



# Foundation for Value Creation

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

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

## CSO Message



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

### Koji Katsuya

Representative Director, Executive Corporate Officer, CSO

### Strategic direction for Purpose-based sustainability management

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

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

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

### BIPROGY Group’s initiatives to create social value

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

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

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

capabilities to help solve social issues.

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

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

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

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

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

# Environment

## Material Issues

- Contribute to the environment through the use of digital technology and reduce the environmental impact of business activities in order to help build a world of zero emissions
- Sustainably procure and provide safe, secure products and services throughout the entire value chain

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

## The BIPROGY Group’s Environmental Management

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

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



### Participation in international initiatives

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

and joining RE100.

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

### The history of the BIPROGY Group’s environmental management


	2020	2021	2022	2023	2024	2025
Initiatives for the strengthening of environmental management	<ul style="list-style-type: none"> <li>› Formulation of our Long-Term Environmental Vision 2050</li> <li>› Establishment of the Environmental Contribution Committee under the Sustainability Committee</li> </ul>	<ul style="list-style-type: none"> <li>› Formulation of Vision 2030</li> <li>› Formulation of new material issues, KPIs, and targets</li> <li>› Start of impact assessments of business opportunities and risks through our climate change scenario analysis project</li> <li>› Integration of climate change risks into Group risk management systems</li> <li>› Start of ESG risk assessments for suppliers</li> </ul>			<ul style="list-style-type: none"> <li>› Start of impact assessments of natural capital-related risks and business opportunities</li> </ul>	<ul style="list-style-type: none"> <li>› Revision of environmental policy</li> <li>› Achieved first Leadership level evaluation (A-) in CDP Climate Change Questionnaire 2024</li> </ul> 
Initiatives for the reduction of environmental impacts	<ul style="list-style-type: none"> <li>› Formulation of sustainable procurement guidelines</li> <li>› Participation in RE100</li> </ul>	<ul style="list-style-type: none"> <li>› Start of procurement of energy from renewable sources</li> <li>› Start of calculation of all Scope 3 categories</li> </ul>	<ul style="list-style-type: none"> <li>› Endorsement of and participation in the GX League</li> <li>› Setting of Scope 3 (Category 1) reduction targets</li> <li>› Setting of Scope 3 (Category 11) reduction targets</li> </ul>		<ul style="list-style-type: none"> <li>› Acquisition of SBT certification</li> </ul>	
Initiatives for the enhancement of quality and quantity of information disclosure			<ul style="list-style-type: none"> <li>› Statement of endorsement of TCFD recommendations and start of information disclosure based on the recommendation framework</li> <li>› Start of disclosure of emissions (Scope 1+2, Scope 3) in accordance with the GHG Protocol</li> <li>› Acquisition of Independent Assurance Statement for environmental data</li> </ul>		<ul style="list-style-type: none"> <li>› Promotion of information disclosure on biodiversity and water security</li> </ul>	<ul style="list-style-type: none"> <li>› Endorsed TNFD recommendations and published report</li> </ul>

## Reduction of Environmental Impacts throughout the Value Chain

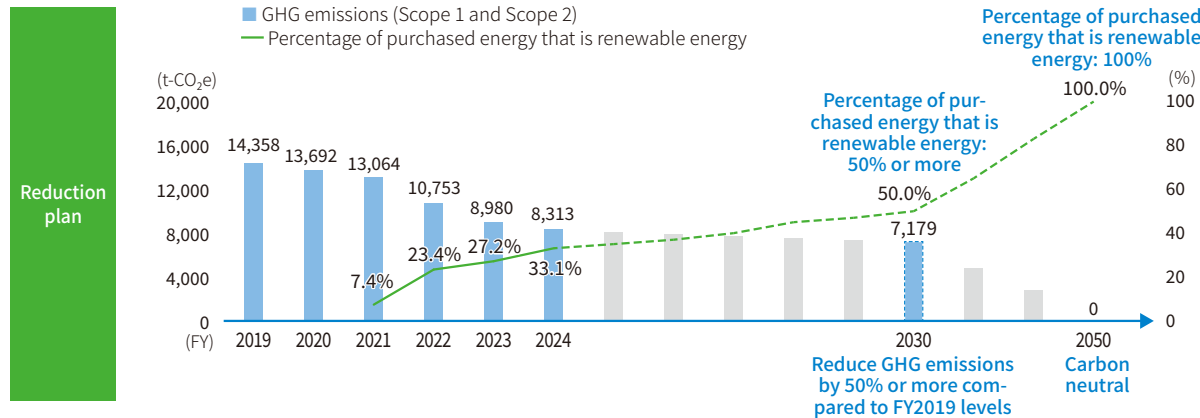
### Developed climate transition plan

The BIPROGY Group recognizes that reducing greenhouse gas emissions across the entire value chain is crucial for achieving the zero-emission society outlined in our Long-Term Environmental Vision 2050. To further accelerate reduction efforts, we have developed a climate transition

plan consisting of GHG emission reduction plans, key action plans, and investment plans, building upon our previous initiatives. Plan progress is reported to the Board of Directors through the CSO and operated under monitoring through advice and guidance. This plan will continue to be improved and updated with enhanced content going forward.

 **BIPROGY Group Sustainable Procurement Guidelines**  
[https://sustainability-cms-biprogy-s3.s3-ap-northeast-1.amazonaws.com/pdf/Sustainable\\_Procurement\\_Guidelines\\_\\_e.pdf](https://sustainability-cms-biprogy-s3.s3-ap-northeast-1.amazonaws.com/pdf/Sustainable_Procurement_Guidelines__e.pdf)

### Climate transition plan



Reduction plan

Key action plans

Investment plan

**Scope 1+2**

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

**Scope 3**

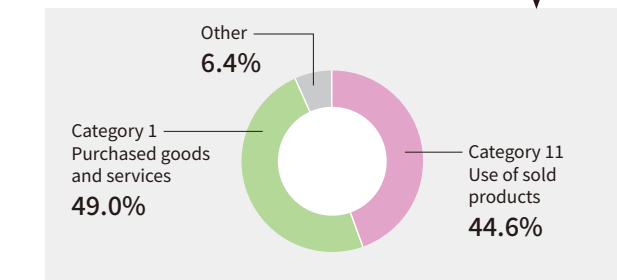
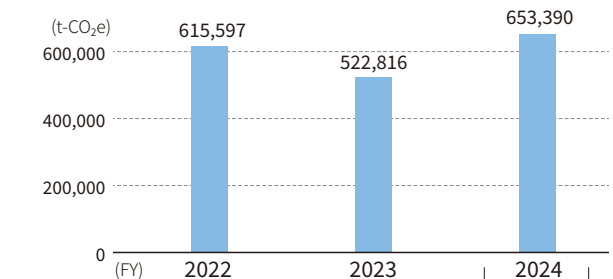
- Provision of environmental products and services
- GHG emission reduction during product use phase
- Supplier engagement

- 100% renewable energy procurement rate through PPAs with additionality and self-generation
- Provision of environmental products and services
- Strengthened collaboration with business partners
- Customer engagement through dialogue
- Investment in environmental contribution products and services
- Renewable energy procurement costs (diversification of procurement methods)
- Expansion aligned with phased business scale growth

### GHG emission reduction related KPIs

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

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



**Zero emission**  
 Environmental contribution and environmental impact reduction through digital utilization  
**Carbon neutrality**

## Environmental Contribution through Our Business

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

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

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

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

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

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

#### Core business areas



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

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

#### Core business areas



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

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

#### Growth business areas



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

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

#### Growth business areas



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

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

## Biodiversity and Natural Capital Initiatives

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

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

### Natural capital/Biodiversity risk management

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

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

### Future initiatives

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



### TOPICS

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

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



### TOPICS

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

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



## Initiatives to Enhance Environmental Information Disclosure Quality and Quantity

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

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

	TCFD	TNFD
<b>Governance</b>	The Sustainability Committee (Chair: CSO) and its subordinate body, Environmental Contribution Committee, deliberate and decide response policies for climate change and natural capital issues, implementing environmental management based on ISO 14001. Important matters are reported and deliberated in the Executive Council, with the Board of Directors providing supervision and guidance through regular CSO reports. As a TCFD endorsing company, we are advancing human rights policies and systems to respect indigenous and local community rights and cultures.	
<b>Strategy</b>	In 2021, the Environmental Contribution Committee established a Company-wide project to analyze scenarios for all climate-related risks and opportunities indicated in the TCFD recommendations, and conducted an assessment of the impacts of the identified risks and opportunities. The results of the assessment were shared with management through reporting routes and have been incorporated in strategies and measures, including our material issues.	
	<p><b>Transition risks</b></p> <ul style="list-style-type: none"> <li>• Policy/Regulation: Increased carbon costs and operating expenses due to regulatory strengthening accompanying low-carbon economic transition</li> <li>• Technology: Competitive disadvantage and revenue deterioration due to delayed response to low-carbon technologies</li> <li>• Market: Competitive and profitability deterioration due to insufficient response to market changes in low-carbon products and services</li> <li>• Reputation: Decreased corporate evaluation and increased capital costs due to delayed information disclosure response accompanying low-carbon economic transition</li> </ul>	<p><b>Risk reduction response</b></p> <ul style="list-style-type: none"> <li>• Low-carbon business activities</li> <li>• Technology development contributing to social decarbonization</li> <li>• Provision of services adapted to changes in customers' needs</li> <li>• Disclosure of reliable climate-related information</li> </ul>
	<p><b>Physical risks</b></p> <ul style="list-style-type: none"> <li>• Acute: Revenue reduction and increased response costs due to production capacity decline from supply chain disruption by severe flood or storm disasters</li> <li>• Chronic: Revenue reduction and increased response costs due to a rise in employee illness and greater demand for air conditioning caused by rising temperatures</li> </ul>	<p><b>Risk reduction response</b></p> <ul style="list-style-type: none"> <li>• Promote measures contributing to business resilience improvement</li> <li>• Promote measures contributing to climate change adaptation</li> </ul>
	<p><b>Opportunities</b></p> <p><b>Products and Services</b></p> <ul style="list-style-type: none"> <li>• Increased sales and improved profitability from growing demand for low-carbon products and services</li> <li>• Increased sales and improved profitability through entry into new and emerging markets</li> </ul>	<p><b>Opportunity expansion response</b></p> <ul style="list-style-type: none"> <li>• Development of new environmental contribution products and services</li> <li>• Further expansion of low-carbon products and services</li> </ul>
<b>Risk management</b>	We integrate the climate change risks identified in our scenario analyses into our Group risk management systems, and manage these risks. Climate change risks are also incorporated into our risk classification system, developed by the Risk Management Committee that oversees our risk management systems. Furthermore, we are advancing integration of nature-related risks into our risk management systems.	
<b>Indicators and targets</b>	<p>We established the following new nature-related targets in FY2025 to promote initiatives:</p> <ul style="list-style-type: none"> <li>• Target for natural capital conservation: Habitat surveys at group-owned sites and understanding forest conservation contribution potential (achievement by FY2026)</li> <li>• Target considering water resources: Maintain or reduce water intake relative to sales annually based on FY2024 results (Annual implementation through FY2030)</li> </ul>	

## Supply Chain

### Material Issues

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

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

### Our Approach to the Supply Chain

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

The BIPROGY Group has established the BIPROGY Group Procurement and Transaction Guidelines and the BIPROGY Group Sustainable Procurement Guidelines with the aim of ensuring fair and transparent purchasing transactions and promoting procurement practices that take into account human rights, the environment, and other ESG issues. We work to familiarize our suppliers with these policies and to build mutual trust by maintaining close communication through our supplier web portal, periodic written communications, and information exchanges at networking events. In addition, we have set up a supplier hotline to allow anonymous reporting or consultation through an external contact point.



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



**BIPROGY Group Sustainable Procurement Guidelines**  
[https://sustainability-cms-biprogy-s3.s3-ap-northeast-1.amazonaws.com/pdf/Sustainable\\_Procurement\\_Guidelines\\_\\_e.pdf](https://sustainability-cms-biprogy-s3.s3-ap-northeast-1.amazonaws.com/pdf/Sustainable_Procurement_Guidelines__e.pdf)

### Supply Chain Risk Survey

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

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

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

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

### Sustainable procurement KPIs

KPI	Targets	FY of achievement	FY2024 results
Percentage of BIPROGY Group suppliers having taken the ESG risk survey	100%	FY2026	70.3%
Percentage of suppliers that currently adhere to or have launched improvements to material ESG risk items that the BIPROGY Group has set for suppliers	100%	FY2030	—*

\* “—” in the FY2024 results column indicates that FY2024 was not a measurement year.

### Future Initiatives for Sustainable Procurement

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

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



# Human Rights

## Our Approach to Human Rights

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

 **BIPROGY Group Human Rights Policy**  
[https://sustainability-cms-biprogy-s3.s3-ap-northeast-1.amazonaws.com/pdf/humanrightspolicy\\_e.pdf](https://sustainability-cms-biprogy-s3.s3-ap-northeast-1.amazonaws.com/pdf/humanrightspolicy_e.pdf)

## Initiatives to Respect Human Rights

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

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

## Human Rights Due Diligence

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

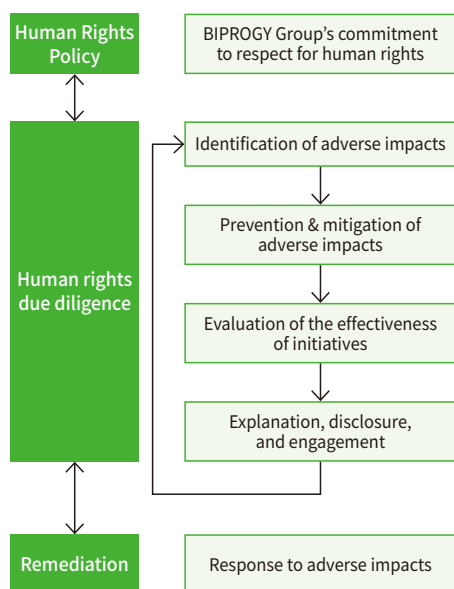
### Dialogue with rights holders

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

### KPIs for initiatives to respect human rights

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

### Overall scheme of initiatives to respect human rights



### Human rights risk identification and response

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

## Message from an Outside Director



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

### Nalin Advani

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

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

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

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

Former President Hiraoka had deep foresight into social and economic trends, and was able to gain an understanding on major trends in the world in terms of where to lead the Group, how to structure human resources as a team, and how to structure the key outside members of the Board of Directors. During President Hiraoka's tenure, President Saito, then CMO, consistently maintained a

customer-oriented attitude. That spirit has not changed since he took office as President. Over many years, he has built relationships with customers, and he is committed to nurturing as well as protecting them.

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

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

### Initiatives to enhance the effectiveness of governance

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

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

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



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

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

With regard to executive remuneration, the mainstream for Japanese companies, including our own, is to evaluate all executives on a team basis. However, it may be necessary to set targets for each individual going forward. For example, the compensation structure could be considered as a 1:1:1 ratio among fixed, short-term, and long-term components, or as a 1:1:1 ratio among fixed, individual, and team components.

While team-based evaluation requires a longer-term perspective, it is difficult to apply the same evaluation criteria to an executive in charge of human resources and an executive in charge of customer relations, and therefore a mechanism to evaluate short-term results on an individual basis is necessary. I believe that such a framework should be embedded throughout the organization.

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

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

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

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

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

The Group is aiming for a corporate value of 1 trillion yen, but it will not be easy to achieve through traditional organic

growth alone. I believe there are three stages to achieve this aim. First, organic growth will be the foundation, then we will strongly pursue startup initiatives and global initiatives in earnest, not on a trial basis. On top of that, we will use inorganic growth with an awareness of risk, in other words, the use of M&As.

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

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

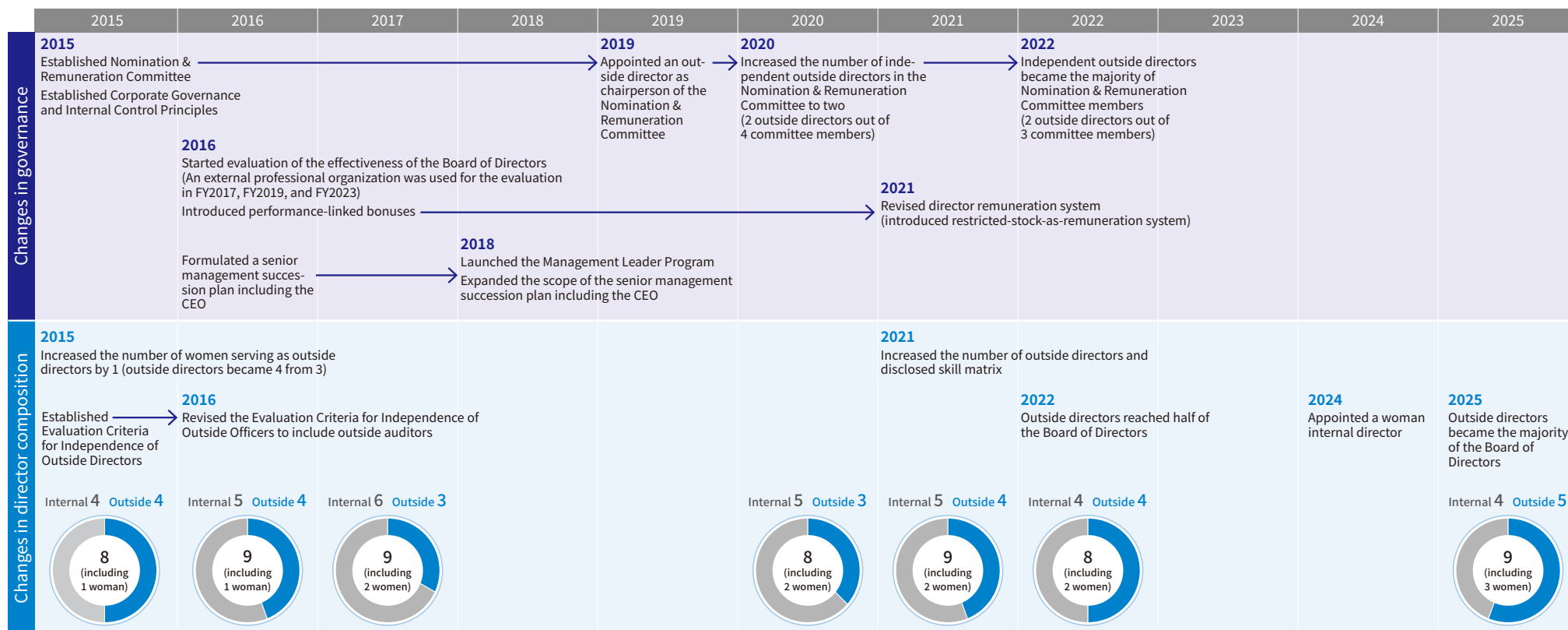
Moreover, we also need to expand our business domains. We have begun providing SAP solutions primarily in the ASEAN region, but we must now consider what we should pursue next. It is important to identify what opportunities exist upstream and downstream of the business areas we are currently pursuing.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

# Corporate Governance

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

A mechanism of corporate governance that enables management to make prompt and sound management decisions under appropriate and effective supervision is indispensable to the BIPROGY Group’s continuous growth and increase in medium- to long-term corporate value. The Company shall create, maintain, and ceaselessly improve this mechanism. Furthermore, in order to contribute to society as an enterprise resolving social issues, the Company stipulates as part of its corporate philosophy “Listen sincerely to our stakeholders to improve our corporate value” in order to create relationships of trust with all stakeholders, and shall proceed with its business activities in accordance with this principle.

## Initiatives to Enhance Corporate Governance



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

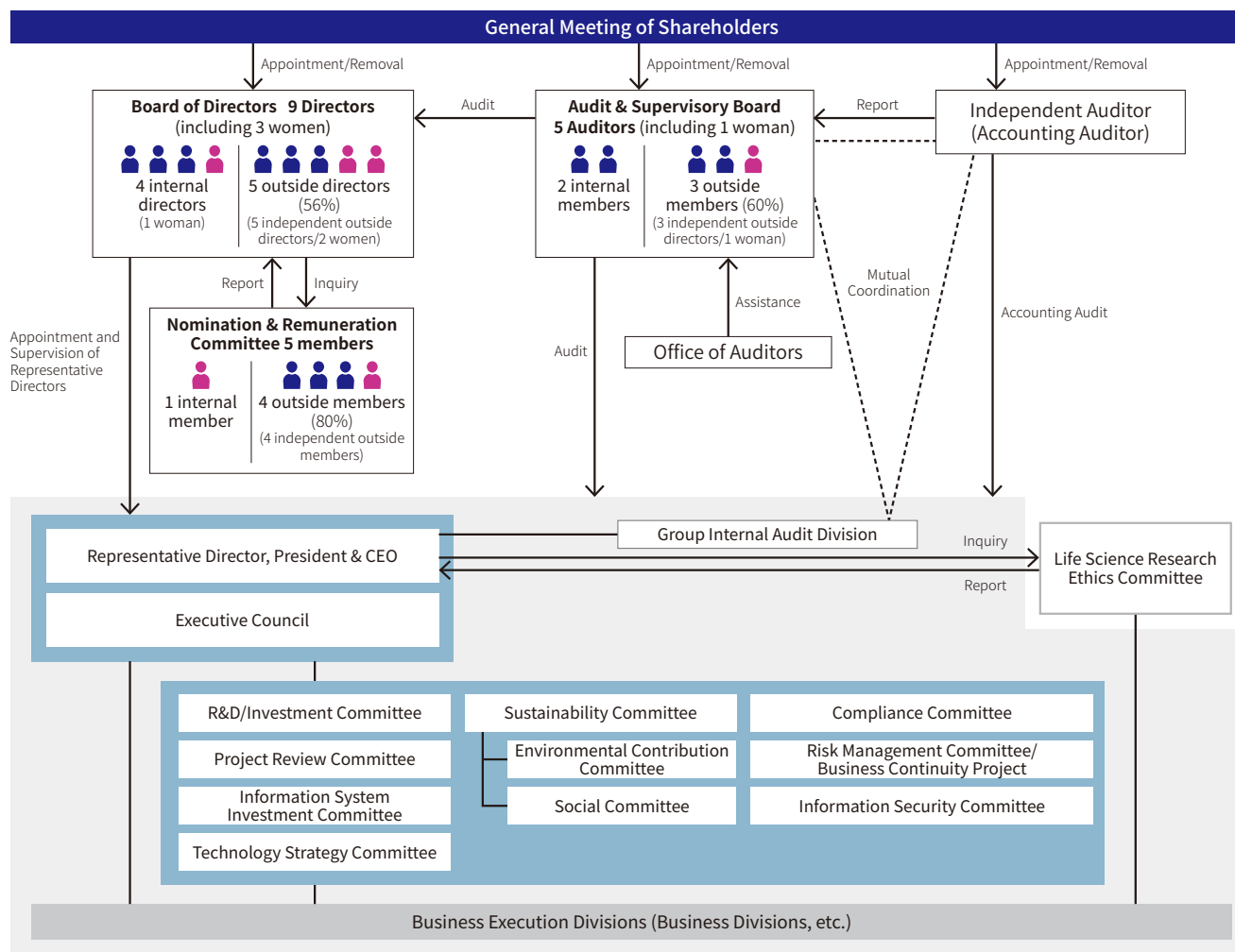
## Corporate Governance Structure

BIPROGY has determined that an audit system involving supervision by the Board of Directors, including outside directors, and auditing by outside Audit & Supervisory Board Members is effective for monitoring management. Accordingly, the Company has adopted an Audit & Supervisory Board structure and has appointed accounting auditors. Given the rapidly changing nature of the industry, the Board of Directors is composed of internal directors, selected primarily from those who are familiar with the industry and internal affairs, and external directors, selected from those with extensive management experience and

expertise. The aim is to achieve decision-making based on a broader perspective and objectivity, as well as effective oversight of business execution. The Company has adopted a system of corporate officers (for shikkoyakuin and

gyomu-shikkoyakuin), which enables the appropriate delegation of authority in order to separate supervision of management from its execution and to enable prompt business execution.

Corporate governance structure (As of June 26, 2025)



### TOPICS

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

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

### Board of Directors

The Board of Directors generally meets once a month. In addition to deliberation and deciding on the Company's basic management policies, important matters, etc., it supervises overall management, including execution of duties by directors and corporate officers. The term of directors is one year so as to establish a flexible management system that can respond to changes in the business environment and to clarify the management responsibilities of directors. The Board of Directors met 13 times in FY2024.

### Audit & Supervisory Board

Audit & Supervisory Board members audit the execution of duties by directors and the internal control system through their attendance at all important meetings including Board of Directors meetings, the examination of the operational and financial status, and the exercise of their rights regarding appointments and dismissal of accounting auditors and audit compensation. In order to increase the effectiveness of Audit & Supervisory Board member audits and facilitate the execution of audit functions, the Office of Auditors (2 full-time employees) aids the execution of Audit & Supervisory Board member duties. The Audit & Supervisory Board met 16 times in FY2024.

#### Content of main deliberations in FY2024

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

### State of deliberations by the Board of Directors

	2024									2025			
	1Q			2Q			3Q			4Q			
	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	
Board of Directors meetings held	●	●●	●●	●		●		●●	●		●●	●	
State of progress in implementing Management Policies (2024-2026)	→												
Content of main deliberations	Matters related to personnel and evaluation of directors, etc.	●	●	●						●		●	●
	State of operation of the internal control system, including the Group's risk management and compliance	●	●						●				
	State of initiatives related to the Corporate Governance Code, including cross shareholdings and evaluation of Board of Directors' effectiveness		●	●	●		●		●	●		●	●
	State of sustainability-related initiatives			●	●				●●				●
	State of dialogue with investors	●					●						
	State of initiatives to prevent recurrence of past information security incidents and to improve organizational culture accordingly		●						●				

### Nomination & Remuneration Committee

This advisory committee to the Board of Directors deliberates and reports on matters pertaining to personnel and remuneration of our directors and corporate officers. The attendance of independent outside directors and the agreement of all members, including independent outside directors, are required when passing resolutions. The committee met 10 times in FY2024.

#### Content of main deliberations in FY2024

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

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

### Group Internal Audit Division

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

### Executive Council

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

## Evaluation of Effectiveness of the Board of Directors

To continuously improve corporate value, we consider it important for the Board of Directors to enhance governance by sufficiently fulfilling its functions. Since the Board of Directors meeting in FY2015, we have worked to improve its functionality by conducting self-assessments by the Board of Directors. In the FY2024, we conducted Non-anonymous questionnaire survey to all directors and auditors, including the following evaluation items, and after compiling the results internally, we had an outside consultant analyze them. Based on the results of such analysis, the Company deliberated and evaluated the current status of the Board of Directors and areas for improvement.

### Evaluation method

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

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

- |   |   |
|---|---|
| ① Management issues and role and function of Board of Directors   | ⑧ Support system for outside directors  |
| ② State of progress in implementing FY2024 response measures      | ⑨ Role of and expectations for Audit & Supervisory Board members from a Board of Directors' perspective |
| ③ Size and composition of the Board of Directors                  | ⑩ Role of Audit & Supervisory Board members   |
| ④ Operation of the Board of Directors                             | ⑪ Relationship with investors and shareholders  |
| ⑤ Composition and role of the Nomination & Remuneration Committee | ⑫ Overall effectiveness of corporate governance system and the Board of Directors                       |
| ⑥ Operation of the Nomination & Remuneration Committee            | ⑬ Self-assessment   |
| ⑦ Directors and Audit & Supervisory Board members training        |   |

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

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

**Step 4** Initiatives

### Results of FY2024 evaluation and policies for FY2025

#### Evaluation results (summary)

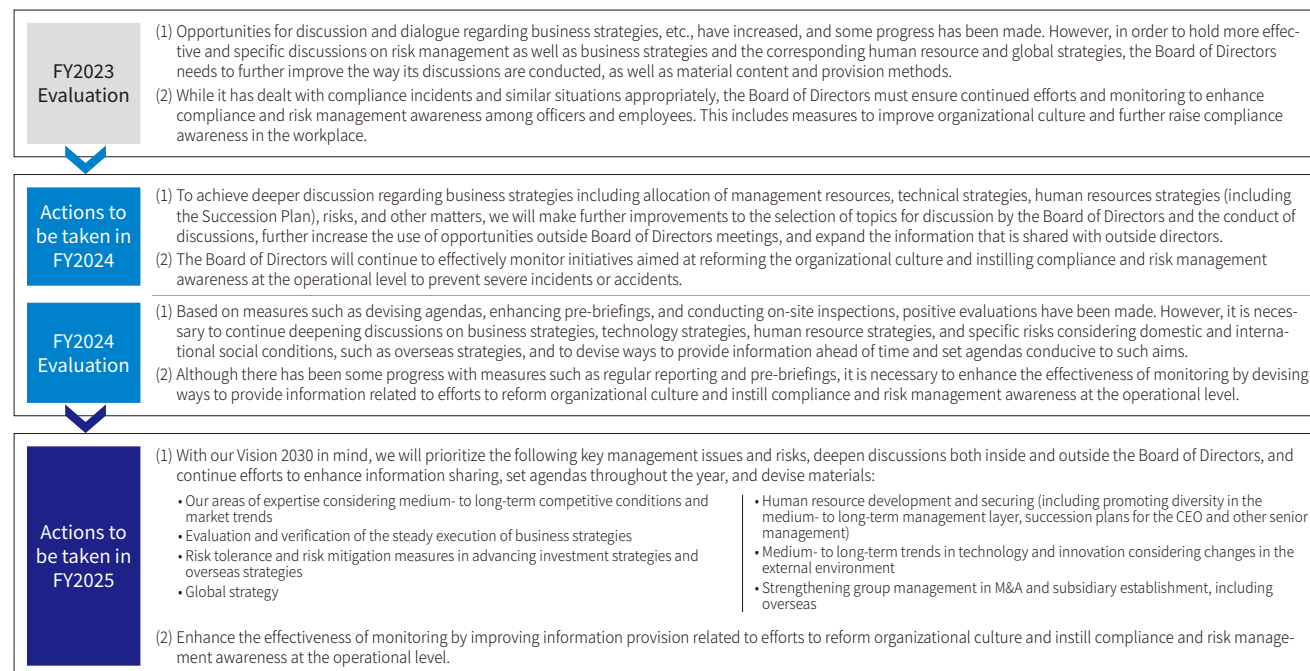
As a result of discussion by the Board of Directors based on the results of the questionnaire, the rankings for the evaluation items were generally high, and the initiatives for our Actions for FY2024 were also recognized, as described below. However, there were the following points for improvement and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

1. Currently, active discussions are taking place in the Board of Directors, but regarding the important management

issues, particularly the items listed in the subsequent section "Actions to be taken in FY2025 (1)," further enrichment of discussions is necessary. While there is no need to change the basic roles and functions of the Board of Directors, it is necessary to devise agenda settings and secure time for discussions to thoroughly debate important themes with a sense of urgency.

2. Regarding successors for senior management, including the CEO, it is necessary to further advance measures to enhance the pipeline and ensure diversity, as well as to improve information sharing with those outside the committee members.

### Results of FY2024 evaluation and policies for FY2025



## Composition of Directors and Auditors, Skill Matrix

 Independent outside directors and auditors

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

\*1 The S in ESG (environmental, social, and governance) includes human resources strategy, diversity, inclusion, etc.

\*2 Noboru Saito resigned as a member of the Nomination & Remuneration Committee on June 26, 2024, and the Nomination & Remuneration Committee met four times before that day.

\*3 Taeko Sawakami assumed the position of Director on June 26, 2024 and was appointed as a member of the Nomination & Remuneration Committee. The Board of Directors and the Nomination & Remuneration Committee have met ten times and six times, respectively, since that day.

\*4 Asako Osaki was appointed as a member of the Nomination & Remuneration Committee on June 26, 2024, and the Nomination & Remuneration Committee has met six times since that day.

\*5 Yuichi Katayama assumed the position of Director on June 26, 2024, and the Board of Directors has met ten times since that day.

\*6 Mikinori Kobayashi assumed the position of Auditor on June 26, 2024. The Board of Directors and the Audit & Supervisory Board have met ten times and eleven times, respectively, since that day.

### Reasons for selecting items in the skill matrix

Business management experience at other companies	Appropriate advice and supervision by outside directors who have management experience and achievements at other companies are effective in order to enable the management to transform the Company into a company that creates social value by making appropriate and prompt business judgments pursuant to the Management Policies (2024-2026) in the midst of the rapidly changing business environment.
Industry knowledge	A wealth of knowledge about the information service industry such as ICT and DX is essential for the Company to expand business ecosystems together with customers and partners under Management Policies (2024-2026).
Technology/R&D	As technology evolves rapidly, a wealth of knowledge and expertise about technologies and research including advanced technology is essential for the Company to expand business ecosystems together with customers and partners as stipulated in the Management Policies (2024-2026).
Finance/Accounting	The Company needs directors well-versed in finance and accounting in order to achieve transparent and correct financial reporting, strong financial foundation, strategic investments for sustained enhancement of corporate value and capital policy with consideration to appropriate shareholders returns.















Legal/Risk management	Risk management that enables appropriate and prompt responses to deal with diversified and complicated risks as well as strengthening corporate governance are indispensable in order to enable a medium- to long-term increase in corporate value. The Company needs a wealth of knowledge about these issues.
ESG/Sustainability	The Company needs a wealth of experience and expertise about efforts on climate change, workforce strategies, and promotions for ESG/sustainability issues such as diversity and inclusion in order to create a sustainable society as it aims under the Management Policies (2024-2026).
Global business	Borderless perspectives are indispensable in order to expand business ecosystems together with customers and partners. Thus, the Company needs a wealth of knowledge about global business.



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



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

Directors		Audit & Supervisory Board Members		Corporate Officers					
 <p><b>Noboru Saito</b> Representative Director, President, Chief Executive Officer (CEO)</p> <p>No. of company shares held 31,600</p>	<p>Apr. 1986 Joined the Company Apr. 2004 General Manager of Industry &amp; Commerce 2 Department of the Company Apr. 2009 General Manager of Industry &amp; Commerce Department of the Company Apr. 2010 General Manager of Industry &amp; Commerce 2 Department of the Company Apr. 2012 General Manager of Business Services Department of the Company Apr. 2013 Corporate Officer of the Company Apr. 2016 Senior Corporate Officer of the Company Jun. 2016 Director, Senior Corporate Officer of the Company Apr. 2020 Representative Director, Executive Corporate Officer of the Company Jun. 2022 Outside Director of Seiko Group Corporation (present) Apr. 2024 Representative Director, President &amp; CEO of the Company (present)</p>	 <p><b>Koji Katsuya</b> Representative Director, Executive Corporate Officer, Chief Sustainability Officer (CSO)</p> <p>No. of company shares held 18,600</p>	<p>Jan. 1985 Joined the Company Jul. 2007 Senior Project Manager of S-BITS Project, Software &amp; Services Department of the Company Apr. 2011 General Manager of Financial 3 Department of the Company Apr. 2012 Deputy Division Manager of Financial Business Division of the Company Apr. 2014 Corporate Officer, General Manager of Corporate Planning Department of the Company Apr. 2016 Senior Corporate Officer of the Company Jun. 2016 Director, Senior Corporate Officer of the Company Apr. 2021 Director, Executive Corporate Officer of the Company Apr. 2024 Representative Director, Executive Corporate Officer of the Company (present)</p>	 <p><b>Taeko Sawakami</b> Director, Corporate Officer, Chief Human Resource Officer (CHRO)</p> <p>No. of company shares held 5,200</p>	<p>Apr. 1993 Joined the Company Oct. 2016 General Manager of Corporate Communications Department of the Company Apr. 2020 Representative Director of Corporate Planning Department of the Company Apr. 2021 Corporate Officer, CMO of the Company Apr. 2024 Corporate Officer of the Company Jun. 2024 Director, Corporate Officer of the Company (present)</p>	 <p><b>Takahito Kanazawa</b> Director</p> <p>No. of company shares held none</p>	<p>Dec. 1998 General Manager of Digital &amp; Information Network Systems Department, Tokyo Sales &amp; Business Planning Division Digital &amp; Information Network Systems Department, Business Form &amp; Securities Printing Operations of Dai Nippon Printing Co., Ltd. Apr. 2017 Representative Director, President of DNP Data Techno Co., Ltd. Apr. 2018 General Manager of Information Systems Division of Dai Nippon Printing Co., Ltd. Jul. 2018 General Manager of ICT Business Development Division, Advanced Business Center of Dai Nippon Printing Co., Ltd. Jun. 2019 Corporate Officer, General Manager of ICT Business Development Division, Advanced Business Center of Dai Nippon Printing Co., Ltd. Jun. 2021 Director of the Company (present) Oct. 2021 Corporate Officer, General Manager of Advanced Business Center, in charge of Information Systems Division of Dai Nippon Printing Co., Ltd. Jun. 2022 Senior Corporate Officer, General Manager of Advanced Business Center, in charge of Information Systems Division of Dai Nippon Printing Co., Ltd. Jun. 2024 Managing Director, General Manager of Advanced Business Center, in charge of Information Systems Division, Education Business Division, ICT Management Office Technology, Research &amp; Development Division, Content &amp; IR Communication Division of Dai Nippon Printing Co., Ltd. (present)</p>	 <p><b>Nalin Advani</b> Outside Director, Independent Director</p> <p>No. of company shares held none</p>	<p>Apr. 1984 Venture Capitalist, Investment / Corporate Strategy Advisor (present) Sep. 1998 Director, Chief Marketing Officer of GSU Co., Ltd. Jan. 2007 President of Barco Co. Ltd. (Japan) (Retired in Jul. 2011) Aug. 2009 Managing Director of Barco Electronic Systems Pvt. Ltd. (India) (Retired in Aug. 2011) Jan. 2010 Graduated from the UCLA Anderson and NUS (National University of Singapore) Business School Sep. 2011 Vice President, Asia Pacific of Barco Pte. Ltd. (Retired in Dec. 2015) Aug. 2013 Guest Lecturer of National University of Singapore Business School (Adjunct Professor from Aug. 2023, Program Director from Apr. 2025) (present) Nov. 2015 Co-Founder of KRISOFT Inc (currently entomo pte ltd) (present) Feb. 2016 CEO Asia Pacific &amp; Japan of Grey Orange Pte. Ltd. (Retired in Mar. 2019) Jun. 2021 Vice President of the Company (present) Jun. 2022 Adjunct Professor, Graduate School of Leadership and Innovation of Shizuoka University (present) Mar. 2023 Representative Director (Chairman), General Incorporated Association Yokohama India Centre (present)</p>
 <p><b>Yoshinori Ikeda</b> Outside Director, Independent Director</p> <p>No. of company shares held none</p>	<p>Apr. 1985 Joined the National Tax Agency JAPAN Jul. 1992 District Director, the Sato Taxation Office of Hiroshima Regional Taxation Bureau Jul. 1995 Harvard Law School (Obtained Master of Laws in Jun. 1996) Jul. 2004 Visiting Researcher, Georgetown University Law Center (Retired in Jun. 2005) Jul. 2008 Director, Office of Mutual Agreement Procedures of the National Tax Agency Assistant Regional Commissioner (Planning and Administration) Director, General Affairs Division of Nagoya Regional Taxation Bureau Director, International Operations Division of the National Tax Agency Director, Large Enterprise Examination Division of the National Tax Agency Regional Commissioner of Okinawa Regional Taxation Bureau Oct. 2020 General Manager, Okinawa Regional Taxation Bureau Nov. 2020 Consultant Nov. 2020 Admitted as Certified Public Tax Accountant Apr. 2021 Lecturer at Graduate School of Global Business of Meiji University (present) Apr. 2022 Professor at Graduate School of Global Business of Meiji University (present) Jun. 2022 Advisor of Hongyo Tsuji Tax &amp; Consulting (present) Jun. 2022 Outside Director of the Company (present)</p>	 <p><b>Asako Osaki</b> Outside Director, Independent Director</p> <p>No. of company shares held none</p>	<p>May 1997 Masters in International Affairs (MIA) (international human rights law and human rights issues) from Columbia University Jun. 1997 Joined the Bureau for Development Policy at the United Nations Development Programme (UNDP) New York Headquarters Jan. 2005 Worked independently as an expert on international cooperation and gender issues (present) Apr. 2006 Visiting Professor, School of Policy Studies of Kwaiwansei Gakuin University (Retired in Mar. 2024) Jun. 2011 Director of Specified non-profit corporation Gender Action Platform (present) Apr. 2016 Evaluation Committee Member, National Action Plan on Women, Peace and Security (WPS) of Ministry of Foreign Affairs (present) Apr. 2021 Expert Member, Council for Gender Equality of Cabinet Office (present) Jan. 2022 Member of the Domestic Committee of ISO/PC137 "Guidelines for the promotion and implementation of gender equality" and an expert representing Japan in the Working Group on Gender Equality Jun. 2023 Outside Director of the Company (present) Jan. 2024 Representative of Japan, Commission on the Status of Women (CSW), Ministry of Foreign Affairs (present) Apr. 2024 Part-time Lecturer, School of Education of Waseda University (present) Sep. 2024 Director of General Incorporated Association Changing Men (present) May 2025 Adviser to the External Advisory Board of the Sustainability Management Committee, Fuji Television Network, Inc. (present)</p>	 <p><b>Yuichi Katayama</b> Outside Director, Independent Director</p> <p>No. of company shares held none</p>	<p>Apr. 1979 Joined The Industrial Bank of Japan, Limited (currently Mizuho Bank, Ltd.) Apr. 2008 Officer of Mizuho Corporate Bank, Ltd. Jul. 2009 Managing Executive Officer and Director in charge of Corporate Banking of Mizuho Corporate Bank, Ltd. Apr. 2012 Managing Executive Officer and Director, second in charge of Branch Banking Division of Mizuho Bank, Ltd. Apr. 2013 Executive Officer of Oriental Land Co., Ltd. Apr. 2015 Executive Director, Senior Executive Officer of Oriental Land Co., Ltd. Apr. 2019 Executive Director, Executive Vice President Officer of Oriental Land Co., Ltd. Apr. 2022 Executive Director, Executive Vice President Officer, Supervisor of the Corporate Venture Capital Business Segment, the Finance/Accounting and the Sponsor Marketing Alliance Departments, in charge of Overseeing the Project Development of Oriental Land Co., Ltd. Apr. 2024 Executive Director, Executive Vice President Officer, in charge of the Sponsor Marketing Alliance Departments and the Special Assignment of Oriental Land Co., Ltd. Jun. 2024 Outside Director of the Company (present) Apr. 2025 Executive Director of Oriental Land Co., Ltd. (Retired in Jun. 2025)</p>	 <p><b>Yasuko Teraura</b> Outside Director, Independent Director (Newly-appointed)</p> <p>No. of company shares held none</p>	<p>Apr. 2000 Admitted as an attorney-at-law in Japan (Bangshoji) Oct. 2006 Admitted to the New York State Bar Mar. 2010 Established Endeavour Law Office (present) Jun. 2019 Outside Director of Seiko Holdings Corporation (currently Seiko Group Corporation) Jun. 2022 Outside Director of Ryoosan Company, Limited (Audit and Supervisory Committee Member) May 2024 Outside Corporate Auditor of CEL Corporation (present) Jun. 2025 Outside Director of SEWOG Group Holdings Co., Ltd. Outside Director of the Company (present)</p>		
 <p><b>Mikinori Kobayashi</b> Full-Time Auditor</p> <p>No. of company shares held 378</p>	<p>Apr. 1986 Joined the Company Apr. 2009 General Manager of Business Services Sales Section V, Industry &amp; Commerce 2 Department of the Company Apr. 2014 General Manager, Sales 1, Business Services Apr. 2016 General Manager, Corporate Marketing Apr. 2018 General Manager, Group Marketing Jun. 2020 General Manager, Group Marketing and Director, Excellence Partners Inc. Nov. 2020 General Manager of Group Marketing Department of the Company, Director of Excellence Partners, Inc. (Retired in Jun. 2021), Representative Director of Tech View, Inc. (Retired in Mar. 2021) Jun. 2021 Audit &amp; Supervisory Board Member of UNIADEX, Ltd. Jun. 2024 Auditor of the Company (present)</p>	 <p><b>Satoshi Matsunaga</b> Full-Time Auditor, Outside Auditor, Independent Officer (Newly-appointed)</p> <p>No. of company shares held none</p>	<p>Apr. 1989 Joined The Norinchukin Bank Aug. 2009 Senior Manager and Credit Officer of Credit Risk Management Division of The Norinchukin Bank Jul. 2010 Deputy General Manager and Credit Officer of Credit Risk Management Division of The Norinchukin Bank Jul. 2012 Deputy General Manager of Coordination Division of The Norinchukin Bank Jun. 2014 General Manager of Credit Risk Management Division of The Norinchukin Bank Jul. 2017 General Manager of Osaka Branch of The Norinchukin Bank Apr. 2019 Managing Executive Officer of The Norinchukin Bank (Retired in Mar. 2022) Apr. 2021 Standing Counsel of The Norinchukin Bank Jun. 2021 External Corporate Auditor of TAKARA HOLDINGS, INC. (Retired in Jun. 2025) Jun. 2025 Auditor of the Company (present)</p>	 <p><b>Hirofumi Hashimoto</b> Auditor</p> <p>No. of company shares held none</p>	<p>Jan. 1992 Manager of Control Section, Planning &amp; Control Department, Business Form &amp; Securities Printing Operations, Dai Nippon Printing Co., Ltd. Jan. 1997 PT, DNP Indonesia Apr. 2002 General Manager of Planning &amp; Control Department, Commercial Planning Operations, Dai Nippon Printing Co., Ltd. Apr. 2007 General Manager of Dynamic Advanced Communication Division, Commercial Planning Operations, Dai Nippon Printing Co., Ltd. Nov. 2009 General Manager of Strategic Business Planning Department, Dai Nippon Printing Co., Ltd. Jun. 2015 Corporate Officer, General Manager of Strategic Business Planning Department, Dai Nippon Printing Co., Ltd. Oct. 2017 Corporate Officer, General Manager of Strategic Business Planning &amp; Development Division, Dai Nippon Printing Co., Ltd. Apr. 2018 Corporate Officer, in charge of Strategic Business Planning &amp; Development Division, Value Creation &amp; Promotion Division, Dai Nippon Printing Co., Ltd. Jun. 2018 Auditor of the Company (present) Jun. 2018 Senior Corporate Officer, in charge of Strategic Business Planning &amp; Development Division, Value Creation &amp; Promotion Division, Dai Nippon Printing Co., Ltd. May 2019 Senior Corporate Officer, in charge of Strategic Business Planning &amp; Development Division, Value Creation &amp; Promotion Division, Sancho Sales Division, Dai Nippon Printing Co., Ltd. (Present) Jun. 2020 Managing Director, in charge of Strategic Business Planning &amp; Development Division, Value Creation &amp; Promotion Division, Sancho Sales Division, Dai Nippon Printing Co., Ltd. (Present) Apr. 2023 Managing Director in charge of IR and Public Relations Division, Legal Department, Corporate Administration Department, Auditing Department, Facility Management Promotion Department, Dai Nippon Printing Co., Ltd. (Retired in Jun. 2024) Apr. 2024 Chairman and Representative Director, Maruzen CH Holdings Co., Ltd. (present)</p>	 <p><b>Masahiro Fuchizaki</b> Outside Auditor, Independent Officer (Newly-appointed)</p> <p>No. of company shares held none</p>	<p>Apr. 1979 Joined The Sumitomo Bank, Limited (currently Sumitomo Mitsui Banking Corporation) Apr. 2007 Executive Officer, General Manager of Operations Planning Dept., Sumitomo Mitsui Banking Corporation May 2009 Advisor of JSOL CORPORATION (Director, Senior Managing Director from Jun. 2009) Apr. 2010 Managing Executive Officer, Sumitomo Mitsui Banking Corporation (CIO from Apr. 2011) Apr. 2011 Managing Executive Officer of Sumitomo Mitsui Financial Group, Inc. Director of The Japan Research Institute, Limited Jun. 2011 Director of Sumitomo Mitsui Financial Group, Inc. Apr. 2012 Director and Senior Managing Executive Officer, Sumitomo Mitsui Banking Corporation (present) May 2015 Representative Director, President and CEO of The Japan Research Institute, Limited Jun. 2019 Director and Chairman of The Japan Research Institute, Limited (present) Jun. 2020 Special Advisor of The Japan Research Institute, Limited (present) Jun. 2021 Outside Director of MARUDAN FOOD CO., LTD. (present) Jun. 2025 Auditor of the Company (present)</p>	 <p><b>Masako Inoue</b> Outside Auditor, Independent Officer (Newly-appointed)</p> <p>No. of company shares held none</p>	<p>Oct. 1996 Joined Aoyama Audit Corporation (currently PricewaterhouseCoopers Japan LLC) (Scheduled to retire in Jun. 2025) Apr. 2019 Member of the Accounting Standards Board of Japan (ASBJ) Technical Committee-Emerging Practical Issues (Retired in Jun. 2025) Member of the ASBJ Technical Committee-Emerging Practical Issues, Accounting System Committee, The Japanese Institute of Certified Public Accountants (Chair from Aug. 2022, Retired in Jun. 2025) Partner of PricewaterhouseCoopers Aarata LLC (currently PricewaterhouseCoopers Japan LLC) (Retired in Jun. 2025) Apr. 2023 Member of the Final Assessment Committee, The Japanese Institute of Certified Public Accountants (present) Jun. 2025 Auditor of the Company (present)</p>
<p><b>Corporate Officers</b></p> <p>Senior Corporate Officer</p> <p>CFO Kazuma Umehara      CDO Takashi Sasaki      CMO Naoshi Nagashima</p>	<p>Corporate Officer</p> <p>CIO CISO Takashi Miyashita      Hideaki Sato</p> <p>CTO Sadayuki Baba</p> <p>Shinsuke Chiba      Nobuaki Nakatsugawa      Satoshi Kanai</p> <p>CCO Yoshiko Yamauchi      Hiromi Watanabe      Junichi Mitsui</p> <p>Hiroshi Matsumoto      Shuji Nakamura      Akinobu Murakami</p> <p>Isao Miyata</p>								

## Remuneration System

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

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

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

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

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

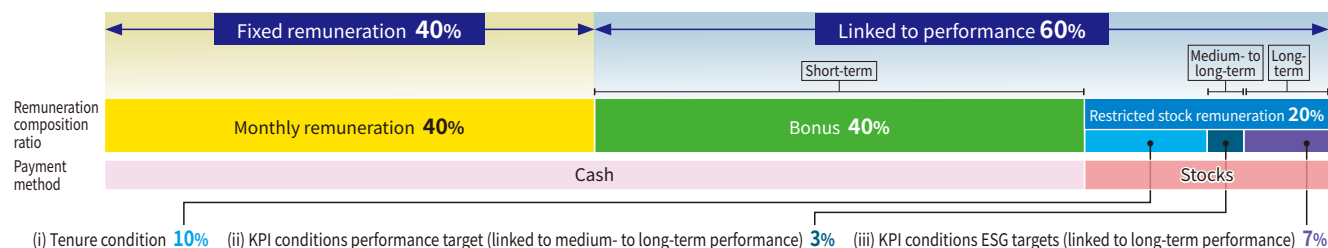
##### a. Board of Directors

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

##### b. Nomination & Remuneration Committee

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

### Illustration of executive director remuneration



#### a Fixed remuneration (monthly remuneration) 40%

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

#### b Bonus (linked to short-term performance) 40%

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

#### c Restricted stock remuneration 20%

The Company has adopted a restricted stock remuneration plan for executive directors, which incorporates three requirements and indicators: (i) tenure

condition, (ii) medium- to long-term performance target (total shareholder return (TSR) growth rate versus TOPIX), and (iii) ESG targets (see pages P.16-17). These are paid at a ratio of 3:1:2, respectively.

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

### Total Remuneration in FY2024 for Directors and Audit & Supervisory Board Members with Subtotals for Each Type of Remuneration and Numbers of Recipients

Classification	Total remuneration paid (Millions of yen)	Amount of remuneration by type (Millions of yen)			Recipients
		a Fixed remuneration	b Bonuses	c Stock remuneration	
Directors	374	187	133	53	10
Audit & Supervisory Board members	80	80	—	—	6
Total (including outside directors and outside auditors)	455 (64)	267 (64)	133 (—)	53 (—)	16 (8)

- (Notes)
- Amounts listed are rounded down to the nearest million yen.
  - One non-executive director is not eligible for bonus and stock remuneration.
  - Auditors and outside directors are not eligible for bonus and stock remuneration.
  - The stock remuneration figures in the table on the left indicate the amounts recorded as costs for the fiscal year 2024 in the costs about restricted stock as remuneration granted to four executive directors.
  - The officer retirement benefit plan was cancelled as of June 30, 2006 as resolved at a meeting of Board of Directors convened on April 28, 2006.
  - The amount on the left includes the amount of remuneration, etc. paid to one executive director, one outside director, and one auditor who retired at the conclusion of the 80th Ordinary General Meeting of Shareholders held on June 26, 2024, during their terms of office.

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

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

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

## Succession Plan

The Nomination and Remuneration Committee, which is chaired by an independent outside director, deliberates on the succession plans for management talent and reports on those deliberations to the Board of Directors in order to secure transparency in the selection process of members of senior management, including the CEO. In addition to integrity, a critical quality demanded of the CEO, the Group's succession plan defines seven important competencies, including foresight and insight. We believe that the level of each competency demonstrated will vary depending on the business environment (whether the Company is in a period of transition/transformation, or one of extension and expansion. In addition, to strengthen the human resource pipeline for senior management succession candidates, we are focusing on developing next-generation management as a priority measure of our human resource strategy.



### Qualities demand for management leaders

#### Seven competencies

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

**Integrity** +

### Ability to create new value

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

### Ability to improve

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

### Staying power

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

### Developing next-generation management

The Group has been building a human resources pipeline under the succession plan to develop successors for senior

management. In the Management Policies (2024-2026), we are promoting the development of next-generation management as a priority measure of our human resources strategy. Next-generation management refers to talent who possess a strong desire to improve the corporate value of the Group and will drive reforms with innovative ideas, energy and an exciting vision.

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

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

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

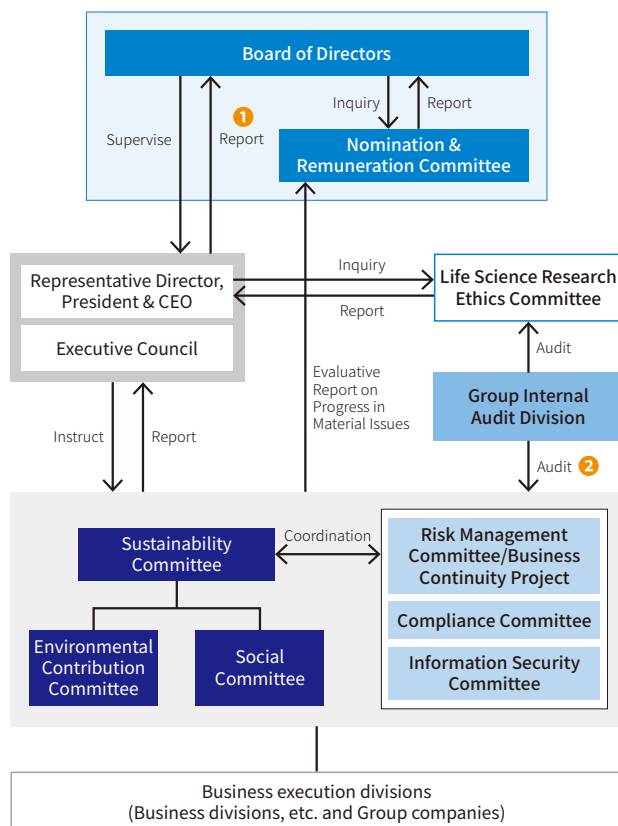
## Sustainability-related Governance

The Group recognizes the importance of governance from both the management oversight and execution perspectives in addressing sustainability issues and is advancing system development. A CSO is appointed from the executive directors, and the Sustainability Committee and its subordinate bodies, the Environmental Contribution Committee and

Social Committee, are established to deliberate and decide on various initiatives centered on material issues. Furthermore, important matters are discussed and reported by the Executive Council, and the Board of Directors receives reports from the CSO and conducts supervision. In order to realize the Vision 2030, KPIs and targets are set for each material issue, and progress is monitored. Based on international trends and stakeholder requests, the committee

conducts an annual review, and important risks are addressed in cooperation with various related committees. In addition, the executive compensation system sets long-term performance conditions, including ESG indicators (material issue KPIs), and the amount of compensation is determined based on the report of the Nomination & Remuneration Committee.

Sustainability promotion structure (As of June 26, 2025)



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

	Sustainability Committee	Environmental Contribution Committee	Social Committee
<b>Roles and functions</b>	Develop the Group's approach to sustainability challenges, assessing the overall appropriateness of business activities within an ESG framework, thoroughly promoting and evaluating initiatives, and requesting revisions when necessary.	Review response measures regarding environmental contributions (climate change, water, biodiversity, natural capital such as forests and land use, etc.), design mechanisms to promote environmental contributions, and perform management and oversight of their implementation.	Review response measures related to social issues (human rights, diversity, work style reforms, health management, regional development, social contribution, etc.), design mechanisms to address social issues, manage and oversee their implementation, and issue corrective instructions for pending issues.
<b>Meetings held</b>	7	6	6
<b>Members (as of June 26, 2025)</b>	Chair: CSO (Representative Director, Executive Corporate Officer) Members: CFO, CHRO, Environmental Contribution Committee Chair, Social Committee Chair, Compliance Committee Chair, President of UNIADDEX, Ltd., other persons who have been appointed by Chair	Chair: Appointed by the Sustainability Committee Chair (Corporate Officer in charge of Corporate Sustainability Promotion) Members: Environmental Contribution Committee Chair selects responsible persons of related organizations within the Group	Chair: Appointed by the Sustainability Committee Chair (Director, Corporate Officer, CHRO) Members: Social Committee Chair selects responsible persons of related organizations within the Group
<b>Main agenda items</b>	<ul style="list-style-type: none"> <li>Evaluation of material issue KPIs and target achievement and reporting results to the Nomination &amp; Remuneration Committee</li> <li>Improving the quality of sustainability-related information in various disclosure documents</li> <li>Formulation of a sustainable procurement plan</li> <li>Endorsement of the TNFD recommendations and response measures</li> </ul>	<ul style="list-style-type: none"> <li>Management of the implementation status of material issues</li> <li>Implementation of the TCFD scenario analysis project and response to the advancement of the TCFD</li> <li>Scoping for water security and biodiversity toward endorsing the TNFD recommendations</li> <li>Information disclosure related to environmental issues</li> </ul>	<ul style="list-style-type: none"> <li>Management of the implementation status of material issues</li> <li>Human rights responses and revision of the human rights policy within the BIPROGY Group</li> <li>Action plan based on the Act on the Promotion of Women's Active Engagement in Professional Life (Phase 3)</li> <li>Issuance of the human capital report</li> <li>Information disclosure related to social issues</li> </ul>
<b>Main items reported to the Board of Directors ①</b>	<ul style="list-style-type: none"> <li>Progress and challenges with material issue KPIs and targets</li> <li>Endorsement of the TNFD recommendation</li> </ul>	<ul style="list-style-type: none"> <li>Responding to sustainability-related risks and opportunities</li> <li>Results of major ESG evaluations and issues for improving evaluations</li> </ul>	
<b>Major audit items related to sustainability ②</b>	Conducting internal environmental audits to confirm the effectiveness of the maintenance and operation of the BIPROGY Group environmental management system		

## Cross-Shareholdings

The Company may strategically hold shares of partners if it is deemed that this would contribute to greater corporate value for the Company, such as resulting in a stronger profit basis by maintaining or strengthening the relationship with partners. The determination to acquire stock is made pursuant to its internal regulations. As for the subsequent holding of the shares, the Board of Directors verifies whether it is appropriate each year, and we are working to reduce such holdings. As a result, the number of listed stocks held decreased by 1 stock from the end of FY2024 to 18 stocks. The total amount of listed stocks on the balance sheet declined ¥1.7 billion from the end of the previous fiscal year, and the total book value of cross-shareholdings has fallen to 6.8% of total equity (end of the previous fiscal year: 7.6%). We will continue to sell off shares that are less important to hold.

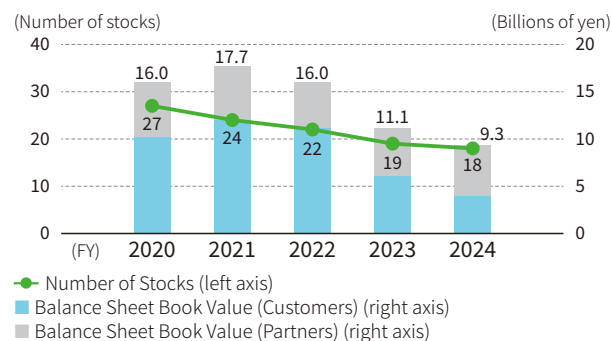
The Company examines the appropriateness of each and every listed stock that it holds at Board of Directors meetings by taking into consideration purposes for holding, consistency with its business strategies and business related profits, etc.

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

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

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

### Number of stocks held by BIPROGY for non-pure investment purposes and total value on balance sheet (listed companies)



Total balance sheet book value of cross-shareholdings  
**6.8%** of total equity (as of March 31, 2025)

## Constructive Dialogue with Shareholders and Other Investors

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

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

\*<sup>2</sup> Fund managers, analysts, ESG analysts, and voting rights exercisers.

### State of dialogue (FY2024)

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

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

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

### Items incorporated considering dialogue and subsequent feedback

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

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

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

## Status of Response to Corporate Governance Code

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



[Corporate Governance and Internal Control Principles  
Corporate Governance Report  
Necessary Systems to Ensure Appropriate Operations and Status of  
Operation of the Systems](#)

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

## Further Improve Integrity

### Material Issues

#### Further improve corporate governance and integrity

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

## Information Security

### Promotion of information security

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

Under the Information Security Committee, we have established the Cyber Security Strategy Task Force to promote a Group-wide response to cybersecurity risks through a cross-organizational structure. We have also established and are operating a CSIRT\*<sup>1</sup> and SOC\*<sup>2</sup>. The persons responsible for information security and personal information of each organization assume primary management responsibility for the information security of their own organization, and

maintain and improve information security by making the rules known to all employees, introducing measures, and checking and improving the implementation status on an ongoing basis.

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

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

### Cybersecurity measures

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

\*3 Cybersecurity framework established by the U.S. National Institute of Standards and Technology.

\*4 Identifying and managing attack target areas where cyberattacks may be conducted from an attacker's point of view.

### Toward preventing security incidents

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

 **Incident of lost USB flash drives (Japanese only)**  
[https://www.biprogy.com/com/info\\_security/info202206.html](https://www.biprogy.com/com/info_security/info202206.html)

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

### KPIs related to information security

KPIs	Targets	FY of achievement	FY2024 results
Number of serious security incidents	0	Each year	0
Percentage of group companies in Japan that have applied data protection security mechanisms for hybrid work (blend of working remotely and in the office)	100%	As of the end of March 2027	Organizing and verifying proposals for mechanisms applicable Group-wide, with BIPROGY implementing measures ahead of others
Coverage rate of special operation management* <sup>5</sup>	100%	As of the end of March 2027	Gradual implementation of various measures to improve the comprehensiveness of special operation management at BIPROGY

\*5 A state where there are no omissions in the application of operations subject to special operation management (Special operation management refers to a mechanism and system in which a specialized security organization objectively examines and approves the appropriateness of safety management measures for projects accessing highly confidential customer information assets, and comprehensively manages and monitors them.)

## Compliance

### Corporate ethics and compliance

Recognizing compliance to be a top-priority issue in its execution of business, the Group determined its Group Charter of Corporate Behavior, Group Compliance Basic Policy, and Group Code of Conduct. Our policy under these is for all executives and employees of the Group to engage in ethical activities while complying with laws, regulations, social norms, and internal rules. To implement this, we have established the Compliance Committee, which is chaired by the Chief Compliance Officer (CCO), and we are actively developing a Group-wide compliance program to increase understanding and raise awareness of compliance among Group executives and employees. In August 2025, BIPROGY formulated the BIPROGY Anti-Corruption Policy with the aim of further clarifying the anti-corruption approach set forth in the Group Code of Conduct.

### Compliance program

In addition to ensuring thorough awareness of the Group Code of Conduct, which provides a specific code of conduct for all Group executives and employees, we hold various training meetings and harness various intranet/e-learning-based training systems in order to continually implement education and training activities, and promote the adoption and thorough understanding of compliance. During the annual Compliance Week in 2024, a lecture was given by an expert on the theme of “organization culture.” The BIPROGY Group CCO Meeting was held among the CCOs of each Group company, and a lively exchange of opinions took place.

#### Details of Compliance Program (Structures for promoting compliance)

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

### Spreading awareness of integrity

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

### Whistleblower system

The Group has set up a hotline to the Compliance Committee office and a hotline to the company auditors. These hotlines both serve as direct internal lines of communication for whistleblower reports. We also have an external whistleblower hotline that facilitates contact via a third party (Integrex Inc.) When whistleblowers' reports or violations are discovered, we respond promptly and appropriately, take strict disciplinary action against the violator, analyze the root cause, and take measures to prevent recurrence. In addition, to ensure that anyone (a whistleblower) filing a report or engaging in consultation is not disadvantaged, we have prepared and operate a whistleblowing structure that conforms to the requirements of the amended Whistleblower Protection Act (effective June 2022), which helps us protect those whis-

tleblowers. Furthermore, the Company has established a policy to take strict measures, such as disciplinary action, against executives and employees who treat whistleblowers in a disadvantageous manner.

The status of these activities is reported to the Executive Committee and the Board of Directors. The hotlines received 42 consultations in FY2024 (45 in FY2023). Not all of them constituted a compliance violation, and we responded appropriately depending on the content. We will continue our efforts to create an environment where people can access the hotline with a peace of mind.

### Main measures implemented in FY2024

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



**BIPROGY Group Compliance Basic Policy (Japanese only)**  
<https://biprogy.disclosure.site/ja/themes/115>



**BIPROGY Group Code of Conduct (Japanese only)**  
[https://www.biprogy.com/com/corporate\\_code\\_of\\_conduct.pdf](https://www.biprogy.com/com/corporate_code_of_conduct.pdf)



**BIPROGY Group Anti-Corruption Policy**  
[https://sustainability-cms-biprogy-s3.s3-ap-northeast-1.amazonaws.com/pdf/anti-corruption-policy\\_e.pdf](https://sustainability-cms-biprogy-s3.s3-ap-northeast-1.amazonaws.com/pdf/anti-corruption-policy_e.pdf)

## Risk Management

### Material Issues

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

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

### Reinforcing the Risk Management System

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

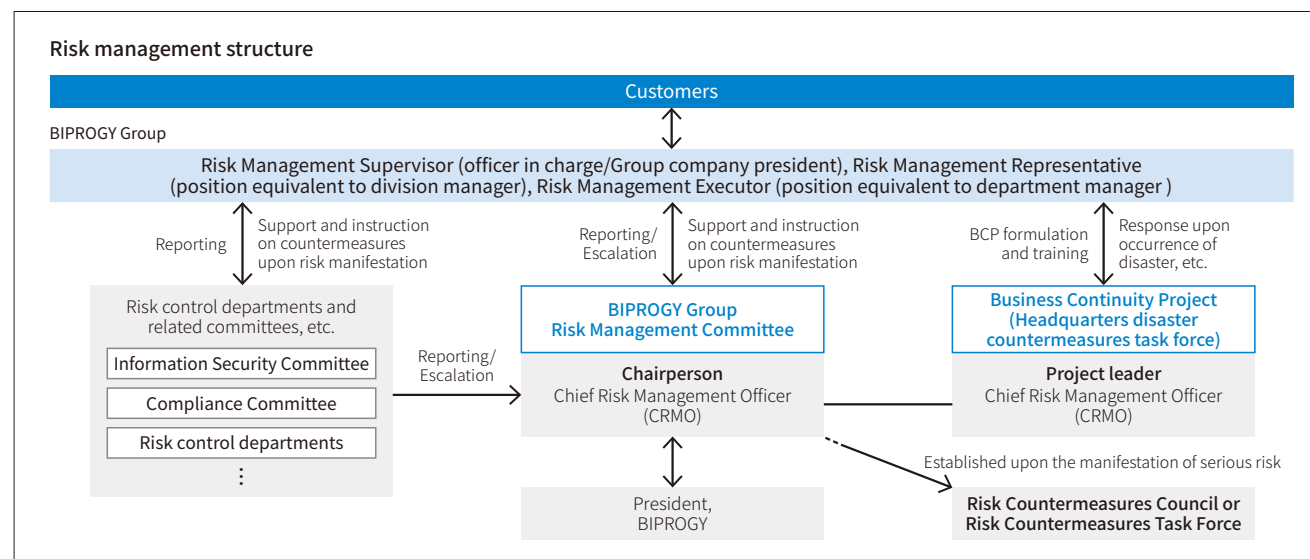
- Formulation of regulations for management of the risk of loss
- Development and implementation of systems necessary for preventing risks
- Dealing with emergencies
- Reviewing risk management items and mechanisms
- Reporting risk management activities to the Board of Directors

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

We established a Risk Management Committee, chaired by

the Chief Risk Management Officer (CRMO), as a body for implementing appropriate countermeasures to the various risks that could have a major impact on business. In addition to coordinating risk management and business continuity throughout the Group, the CRMO is responsible for building mechanisms to effectively and efficiently conduct this task, investigating, supervising, and providing leadership for those mechanisms, and implementing education activities. The Risk Management Committee monitors and reviews the

risk management performance throughout the Group and provides the necessary leadership for continuous improvements. Reports regarding the situation are submitted to the Executive Council and Board of Directors by the CRMO. If a major risk materializes, the department originally impacted or the relevant committee promptly reports it to the Risk Management Committee. Depending on the severity, a Risk Countermeasures Council or a Risk Countermeasures Task Force is set up to address the risk quickly and precisely.





## Risk Management Process

The Risk Management Committee has created a common risk classification system for the Group, so that risks to be managed are shared throughout the Group and managed in an integrated manner. At the current time, risks are categorized into 130 risk management items, which include information management risks (personal information, etc.), system development risks, and disaster/accident risks. The Risk Management Committee requests the Risk Control Departments to list risks that it manages each fiscal year. At that time, a theme is set for each fiscal year, and efforts are made to identify new risk management items that cannot be found using the control department's self-inspections only. The committee also categorizes the size of the impact of each risk using a risk map, based on impact and frequency, and identifies risks that should be given priority when managing risks. Identified risks are reported annually to the Executive Council and the Board of Directors. Furthermore, policies and risk management items are revised by ascertaining and monitoring risk incidents.


During the FY2024 inventory, we confirmed that efforts to address risks, as well as reviews of the impact that those

events might have and frequency that they might occur, are being undertaken for each risk management item, taking into account environmental changes and the status of responses since the previous inventory. We also inspected the risk management systems at Group companies, including two overseas Group companies.

## Significant Risks

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

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

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

## Emerging risks

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

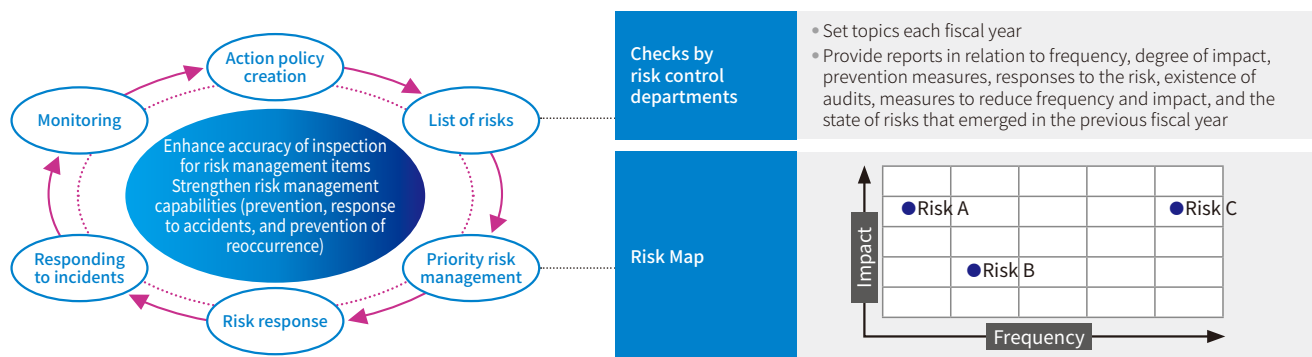
We also view geopolitical risks as one of the emerging risks. We recognize that in the event of terrorism arising from conflicts between nations, uncertainties in energy supply, or disruptions to supply chains, the supply of products and services from specific regions may be delayed or halted. To avoid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

 **BIPROGY Group AI Ethics Principles**  
[https://www.biprogy.com/e/com/ai\\_ethics\\_principles\\_BIPROGY\\_group\\_e.pdf](https://www.biprogy.com/e/com/ai_ethics_principles_BIPROGY_group_e.pdf)

## Main Initiatives of FY2024

### Risk workshop

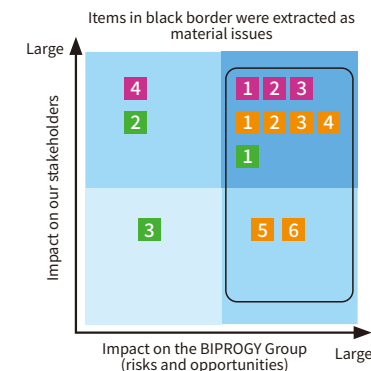
In FY2024, we prioritized “strengthening Group-wide risk management functions” and held risk workshops to further analyze the BIPROGY Group’s medium- to long-term risks and opportunities, including emerging risks. We identified and assessed risks and opportunities based on changes in external and internal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



Business and other risks

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

Reference  
Key items extracted in determining material issues



Environment

- 1 Climate change
- 2 Water resources
- 3 Biodiversity

Social

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

Governance






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

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

# Stakeholder Engagement

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

## Material Issues

Material Issue	Stakeholder	Dialogue policy	Major methods of communication	Reference	Connection to material issues
1 Create schemes to solve issues through the use of digital technology and business ecosystems	Customers	We provide comprehensive services, from analysis of management issues to their resolution. Communicating with our customers allows us to deliver systems that meet customer needs, increase satisfaction, and build even greater trust.	Solution proposals, customer services (call centers, website, operator), customer forums and seminars, customer satisfaction surveys, BIPROGY Users Association activities	 <a href="https://www.biprogy.com/e/">Website</a> <a href="https://terasu.biprogy.com/">Digital media BIPROGY TERASU (Japanese only)</a>	1 2 3 4 5
2 Contribute to the environment through the use of digital technology and reduce the environmental impact of business activities in order to help build a world of zero emissions	Employees and their families	We respect the diversity and individuality of our employees and work to increase motivation by building a safe, supportive work environment where employees can demonstrate their full potential, communicate well within the Group, and enjoy a variety of different work styles. In human resource development, as we strive to remain a “company worth working for,” we fairly and impartially evaluate our employees and leverage their talent in accordance with their abilities and achievements. We also work to improve communication with the family members who support our employees to earn their understanding and approval.	Group internet, social network services (including Microsoft 365 Viva Engage open communication channels for executives and employees across all departments and job categories), in-house magazine (web portal), employee engagement surveys, labor-management council, nationwide discussions (meetings for direct dialogue between management and employees), roundtable discussions, information-sharing meetings, communities (childcare, childcare leave, etc.), social contribution programs	 <a href="https://biprogy.disclosure.site/ja/themes/107#277">Organizational development (strengthening organizational capabilities and work style reform) (Japanese only)</a>	4 1 2 3 5
3 Sustainably procure and provide safe, secure products and services throughout the entire value chain	Shareholders and investors	In order to earn the understanding and trust of our shareholders and investors, we disclose appropriate information in a fair and timely manner, actively engage in dialogue, and strive to practice highly transparent management.	General meeting of shareholders, IR meeting presentation, IR events, IR meetings, disclosure (via website and various IR material)	 <a href="https://www.biprogy.com/invest-e/financial/ar.html">IR materials</a> <a href="https://www.biprogy.com/invest-e/financial/ar.html">Integrated Reports</a> Others <a href="https://www.biprogy.com/invest-e/financial/statement.html">Disclosures</a> <a href="https://www.biprogy.com/invest-e/financial/statement.html">Financial Reports</a> <a href="https://www.biprogy.com/invest-j/financial/sr.html">Annual Securities Reports (Japanese only)</a> Others	2 3 4 1 5
4 Develop and strengthen human resources to create a new future and promote diversity and inclusion	Business partners	In our business partnerships, we strive to build fair and equitable relationships with subcontractors and suppliers when constructing systems and providing services, while working to share awareness of sustainability, and create and provide new value.	Web portal for subcontracting companies, briefings for subcontractors on information-based product creation contracts and service contracts, periodicals, surveys on environmental protection, respect of human rights, and other sustainability initiatives	 <a href="https://biprogy.disclosure.site/ja/themes/109">Quality management (Japanese only)</a>	3 1 2 4 5
5 Further improve corporate governance and integrity	Local communities	Our social contribution activities emphasize communication with local communities. We also focus on building partnerships with nonprofit and non-governmental organizations that offer expertise in special areas as we strive to prosper together with all of society.	Social contribution programs based on partnerships with NPOs and NGOs, participation in local events, charity concerts, regular consultations with local governments and neighboring companies, social contribution club Uniheart	 <a href="https://biprogy.disclosure.site/ja/themes/111">Social contribution activities (Japanese only)</a>	2 5 1 3 4

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