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 Operating Margin 4.1% Net Sales ¥269.2 billion ROE 9.7% Dividend Payout Ratio 26.0%	FY2017 Operating Margin 5.7% Net Sales ¥287.0 billion (Net sales in the areas of digital innovation and life innovation) (¥27.0 billion) ROE 12.4% Dividend Payout Ratio 33.6%	FY2020 Operating Margin 8.6% Net Sales ¥309.7 billion (Net Sales in Priority Areas) (¥68.4 billion) ROE 13.4% Dividend Payout Ratio 41.1%
Strategies and Key Outcomes / Acquired Strengths	**Added the ability to design and implement new services to our existing strengths** • Took a social perspective to create business ecosystems that link different industries • Collaboration with Dai Nippon Printing Co., Ltd., which has strengths in the content field • Provided payment/settlement platforms as a service business entity • Strengthened financial condition	**Took on challenges in new business areas and strengthened our foundation for further growth** • Increased profit and number of potential new businesses by expanding business in the digital and life innovation fields • Increased profitability by concentrating on fields of strengths, such as business ICT platforms, and improving labor productivity • Promoted a change in skill sets in line with business model transformation • Proactively promoted investments in business partners in Japan and overseas as well as Fund of Funds (FoF)	**Acquired assets to transform the Group into one that creates social value by expanding business in priority areas** • Built a foundation for the direction that should be promoted in the next management policies through initiatives in the core fields of neo-banks, digital acceleration, smart towns, and asset guardian • Reviewed human resources and roles in business execution, cultivated relationships with customers, and contribute to greater customer value • Strengthened platform provision capabilities through measures to integrate technology throughout the Group, increase productivity, and increase efficiency • Implemented measures on various fronts, including corporate culture reforms that promote challenges and reforms in awareness regarding diversity • Proactively implemented initiatives that foster open innovation and acquired knowledge through investments that target new business creation

Review of Previous Management Policies

Management Policies (2021-2023)

FY2021-FY2023

	FY2023 Actual	FY2023 Target
Revenue	¥370.1 billion	¥340.0 billion
Outsourcing Business*1	(¥76.6 billion)	(¥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

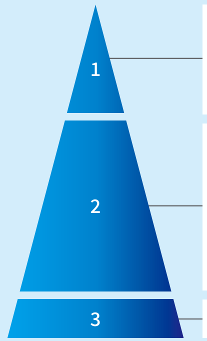
	FY2024 Actual	FY2026 Target*3	Initial target
Revenue	¥404.0 billion	¥440.0 billion	¥420.0 billion
Adjusted Operating Margin*2	9.5%	11.0%	11.0%
ROE	16.1%	17.0% or more	15.0%
Dividend Payout Ratio	40.3% +Treasury stock acquisition ¥11.2 billion	40.0% or more + Flexibly implement share repurchases, taking into account the stock price	40.0% or more

*3 Target revised upward in April 2025

Basic Policy

P.20

We will work to realize Vision 2030 through three basic policies



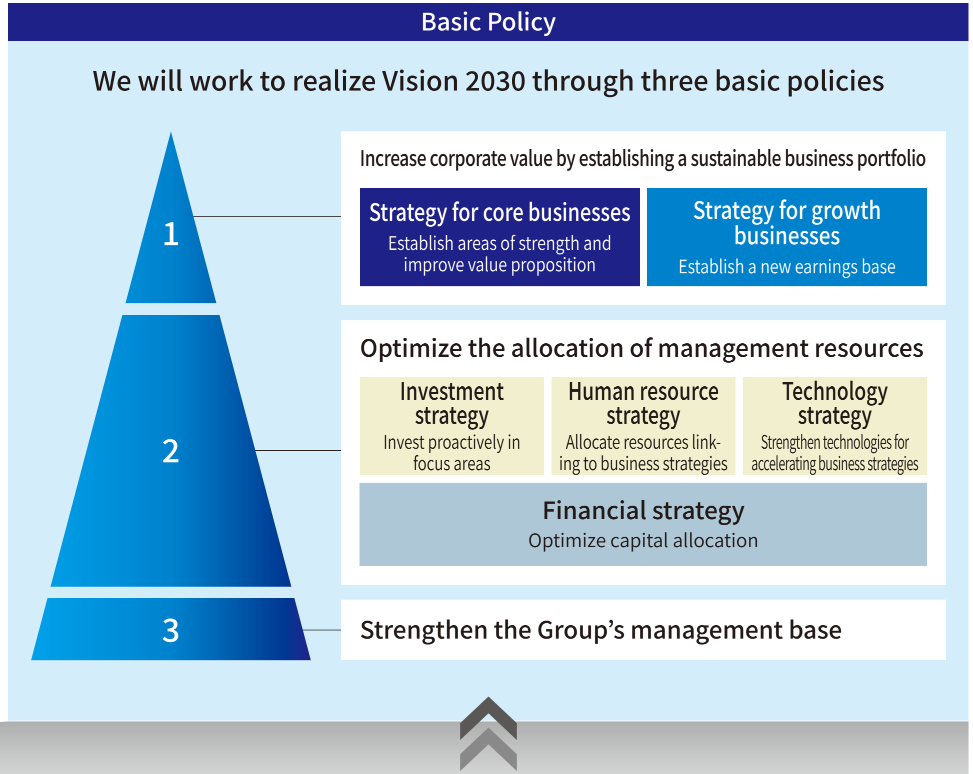
1. Increase corporate value by establishing a sustainable business portfolio
   - Strategy for core businesses
   - Strategy for growth businesses
2. Optimize the allocation of management resources
   - Investment strategy
   - Human resource strategy
   - Technology strategy
   - Financial strategy
3. Strengthen the Group's management base

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.



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

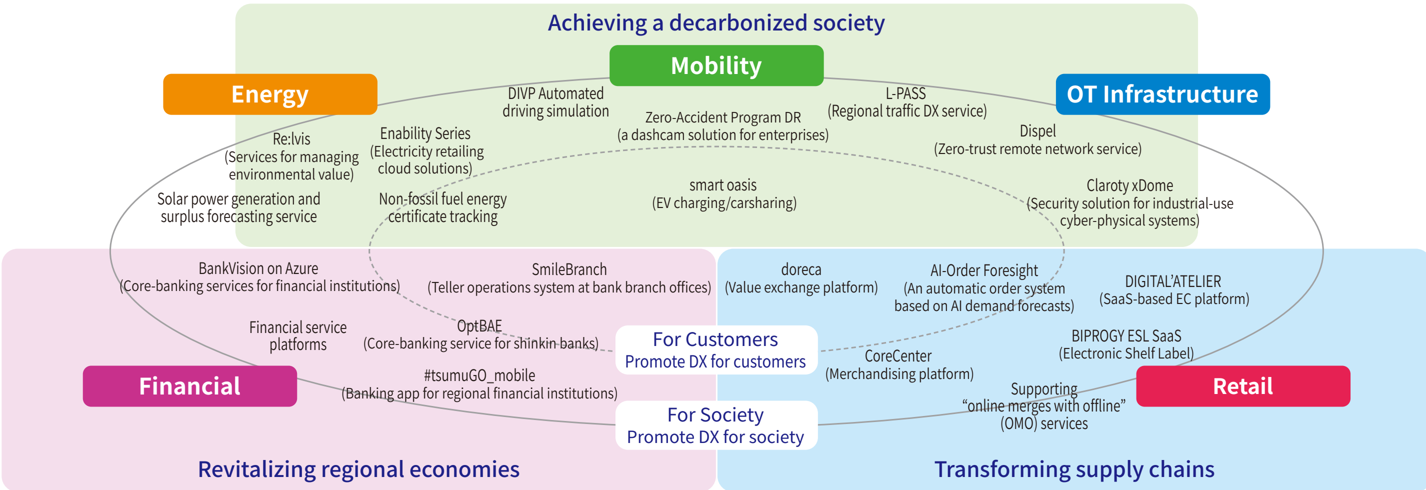
Key Strategic Initiatives	Growth Scenarios
Allocate management resources to focus areas/ customers	**Make proactive development investments and human capital allocations in focus areas** • Centered on our assets, which are a product of our excellent customer base and our thorough operational and customer knowledge, define five focus areas: financial, retail, energy, mobility, and operational technology (OT) infrastructure • 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** • Standardize project management and engineering, and shift internal processes toward earlier stages in the value chain • 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 • 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** • Increase the speed with which we can provide solutions by transitioning more services to the cloud, and expand our market share • 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 Acquire/Expand new service areas and capture/expand market share	**Capture/Expand new market share by acquiring new service areas and cultivating growth markets** • Deploy data utilization services that employ data scientists and AI to support customer management decisions • Deploy managed services, including digital workplaces, security and cloud management, that free customers to concentrate on their core business processes
Business development 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** • 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 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** • Use strategic investments such as M&As to expand service areas and acquire new customer segments • Leverage services and knowledge from operations in Japan to promote customer digital transformation businesses overseas • 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.

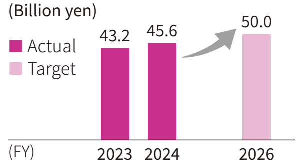


Core Businesses Focus areas: Financial

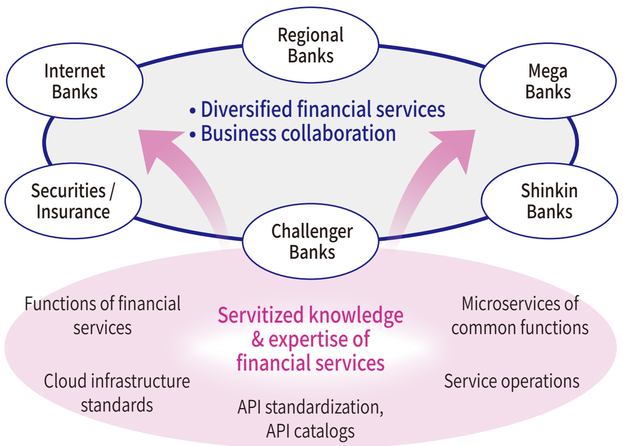
Our Vision for 2030

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

Actual revenues and target
(Billion yen)



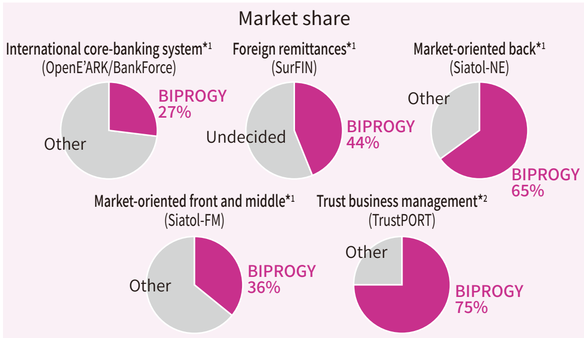
Over the past 50 years, the Group has developed and delivered packaged systems for financial institutions. Embracing cutting-edge IT as times change, we launched the world's first open core-banking system in 2007 and, in 2021, achieved Japan's first core-banking system running on a public cloud. Harnessing 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. • 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). • 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 HOKKOKU Bank	• Suruga Bank Ltd.
• The Ogaki Kyoritsu Bank, Ltd.	• The Hyakugo Bank, Ltd.	• The Kiyo Bank, Ltd.
• CHIKUHO BANK Ltd.	• THE BANK OF SAGA LTD.	• The KAGOSHIMA BANK, LTD.
• THE SAIKYO BANK, LTD.	• The Shoko Chukin Bank, Ltd.	

Inside BIPROGY Group Strategy

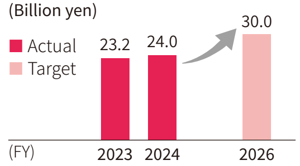
Promoting solutions that spearhead change in the financial industry

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

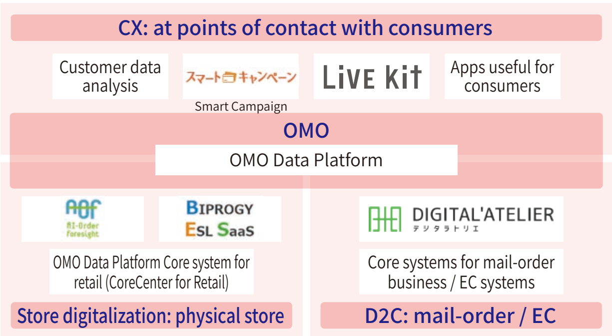


Our Vision for 2030

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.



Strengthen and create our services in the four areas with the aim of enabling futuristic retail

	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. • "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. • 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. Introduced by **24** companies cumulatively	AI-Order Foresight automatic order system based on AI demand forecasts Introduced by **8** companies at over **900** stores cumulatively
BIPROGY ESL SaaS electronic shelf label service Introduced by **7** companies at over **1,500** stores cumulatively	Omni-Base for DIGITAL' ATELIER EC SaaS platform, etc. 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

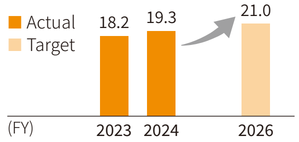
Akinobu Murakami
Corporate Officer
BIPROGY Inc.

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)

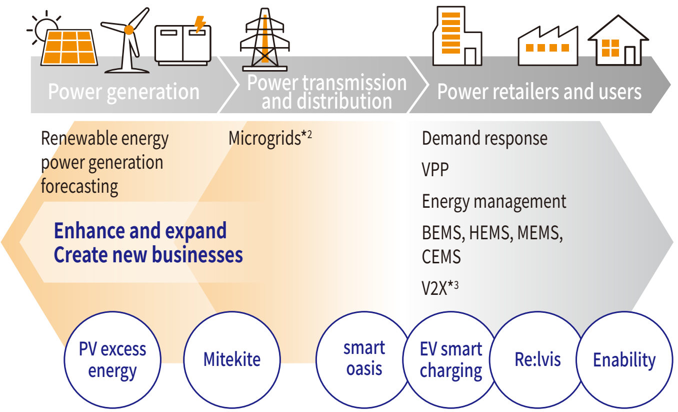


Our Vision for 2030

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

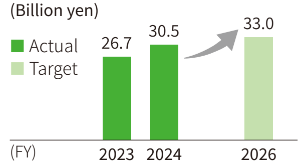
We will speed up our efforts by leveraging our accumulated knowledge and capabilities

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

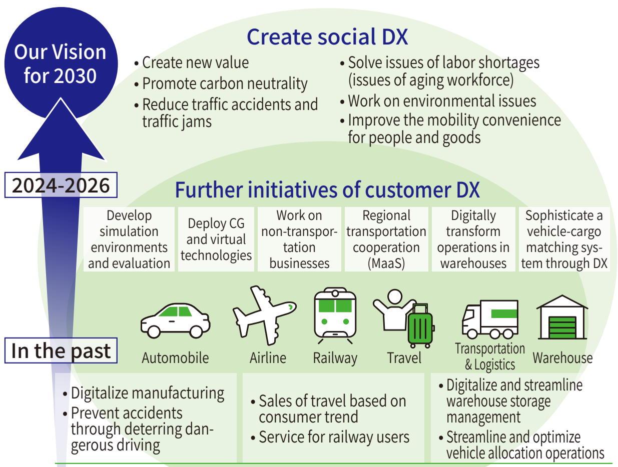


Our Vision for 2030

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. • 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 • 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

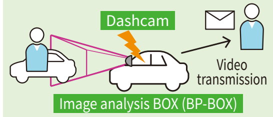
V-Drive Technologies Inc., which provides a virtual space verification platform for automated driving

(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

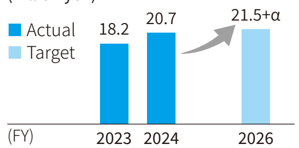
"Think mobility, think BIPROGY"

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
(Billion yen)

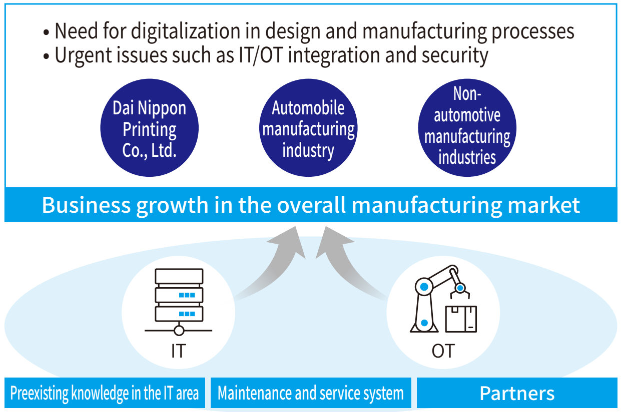


Our Vision for 2030

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

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

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

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

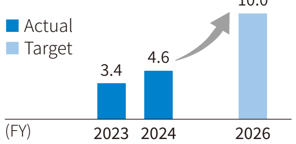
Growth Scenarios

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

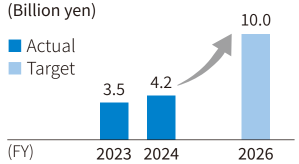
Growth Scenarios

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

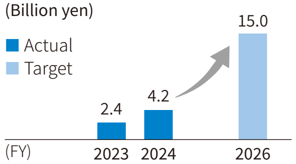
Our "Business development" initiative focuses squarely on the Group's contributions to society. The KPI set out in our material issue of "sales from businesses aimed at solving social issues" corresponds to the revenue generated under this initiative. We view this as a key initiative for driving the 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. • 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.

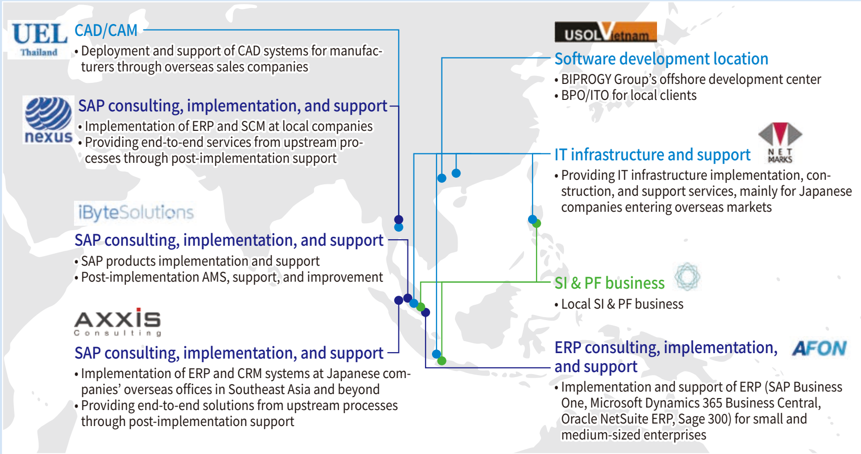
An IT consulting company headquartered in Kuala Lumpur, Malaysia, that implements and maintains SAP SE solutions

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

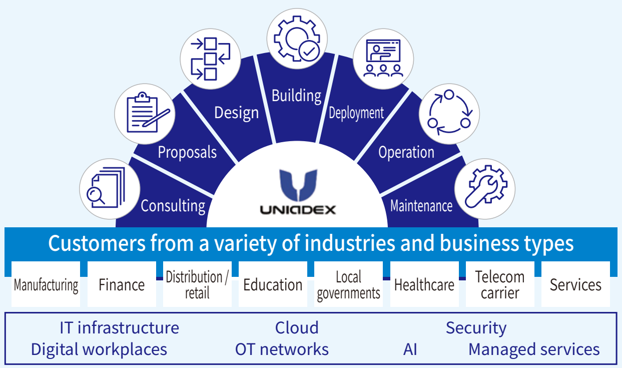
The BIPROGY Group is creating new synergies through collaborations with other companies. Here, we introduce initiatives by UNIADEX, Ltd. (UNIADEX), which supports the ICT infrastructure business of the BIPROGY Group, and our cooperative business endeavors with Dai Nippon Printing Co., Ltd. (DNP), with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

UNIADEX

BIPROGY Group
(Established: March 1997)

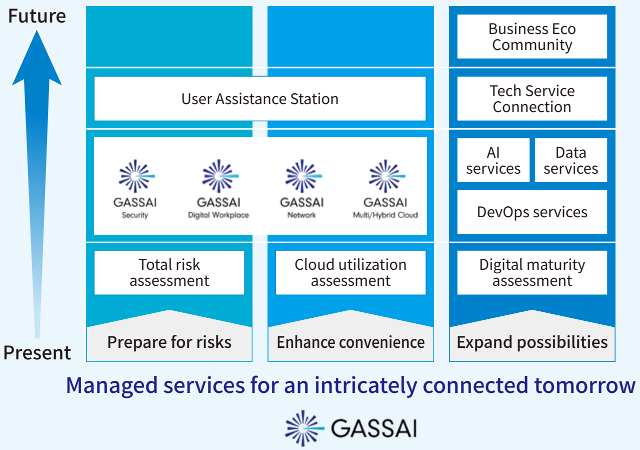
UNIADEX possesses strengths in areas such as multi-cloud services, next-generation networks, DX, and IT outsourcing. Provides total ICT infrastructure services within the BIPROGY Group.

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.

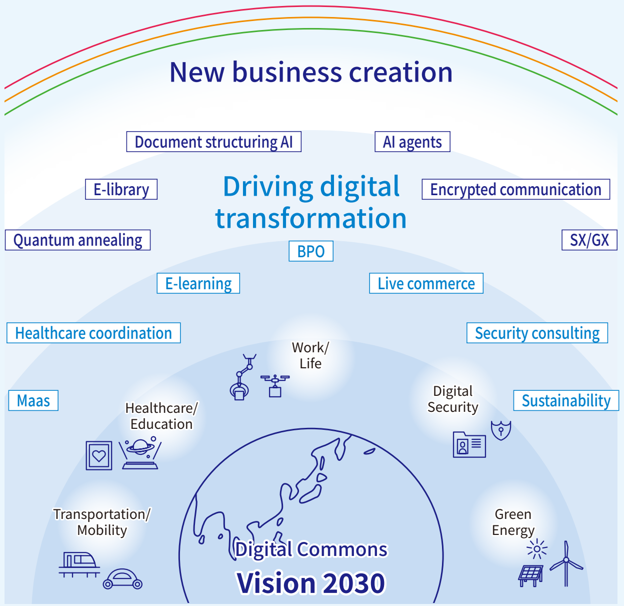
DNP

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

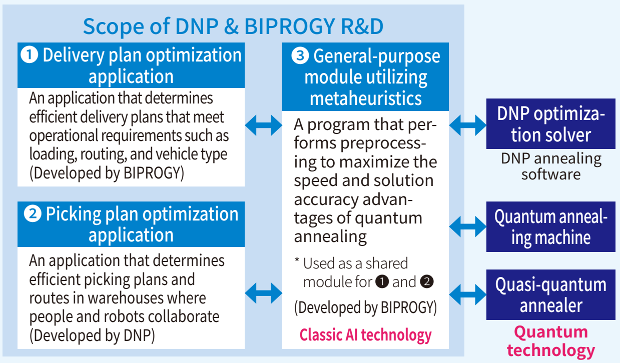


Examples of cooperation

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

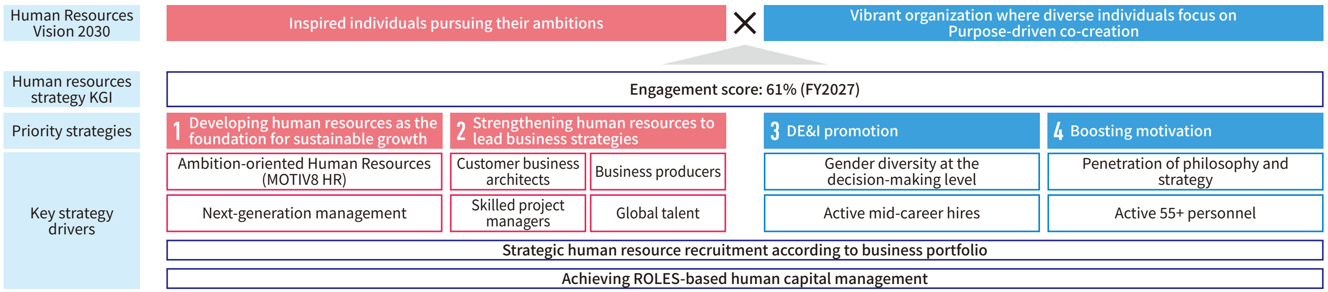
To realize the vision set forth in Vision 2030, our Group has established Human Resources Vision 2030, defining our aspirational state as "inspired individuals pursuing their ambitions" and "a vibrant organization where diverse individuals focus on Purpose-driven co-creation." To achieve this vision, 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



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.

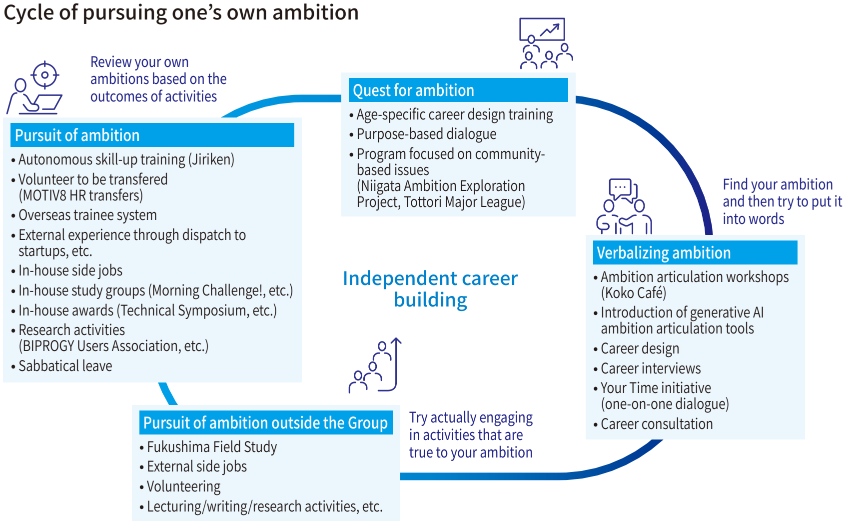
P.63 Succession planning

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** 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 ② Percentage of employees who have set medium- to long-term career goals and agreed on them with their supervisors ③ Maintenance and improvement rate of mechanisms to promote career well-being (number of implementations /number of plans)	① 46% ② 100% ③ 83%	① 55% or higher ② 100% ③ 100%
Leaders	②	**Next-Generation Management** Human resources who have high ambitions for improving the Group's corporate value, and who drive change with their ability to think and act innovatively, and with an exciting vision	Successor candidate preparation rate	100%	100%
Core businesses	③	**Customer Business Architects** Human resources who can proactively identify customer issues based on deep business understanding and strong relationships of trust, and present solutions to issues and paths to business expansion through DX	Number of human resources meeting ROLES-based criteria	147	300 or more
Core businesses	④	**Skilled Project Managers** Human resources possessing not only extensive project management experience, but also thorough knowledge of the latest development and operational methods, and the ability to advance quality projects while always staying ahead of developments	Number of human resources meeting ROLES-based criteria	239	300 or more
Growth businesses	⑤	**Business Producers** Human resources who can grasp social issues with foresight and insight, design their own businesses, and co-create by involving diverse stakeholders	Number of human resources promoting new business development	48	100 or more
Growth businesses	⑥	**Global Talents** Human resources who can take on the challenge of developing overseas business with toughness and insight, and contribute to the expansion of the Group's global business	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.

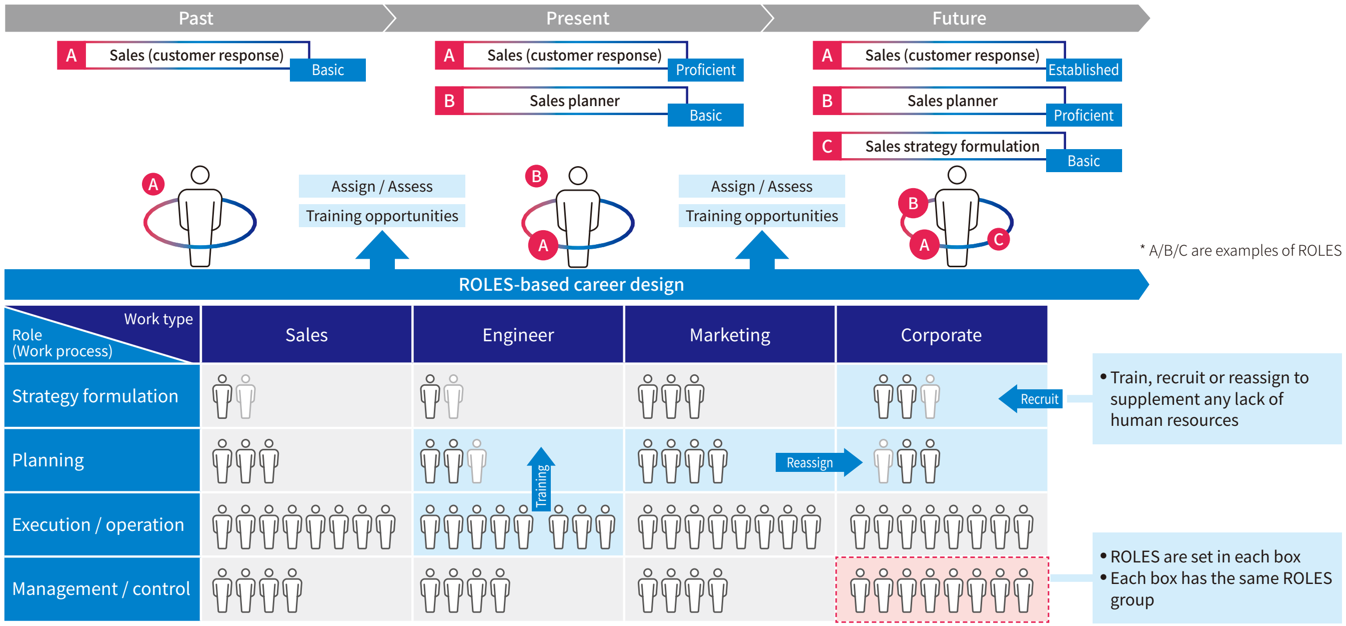
We also promote career development by utilizing ROLES and establishing support systems and environments with various human resource measures, so that Ambition-Oriented Human Resources (MOTIV8 HR) can reflect their ambitions in their work.

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 Next-generation organizational head	• Job discovery and role definition tailored to this age group (recruiting positions) • 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 • Guaranteed initial placement location • 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 • Referral recruitment and alumni recruitment • Potential hiring (recent graduates with job experience)	◎	◎
Human resources who can deep-dive into growth businesses Human resources who can plant new seeds	• Newly graduated professional employees • Role model promotion • 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 • New relationship building and strengthening with regional universities and technical colleges
Training	• Introduction of autonomous skill-up training (Jiriken) • 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 • 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

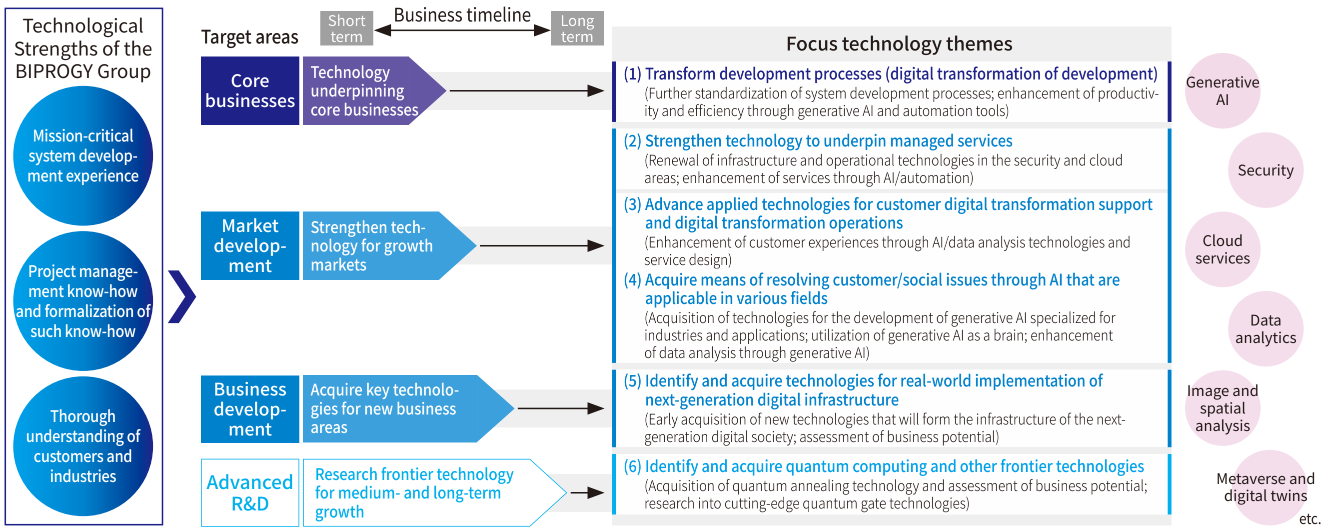
The BIPROGY Group leverages its solid customer base to support client systems across a variety of industries, including financial institutions and retail, through proprietary software packages and other solutions. Yet the market landscape is undergoing a major transformation, moving away from vertically 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.

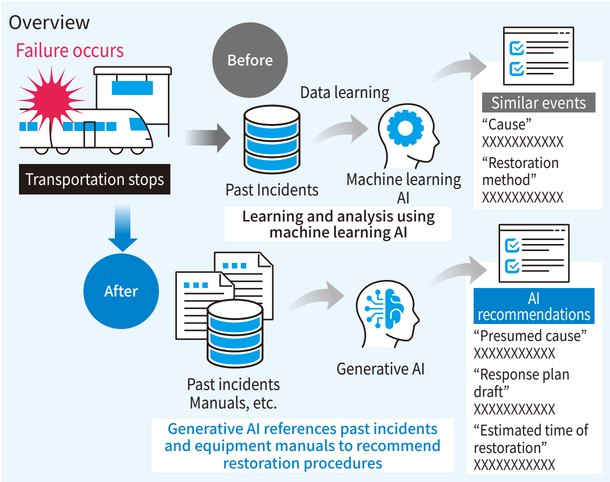
Service differentiation

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), LexxPluss 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.

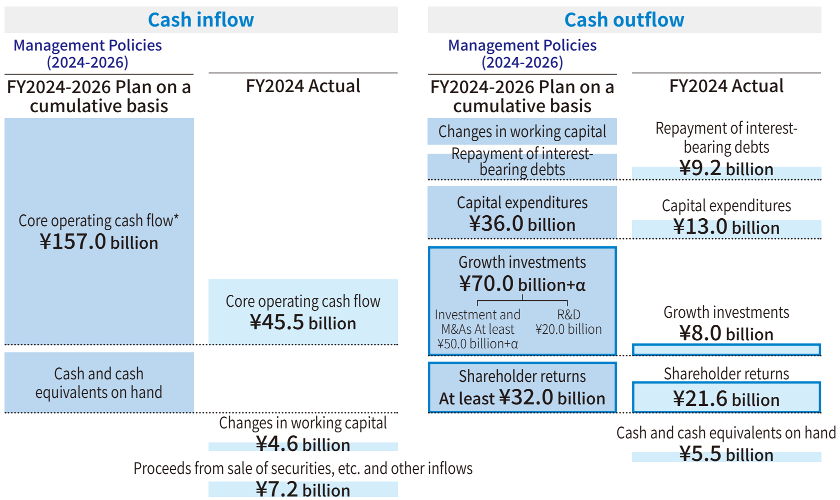
The Group regards M&A and overseas expansion as strategic means of growth. At present, however, we recognize the need to further strengthen our organizational framework, particularly in securing and developing the human resources to support these efforts. Accordingly, in addition to hiring mid-career 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).

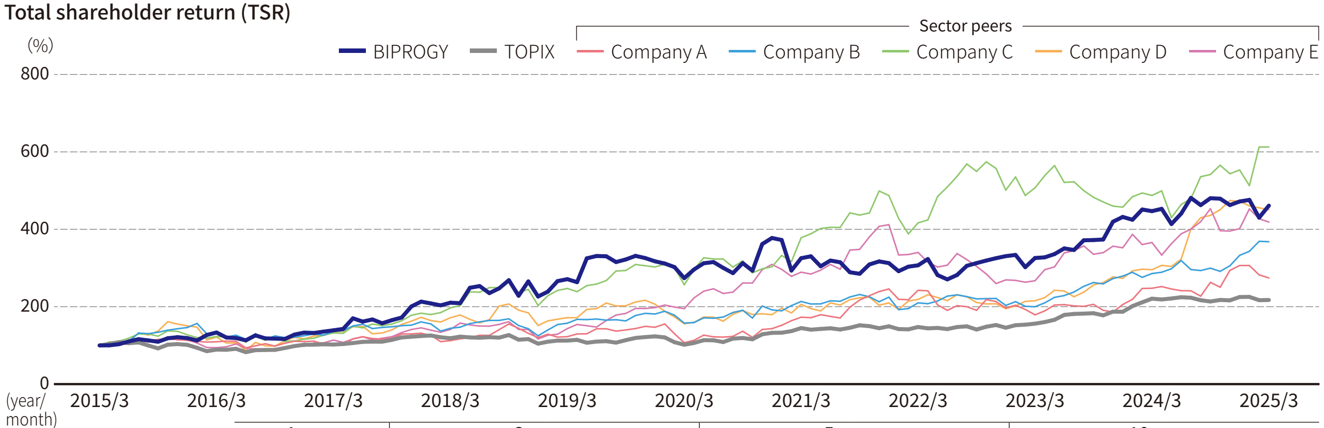
Toward Improvement of Corporate Value

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