2024 Outside Director of the Company (present)
Apr. 2025 Executive Director of Oriental Land Co., Ltd. (Retired in Jun. 2025)

### Yasuko Terara
Outside Director, Independent Director (Newly-appointed)

No. of company shares held
none

Apr. 2000 Admitted as an attorney-at-law in Japan *(bengoshi)*
Oct. 2006 Admitted to the New York State Bar
Mar. 2010 Established Endeavour Law Office (present)
Jun. 2019 Outside Director of Seiko Holdings Corporation (currently Seiko Group Corporation)
Jun. 2022 Outside Director of Ryosan Company, Limited (Audit and Supervisory Committee Member)
May 2024 Outside Corporate Auditor of CEL Corporation (present)
Jun. 2025 Outside Director of SENKO Group Holdings Co., Ltd.
Outside Director of the Company (present)

## Audit & Supervisory Board Members

### Mikinori Kobayashi
Full-Time Auditor

No. of company shares held
378

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, Emellience Partners Inc.
Nov. 2020 General Manager of Group Marketing Department of the Company, Director of Emellience 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.
Jun. 2024 Auditor of the Company (present)

### Satoshi Matsunaga
Full-Time Auditor, Outside Auditor, Independent Officer (Newly-appointed)

No. of company shares held
none

Apr. 1989 Joined The Norinchukin Bank
Aug. 2009 Senior Manager and Credit Officer of Credit Risk Management Division of The Norinchukin Bank
Jul. 2010 Deputy General Manager and Credit Officer of Credit Risk Management Division of The Norinchukin Bank
Jul. 2012 Deputy General Manager of Coordination Division of The Norinchukin Bank
Jun. 2014 General Manager of Credit Risk Management Division of The Norinchukin Bank
Jul. 2017 General Manager of Osaka Branch of The Norinchukin Bank
Apr. 2019 Managing Executive Officer of The Norinchukin Bank (Retired in Mar. 2021)
Apr. 2021 Standing Counsel of The Norinchukin Bank (Retired in Jun. 2021)
Jun. 2021 External Corporate Auditor of TAKARA HOLDINGS INC. (Retired in Jun. 2025)
Jun. 2025 Auditor of the Company (present)

### Hirofumi Hashimoto
Auditor

No. of company shares held
none

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)
Jun. 2018 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)

### Masahiro Fuchizaki
Outside Auditor, Independent Officer (Newly-appointed)

No. of company shares held
none

Apr. 1979 Joined The Sumitomo Bank, Limited (currently Sumitomo Mitsui Banking Corporation)
Apr. 2007 Executive Officer , General Manager of Operations Planning Dept., Sumitomo Mitsui Banking Corporation
May 2009 Advisor of JSOL CORPORATION (Director, Senior Managing Director from Jun. 2009)
Apr. 2010 Managing Executive Officer, Sumitomo Mitsui Banking Corporation (CIO from Apr. 2011)
Apr. 2011 Managing Executive Officer of Sumitomo Mitsui Financial Group, Inc.
Director of The Japan Research Institute, Limited
Jun. 2011 Director of Sumitomo Mitsui Financial Group, Inc.
Apr. 2012 Director and Senior Managing Executive Officer, Sumitomo Mitsui Banking Corporation
May 2015 Representative Director, President and CEO of The Japan Research Institute, Limited
Jun. 2019 Director and Chairman of The Japan Research Institute, Limited
Jun. 2020 Special Advisor of The Japan Research Institute, Limited (present)
Jun. 2021 Outside Director of MARUDAI FOOD CO., LTD. (present)
Jun. 2025 Auditor of the Company (present)

### Masako Inoue
Outside Auditor, Independent Officer (Newly-appointed)

No. of company shares held
none

Oct. 1996 Joined Aoyama Audit Corporation (currently PricewaterhouseCoopers Japan LLC) (Scheduled to retire in Jun. 2025)
Apr. 2019 Member of the Accounting Standards Board of Japan (ASBJ) Technical Committee: Emerging Practical Issues (Retired in Jun. 2025)
Member of the ASBJ Technical Committee: Emerging Practical Issues, Accounting System Committee, The Japanese Institute of Certified Public Accountants (Chair from Aug. 2022, Retired in Jun. 2025)
Jul. 2022 Partner of PricewaterhouseCoopers Aarata LLC (currently PricewaterhouseCoopers Japan LLC) (Retired in Jun. 2025)
Apr. 2023 Member of the Final Assessment Committee, The Japanese Institute of Certified Public Accountants (present)
Jun. 2025 Auditor of the Company (present)

## Corporate Officers

**Senior Corporate Officer**

CFO Kazuma Umehara
CDO Takashi Sasaki
CMO Naoshi Nagashima

**Corporate Officer**

Yuichiro Fukuda
CIO CISO Takashi Miyashita
Hideaki Sato
CTO Sadayuki Baba
Shinsuke Chiba
Nobuaki Nakatsugawa
Satoshi Kanai
Hiroshi Matsumoto
Shuji Nakamura
Akinobu Murakami
Takeshi Yamada
Naoya Okuyama
Shinichi Inoue
Atsushi Tsubouchi
CCO Yoshiko Yamauchi
Hiromi Watanabe
Junichi Mitsui
CRMO Akira Takanarita
Yasuhiro Imai

**Senior General Manager**

Isao Miyata

## Remuneration System

For remuneration for executive directors, 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

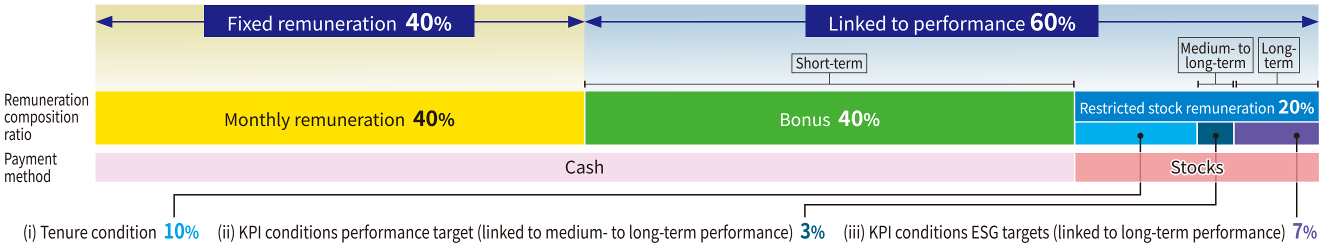
In FY2021, we introduced a remuneration system that incorporates both performance targets linked to medium- to long-term performance and long-term performance conditions that include actual response to sustainability issues such as climate change. The goal is to enhance corporate value in the medium-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

**Activities of the Board of Directors and the Nomination & Remuneration Committee in the process of determining the remuneration amounts for directors and Audit & Supervisory Board members for FY2024**

a. Board of Directors
Regarding the remuneration of directors and Audit & Supervisory Board members for the fiscal year ended March 31, 2025, the Board of Directors resolved at its June 2024 meeting to issue and allocate restricted stock remuneration, and at its May 2025 meeting to pay performance-linked bonuses. In addition, the fixed remuneration was paid in accordance with the resolution passed at the May 2021 meeting of the Board of Directors.

b. Nomination & Remuneration Committee
The Nomination & Remuneration Committee met four times to discuss the payment of performance-linked bonuses for the fiscal year ended March 31, 2025, and the issuance and allocation of restricted stock.

### Illustration of executive director remuneration




**a Fixed remuneration (monthly remuneration) 40%**
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) 40%**
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 20%**
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 P.16-17). 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 FY2024 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) | Amount of remuneration by type (Millions of yen) | | | Recipients |
|---|---|---|---|---|---|
| | | a Fixed remuneration | b Bonuses | c Stock remuneration | |
| Directors | 374 | 187 | 133 | 53 | 10 |
| Audit & Supervisory Board members | 80 | 80 | — | — | 6 |
| Total (including outside directors and outside auditors) | 455 (64) | 267 (64) | 133 (—) | 53 (—) | 16 (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 on the left indicate the amounts recorded as costs for the fiscal year 2024 in the costs about restricted stock as remuneration granted to four 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 amount on the left includes the amount of remuneration, etc. paid to one executive director, one outside director, and one auditor who retired at the conclusion of the 80th Ordinary General Meeting of Shareholders held on June 26, 2024, during their terms of office.

### Total Amount of Remuneration, etc. of Persons whose Total Amount of Remuneration, etc. is 100 Million Yen or More

| Name | Officer classification | Amount of remuneration by type (Millions of yen) | | | Total amount paid (Millions of yen) |
|---|---|---|---|---|---|
| | | Fixed remuneration | Bonus | Stock remuneration | |
| Noboru Saito | Director | 62 | 40 | 21 | 124 |

(Notes)
1. Amounts listed are rounded down to the nearest million yen.
2. Stock remuneration on the left represents the amount of expenses related to restricted stock remuneration that was expensed in FY2024.

## 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 the CEO. In addition to integrity, a critical quality demanded of the CEO, the Group's succession plan defines seven important competencies, including foresight and insight. We believe that the level of each competency demonstrated will vary depending on the business environment (whether the Company is in a period of transition/transformation, or one of extension and expansion. In addition, to strengthen the human resource pipeline for senior management succession candidates, we are focusing on developing next-generation management as a priority measure of our human resource strategy.


### Qualities demand for management leaders

Integrity +

| Seven competencies | |
|---|---|
| 1 Foresight | Ability to create new value |
| 2 Insight | |
| 3 Determination | |
| 4 Innovation | Ability to improve |
| 5 Passion | |
| 6 Execution | Staying power |
| 7 Diversity & Inclusion | |

**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.

### Developing next-generation management

The Group has been building a human resources pipeline under the succession plan to develop successors for senior management. In the Management Policies (2024-2026), we are promoting the development of next-generation management as a priority measure of our human resources strategy. 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.

Since FY2018, we have been carrying out the Management Leadership Program as an open recruitment program to develop human resources to take charge of change. However, it had not yet been systematically operated and was not sufficiently linked to the strengthening or utilization of the human resource pipeline. Therefore, we redesigned the succession plan and launched a two-tier, selective training program in FY2024. A series of measures are systematically implemented, including the implementation of assessments (multi-faceted diagnosis and management knowledge diagnosis), coaching-led development accompanied by current senior management across departments, and tough assignments.

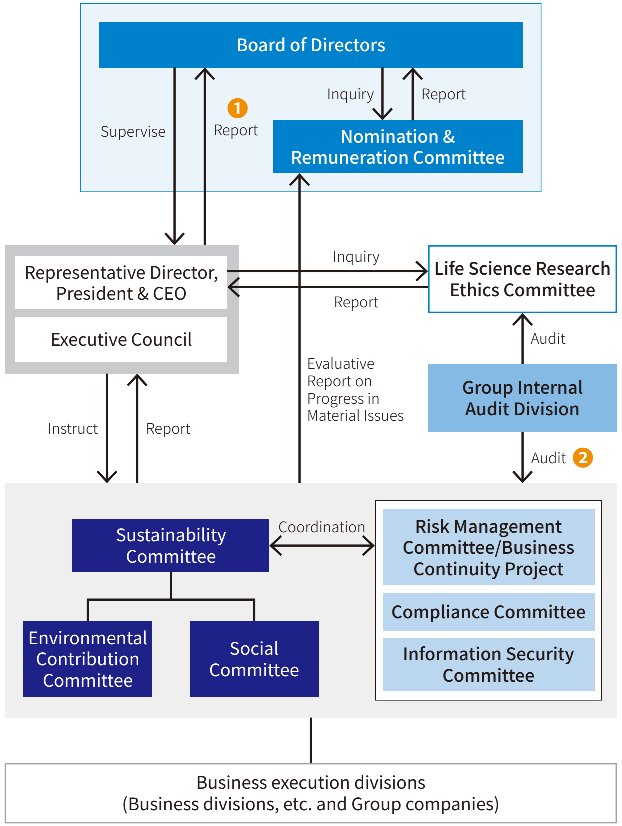
We have established four priority areas of development: foresight, innovation and reform, determination, and management mindset. These priority areas are based on the qualities required of a CEO, and are defined by focusing on the abilities that we believe are particularly important during times of transition and change in order to respond to rapid environmental changes and increasingly complex management issues.

By visualizing next-generation management and monitoring the successor candidate preparation rate, we will systematically and continuously produce successors for senior management.

## Sustainability-related Governance

The Group recognizes the importance of governance from both the management oversight and execution perspectives in addressing sustainability issues and is advancing system development. A CSO is appointed from the executive directors, and the Sustainability Committee and its subordinate bodies, the Environmental Contribution Committee and Social Committee, are established to deliberate and decide on various initiatives centered on material issues. Furthermore, important matters are discussed and reported by the Executive Council, and the Board of Directors receives reports from the CSO and conducts supervision. In order to realize the Vision 2030, KPIs and targets are set for each material issue, and progress is monitored. Based on international trends and stakeholder requests, the committee conducts an annual review, and important risks are addressed in cooperation with various related committees. In addition, the executive compensation system sets long-term performance conditions, including ESG indicators (material issue KPIs), and the amount of compensation is determined based on the report of the Nomination & Remuneration Committee.

### Sustainability promotion structure (As of June 26, 2025)




### Overview and key activities of sustainability-related committees (FY2024)

| | Sustainability Committee | Environmental Contribution Committee | Social Committee |
|---|---|---|---|
| Roles and functions | Develop the Group's approach to sustainability challenges, assessing the overall appropriateness of business activities within an ESG framework, thoroughly promoting and evaluating initiatives, and requesting revisions when necessary. | Review response measures regarding environmental contributions (climate change, water, biodiversity, natural capital such as forests and land use, etc.), design mechanisms to promote environmental contributions, and perform management and oversight of their implementation. | Review response measures related to social issues (human rights, diversity, work style reforms, health management, regional development, social contribution, etc.), design mechanisms to address social issues, manage and oversee their implementation, and issue corrective instructions for pending issues. |
| Meetings held | 7 | 6 | 6 |
| Members (as of June 26, 2025) | Chair: CSO (Representative Director, Executive Corporate Officer)<br>Members: CFO, CHRO, Environmental Contribution Committee Chair, Social Committee Chair, Compliance Committee Chair, President of UNIADEX, Ltd., other persons who have been appointed by Chair | Chair: Appointed by the Sustainability Committee Chair (Corporate Officer in charge of Corporate Sustainability Promotion)<br>Members: Environment Contribution Committee Chair selects responsible persons of related responsible organizations within the Group | Chair: Appointed by the Sustainability Committee Chair (Director, Corporate Officer, CHRO)<br>Members: Social Committee Chair selects responsible persons of related responsible organizations within the Group |
| Main agenda items | • Evaluation of material issue KPIs and target achievement and reporting results to the Nomination & Remuneration Committee<br>• Improving the quality of sustainability-related information in various disclosure documents<br>• Formulation of a sustainable procurement plan<br>• Endorsement of the TNFD recommendations and response measures | • Management of the implementation status of material issues<br>• Implementation of the TCFD scenario analysis project and response to the advancement of the TCFD<br>• Scoping for water security and biodiversity toward endorsing the TNFD recommendations<br>• Information disclosure related to environmental issues | • Management of the implementation status of material issues<br>• Human rights responses and revision of the human rights policy within the BIPROGY Group<br>• Action plan based on the Act on the Promotion of Women's Active Engagement in Professional Life (Phase 3)<br>• Issuance of the human capital report<br>• Information disclosure related to social issues |
| Main items reported to the Board of Directors 1 | • Progress and challenges with material issue KPIs and targets • Responding to sustainability-related risks and opportunities<br>• Endorsement of the TNFD recommendation • Results of major ESG evaluations and issues for improving evaluations | | |
| Major audit items related to sustainability 2 | Conducting internal environmental audits to confirm the effectiveness of the maintenance and operation of the BIPROGY Group environmental management system | | |

## 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 number of listed stocks held decreased by 1 stock from the end of FY2024 to 18 stocks. The total amount of listed stocks on the balance sheet declined ¥1.7 billion from the end of the previous fiscal year, and the total book value of cross-shareholdings has fallen to 6.8% of total equity (end of the previous fiscal year: 7.6%). We will continue to sell off shares that are less important to hold.

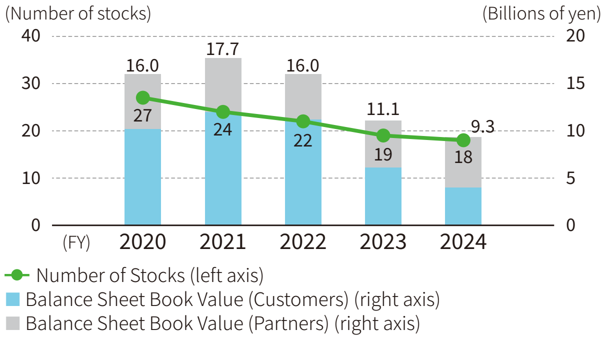
The Company examines the appropriateness of each and every listed stock that it holds at Board of Directors meetings by taking into consideration purposes for holding, consistency with its business strategies and business related profits, etc.

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 ever trying to prevent the sale.

**Verification results regarding stocks held as of March 31, 2025, at the Board of Directors meeting held in June 2025**

- The Company examined if the holdings of those stocks are still meaningful and in compliance with the business strategies from a medium- to long-term perspective.
- In addition, the Company examined the business related profits from the perspective of capital cost, and it confirmed that holding them is economically rational.

**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
**6.8%** of total equity (as of March 31, 2025)

## Constructive Dialogue with Shareholders and Other Investors

In addition to disclosing information to its shareholders and other investors at a suitable time and in an appropriate manner, the Group engages in proactive investor relations and shareholder relations activities, led mainly by its CEO, CFO, and the executive in charge of corporate governance promotion, in the belief that repeatedly engaging in mutual dialogue leads to the fair assessment of its value. The details of dialogue with and opinions and suggestions made by the responsible staff of overseas and Japanese institutional investors*[1] with various investment styles*[2] are reported to members of senior management and the Board of Directors in a timely manner. These opinions are then used to make improvements to the Group's management. Feedback regarding the state of dialogue in FY2024 was provided to the Board of Directors twice.

*1 Active/passive, growth/value/dividend-focused, etc.
*2 Fund managers, analysts, ESG analysts, and voting rights exercisers.

**State of dialogue (FY2024)**

| Type of dialogue | Dialogue frequency/number of companies (total) | |
|---|---|---|
| Financial results briefings | 4 times | |
| Management Policies briefings | 1 time | |
| Small meetings | 4 times | |
| IR/SR meetings | 294 times | Institutional investors and analysts 607 companies<br>Of which, institutional investor voting rights exercisers 10 companies |
| Overseas roadshows | 3 times | |
| Conferences sponsored by securities firms | 1 time | |

**Main topics discussed in dialogue and items of interest**

- Details of overall performance P.41-44, P.75-79
- Changes in the business environment P.20
- Key strategies and progress in the Management Policies P.19-40
- Approach to capital allocation P.41-44
- State of the Group's response to market topics such as DX and AI, etc. P.22-40

**Items incorporated considering dialogue and subsequent feedback**

- Updates to the performance targets outlined in the Management Policies (2024-2026)
- Expanded disclosure in financial results briefing materials

**Main initiatives to improve effectiveness of dialogue and strengthen disclosure**

- Holding business briefings
- Promoting dialogue with overseas investors (Participation in conferences sponsored by securities companies)
- Increasing the number of small meetings held

## Status of Response to Corporate Governance Code

Please visit the following website for more information on the status of compliance with the Corporate Governance Code, corporate governance, and internal controls.

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

# Further Improve Integrity

**Material Issues** Further improve corporate governance and integrity

**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 of our Group. 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.

Under the Information Security Committee, we have established the Cyber Security Strategy Task Force to promote a Group-wide response to cybersecurity risks through a cross-organizational structure. We have also established and are operating a CSIRT*[1] and SOC*[2]. The persons responsible for information security and personal information of each organization assume primary management responsibility for the information security of their own organization, and maintain and improve information security by making the rules known to all employees, introducing measures, and checking and improving the implementation status on an ongoing basis.

*1 Acronym for our Computer Security Incident Response Team. A technical support team that specializes in preventing cyberattacks before they occur and responding to associated incidents.
*2 Acronym for our Security Operation Center. It monitors and analyzes threats to the Group's networks and servers.

### Cybersecurity measures

In FY2024, we conducted a third-party assessment using NIST CSF 2.0*[3] in response to changes in the cybersecurity environment. In response to vulnerabilities, we collect, analyze, and disseminate vulnerability information internally while establishing and operating processes and systems to reliably conduct vulnerability assessments for Internet public services and monitor cloud environments. In addition, to visualize externally exposed assets and manage their vulnerabilities, we utilize an SaaS-based security assessment platform to implement attack surface management*[4]. In terms of human resource-related measures, we continuously conduct targeted training and exercises, including spear-phishing email drills, for new organizational managers, system engineers, CSIRT members, and others.

*3 Cybersecurity framework established by the U.S. National Institute of Standards and Technology.
*4 Identifying and managing attack target areas where cyberattacks may be conducted from an attacker's point of view.

### Toward preventing security incidents

The Group has set the number of serious security incidents as a KPI for material issues and is working to prevent them from occurring. Regarding the USB flash drive loss incident that occurred in 2022, permanent safety control measures have been established to prevent recurrence, and at the same time, measures are being implemented to prevent diminished awareness or the response from becoming a mere formality.

Incident of lost USB flash drives (Japanese only)
https://www.biprogy.com/com/info_security/info202206.html

BIPROGY Basic Policy on Information Security/
Information Security Initiatives (Japanese only)
https://biprogy.disclosure.site/ja/themes/114

**KPIs related to information security**

| KPIs | Targets | FY of achievement | FY2024 results |
|---|---|---|---|
| Number of serious security incidents | 0 | Each year | 0 |
| 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 the end of March 2027 | Organizing and verifying proposals for mechanisms applicable Group-wide, with BIPROGY implementing measures ahead of others |
| Coverage rate of special operation management*[5] | 100% | As of the end of March 2027 | Gradual implementation of various measures to improve the comprehensiveness of special operation management at BIPROGY |

*5 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.)

# 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 Policy, 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. To implement this, we have established the Compliance Committee, which is chaired by the Chief Compliance Officer (CCO), and we are actively developing a Group-wide compliance program to increase understanding and raise awareness of compliance among Group executives and employees. In August 2025, BIPROGY formulated the BIPROGY Anti-Corruption Policy with the aim of further clarifying the anti-corruption approach set forth in the Group Code of Conduct.

## Compliance program

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 2024, a lecture was given by an expert on the theme of “organization culture.” The BIPROGY Group CCO Meeting was held among the CCOs of each Group company, and a lively exchange of opinions took place.

**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

## Spreading awareness of integrity

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. 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 42 consultations in FY2024 (45 in FY2023). Not all of them constituted a compliance violation, and we responded appropriately depending on the content. We will continue our efforts to create an environment where people can access the hotline with a peace of mind.

### Main measures implemented in FY2024

- **Conducted compliance awareness survey:** Response rates of 99.2% (conducted in July 2024) and 97.6% (conducted in December 2024). The survey results were shared with the responsible positions in each organization, which led to the implementation of improvement measures
- **Compliance Roundtables:** Aiming to foster an organizational culture where everyone proactively participates in compliance practices, discussions were held regarding compliance risks and other workplace-specific issues.
- **Improvement of the whistleblower system (hotline):** Disseminated messages from the CCO and implemented educational training to continuously communicate the importance of the internal reporting system and the safety and security of its use.
- **Compliance education and awareness:** Compliance e-learning programs were conducted to provide specific information on compliance practices.
- **Establishment and implementation of Compliance Week:** In addition to disseminating messages from CCOs and compliance promotion managers at each Group company, held lectures by external experts to share key points for compliance practice.

BIPROGY Group Compliance Basic Policy (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

BIPROGY Group Anti-Corruption Policy
https://sustainability-cms-biprogy-s3.s3-ap-northeast-1.amazonaws.com/pdf/anti-corruption-policy_e.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

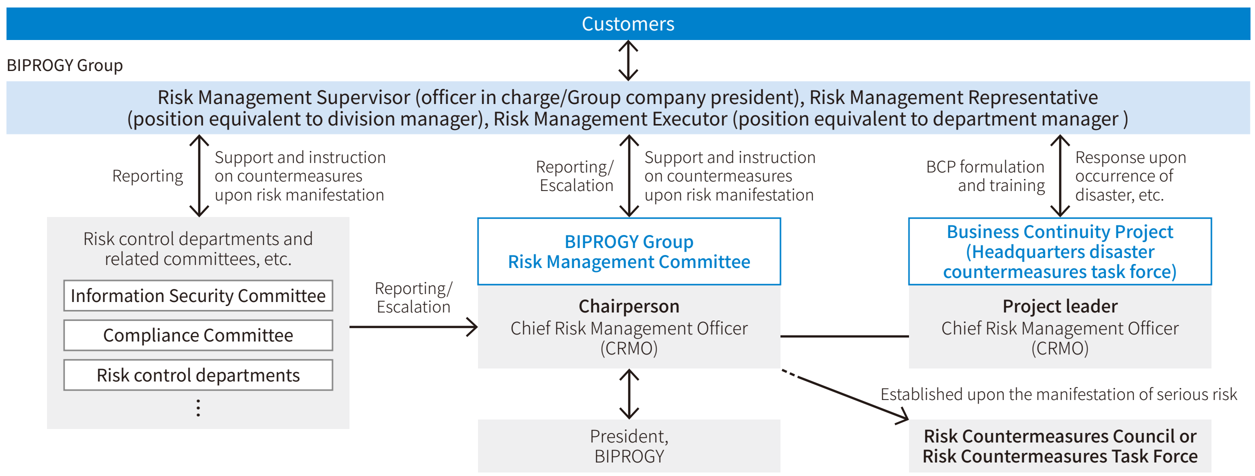
With reference to the ISO31000 international standard for risk management, the BIPROGY Group has named an officer responsible for risk management and established organizations as required, and works on the actions below.

- 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

In our medium- to long-term risk management strategy, we have set these priority issues: enhancing risk management throughout the Group; further improving the risk management abilities of Group executives and employees; and improving the quality and sophistication of our risk management systems. Accordingly, we are striving to address the changes in the external and internal environment by updating our risk management system. To make firm progress in implementing these policies, we run a PDCA cycle throughout the year identifying and monitoring risks, to propose improvements based on any new issues that emerge and raise risk awareness among all employees by providing education on risk.

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.

**Risk management structure**



## Risk Management Process

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. Identified risks are reported annually to the Executive Council and the Board of Directors. Furthermore, policies and risk management items are revised by ascertaining and monitoring risk incidents.

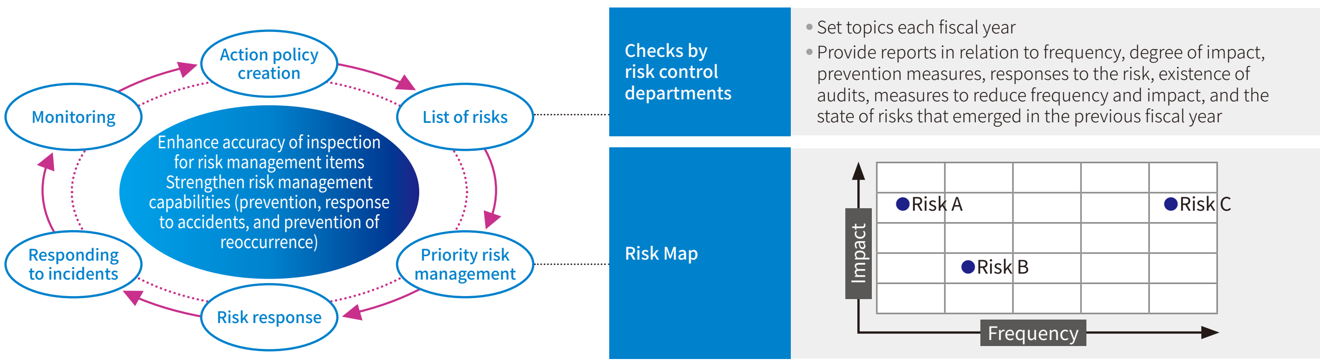
During the FY2024 inventory, we confirmed that efforts to address risks, as well as reviews of the impact that those events might have and frequency that they might occur, are being undertaken for each risk management item, taking into account environmental changes and the status of responses since the previous inventory. We also inspected the risk management systems at Group companies, including two overseas Group companies.

## Significant Risks

Our Group identifies as significant risks those events that could have a major impact on the fulfillment of our Management Policies and Vision 2030, or on our business.

Social interest in corporate initiatives for human rights continues to grow stronger and failure to take appropriate action may entail legal risks (such as litigation) or reputational risks, potentially damaging a company's social credibility. In light of these circumstances, our Group has added Human Rights as a new significant risk from FY2025 onward.

For details on our significant risks, please refer to Business and Other Risks. (Japanese only)
https://biprogy.disclosure.site/ja/themes/113




### Emerging risks

As AI technology rapidly evolves, its misuse is becoming more diverse and sophisticated, from disseminating misinformation and fake content to the copyright infringement of creative works. Our Group will strengthen employee education and oversight systems within projects to ensure that AI is properly used and its features understood. We will also continuously monitor AI-related developments and associated risks, while considering and implementing countermeasures.

We also view geopolitical risks as one of the emerging risks. We recognize that in the event of terrorism arising from conflicts between nations, uncertainties in energy supply, or disruptions to supply chains, the supply of products and services from specific regions may be delayed or halted. To avoid such situations, we continuously gather information on geopolitical risks, evaluate related procurement risks, and consider countermeasures.

BIPROGY Group AI Ethics Principles
https://www.biprogy.com/e/com/ai_ethics_principles_BIPROGY_group_e.pdf

## Main Initiatives of FY2024

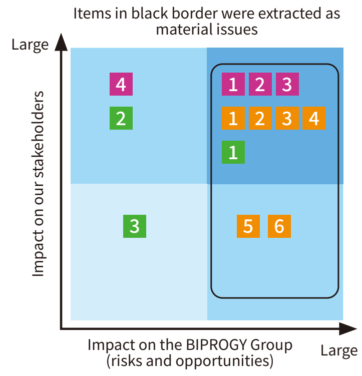
### Risk workshop

In FY2024, we prioritized "strengthening Group-wide risk management functions" and held risk workshops to further analyze the BIPROGY Group's medium- to long-term risks and opportunities, including emerging risks. We identified and assessed risks and opportunities based on changes in external and internal environments, while also considering risk countermeasures with input from external experts. Based on these insights, we are moving forward with developing various definitions and processes to improve our risk management cycle starting from fiscal 2025.

## Business and other risks

| | Item | Threats | Opportunities | Responses |
|---|---|---|---|---|
| Business environment | Impact of economic trends and the market environment | • Deterioration in economic environment as a result of change in financial markets, downturn in overseas economies, and impacts from U.S. trade policies<br>• 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<br>• Growing environmental awareness including of climate change countermeasures, rapid changes in social consciousness, and the resulting strengthening of global environmental regulations [1]<br>• Changes in various policies promoted by governments, such as disaster countermeasures | • Create business opportunities that contribute to the solution of issues faced by society and capture profits in created markets [2]<br>• Create business ecosystems and expand business opportunities by establishing trust with a wide range of stakeholders [2] | Continuously assess trends and changes in the external environment while responding swiftly |
| Business activities | Procurement | • Impact on product procurement due to changes in the business strategy of or deterioration in management at suppliers, as well as geopolitical risks such as conflicts and energy supply issues [3]<br>• Occurrence of serious failures due to service malfunctions, security incidents, etc. [3]<br>• Declining social credibility and brand image | • Increase profit opportunities by strengthening trust with suppliers and capturing quality partner companies and thus reinforcing relationship capital [3] [4]<br>• Reduce business risks related to issues such as human rights and environmental burden throughout the value chain [3] [4] | Properly manage regular supplier audits and the quality of products handled in line with procurement and purchasing guidelines, while continuously gathering information on geopolitical risks and evaluating related procurement risks to adopt responses |
| | Intellectual property rights | • Infringement of intellectual property rights by third parties [1]<br>• Expenses associated with disputes over intellectual property rights [1]<br>• Possibility of not being able to obtain necessary licenses and no longer being able to provide certain products and services [1]<br>• Not being able to use the expected intellectual property from partner companies despite tie-ups [1] | • Increase profit opportunities by capturing quality partner companies<br>• Improve social credibility<br>• Expand business by generating innovation [2] | Acquire intellectual property rights, thoroughly investigate partner companies' intellectual property rights, secure necessary rights in partnership agreements |
| | Project management | • Delay in deliveries and cost overruns due to increasing complexity of customer requirements and project complexity<br>• Increased safety and security risks due to diversification of products and services [3] | • Secure a stable revenue base as productivity increases and cost overruns decrease, and security incidents are reduced<br>• Increase profit opportunities by strengthening trust with customers/suppliers [4]<br>• Provide secure services and platforms to customers [3] | Conduct multifaceted assessments to evaluate feasibility of system development and outsourcing businesses in Project Review Committee meetings. In addition to rigorously evaluating actual results versus forecasts, continue using the early detection system for project issues (project check-ups). |
| | System failure | • Serious failures due to system malfunctions, cyberattacks, or other problems [3]<br>• Declining social credibility and brand image<br>• Compensation for damages | | Set quality targets for unplanned service downtime caused by system failures. Conduct quality assurance reviews during system development to improve quality characteristics (confidentiality, fault tolerance, recoverability, stability, etc.) |
| | Information security | • Leaks of confidential customer information or personal information [3]<br>• Cyberattacks and their methods becoming more advanced and sophisticated<br>• Declining social credibility and brand image<br>• Incurring of response costs | | Under the Information Security Committee, establish a strategic response system, maintain and review information management systems (for personal information, etc.), and educate executives, employees, and contractors. Strengthen incident response capabilities through various measures based on the zero-trust approach while securing insurance coverage against information leaks |
| | Human resources | • Intensifying competition for IT personnel [1]<br>• Securing human resources with technical capabilities, the ability to continuously innovate and adapt to diversifying social issues and customer needs [1] [2] | • Expand business by generating innovation [2]<br>• Contribute to the creation of employment opportunities for diverse human resources [1] [2]<br>• 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]<br>• Provide high-value-added services that make use of advanced skills<br>• Ensure competitive advantages | Proactively recruit (new graduate, recent graduate who have left one job and are looking for another, and mid-career hires) and enhance both training and systems. Create a work environment that supports the success of diverse human resources and enable flexible work styles; use the ROLES concept to encourage mobility of human resources; and promote the visualization of human capital. Conduct regular engagement surveys |
| | Investment | • Insufficient return on investment<br>• Inconsistency with business partners' management strategies<br>• Business growth below initial expectations | • Expand business by generating innovation [2]<br>• Develop high-value-added human resources with the ability to assess where and how much to invest<br>• Increase return on investment<br>• Ensure competitive advantages | To minimize investment decision risks, carefully review the feasibility of each investment project's business plan at the R&D/Investment Committee or the Executive Council meeting, which is an upper-level organ. |
| | Compliance | • Personnel and labor issues [5] [6] [1] [4]<br>• Occurrence of inadequate data handling and other serious compliance violations [1] [3]<br>• Decline in social credibility, payment of compensation for resulting damages, and reexamination of business dealings by key suppliers and customers | • Improve social credibility<br>• Contribute to the solution of issues faced by society and the economic growth of society through transparent and fair processes | Establish the Group's Charter of Corporate Behavior, Compliance Basic Policy, and Code of Conduct, and build a compliance promotion system. Ensure all executives and employees comply with laws, social norms, and internal rules while practicing ethical business activities |
| | Technical innovation | • Delays in acquiring new technologies and intellectual property [2]<br>• Obsolescence of in-house assets and know-how [2] | • Accelerate the shift toward high added value and increased sophistication in the market development field [2]<br>• Sustain business growth by strengthening technical capabilities [2] | Promote development DX in core businesses by restructuring the technology portfolio. Focus on shifting to higher added value and sophistication in market development areas, and on discovering, acquiring, and implementing advanced and next-generation technologies |
| | Climate change | • 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] | • Increase in profit due to the development and expansion of low-carbon products and services [1] [2] [3] | We established the BIPROGY Group Environmental Policy and are aiming to realize the zero-emission society outlined in Long-Term Environmental Vision 2050. To this end, we are strengthening environmental management with scenario analysis and other measures, while assessing climate change trends and changes in the business environment to respond swiftly. |
| | Human rights | • Growing interest in human rights issues related to cutting-edge technology and data [5]<br>• Legal risks (such as litigation) and reputational risks if appropriate action is not taken [1] [5] [1]<br>• Loss of social credibility | • Stabilize the supply chain [3]<br>• Strengthen social and relationship capital through human rights-conscious management [5] [1] [3] | Established the Group's Human Rights Policy, AI Ethics Principles, and Sustainable Procurement Guidelines. In addition to conducting human rights due diligence in the business and supply chain, we are promoting responses to human rights issues related to advanced technologies and data, and providing safe and secure products and services throughout the entire supply chain |
| Others | Natural disasters, infectious diseases, and other events | • Catastrophic damage from natural disasters, such as earthquakes, or terrorism<br>• Restrictions on providing services or other business activities due to an outbreak of infectious disease, etc.<br>• Threats to the health and safety of employees | • Contribute to society's sustainability by providing businesses that solve the issues faced by society [1] [2] [3]<br>• Strengthen competitiveness by enhancing business resilience | As part of the Business Continuity Project, we formulated and continuously review and improve the Business Continuity Plan from the standpoints of ensuring safety, restoring internal operations, and serving customers. In addition, to prepare for future outbreaks of new infectious diseases, we formulated a New Infectious Diseases Action Plan to ensure business continuity. |

## Reference
## Key items extracted in determining material issues




### Environment
- [1] Climate change
- [2] Water resources
- [3] Biodiversity

### Social
- [1] Acquisition and promotion of diverse human resources
- [2] Human resource development
- [3] Supply chain management
- [4] Customer service
- [5] Human rights*
- [6] Labor

### Governance
- [1] Corporate governance
  Risk management
  Compliance
  Intellectual property protection
- [2] Innovation management
- [3] Information security and protection of personal information
- [4] Preventing corruption and bribery

* Includes the concepts of protecting privacy and guaranteeing the freedom of expression.

# Stakeholder Engagement

**We believe that dialogue with stakeholders is crucial for the BIPROGY Group to continue being selected as an essential company in addressing social issues. By incorporating requests, expectations, interests, and evaluations received by the Group through diverse communication activities into our business operations, we aim to build trust with stakeholders, address our material issues, and drive sustainable growth.**

### 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

| Stakeholder | Dialogue policy | Major methods of communication | Reference | 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 | Website https://www.biprogy.com/e/<br>Digital media BIPROGY TERASU (Japanese only) https://terasu.biprogy.com/ | 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 internet, social network services (including Microsoft 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, communities (childcare, childcare leave, etc.), social contribution programs | Organizational development (strengthening organizational capabilities and work style reform) (Japanese only) https://biprogy.disclosure.site/ja/themes/107#277 | 4<br>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 presentation, IR events, IR meetings, disclosure (via website and various IR material) | IR materials<br>Integrated Reports https://www.biprogy.com/invest-e/financial/ar.html<br>Others<br>Disclosures<br>Financial Reports https://www.biprogy.com/invest-e/financial/statement.html<br>Annual Securities Reports (Japanese only) https://www.biprogy.com/invest-j/financial/sr.html<br>Others | 2 3 4<br>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 | Quality management (Japanese only) https://biprogy.disclosure.site/ja/themes/109 | 3<br>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 | Social contribution activities (Japanese only) https://biprogy.disclosure.site/ja/themes/111 | 2 5<br>1 3 4 |

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


# Data Section

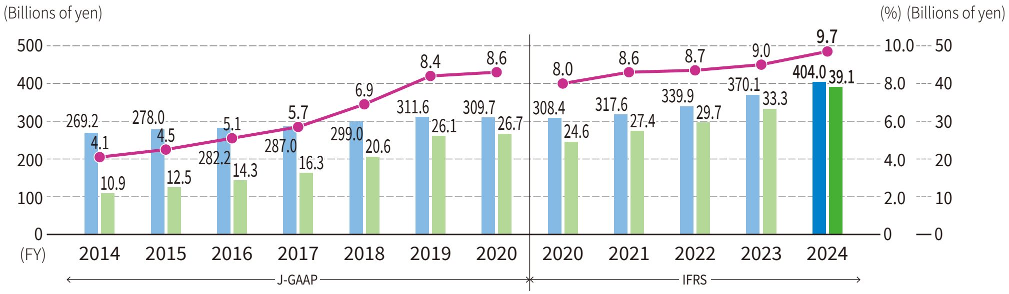


This section provides quantitative data on financial and non-financial matters, as well as company information.

# 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.

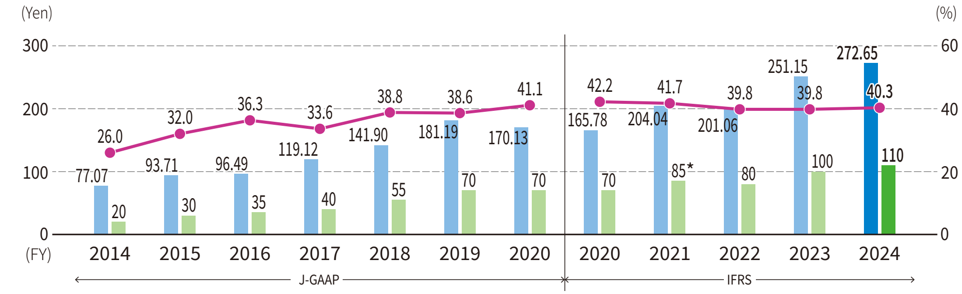
## Revenue (Net Sales)/Operating Profit (Operating Income)/Operating Margin




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

Revenue, operating profit, and operating margin have all continued to rise steadily. Under Management Policies (2024–2026), we are focusing on areas of strength to enhance profitability while working to create a new business portfolio. In the first year of the plan, FY2024, revenue increased on the back of robust customer demand for IT investments, which drove strong results in both services and product sales. Operating profit also grew, with the additional gross profit from increased revenue more than offsetting increases in SG&A expenses stemming from renewal of the internal core systems and changes to our personnel system, resulting in a higher operating margin.

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

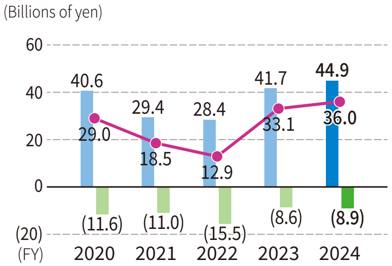



Basic Earnings (Net Income) per Share (left axis) Dividends per Share (left axis) Dividend Payout Ratio (right axis)

The Company's basic policy is to make performance-linked distributions. In the Management Policies (2024–2026), we aim for a dividend payout ratio of 40% or higher and regard share repurchases as a key measure to improve capital efficiency and enhance shareholder returns. For FY2024, the annual dividend was ¥110 per share (interim: ¥50, year-end: ¥60), for a consolidated payout ratio of 40.3%.

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

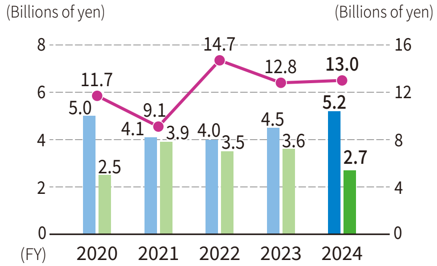
## Operating Cash Flows/ Investment Cash Flows/Free Cash Flows




Net Cash Provided by (used in) Operating Activities
Net Cash Provided by (used in) Investing Activities
Free Cash Flows

Stronger profitability has enabled us to generate a stable cash flow. While investments were made in the acquisition of Property, Plant and Equipment such as business-use computers and in Intangible Assets, primarily software for outsourcing, there were also proceeds from the sale of investment securities, primarily cross-shareholdings.

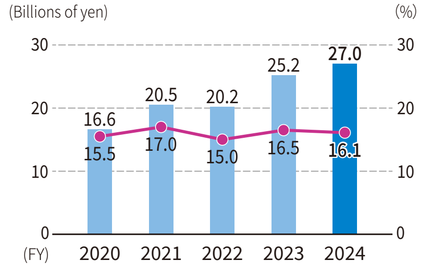
## Research and Development Expenses/ Strategic Investments/Capital Expenditures




Research and Development Expenses (left axis)
Strategic Investments (investment/M&As) (left axis)
Capital Expenditures (tangible/intangible) (right axis)

Management Policies (2024–2026) promote active investment for corporate value creation through R&D, open innovation, and M&A across both core and growth businesses.

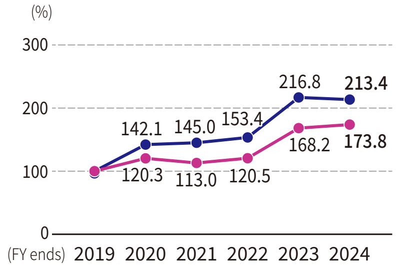
## Profit Attributable to Owners of Parent/ROE




Profit Attributable to Owners of Parent (Net Income Attributable to Owners of the Parent) (left axis)
ROE (right axis)

Profit attributable to owners of parent for FY2024 increased, reflecting higher operating profit. Meanwhile, ROE declined by 0.4 percentage point year on year to 16.1%.

## Total Shareholder Return (TSR)



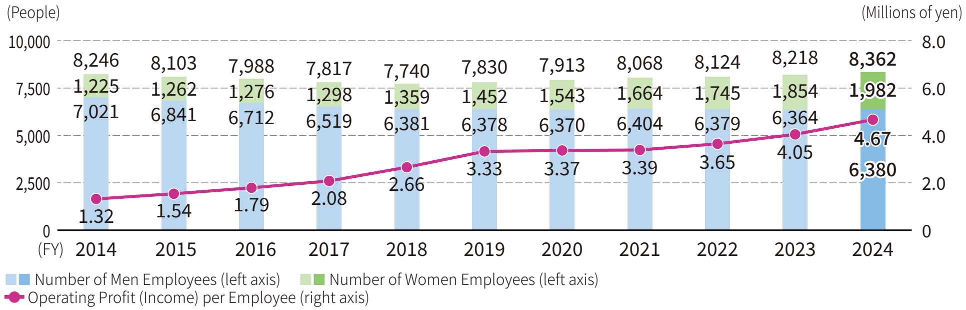

BIPROGY
TOPIX Total Return Index

Although our total shareholder return (TSR) for FY2024 remained steady, supported by robust operating results, it trailed the TOPIX Total Return Index on a five-year basis. By engaging in ongoing dialogue with shareholders and investors and achieving our stated goals, we will work to enhance our valuation in the stock market.

* Market price based on TSR indexed with closing price on March 31, 2020 (100).

# Non-Financial Highlights (BIPROGY Inc. and its consolidated subsidiaries)

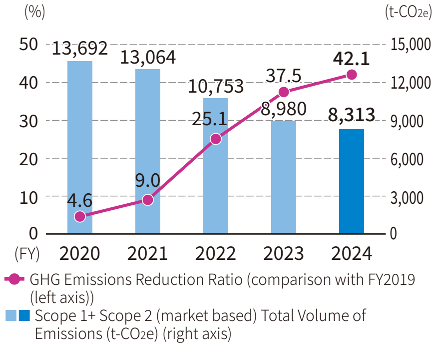
### Number of Employees (by Gender)/Operating Profit (Operating Income) per Employee




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.

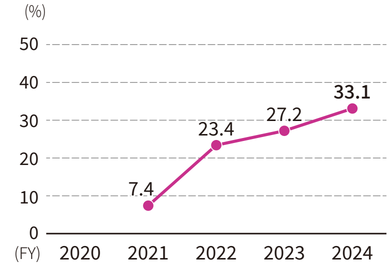
(Note) Up to and including FY2020, our reporting was in accordance with generally accepted accounting principles in Japan (J-GAAP), while the International Financial Reporting Standards (IFRS) have been applied since FY2021

### Reduction Rate in GHG Emissions / Scope 1 + Scope 2 (Market-based) Total Emissions*1



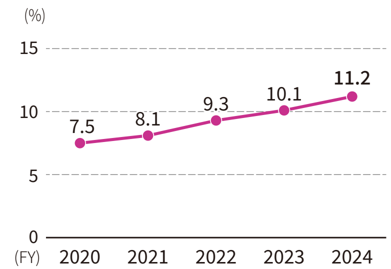

In addition to working to switch our procured electricity to renewable energy sources, we are carrying out energy conservation measures through the promotion of telework and efficient use of offices and equipment, and have achieved a 42.1% reduction in greenhouse gas (GHG) emissions in FY2024 compared to FY2019 (14,358t-$CO_2$e).

### Percentage of Purchased Energy Used at the BIPROGY Group Business Locations that is Renewable Energy*1



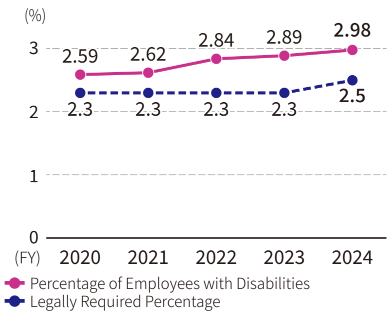

In FY2021, we launched the procurement of electricity from renewable energy sources. In FY2024, this procurement rate was 33.1%. Going forward, we will continue to promote procurement of electricity from renewable energy sources, taking into consideration diversification of procurement methods and other measures.

### Percentage of Management Positions Held by Women*2



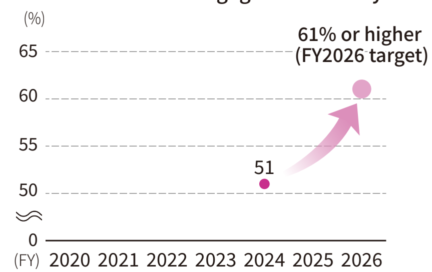

In FY2024, the percentage of management positions held by women was 11.2%. As part of our initiatives to promote the active participation of women, each Group company has formulated appointment plans and is fostering talent and building a pipeline, with oversight provided by committees and the Board of Directors. As we continue to implement these plans, we will support the identification of issues experienced by female employees and facilitate their development and promotion.

### Percentage of Employees with Disabilities*3



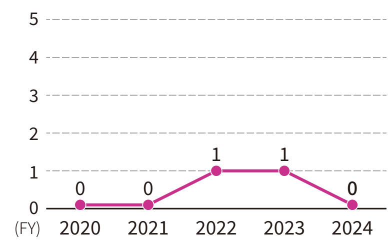

Our Group is building structures that provide consistent support to employees with disabilities, so that they can work and succeed with peace of mind. In FY2024, we continued to achieve our target employment rate of at least 0.1% above the level mandated by law (target for FY2024: 2.6%). We are also expanding employment opportunities through the activities of our special subsidiary and the development of new job categories within Group companies.

### Average Score on Items related to Job Satisfaction and Comfortable Work Environment in the Engagement Survey*4




Starting in FY2024, we began revamping our survey tool. Using the 51% score from the June 2024 survey as the baseline, we set a target of 61% for FY2026 and will continue to promote measures to improve employee engagement to reach this target.

### Number of Serious Security Incidents*5




The "Zero number of serious security incidents" is a KPI and target for material issues, and this figure for FY2024 was zero. Following the USB flash drive loss incident of June 2022, we have introduced initiatives designed to prevent a decline in security awareness and avoid procedural ritualization.

P.66 Information security

*1 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). Data for FY2024 is for BIPROGY Inc. and 31 other consolidated companies (major offices in Japan and abroad, 100% of the BIPROGY Group's total number of employees).

*2 Data for FY2020 is for BIPROGY Inc. and UNIADEX Ltd. Data from FY2021 onward is for BIPROGY Inc. and six other companies.

*3 Data up to FY2023 is for BIPROGY Inc. and six other companies. Data for FY2024 is for BIPROGY Inc. and seven other companies.

*4 BIPROGY Inc. and 17 other companies.

*5 Data for 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.

# Business Results Summary (BIPROGY Inc. and its consolidated subsidiaries)

## Summary of FY2024 Results

| Revenue | Operating profit | Profit attributable to owners of parent | Operating margin | ROE |
|---|---|---|---|---|
| ¥404.0 billion | ¥39.1 billion | ¥27.0 billion | 9.7% | 16.1% |
| Year-on-year change | Year-on-year change | Year-on-year change | Year-on-year change | Year-on-year change |
| +¥33.9 billion (+9.2%) | +¥5.8 billion (+17.4%) | +¥1.7 billion (+6.8%) | +0.7 pt | -0.4 pt |

### Consolidated statements of profit or loss

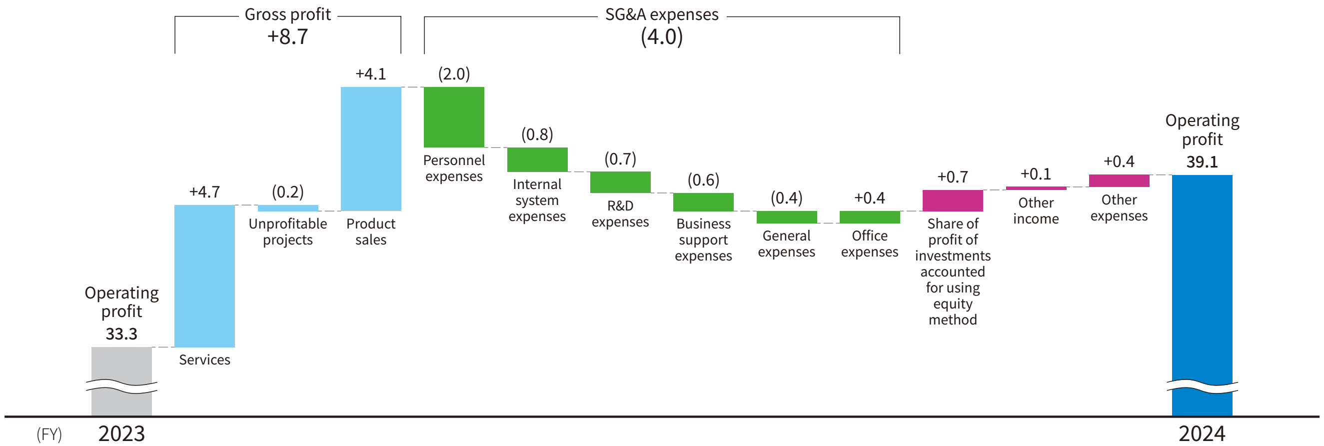
(Billions of yen)

| | FY2023 (April 1, 2023 – March 31, 2024) | FY2024 (April 1, 2024 – March 31, 2025) | Year-on-year change |
|---|---|---|---|
| Revenue | 370.1 | 404.0 | +33.9 |
| Cost of sales | 273.0 | 298.2 | +25.2 |
| Gross profit | 97.2 | 105.8 | +8.7 |
| Selling, general and administrative expenses | 63.4 | 67.4 | +4.0 |
| Share of profit of investments accounted for using equity method | 0.2 | 0.8 | +0.7 |
| Other income | 0.2 | 0.3 | +0.1 |
| Other expenses | 0.9 | 0.5 | (0.4) |
| Operating profit | 33.3 | 39.1 | +5.8 |
| Finance income | 1.0 | 0.5 | (0.5) |
| Finance costs | 0.2 | 0.8 | +0.6 |
| Profit before tax | 34.2 | 38.8 | +4.6 |
| Income tax expenses | 8.7 | 11.5 | +2.9 |
| Profit | 25.5 | 27.3 | +1.8 |
| Profit attributable to owners of parent | 25.2 | 27.0 | +1.7 |
| Comprehensive income | 35.3 | 25.1 | (10.2) |
| Adjusted operating profit | 33.8 | 38.4 | +4.6 |

Revenue rose by ¥33.9 billion year on year to ¥404.0 billion (a 9.2% increase compared to the previous fiscal year), against a backdrop of robust demand for IT investments from customers, with both services and product sales performing strongly. On the profit side, increased selling, general, and administrative expenses due to core system upgrades and changes to the human resources system were offset by higher gross profit resulting from increased revenue. Operating profit rose ¥5.8 billion year on year to ¥39.1 billion (up 17.4%). Profit attributable to owners of parent increased by ¥1.7 billion compared to the previous fiscal year to ¥27.0 billion (up 6.8%), reflecting the increase in operating profit.

Adjusted operating profit, which the Group uses as a performance management indicator, increased ¥4.6 billion (+13.6%) year on year to ¥38.4 billion.

### Analysis of changes in operating profit (Billions of yen)



## Conditions by segment

| | | | J-GAAP | | IFRS | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | (Billions of yen) | FY2019 | FY2020 | FY2020 | FY2021 | FY2022 | FY2023 | FY2024 | Year-on-year change | FY2024 Results | Future Direction |
| Services | **System Services**<br>Provision of contracted software development, SE services, consulting, etc. | Revenue | 102.9 | 93.6 | 94.1 | 103.1 | 115.7 | 127.0 | 130.4 | ↑ +2.7% | Large-scale and highly profitable system development projects had been finished in the previous period. The Group made successful bids of small and medium-sized projects in a wide variety of business sectors. As a result, the Group enabled an increase in revenue and gross profit. | We aim to further accelerate earnings growth. We will also seek to improve profitability by continuing to improve productivity through AI use, etc., and by promoting partner strategies. |
| | | Gross profit | 31.7 | 29.1 | 28.9 | 32.6 | 39.6 | 44.1 | 44.7 | ↑ +1.4% | | |
| | | Gross profit margin | 30.8% | 31.1% | 30.7% | 31.6% | 34.2% | 34.7% | 34.3% | ↓ (0.4 pt) | | |
| | **Support Services**<br>Software and hardware maintenance/ support services, installation assistance, etc. | Revenue | 55.0 | 53.0 | 53.3 | 51.5 | 52.4 | 54.9 | 58.4 | ↑ +6.3% | Revenue and gross profit increased, reflecting products sales growth with an increase in support services, collateral service. Gross margin improved as a result of productivity improvements. | Continue working towards maintaining and improving profitability. |
| | | Gross profit | 16.2 | 16.3 | 16.6 | 16.2 | 16.1 | 16.7 | 19.4 | ↑ +15.9% | | |
| | | Gross profit margin | 29.4% | 30.8% | 31.1% | 31.5% | 30.7% | 30.5% | 33.3% | ↑ +2.7 pt | | |
| | **Outsourcing**<br>Entrusted operation of information systems and service-based businesses, etc. | Revenue | 55.2 | 60.6 | 59.5 | 63.4 | 66.7 | 76.6 | 90.6 | ↑ +18.3% | Revenue and gross profit increased due to “BankVision” beginning to serve two new banks, cloud services by other companies (up by ¥6.6 billion compared to the previous period) and an increase in ITO operation services. Gross margin was compromised partly through an increase in the sales of cloud services provided by other companies. | 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 | 14.0 | 17.4 | 16.3 | 17.3 | 17.0 | 16.9 | 18.2 | ↑ +7.8% | | |
| | | Gross profit margin | 25.3% | 28.7% | 27.3% | 27.3% | 25.5% | 22.1% | 20.1% | ↓ (2.0 pt) | | |
| | **Other Services**<br>Communications network services, electrical installations, educational services, etc. | Revenue | 9.4 | 11.5 | 11.6 | 10.3 | 11.0 | 12.8 | 12.1 | ↓ (5.4%) | — | — |
| | | Gross profit | 2.1 | 2.5 | 2.5 | 2.3 | 2.5 | 3.0 | 2.9 | ↓ (2.7%) | | |
| | | Gross profit margin | 22.8% | 21.3% | 21.2% | 22.0% | 22.7% | 23.3% | 23.9% | ↑ +0.6 pt | | |
| Product sales | **Software**<br>Provision of software under a software license agreement, etc. | Revenue | 33.9 | 33.3 | 32.3 | 34.1 | 37.4 | 38.3 | 45.1 | ↑ +17.6% | Revenue and gross profit were pushed up by posting large-scale projects for government agencies and financial institutions. Gross margin was improved by posting highly profitable projects. | Promote sales of products that contribute to customers’ DX and develop software as a service. |
| | | Gross profit | 6.8 | 7.0 | 6.4 | 5.3 | 5.1 | 5.9 | 9.2 | ↑ +56.6% | | |
| | | Gross profit margin | 20.0% | 21.1% | 19.7% | 15.4% | 13.6% | 15.3% | 20.3% | ↑ +5.1 pt | | |
| | **Hardware**<br>Provision of hardware through equipment sales contracts, lease agreements, etc. | Revenue | 55.1 | 57.6 | 57.5 | 55.2 | 56.7 | 60.5 | 67.4 | ↑ +11.5% | Revenue and gross profit increased based upon network-related businesses including multiple large projects from government agencies remaining in good shape. | Meet demand for network- and IoT-related equipment in the context of greater DX investments. |
| | | Gross profit | 9.0 | 8.7 | 8.6 | 9.5 | 9.0 | 10.5 | 11.4 | ↑ +7.9% | | |
| | | Gross profit margin | 16.4% | 15.2% | 15.0% | 17.2% | 16.0% | 17.4% | 16.9% | ↓ (0.6 pt) | | |
| Total | | Revenue | 311.6 | 309.7 | 308.4 | 317.6 | 339.9 | 370.1 | 404.0 | ↑ +9.2% | | |
| | | Gross profit | 79.8 | 81.1 | 79.2 | 83.1 | 89.4 | 97.2 | 105.8 | ↑ +8.9% | | |
| | | Gross profit margin | 25.6% | 26.2% | 25.7% | 26.2% | 26.3% | 26.3% | 26.2% | ↓ (0.1 pt) | | |

## Primary outsourcing services

The Group's outsourcing business includes not only services for the entrusted operation of information systems, but also services that contribute to DX advancement, and services that solve social issues in collaboration with clients and partners. We aim to further increase profitability and create social value by strengthening our stable revenue base through the acquisition of new projects, developing outsourcing services that leverage the knowledge and expertise gained through serving clients, and accelerating the creation and expansion of services that solve social issues.

### Examples of services

- BankVision, an open core-banking system (on-premises type) / BankVision on Azure, a public cloud-based full-banking system
  P.22
- OptBAE, a shared-use core-banking system for regional financial institutions
- AI-Order Foresight, an automatic order services based on AI demand forecasts
  P.23
- Digital value cards and digital code business
- Omni-Base for DIGITAL'ATELIER, an EC SaaS platform
  P.23
- Enability Series, an electricity CIS - cloud-based retail system
  P.24
- Zero-Accident Program DR, a connected dashcam solution
- smart oasis, a mobility service platform
  P.24
- Saigai Net, a chronology-type crisis management information sharing system
- Storage service platform, etc.

### Consolidated statements of financial position

(Billions of yen)

| | FY2023 (As of March 31, 2024) | FY2024 (As of March 31, 2025) | Versus end of last FY |
|---|---|---|---|
| Assets | | | |
| Current assets | 187.9 | 196.8 | +8.9 |
| Non-current assets | 126.3 | 134.1 | +7.8 |
| Total assets | 314.2 | 330.9 | +16.7 |
| Liabilities | | | |
| Current liabilities | 112.5 | 122.6 | +10.2 |
| Non-current liabilities | 33.4 | 36.9 | +3.5 |
| Total liabilities | 145.9 | 159.6 | +13.7 |
| Equity | | | |
| Total equity attributable to owners of parent | 166.4 | 169.1 | +2.6 |
| Non-controlling interests | 1.9 | 2.2 | +0.4 |
| Total equity | 168.3 | 171.3 | +3.0 |
| Total liabilities and equity | 314.2 | 330.9 | +16.7 |

### Total assets

Increases in cash and cash equivalents and right-of-use assets, etc., resulting in an increase of ¥16.7 billion compared to the previous fiscal year-end, totaling ¥330.9 billion.

### Total liabilities

Contract liabilities and lease liabilities increased, resulting in a ¥13.7 billion increase from the previous fiscal year-end to ¥159.6 billion.

### Total equity

Total equity amounted to ¥171.3 billion, with the ratio of owner's equity to gross assets standing at 51.1%, a decrease of 1.9 percentage points compared to the previous fiscal year.

### Net cash provided by (used in) operating activities

An increase in proceeds compared with the previous fiscal year, due to factors of increasing or decreasing the proceeds of ¥38.8 billion in profit before income taxes. The factors increasing proceeds include ¥17.9 billion in depreciation and amortization, non-cash expenses, and an increase of ¥5.7 billion in contract liabilities. The factors decreasing the proceeds include an increase of ¥2.8 billion in inventories and a decrease of ¥1.4 billion in trade and other payables.

### Consolidated statements of cash flows

(Billions of yen)

| | FY2023 (April 1, 2023 – March 31, 2024) | FY2024 (April 1, 2024 – March 31, 2025) | Year-on-year change |
|---|---|---|---|
| Net cash provided by (used in) operating activities | 41.7 | 44.9 | +3.2 |
| Net cash provided by (used in) investing activities | (8.6) | (8.9) | (0.4) |
| Free cash flows | 33.1 | 36.0 | +2.8 |
| Net cash provided by (used in) financing activities | (17.6) | (30.6) | (13.0) |
| Effect of exchange rate changes on cash and cash equivalents | 0.1 | 0.2 | +0.1 |
| Net increase (decrease) in cash and cash equivalents | 15.6 | 5.5 | (10.1) |
| Cash and cash equivalents at end of period | 59.3 | 64.8 | +5.5 |

### Net cash provided by (used in) investing activities

An increase in expenditures compared with the previous fiscal year. This is attributable to: expenditures of ¥3.1 billion as a result of purchasing property, plant and equipment such as computers for business activities, and expenditures of ¥9.9 billion due to the acquisitions of intangible assets such as the investments in software for outsourcing, and proceeds from the sale of investment securities mainly held for cross-shareholding purposes, amounting to ¥6.2 billion.

### Net cash provided by (used in) financing activities

An increase in expenditures from the previous fiscal year. This is attributable to expenditures of ¥11.2 billion for acquiring treasury shares and dividends payment of ¥10.4 billion.

# 11-Year Financial Summary (BIPROGY Inc. and its consolidated subsidiaries)

| (Millions of yen) | Mid-Term Management Plan (FY2012–FY2014) | (FY2015–FY2017) | | | (FY2018–FY2020) | | |
|---|---|---|---|---|---|---|---|
| J-GAAP | FY2014 | FY2015 | FY2016 | FY2017 | FY2018 | FY2019 | FY2020 |
| **Fiscal Year** | | | | | | | |
| Net sales | 269,154 | 278,039 | 282,249 | 286,977 | 299,029 | 311,554 | 309,685 |
| Cost of sales | 205,712 | 213,428 | 215,521 | 218,174 | 225,859 | 231,754 | 228,605 |
| Gross profit | 63,442 | 64,610 | 66,727 | 68,803 | 73,169 | 79,799 | 81,079 |
| Selling, general and administrative expenses | 52,517 | 52,085 | 52,413 | 52,470 | 52,547 | 53,659 | 54,354 |
| Operating income | 10,924 | 12,525 | 14,314 | 16,332 | 20,622 | 26,139 | 26,724 |
| Net income attributable to owners of the parent | 7,246 | 8,920 | 10,261 | 11,949 | 14,238 | 18,182 | 17,076 |
| Capital expenditures | 14,191 | 11,631 | 14,781 | 11,473 | 8,183 | 10,336 | 12,038 |
| Depreciation and amortization | 9,821 | 9,488 | 9,315 | 10,363 | 11,653 | 11,161 | 10,999 |
| Research and development costs | 4,337 | 4,036 | 3,454 | 2,998 | 3,958 | 4,512 | 4,952 |
| Net cash provided by (used in) operating activities | 18,037 | 10,989 | 29,922 | 26,956 | 27,438 | 27,539 | 31,933 |
| Net cash provided by (used in) investing activities | (10,548) | (10,565) | (15,906) | (13,227) | (10,586) | (13,259) | (11,206) |
| Free cash flows | 7,489 | 424 | 14,015 | 13,728 | 16,852 | 14,280 | 20,726 |
| Net cash provided by (used in) financing activities | (12,886) | (8,186) | (11,756) | (12,977) | (8,226) | (8,202) | (8,177) |
| Orders | 263,478 | 279,415 | 281,394 | 296,956 | 304,874 | 315,626 | 322,268 |

| (Millions of yen) | | Management Policies (FY2021–FY2023) | | | (FY2024–FY2026) |
|---|---|---|---|---|---|
| IFRS | FY2020 | FY2021 | FY2022 | FY2023 | FY2024 |
| **Fiscal Year** | | | | | |
| Revenue | 308,426 | 317,600 | 339,898 | 370,142 | 404,010 |
| Cost of sales | 229,209 | 234,462 | 250,547 | 272,968 | 298,179 |
| Gross profit | 79,217 | 83,138 | 89,350 | 97,173 | 105,831 |
| Selling, general and administrative expenses | 54,023 | 56,466 | 59,955 | 63,360 | 67,410 |
| Operating profit | 24,624 | 27,425 | 29,673 | 33,287 | 39,066 |
| Profit attributable to owners of parent | 16,639 | 20,490 | 20,203 | 25,246 | 26,965 |
| Capital expenditures (tangible/intangible) | 11,694 | 9,091 | 14,720 | 12,770 | 12,996 |
| Depreciation and amortization (tangible/intangible) | 10,196 | 9,394 | 9,101 | 10,411 | 10,516 |
| Research and development expenses | 4,952 | 4,121 | 3,953 | 4,534 | 5,226 |
| Net cash provided by (used in) operating activities | 40,567 | 29,435 | 28,419 | 41,693 | 44,916 |
| Net cash provided by (used in) investing activities | (11,583) | (10,957) | (15,537) | (8,550) | (8,926) |
| Free cash flows | 28,983 | 18,477 | 12,882 | 33,142 | 35,989 |
| Net cash provided by (used in) financing activities | (16,301) | (16,118) | (18,043) | (17,621) | (30,613) |
| Orders | 324,285 | 326,961 | 362,094 | 386,104 | 404,004 |

## By Segment

| | | FY2014 | FY2015 | FY2016 | FY2017 | FY2018 | FY2019 | FY2020 |
|---|---|---|---|---|---|---|---|---|
| System services | Net sales | 83,404 | 89,829 | 89,607 | 90,509 | 95,972 | 102,919 | 93,572 |
| | Gross profit | 21,215 | 23,834 | 23,490 | 23,960 | 27,356 | 31,722 | 29,130 |
| | Gross profit margin | 25.4% | 26.5% | 26.2% | 26.5% | 28.5% | 30.8% | 31.1% |
| Support services | Net sales | 55,245 | 55,362 | 54,074 | 52,821 | 53,578 | 55,022 | 53,037 |
| | Gross profit | 16,330 | 14,848 | 15,015 | 15,122 | 15,289 | 16,186 | 16,337 |
| | Gross profit margin | 29.6% | 26.8% | 27.8% | 28.6% | 28.5% | 29.4% | 30.8% |
| Outsourcing | Net sales | 38,646 | 40,496 | 45,926 | 48,017 | 51,148 | 55,183 | 60,595 |
| | Gross profit | 7,667 | 8,797 | 10,633 | 10,765 | 11,993 | 13,966 | 17,390 |
| | Gross profit margin | 19.8% | 21.7% | 23.2% | 22.4% | 23.4% | 25.3% | 28.7% |
| Other services | Net sales | 9,793 | 8,474 | 8,807 | 8,428 | 9,776 | 9,387 | 11,546 |
| | Gross profit | 2,551 | 2,389 | 2,116 | 2,038 | 2,157 | 2,139 | 2,456 |
| | Gross profit margin | 26.1% | 28.2% | 24.0% | 24.2% | 22.1% | 22.8% | 21.3% |
| Software | Net sales | 30,727 | 30,003 | 29,733 | 33,103 | 33,877 | 33,943 | 33,287 |
| | Gross profit | 8,691 | 7,358 | 7,024 | 8,965 | 7,239 | 6,774 | 7,030 |
| | Gross profit margin | 28.3% | 24.5% | 23.6% | 27.1% | 21.4% | 20.0% | 21.1% |
| Hardware | Net sales | 51,337 | 53,873 | 54,099 | 54,097 | 54,677 | 55,098 | 57,647 |
| | Gross profit | 6,985 | 7,381 | 8,447 | 7,950 | 9,133 | 9,011 | 8,733 |
| | Gross profit margin | 13.6% | 13.7% | 15.6% | 14.7% | 16.7% | 16.4% | 15.2% |
| Total | Net sales | 269,154 | 278,039 | 282,249 | 286,977 | 299,029 | 311,554 | 309,685 |
| | Gross profit | 63,442 | 64,610 | 66,727 | 68,803 | 73,169 | 79,799 | 81,079 |
| | Gross profit margin | 23.6% | 23.2% | 23.6% | 24.0% | 24.5% | 25.6% | 26.2% |

| | | FY2020 | FY2021 | FY2022 | FY2023 | FY2024 |
|---|---|---|---|---|---|---|
| System services | Revenue | 94,147 | 103,101 | 115,726 | 127,039 | 130,433 |
| | Gross profit | 28,886 | 32,629 | 39,603 | 44,137 | 44,746 |
| | Gross profit margin | 30.7% | 31.6% | 34.2% | 34.7% | 34.3% |
| Support services | Revenue | 53,264 | 51,537 | 52,401 | 54,881 | 58,355 |
| | Gross profit | 16,583 | 16,218 | 16,079 | 16,743 | 19,405 |
| | Gross profit margin | 31.1% | 31.5% | 30.7% | 30.5% | 33.3% |
| Outsourcing | Revenue | 59,547 | 63,437 | 66,730 | 76,582 | 90,583 |
| | Gross profit | 16,271 | 17,298 | 17,039 | 16,908 | 18,230 |
| | Gross profit margin | 27.3% | 27.3% | 25.5% | 22.1% | 20.1% |
| Other services | Revenue | 11,635 | 10,275 | 10,963 | 12,836 | 12,149 |
| | Gross profit | 2,461 | 2,258 | 2,485 | 2,986 | 2,904 |
| | Gross profit margin | 21.2% | 22.0% | 22.7% | 23.3% | 23.9% |
| Software | Revenue | 32,341 | 34,089 | 37,410 | 38,330 | 45,087 |
| | Gross profit | 6,366 | 5,255 | 5,097 | 5,853 | 9,166 |
| | Gross profit margin | 19.7% | 15.4% | 13.6% | 15.3% | 20.3% |
| Hardware | Revenue | 57,490 | 55,158 | 56,665 | 60,471 | 67,401 |
| | Gross profit | 8,647 | 9,476 | 9,043 | 10,544 | 11,377 |
| | Gross profit margin | 15.0% | 17.2% | 16.0% | 17.4% | 16.9% |
| Total | Revenue | 308,426 | 317,600 | 339,898 | 370,142 | 404,010 |
| | Gross profit | 79,217 | 83,138 | 89,350 | 97,173 | 105,831 |
| | Gross profit margin | 25.7% | 26.2% | 26.3% | 26.3% | 26.2% |

| (Millions of yen) | Mid-Term Management Plan (FY2012–FY2014) | (FY2015–FY2017) | | | (FY2018–FY2020) | | |
|---|---|---|---|---|---|---|---|
| **J-GAAP** | **FY2014** | **FY2015** | **FY2016** | **FY2017** | **FY2018** | **FY2019** | **FY2020** |
| **Fiscal Year-End** | | | | | | | |
| Total assets | 199,772 | 193,094 | 192,694 | 197,278 | 211,421 | 214,975 | 231,980 |
| Total equity | 81,975 | 91,213 | 90,772 | 104,674 | 116,615 | 122,598 | 136,887 |
| Net interest-bearing debts | 33,665 | 22,020 | 21,003 | 10,529 | (3,375) | (11,020) | (22,815) |
| Shareholders' equity | 81,021 | 90,374 | 89,918 | 103,001 | 114,638 | 120,473 | 134,632 |
| Order Backlogs | 210,218 | 211,594 | 210,739 | 220,719 | 226,564 | 230,636 | 243,219 |
| **Per Share Information** | | | | | | | |
| Basic net income per share (Yen) | 77.07 | 93.71 | 96.49 | 119.12 | 141.90 | 181.19 | 170.13 |
| Diluted earnings per share (yen) | 66.72 | 82.33 | 96.05 | 118.69 | 141.40 | 180.53 | 169.52 |
| Net assets per share (Yen) | 861.53 | 847.51 | 896.39 | 1,026.72 | 1,142.41 | 1,200.32 | 1,341.04 |
| Cash dividends per share (Yen) | 20.00 | 30.00 | 35.00 | 40.00 | 55.00 | 70.00 | 70.00 |
| **Stock Information** | | | | | | | |
| PER (Times) | 14.8 | 15.9 | 15.8 | 19.3 | 20.7 | 16.0 | 20.0 |
| PBR (Times) | 1.32 | 1.76 | 1.70 | 2.23 | 2.57 | 2.41 | 2.54 |
| Stock price information (FY ends) (yen) | 1,140 | 1,491 | 1,520 | 2,294 | 2,932 | 2,893 | 3,410 |
| **Other Information** | | | | | | | |
| Dividend payout ratio (%) | 26.0 | 32.0 | 36.3 | 33.6 | 38.8 | 38.6 | 41.1 |
| Operating margin (%) | 4.1 | 4.5 | 5.1 | 5.7 | 6.9 | 8.4 | 8.6 |
| Ordinary income to total assets (ROA)(%) | 6.2 | 6.2 | 7.2 | 8.3 | 10.0 | 12.5 | 11.9 |
| Return on equity (ROE)(%) | 9.7 | 10.5 | 11.4 | 12.4 | 13.1 | 15.5 | 13.4 |
| Equity ratio (%) | 40.6 | 46.8 | 46.7 | 52.2 | 54.2 | 56.0 | 58.0 |
| Net debt-to-equity ratio (Times) | 0.42 | 0.24 | 0.23 | 0.10 | (0.03) | (0.09) | (0.17) |
| Operating income per employee | 1.32 | 1.54 | 1.79 | 2.08 | 2.66 | 3.33 | 3.37 |

| (Millions of yen) | | Management Policies (FY2021–FY2023) | | | (FY2024–FY2026) |
|---|---|---|---|---|---|
| **IFRS** | **FY2020** | **FY2021** | **FY2022** | **FY2023** | **FY2024** |
| **Fiscal Year-End** | | | | | |
| Total assets | 254,035 | 268,647 | 280,396 | 314,219 | 330,876 |
| Total equity | 113,986 | 130,674 | 141,597 | 168,314 | 171,297 |
| Net interest-bearing debts | 1,150 | (6,862) | (5,640) | (23,718) | (22,200) |
| Equity attributable to owners of parent | 112,271 | 128,917 | 139,887 | 166,423 | 169,050 |
| Order Backlogs | 242,429 | 251,684 | 273,880 | 289,842 | 289,836 |
| **Per Share Information** | | | | | |
| Basic earnings per share (Yen) | 165.78 | 204.04 | 201.06 | 251.15 | 272.65 |
| Diluted earnings per share (Yen) | 165.18 | 203.38 | 200.48 | 250.47 | 272.03 |
| Owners' equity per share (Yen) | 1,118.31 | 1,283.45 | 1,391.89 | 1,654.93 | 1,721.81 |
| Dividends per share (Yen) | 70.00 | 85.00 | 80.00 | 100.00 | 110.00 |
| **Stock Information** | | | | | |
| PER (Times) | 20.6 | 15.3 | 16.2 | 18.0 | 16.8 |
| PBR (Times) | 3.05 | 2.43 | 2.33 | 2.74 | 2.66 |
| Stock price information (FY ends) (yen) | 3,410 | 3,115 | 3,250 | 4,531 | 4,583 |
| **Other Information** | | | | | |
| Dividend payout ratio (%) | 42.2 | 41.7 | 39.8 | 39.8 | 40.3 |
| Operating margin (%) | 8.0 | 8.6 | 8.7 | 9.0 | 9.7 |
| Profit before tax to total assets (ROA)(%) | 9.9 | 11.3 | 10.9 | 11.5 | 12.0 |
| Return on equity attributable to owners of parent (ROE) (%) | 15.5 | 17.0 | 15.0 | 16.5 | 16.1 |
| Ratio of equity attributable to owners of parent to total assets (%) | 44.2 | 48.0 | 49.9 | 53.0 | 51.1 |
| Net debt-to-equity ratio (Times) | 0.01 | (0.05) | (0.04) | (0.14) | (0.13) |
| Operating profit per employee | 3.08 | 3.39 | 3.65 | 4.05 | 4.67 |

**[Reference] "TANKAN (National Short-Term Economic Survey of Enterprises in Japan)," Amounts of Investment in Software**

(Year-on-year change, %)

| | FY2014 | FY2015 | FY2016 | FY2017 | FY2018 | FY2019 | FY2020 | FY2021 | FY2022 | FY2023 | FY2024 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Manufacturing | 5.1 | 3.9 | (5.1) | 6.3 | 6.1 | 14.7 | (5.9) | 9.7 | 16.2 | 11.3 | **7.2** |
| Non-manufacturing | 0.6 | 0.0 | 5.6 | 7.5 | 3.6 | 8.4 | (6.4) | 6.4 | 9.1 | 9.3 | **2.7** |
| All industries | 2.0 | 1.2 | 2.1 | 7.1 | 4.3 | 10.3 | (6.2) | 7.6 | 11.5 | 10.0 | **4.2** |
| Financial institutions | (6.1) | 32.4 | 8.8 | 11.2 | (9.8) | 10.0 | (10.2) | 1.0 | 21.0 | 17.8 | **2.7** |
| All industries including Financial institutions | 0.1 | 7.8 | 3.9 | 8.5 | (0.4) | 10.2 | (7.4) | 5.4 | 14.5 | 12.2 | **3.7** |
| Holding companies, etc. | - | - | - | - | - | (4.9) | (5.5) | 8.8 | 11.9 | 0.0 | **(4.3)** |
| All industries including Financial institutions and Holding companies, etc. | - | - | - | - | - | 9.7 | (7.3) | 5.6 | 14.3 | 11.5 | **3.4** |

Source: Bank of Japan

# 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

**KPIs in bold relate to Material Issues**

| (FY) | | 2020 | 2021 | 2022 | 2023 | 2024 |
|---|---|---|---|---|---|---|
| Energy consumption (kL)[1] | | 7,425 | 7,836 | 7,608 | 7,189 | 6,553 |
| Purchased electricity (kWh) | | — | 27,229,042 | 25,835,293 | 24,502,085 | 22,233,799 |
| Purchased electricity from renewable energy sources (included in the above purchased electricity) (kWh) | | — | 2,025,840 | 6,041,212 | 6,656,421 | 7,361,146 |
| **Percentage of purchased electricity derived from renewable energy sources (%)** | | **—** | **7.4** | **23.4** | **27.2** | **33.1** |
| Scope 1 and 2 GHG emissions[1, 2] | | | | | | |
| Scope 1 GHG emissions (t-$CO_2e$) | | 218 | 1,470 | 1,406 | 1,257 | 1,326 |
| Scope 2 GHG emissions (Location-based) (t-$CO_2e$) | | — | 13,442 | 12,370 | 11,571 | 9,793 |
| Scope 2 GHG emissions (Market-based) (t-$CO_2e$) | | 13,475 | 11,593 | 9,347 | 7,723 | 6,988 |
| **Scope 1 + Scope 2 (Market-based) total emissions (t-$CO_2e$)[1]** | | **13,692** | **13,064** | **10,753** | **8,980** | **8,313** |
| Scope 3 GHG emissions (t-$CO_2e$)[3] | | — | 632,737 | 615,597 | 522,816 | 653,390 |
| **Category 1** | **Purchased goods and services** | **—** | **251,490** | **229,242** | **287,512** | **320,442** |
| Category 2 | Capital goods | — | 20,684 | 33,493 | 29,056 | 29,570 |
| Category 3 | Fuel and energy related activities not included in Scope 1 or Scope 2 | — | 2,276 | 2,330 | 2,252 | 2,082 |
| Category 4 | Upstream transportation and distribution | — | 1,785 | 3,141 | 5,868 | 3,096 |
| Category 5 | Waste generated in operations | — | 31 | 31 | 44 | 96 |
| Category 6 | Business travel | — | 2,570 | 4,367 | 4,770 | 5,190 |
| Category 7 | Employee commuting | — | 1,028 | 1,211 | 1,450 | 1,545 |
| Category 8 | Upstream leased assets | NA | | | | |
| Category 9 | Downstream transportation and distribution | NA | | | | |
| Category 10 | Processing of sold products | NA | | | | |
| **Category 11** | **Use of sold products** | **—** | **352,767** | **341,618** | **191,766** | **291,214** |
| Category 12 | End-of-life treatment of sold products | — | 105 | 165 | 97 | 156 |
| Category 13 | Downstream leased assets | NA | | | | |
| Category 14 | Franchises | NA | | | | |
| Category 15 | Investments | NA | | | | |
| Paper used (million sheets)[4] | | 725 | — | — | — | — |
| Paper used (kg)[4] | | — | 25,696 | 23,698 | 23,650 | 20,338 |
| Waste emissions (t)[5] | | 213 | 649 | 339 | 386 | 435 |
| Water withdrawal ($m^3$)[6] | | — | — | — | — | 50,093 |
| Water discharge ($m^3$)[6] | | — | — | — | — | 48,847 |
| Water used ($m^3$)[6] | | 13,000 | 49,477 | 53,007 | 51,342 | — |
| Water consumption ($m^3$)[6] | | — | — | — | — | 1,247 |

Scope of calculation

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

1 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). For FY2024, BIPROGY Inc. and 31 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 15 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). For FY2024, BIPROGY Inc. and 31 consolidated companies (main offices in Japan and overseas, 100% of total number of BIPROGY Group employees).

4 For FY2020, BIPROGY Inc. and 12 other companies and 2 other organizations (major offices in Japan); for FY2021, BIPROGY Inc. and 24 consolidated companies (major offices in Japan and abroad) excluding investment limited partnerships; for FY2022, BIPROGY Inc. and 25 consolidated companies (major offices in Japan and abroad) excluding 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). For FY2024, BIPROGY Inc. and 31 consolidated companies (main offices in Japan and overseas, 100% of total number of BIPROGY Group employees).

5 For 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 18 consolidated Japanese companies. For FY2024, BIPROGY Inc. and 16 consolidated Japanese companies.

6 Until FY2023, water withdrawal was disclosed as water use. Starting in FY2024, we disclose water consumption as the difference.
Scope of calculation: 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). For FY2024, BIPROGY Inc. and 31 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**

**KPIs in bold relate to Material Issues**

| (FY) | 2020 | 2021 | 2022 | 2023 | 2024 |
|---|---|---|---|---|---|
| **Employment, diversity, and working hours** | | | | | |
| Consolidated number of employees | 7,913 | 8,068 | 8,124 | 8,218 | 8,362 |
| Japan | 7,615 | 7,720 | 7,759 | 7,781 | 7,864 |
| Asia | 293 | 336 | 353 | 423 | 483 |
| Americas | 5 | 12 | 12 | 14 | 15 |
| Europe | 0 | 0 | 0 | 0 | 0 |
| Average years of continuous employment (years)[7] | 21.0 | 21.0 | 20.9 | 21.0 | 20.8 |
| Men | 21.7 | 21.8 | 22.0 | 22.2 | 22.2 |
| Women | 18.1 | 17.8 | 17.1 | 17.0 | 16.4 |
| Average age[7] | 46.1 | 46.1 | 46.3 | 46.4 | 46.4 |
| Paid leave utilization rate (%)[8] | 81.10 | 82.54 | 85.15 | 85.81 | 85.67 |
| **Percentage of employees with disabilities (%)[9]** | **2.59** | **2.62** | **2.84** | **2.89** | **2.98** |
| **Percentage of management positions held by women (%)[10]** | **7.5** | **8.1** | **9.3** | **10.1** | **11.2** |
| Percentage of woman employees (%) | 19.5 | 20.6 | 21.5 | 22.6 | 23.7 |
| Number of new graduate hires[11] | 243 | 248 | 205 | 223 | 256 |
| Men | 139 | 127 | 105 | 117 | 139 |
| Women | 104 | 121 | 100 | 106 | 117 |
| Number of mid-career hires | 142 | 105 | 208 | 220 | 200 |
| Men | 114 | 89 | 150 | 154 | 154 |
| Women | 28 | 16 | 58 | 66 | 46 |
| Average annual salary (yen)[7] | 8,088,571 | 8,100,039 | 8,163,349 | 8,502,857 | 8,462,098 |
| Gender pay gap (%)[12] | — | — | 76.3 | 76.6 | 78.2 |
| Employee turnover rate (%)[8] | 2.34 | 2.25 | 3.06 | 3.51 | 2.80 |
| Average monthly overtime hours worked per employee (hours/month)[8] | 14.9 | 16.3 | 17.3 | 17.5 | 16.6 |
| **Average score on items related to job satisfaction and worker-friendliness in the engagement survey (%)[13]** | — | — | — | — | **51** |
| Absenteeism rate[8] | 0.14 | 0.21 | 0.23 | 0.21 | 0.22 |
| **Work-life balance** | | | | | |
| Percentage of employees returning to work after childcare leave (%)[8] | 99 | 98 | 99 | 100 | 100 |
| Percentage of eligible people taking childcare leave (Men) (%)[14] | 24.8 | 30.1 | 48.7 | 49.5 | 62.7 |
| Number of employees taking paid leave for nursing care[8] | 296 | 501 | 515 | 464 | 353 |
| **Development of Human Capital** | | | | | |
| Capital investment in people (billion yen)[15] | — | — | — | 41 | 45 |
| **Other** | | | | | |
| Online uptime rate (%)[8] | 99.996 | 99.999 | 99.998 | 99.999 | 99.999 |
| Number of occupational accidents[16] | 5 | 12 | 6 | 12 | 20 |

Scope of calculation
7 BIPROGY Inc. on a non-consolidated basis
8 BIPROGY Inc. and UNIADEX, Ltd.
9 Before FY2023: BIPROGY Inc. and 6 other companies; for FY2024: BIPROGY Inc. and 7 other companies.
10 For 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 BIPROGY Inc. and 17 other companies.
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**

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

**KPIs in bold relate to Material Issues**

| (FY) | 2020 | 2021 | 2022 | 2023 | 2024 |
|---|---|---|---|---|---|
| Board of Directors ratio of independent outside directors (%) | 44.4 | 50.0 | 50.0 | 50.0 | 55.6 |
| Audit & Supervisory Board ratio of independent outside auditors (%) | 60.0 | 60.0 | 60.0 | 60.0 | 60.0 |
| Dividend payout ratio (%)[17] | 42.2 | 41.7 | 39.8 | 39.8 | 40.3 |
| ROE (%)[17] | 15.5 | 17.0 | 15.0 | 16.5 | 16.1 |
| **Number of serious security incidents[18]** | **0** | **0** | **1** | **1** | **0** |

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

- UN Global Compact
- Task Force on Climate-related Financial Disclosures (TCFD)
- Task Force on Nature-related Financial Disclosures (TNFD)
- RE100
- Science Based Targets initiative
- Women's Empowerment Principles (WEPs)

- ISO14001
- ISO/IEC27001:2013/JIS Q 27001:2014
- ISO9001
- Privacy Mark certification
- DX Certification

Sustainability Initiatives (Japanese only)
https://www.biprogy.com/sustainability/

## 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 (FY2024)**

- Amount of Scope 1 GHG emissions (t-$CO_2e$)
- Amount of Scope 2 GHG emissions (t-$CO_2e$), Location-based and Market-based
- Amount of Scope 3 GHG emissions (t-$CO_2e$) Categories 1-15
- Amount of total energy consumption (GJ, MWh, kL)
- Percentage of purchased electricity derived from renewable energy sources (%)
- Amount of energy used (city gas ($m^3$), heavy fuel oil A (kL), gasoline (kL), LPG ($m^3$), hot water (GJ), cold water (GJ), steam (GJ))
- Amount of water withdrawal ($m^3$)
- Amount of water discharge ($m^3$)
- Amount of waste emissions (recycled, landfilled, incinerated) (t)
- Amount of paper used (kg)

**Social Data (FY2024)**

- 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 (%)

Independent Assurance Statement

**Environment** https://sustainability-cms-biprogy-s3.s3.amazonaws.com/pdf/IAS_2025_Environment_en.pdf

**Social** https://sustainability-cms-biprogy-s3.s3.amazonaws.com/pdf/IAS_2025_Social_en.pdf

# External Evaluations/Statement of Responsibility

## 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 2025

MSCI ESG Rating

CDP2024

PRIDE Index 2024

2025 Certified Health & Productivity Management Outstanding Organization

Platinum Kurumin certification

Eruboshi certification

THE USE BY BIPROGY Inc. OF ANY MSCI ESG RESEARCH LLC OR ITS AFFILIATES ("MSCI") DATA, AND THE USE OF MSCI LOGOS, TRADEMARKS, SERVICE MARKS OR INDEX NAMES HEREIN, DO NOT CONSTITUTE A SPONSORSHIP, ENDORSEMENT, RECOMMENDATION, OR PROMOTION OF BIPROGY Inc. BY MSCI. MSCI SERVICES AND DATA ARE THE PROPERTY OF MSCI OR ITS INFORMATION PROVIDERS, AND ARE PROVIDED 'AS-IS' AND WITHOUT WARRANTY. MSCI NAMES AND LOGOS ARE TRADEMARKS OR SERVICE MARKS OF MSCI.

### Inclusion in ESG Indexes

FTSE4Good Index Series

FTSE Blossom Japan Index

FTSE Blossom Japan Sector Relative Index

MSCI Japan ESG Select Leaders Index

MSCI Japan Empowering Women Index (WIN)

Morningstar Japan ex-REIT Gender Diversity Tilt Index

S&P/JPX Carbon Efficient Index

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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## Statement of Responsibility

**Kazuma Umehara**

Senior Corporate Officer and CFO

The BIPROGY Group has published this integrated report and has repeatedly engaged in dialogue with stakeholders to deepen understanding of our initiatives to create value in the medium- to long-term.

This report was created to clearly communicate our Group's value creation story centered on Purpose as our guiding principle, along with material issues and growth strategies outlined in our Management Policies (2024-2026).

Moreover, this 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 third-party assurance for key non-financial information. 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 this report will help our stakeholders deepen their understanding of our Group and lead to more productive engagement.

# 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. |
| CFP (Carbon Footprint of Products) | An indicator that shows the amount of greenhouse gas emissions from raw material procurement through disposal of products and services, expressed in $CO_2$ equivalents ($CO_2e$), and is useful for visualizing and reducing environmental impact. |
| 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. |

| Term | Explanation |
|---|---|
| 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. |
| Renewable energy aggregation | A system that aggregates and controls renewable energy sources such as solar and wind power from multiple power generation facilities and treats them as if they were one large power source. |
| 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. |
| Social implementation | Taking services and mechanisms utilizing digital elements and technologies that lead to solving social issues and making them widely available to society. |
| System integrator / system integration | A 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. |
| 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, 2025)

## Corporate Data

| | |
|---|---|
| Company Name | BIPROGY Inc. |
| Established | March 29, 1958 |
| Paid-in Capital | ¥5,483.17 million |
| Description of Business | Services business including cloud computing and outsourcing; computer and network system sales/rentals; software development and sales; system-related services |
| Number of Employees | 8,362 (consolidated) |
| Independent Auditor | Deloitte Touche Tohmatsu LLC |
| Business Offices | Corporate Headquarters:<br>1-1-1 Toyosu, Koto-ku, Tokyo 135-8560, Japan<br>Regional Headquarters:<br>Kansai (Osaka), Chubu (Nagoya), and Kyushu (Fukuoka)<br>Regional Offices:<br>Hokkaido (Sapporo), Tohoku (Sendai), Niigata (Niigata), Hokuriku (Kanazawa), Shizuoka (Shizuoka), and Chugoku (Hiroshima)<br>Other Locations:<br>Sapporo Techno-Center, and Izu Executive Center |

### Number of consolidated subsidiaries 30

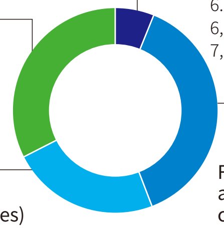
| Marketing, Business Development and Consulting |
|---|
| UEL Corporation<br>UEL (Thailand) Co., Ltd.<br>Cambridge Technology Partners, Ltd.<br>Cambridge Technology Partners Inc.<br>AFAS Inc.<br>Canal Ventures, Ltd.<br>Canal Ventures Collaboration Fund 1 Investment Limited Partnership<br>Canal Ventures Collaboration Fund 2 Investment Limited Partnership<br>Axxis Consulting (S) Pte. Ltd.<br>Axxis Technologies (S) Pte. Ltd.<br>Axxis Consulting (M) Sdn. Bhd.<br>AFON IT Pte. Ltd.<br>AFON Systems Pte. Ltd.<br>AFON Technologies Pte. Ltd.<br>Nexus System Resources Holdings Co., Ltd.<br>Nexus System Resources Co., Ltd.<br>iByte Solutions Sdn. Bhd.<br>Emellience Partners, Inc.<br>Green Digital & Innovation Inc.<br>V-Drive Technologies Inc. |
| **Total Infrastructure Services** |
| UNIADEX, Ltd.<br>Netmarks Information Technology (Shanghai) Co., Ltd.<br>S&I Co., Ltd. |
| **System Services** |
| International Systems Development Co., Ltd.<br>G&U System Service, Ltd.<br>USOL VIETNAM Co., Ltd.<br>UNIAID Co., Ltd.<br>BIPROGY CHALLENGED Inc. |
| **Outsourcing** |
| TRADE Vision, Ltd. |
| **Group Services** |
| BIPROGY USA, Inc. |

### Number of equity method affiliates 17

## Stock Information

| | |
|---|---|
| Number of shares issued | 100,663,524 shares |
| Number of shareholders | 8,060 shareholders |
| Stock exchange listings | Tokyo Stock Exchange, Prime Market<br>(Stock code: 8056) |

### Classification of Shareholders



Individuals and others
6.14%
6,180,632 shares
7,568 shareholders

Foreign corporations and individuals
32.29%
32,505,071 shares
333 shareholders

Other domestic corporations (including treasury shares)
23.52%
23,677,600 shares
71 shareholders

Financial institutions and securities companies
38.05%
38,300,221 shares
88 shareholders

### Principal Shareholders

| Name | Number of shares held (Thousands of shares) | Holding ratio (%) |
|---|---|---|
| Dai Nippon Printing Co., Ltd. | 20,727 | 21.08 |
| The Master Trust Bank of Japan, Ltd. (Trust Account) | 12,972 | 13.19 |
| Custody Bank of Japan, Ltd. (Trust Account) | 12,947 | 13.17 |
| The Norinchukin Bank | 2,326 | 2.36 |
| STATE STREET BANK AND TRUST COMPANY 505001 | 1,976 | 2.01 |
| THE BANK OF NEW YORK MELLON 140044 | 1,969 | 2.00 |
| Custody Bank of Japan, Ltd. (Trust Account 4) | 1,776 | 1.80 |
| STATE STREET BANK AND TRUST COMPANY 505103 | 1,622 | 1.65 |
| JP MORGAN CHASE BANK 385781 | 1,521 | 1.54 |
| BIPROGY Employees' Shareholding Society | 1,391 | 1.41 |

(Notes) 1. Number of shares less than one thousand has been omitted.
2. The Company retains 2,377,545 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.

BIPROGY Inc.

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Finance Department
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