

# Briefing Session on the Results for the Fiscal Year Ended March 2024 and Management Policies (2024-2026)

April 30, 2024  
BIPROGY Inc.



**1   Summary of the Results for FYMar2024**

**2   Management Policies (2024-2026)**

**3   Full-Year Performance Forecast for FYMar2025**

## FYMar2024 (Full-Year) Consolidated Performance Results

- ✓ **System services took the lead in our businesses picking up. An increase in the SG&A expenses was absorbed. As a result, the revenue and profits increased.**
- ✓ **Orders for all our services segments remained strong. Orders and order backlogs increased.**

|   | FYMar2023<br>(Full Year) | FYMar2024<br>(Full Year) | (Unit : Billion Yen) |          |
|---|--------------------------|--------------------------|----------------------|----------|
|   |                          |                          | YoY                  |          |
| Revenue   | 339.9                    | <b>370.1</b>             | +30.2                | (+8.9%)  |
| Gross Profit  | 89.4                     | <b>97.2</b>              | +7.8                 | (+8.8%)  |
| SG&A Expenses   | -60.0                    | <b>-63.4</b>             | -3.4                 | (+5.7%)  |
| Share of profit (loss) of investments accounted for using equity method / Other income and expenses | 0.3                      | <b>-0.5</b>              | -0.8                 |          |
| Operating Profit  | 29.7                     | <b>33.3</b>              | +3.6                 | (+12.2%) |
| (Operating Margin)  | (8.7%)                   | <b>(9.0%)</b>            | (+0.3pt)             |          |
| Profit attributable to Owners of Parent   | 20.2                     | <b>25.2</b>              | +5.0                 | (+25.0%) |
| Adjusted Operating Profit*  | 29.4                     | <b>33.8</b>              | +4.4                 | (+15.0%) |
| (Adjusted Operating Margin)   | (8.6%)                   | <b>(9.1%)</b>            | (+0.5pt)             |          |
| Orders  | 362.1                    | <b>386.1</b>             | +24.0                | (+6.6%)  |
| Order Backlogs  | 273.9                    | <b>289.8</b>             | +16.0                | (+5.8%)  |
| (Order backlogs in the next FY)   | 135.1                    | <b>140.9</b>             | +5.7                 | (+4.3%)  |

\* Adjusted operating profit is the result obtained after deducting selling, general and administrative expenses and cost of sales from revenue.

### (Revenue)

Revenues from all segments increased based upon significant demands for DX investments.

### (Operating Profit)

Gross profit driven by the increase in revenues absorbed an increase in SG&A expenses. Profitability improved as well.

#### •Gross profit

Gross profit increased on the basis of the increase in revenues. Impacts from an increase in the outsourcing costs were absorbed by the improved gross margin in system services and products sales. As a result, profitability remained unchanged from the previous period.

#### •SG&A expenses

Personnel expenses: an increase of 1.5 billion yen  
Internal systematization expenses: an increase of 1.3 billion yen  
R&D expenses: an increase of 0.6 billion yen

#### •Share of profit (loss) of investments accounted for using equity method / Other income and expenses

Goodwill impairment of a Group company (0.7 billion yen) and loss on liquidation of business of our affiliated company (0.3 billion yen) among others were posted.

### (Profit Attributable to Owners of Parent)

Profit was driven up partly by the increase in operating profit. Also, a decrease in the income tax partly through applying the Tax Measure to Promote Wage Increases was conducive to the improved profit.

### (Orders and Order Backlogs)

System services and outsourcing took the lead in increasing orders. Order backlogs increased based upon an increase in outsourcing order backlogs. Order backlogs to be posted as revenue within the next fiscal year increased, as well.

I would like to extend my sincere gratitude for your kindly participating in the briefing session on our performance and management policies, despite your busy schedule. This is Saito. I have assumed the office of CEO since this April.

First of all, let me summarize the performance of the fiscal year ending March 2024.

We posted revenue of ¥370.1 billion, an increase of ¥30.2 billion compared with the previous fiscal year. This was enabled as a result of system services and outsourcing leading the sales increase in all segments, based upon strong demands of customers for DX investments.

An increase in gross profit attributable to the revenue increase even absorbed an increase in SG&A expenses partly ascribable to strengthening investments. As a result, we posted operating profit of ¥33.3 billion, an increase of ¥3.6 billion, on a year-over-year basis. We posted adjusted operating profit of ¥33.8 billion, an increase of ¥4.4 billion.

We posted profit attributable to owners of parents of ¥25.2 billion, an increase of ¥5.0 billion due to the increase in operating profit and a decrease in income tax.

Operating profit did not reach our prediction value that we revised upward in the third quarter. The reason is our suffering events such as an increase in internal system renovation costs and goodwill impairment related to our group company, more than we expected at the time of announcing our third quarter performance. We have not seen any changes in our current business environment. We have seen continually strong business situations.

Orders and order backlogs increased due to posting long-term, large-scale outsourcing projects in the fourth quarter as well as an increase in system services.

## FYMar2024 (Full-Year) Revenue and Gross Profit by Segment

### [Revenue and Gross Profit (Gross Margin) by Segment]

(Unit : Billion Yen)

|                  | FYMar2023<br>(Full Year) |                                | FYMar2024<br>(Full Year) |                                | YoY     |          |                                |               |
|------------------|--------------------------|--------------------------------|--------------------------|--------------------------------|---------|----------|--------------------------------|---------------|
|                  | Revenue                  | Gross Profit<br>(Gross Margin) | Revenue                  | Gross Profit<br>(Gross Margin) | Revenue |          | Gross Profit<br>(Gross Margin) |               |
| System services  | 115.7                    | 39.6<br>(34.2%)                | 127.0                    | 44.1<br>(34.7%)                | +11.3   | (+9.8%)  | +4.5<br>(+0.5pt)               | (+11.4%)<br>- |
| Support services | 52.4                     | 16.1<br>(30.7%)                | 54.9                     | 16.7<br>(30.5%)                | +2.5    | (+4.7%)  | +0.7<br>(-0.2pt)               | (+4.1%)<br>-  |
| Outsourcing      | 66.7                     | 17.0<br>(25.5%)                | 76.6                     | 16.9<br>(22.1%)                | +9.9    | (+14.8%) | -0.1<br>(-3.5pt)               | (-0.8%)<br>-  |
| Other services   | 11.0                     | 2.5<br>(22.7%)                 | 12.8                     | 3.0<br>(23.3%)                 | +1.9    | (+17.1%) | +0.5<br>(+0.6pt)               | (+20.1%)<br>- |
| Software         | 37.4                     | 5.1<br>(13.6%)                 | 38.3                     | 5.9<br>(15.3%)                 | +0.9    | (+2.5%)  | +0.8<br>(+1.6pt)               | (+14.8%)<br>- |
| Hardware         | 56.7                     | 9.0<br>(16.0%)                 | 60.5                     | 10.5<br>(17.4%)                | +3.8    | (+6.7%)  | +1.5<br>(+1.5pt)               | (+16.6%)<br>- |
| Total            | 339.9                    | 89.4<br>(26.3%)                | 370.1                    | 97.2<br>(26.3%)                | +30.2   | (+8.9%)  | +7.8<br>(-0.0pt)               | (+8.8%)<br>-  |

#### (System services)

The revenue and gross profit of system services increased. This is ascribed to keen interests in the DX investments from customers in a wide range of business sectors such as financial institutions as well as manufacturers and service businesses operators. The profitability was improved despite an unprofitable project (of 0.8 billion yen) posted. It was due to an increase in highly profitable projects and our enhanced efforts to improve productivity.

#### (Outsourcing)

The revenue of outsourcing increased. This is ascribed partly to an increase in the sales from cloud services provided by other companies as well as an increase in our service-type businesses. However, projects for shinkin banks as well as inflation were among the factors to push down gross profit.

#### (Software)

Software revenue increased partly based upon an increase in the small and medium-sized projects. Gross profit increased compared with the previous fiscal year. The increase was enabled by a generally improved gross margin that outperformed the impacts of a highly profitable projects posted in the fourth quarter of the previous fiscal year.

#### (Hardware)

Hardware revenue increased based upon an increase in the small and medium-sized projects partly about network devices. Gross margin was improved by an increase in more highly profitable compared with the previous fiscal year.

Next, I would like to brief you on the revenue and gross profit situations by segment.

System services revenue and gross profit increased, due to continuingly strong demands for DX investments on the side of customers in a wide range of business sectors such as financial institutions, manufacturers, and service business operators. Also, gross margin remains at a high level.

Outsourcing revenue increased based upon an increase in the sales of cloud services provided by other companies and an increase in the use of service-based type businesses. However, gross profit was diminished due to an increase in operating costs.

We posted an increase in the revenue and gross profit from software and hardware products sales, partly due to an increase in small and medium-sized projects. Profitability was improved attributable to having received highly productive projects more than the previous period.

## FYMar2024 (Full-Year) Orders and Order Backlogs by Segment

### [Orders by Segment]

|                  | FYMar2023<br>(Full Year) | FYMar2024<br>(Full Year) | YoY   |          |
|------------------|--------------------------|--------------------------|-------|----------|
| System services  | 119.0                    | 127.6                    | +8.7  | (+7.3%)  |
| Support services | 54.3                     | 57.2                     | +2.9  | (+5.3%)  |
| Outsourcing      | 76.0                     | 90.1                     | +14.1 | (+18.5%) |
| Other services   | 12.0                     | 14.3                     | +2.3  | (+19.2%) |
| Software         | 37.7                     | 39.4                     | +1.7  | (+4.4%)  |
| Hardware         | 63.1                     | 57.6                     | -5.6  | (-8.8%)  |
| Total            | 362.1                    | 386.1                    | +24.0 | (+6.6%)  |

(Unit: Billion Yen)

#### (System services)

Orders were pushed up by posting a large-scale project for an administrative organization related to pharmaceuticals and DX projects for manufacturers and financial institutions. Order backlogs scheduled to be posted in the next fiscal year diminished compared with the previous fiscal year (that saw a long-term large-scale project posted in the second quarter). The current pipelines, however, continue to be strong.

#### (Outsourcing)

Outsourcing orders and order backlogs significantly increased based upon posting long-term large-scale projects for financial institutions in the fourth quarter as well as posting multiple medium-scale projects.

#### (Software)

Software orders and order backlogs increased based upon winning a wide range of projects including small-scale projects as well as a large-scale project for an administrative organization related to pharmaceuticals.

#### (Hardware)

A decrease in the small and medium-scale projects won in the fourth quarter diminished orders and order backlogs.

### [Order backlogs by Segment]

|                  | FYMar2023<br>(end of Q4) |                  | FYMar2024<br>(end of Q4) |                  | YoY           |          |                  |          |
|------------------|--------------------------|------------------|--------------------------|------------------|---------------|----------|------------------|----------|
|                  | Order backlog            | in the next FY * | Order backlog            | in the next FY * | Order backlog |          | in the next FY * |          |
| System services  | 36.4                     | 32.9             | 37.0                     | 31.3             | +0.6          | (+1.6%)  | -1.6             | (-4.8%)  |
| Support services | 45.8                     | 30.5             | 48.1                     | 31.3             | +2.3          | (+5.0%)  | +0.8             | (+2.5%)  |
| Outsourcing      | 159.3                    | 45.8             | 172.7                    | 50.3             | +13.5         | (+8.5%)  | +4.4             | (+9.7%)  |
| Other services   | 4.8                      | 3.7              | 6.3                      | 5.1              | +1.5          | (+30.5%) | +1.4             | (+39.3%) |
| Software         | 8.1                      | 7.0              | 9.1                      | 8.7              | +1.0          | (+13.0%) | +1.7             | (+23.8%) |
| Hardware         | 19.5                     | 15.2             | 16.6                     | 14.2             | -2.9          | (-14.9%) | -1.0             | (-6.4%)  |
| Total            | 273.9                    | 135.1            | 289.8                    | 140.9            | +16.0         | (+5.8%)  | +5.7             | (+4.3%)  |

(Unit : Billion Yen)

\*to be posted as revenue within the next FY

Next, I would like to brief you on orders and order backlogs by segment.

Orders increased by ¥24.0 billion compared with the previous period. It was attributable to system services remaining robust based upon strong demands from customers for DX, as well as posting long-term, large-scale outsourcing projects in the fourth quarter.

Outsourcing orders took the lead in increasing orders. Orders scheduled to be posted as revenue in the next fiscal year are steadily increasing.

System services orders scheduled to be posted within the next fiscal year decreased due to impacts from posting a long-term, large-scale project in the previous period. However, we have seen customers continuously interested in making DX investments. We currently have much in the pipeline, and thus we are prepared to steadily transform the pipeline contents into orders.

## FYMar2024 (Full – Year) Outsourcing

### [Outsourcing Revenue]

|  | FYMar2023<br>(Full Year) | FYMar2024<br>(Full Year) | YoY  |
|--|--------------------------|--------------------------|------|
| Entrusted operation-type   | 49.0                     | 49.8                     | +0.8 |
| Corporate DX-type  | 10.8                     | 18.8                     | +8.0 |
| (including revenue from selling cloud services<br>provided by other companies) | 1.8                      | 6.6                      | +4.8 |
| Service-based-type<br>(business creation-type) Outsourcing                     | 6.9                      | 8.0                      | +1.1 |
| <b>Total revenue</b>   | 66.7                     | 76.6                     | +9.9 |

### [Outsourcing Order Backlogs]

|  | FYMar2023<br>(end of Q4) | FYMar2024<br>(end of Q4) | YoY   |
|--|--------------------------|--------------------------|-------|
| <b>Order backlogs</b>  | 159.3                    | 172.7                    | +13.5 |
| (including order backlogs to be posted as revenue<br>within the next FY) | 45.8                     | 50.3                     | +4.4  |

(Unit: Billion Yen)

#### (Corporate DX-type Outsourcing)

- "OptBAE", use-type core-banking service for regional financial institutions, has been serving 11 financial institutions. Two financial institutions decided to use OptBAE, with migration work now under preparation. Attempts to enhance OptBAE capabilities have been made continuously in order to have more users.
- "BankVision on Azure" is now serving three financial institutions. BankVision on Azure is gathering attention in light of the excellent affinity with management strategies of at users, regional banks. It will begin operations for its fourth customer in May 2024.
- There was an increase in the revenues from cloud-computing services provided by other companies and network services related to remote work.

#### (Service-based-type (business creation-type) Outsourcing)

- The use of dashcam, digital codes, etc. steadily increased
- Active sales efforts have been made in order to increase the use of "DIGITAL ATELIER" (EC platform service).

Next, let me brief you on the outsourcing business situations.

Revenue from Corporate DX-type Outsourcing and from Service-based type Outsourcing steadily increased in the fourth quarter, as well.

Entrusted operation-type outsourcing revenue increased. It was ascribable to an increase in ITO services at UNIADDEX, LTD., despite impacts of migrating our customers, regional financial institutions, from our conventional services to OptBAE and BankVision on Azure services. Costs were driven up by projects for shinkin banks as well as inflation. As a result, profitability was diminished. We will continuously work on improving operational efficiency in order to improve the profitability.

Corporate DX-type Outsourcing revenue increased ascribable to an increase in the sales of cloud services provided by other companies and an increase in the use of OptBAE and BankVision on Azure. Profitability was dragged down by an increase in the costs for strengthening the OptBAE functions and an increase in the sales of other companies' cloud services. In the future, with the aim of improving profitability, we will create value-added managed services. We will furthermore accelerate attempts to link managed services to cloud services provided by other companies, etc. and provide the services in a bundle.

Revenue from service-based type (business creation-type) outsourcing continuously makes a steady increase, as exemplified in cashless payment services, dashcam services, and e-commerce platform services. Profitability remains at a high level.

This concludes my summarizing the performance of the fiscal year ending March 2024.

1 Summary of the Results for FYMar2024

2 Management Policies (2024-2026)

3 Full-Year Performance Forecast for FYMar2025



**BIPROGY**

# The BIPROGY Group Management Policies (2024–2026)

BIPROGY Inc.



**BIPROGY**

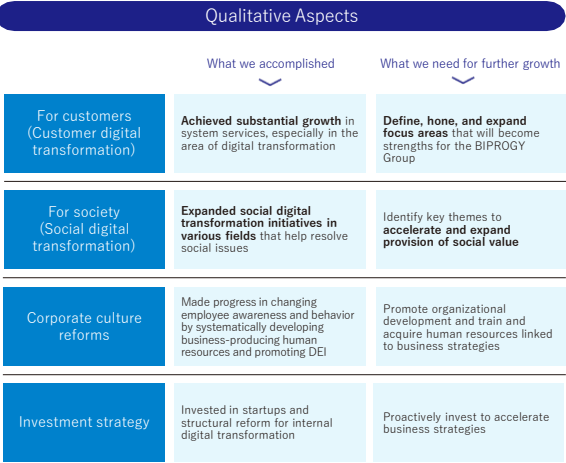
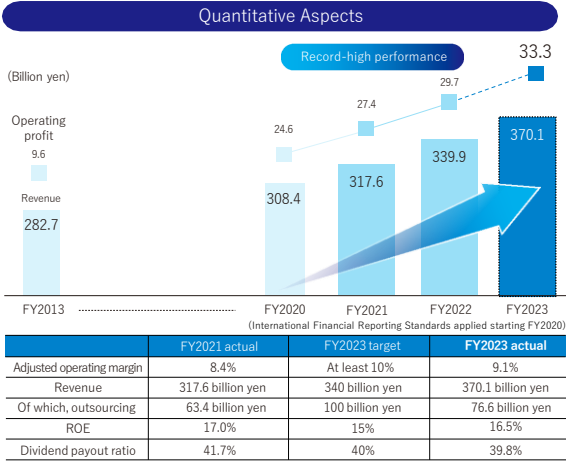
Foresight in sight

Today, we will talk about Management Policies (2024–2026).



# Review of Management Policies (2021–2023)

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



First, let's review Management Policies (2021–2023).

Over the past three years, we have steadily built a foundation as a corporate group that works with customers to resolve social issues, while pursuing Vision 2030, which we set out in 2021.

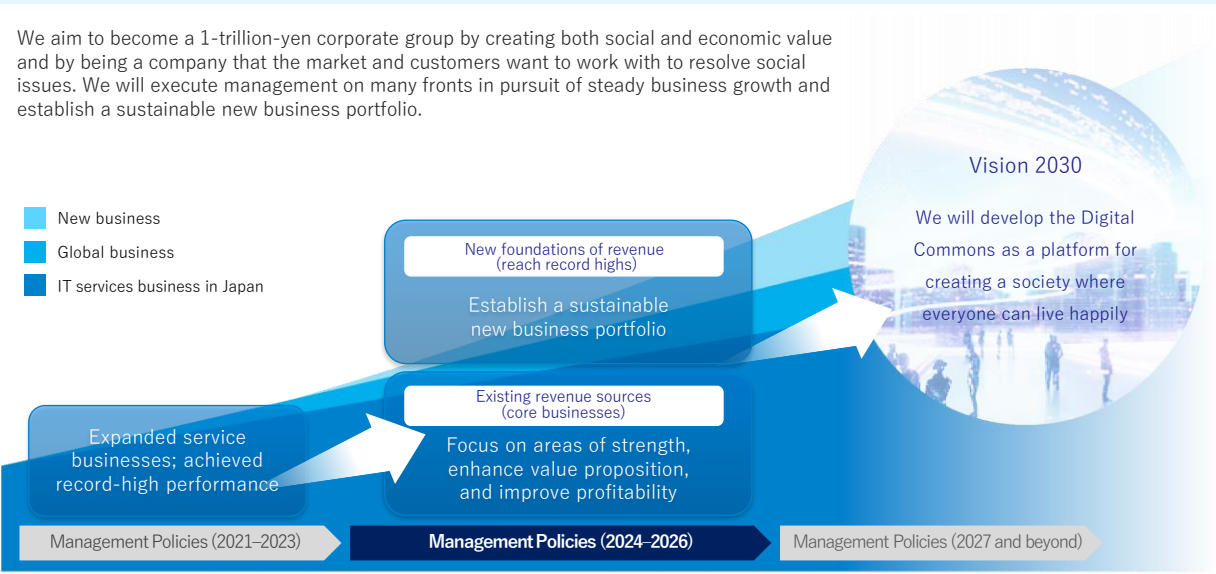
Quantitatively, we achieved our performance targets for revenue and profit, reaching record-high figures for both metrics. However, we did not achieve our target for outsourcing, which we positioned as a growth driver. That said, we met customer demand for digital transformation and prioritized the provision of system services, allowing us to accumulate many assets that will lead to future growth.

Qualitatively, business has expanded from “for customers” to “for society,” and we have strengthened our management base.

We will continue to respond swiftly and flexibly to the constant changes in the business environment, enhance Group collaboration, and steadily implement our new Management Policies (2024–2026).

# Positioning of Management Policies (2024–2026)

We aim to become a 1-trillion-yen corporate group by creating both social and economic value and by being a company that the market and customers want to work with to resolve social issues. We will execute management on many fronts in pursuit of steady business growth and establish a sustainable new business portfolio.



Management Policies (2024–2026) is the second stage toward realizing Vision 2030.

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

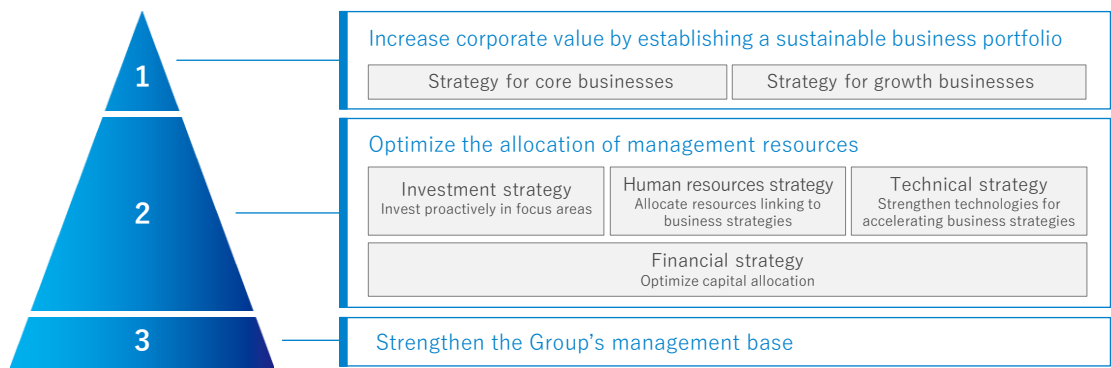
We will establish these mainstay businesses in the form of a sustainable business portfolio and take on the challenge of achieving a corporate value of 1 trillion yen.

# Basic Policies

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

## Vision 2030

We will develop the Digital Commons as a platform for creating a society where everyone can live happily



In Management Policies (2024–2026), we have set out three basic policies.

The first policy is increasing corporate value by establishing a sustainable business portfolio, which comprises two business strategies.

The second and third policies set out strategies that will serve as the management base that underpins our business, and measures to strengthen Group management.

# Key Strategies of the Group

|  |  |                      |   |
|--|--|----------------------|---|
| Core businesses                        | Establish areas of strength and enhance value proposition  |                      | <ul style="list-style-type: none"><li>• Allocate management resources to focus areas/customers (consolidate and select)</li><li>• Promote improvement of development productivity (e.g., develop human resources, reform development processes, and utilize AI)</li><li>• Expand service businesses</li></ul> |
| Growth businesses                      | Establish a new earnings base                              | Market development   | <ul style="list-style-type: none"><li>• Capture/Expand new market share by acquiring new service areas and cultivating growth markets</li></ul>   |
|  |  | Business development | <ul style="list-style-type: none"><li>• Develop, co-create, and deploy social digital transformation businesses that resolve social issues</li></ul>  |
|  |  | Global initiatives   | <ul style="list-style-type: none"><li>• Develop business in major ASEAN countries</li><li>• Strengthen approaches with an eye toward entering North America and other markets</li></ul>   |
| Foundation underpinning our businesses | Strengthen and strategically allocate management resources |                      | <ul style="list-style-type: none"><li>• Promote human resources/technical/financial &amp; investment strategies linked to business strategies</li><li>• Strategically invest management resources in areas of strength and providing new value</li></ul>  |
|  | Strengthen Group management                                |                      | <ul style="list-style-type: none"><li>• Strengthen the Group's management base</li><li>• Advance the Group's value chain in response to changes in the internal and external environments</li></ul>   |

We formulated key Group strategies based on the three Basic Policies.

For core businesses, we will channel management resources toward focus areas to enhance our value proposition, promote productivity improvement measures, and further expand service businesses.

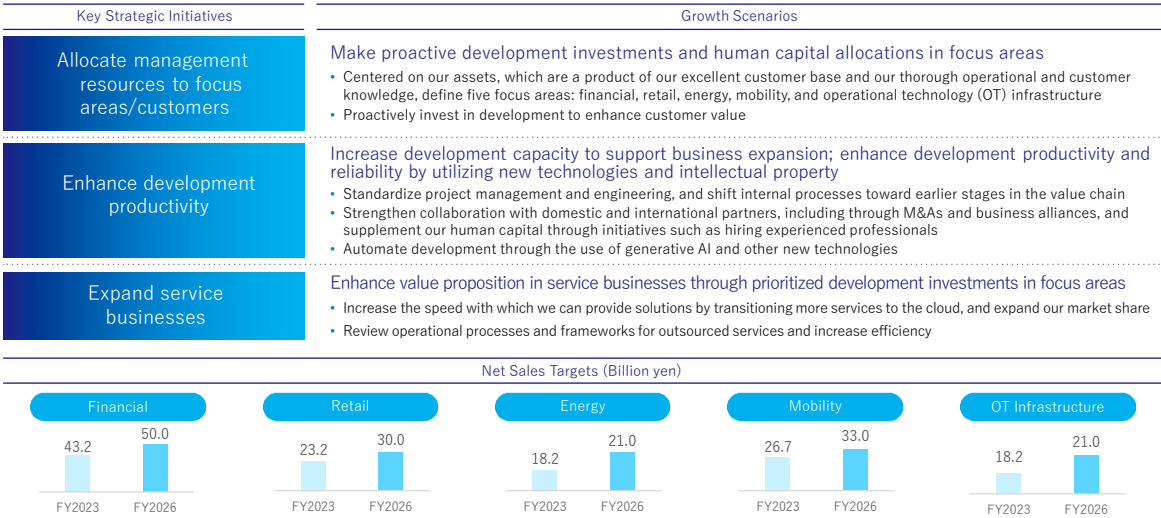
For growth businesses, we will capture shares of new service areas and growth markets, accelerate social digital transformation, and expand global business with a focus on the ASEAN region.

For the foundation underpinning our businesses, we will promote transformation to achieve a flexible Group value chain and various measures linked to our business strategies, as well as proactively invest in growth.

Next, we will explain our respective strategies and growth drivers.

# Strategy for Core Businesses

We will raise performance in our core businesses by ensuring the appropriate allocation of management resources and by enhancing development productivity and reliability.



Let me begin with our strategy for core businesses.

Centered on our assets, which are a product of our excellent customer base and our thorough operational and customer knowledge, we have selected five focus areas: financial, retail, energy, mobility, and operational technology infrastructure.

In these areas, we will proactively invest in development and allocate human capital as appropriate.

Among our measures to enhance development productivity, we will promote the use of generative AI and other technologies in addition to strengthening collaboration with domestic and international partners.

We will also improve profitability by enhancing the value of our service business offerings.

# Strategy for Growth Businesses

We will establish a new earnings base and provide new value by making proactive investments in growth businesses.

| Key Strategic Initiatives  | Growth Scenarios  | Net Sales Targets (Billion yen)                                 |
|--|---|---|
| <div>Market development</div> <div>Acquire/Expand new service areas and capture/expand market share</div>  | <div>Capture/Expand new market share by acquiring new service areas and cultivating growth markets</div> <ul style="list-style-type: none"><li>Deploy data utilization services that employ data scientists and AI to support customer management decisions</li><li>Deploy managed services, including digital workplaces, security and cloud management, that free customers to concentrate on their core business processes</li></ul>   | <div><div>3.4</div><div>10.0</div><div>FY2023FY2026</div></div> |
| <div>Business development</div> <div>Accelerate the co-creation and deployment of social digital transformation businesses</div>                 | <div>Accelerate the development, co-creation, and deployment of social digital transformation businesses that resolve social issues</div> <ul style="list-style-type: none"><li>Positioning social/green transformation, smart lifestyles, and regional revitalization as focus themes, establish business ecosystems that span industry fields together with customers and partners who share our ambition, to co-create and accelerate the deployment of social digital transformation businesses</li></ul>   | <div><div>3.5</div><div>10.0</div><div>FY2023FY2026</div></div> |
| <div>Global initiatives</div> <div>Develop business in major ASEAN countries and strengthen approaches for North America and other markets</div> | <div>Develop business in major ASEAN countries and strengthen approaches with an eye toward entering North America and other markets</div> <ul style="list-style-type: none"><li>Use strategic investments such as M&amp;As to expand service areas and acquire new customer segments</li><li>Leverage services and knowledge from operations in Japan to promote customer digital transformation businesses overseas</li><li>Establish business ecosystems with customers and partners in each country/region and promote social digital transformation businesses centered on resolving social issues</li></ul> | <div><div>2.4</div><div>15.0</div><div>FY2023FY2026</div></div> |

Next is our strategy for growth businesses.

The first component is market development.

We will expand our service areas by making bold forays into growing markets in which the Group has yet to capture a sufficient share.

In addition to data and AI-based services to assist customers with management decision-making, we will expand managed services that provide comprehensive support for IT infrastructure so that customers can focus on their core business processes.

The second component is business development. We will leverage our hard-earned expertise in energy management and other areas to pursue long-term sustainability solutions in the areas of sustainability transformation and green transformation. We will also leverage digital cash, logistics, and smart city initiatives to expand businesses in the areas of smart lifestyles and regional revitalization.

The third component is global initiatives. Now that we have established a unique brand name suited for worldwide use, we will expand our business in the ASEAN region and establish business ecosystems in each country as a truly borderless company.

# Human Resources Strategy

The BIPROGY Group's greatest asset is its people. As such, we are making strategic investments in talent to maximize the value of our human capital and enhance our ability to effectively implement Management Policies (2024–2026), which will in turn lead to greater value for society and customers.

| Focus Areas for Human Capital Investment |  | Human Resources Strategy   | Main Measures  |
|--|--|--|--|
| All employees                            | <b>Ambition-driven talent</b><br>Relishing challenges in pursuit of a career purpose         | Promotion of autonomous career planning                                | <ul style="list-style-type: none"><li>Provide a range of opportunities for ambitious employees on an opt-in basis (e.g., learning, consultation, business creation, and transfer opportunities)</li></ul>  |
| Leaders                                  | <b>Next-generation management talent</b><br>Thinking outside the box to lead innovation      | Assignments for acquiring a broad outlook                              | <ul style="list-style-type: none"><li>Offer challenging assignments where past successes do not guarantee future results</li><li>Systematically rotate management-level personnel so that they can acquire a variety of experience</li></ul>   |
| Core businesses                          | <b>Customer business architects</b><br>Resolving industry and customer issues                | Strategic personnel assignments and training to strengthen focus areas | <ul style="list-style-type: none"><li>Strategically assign personnel to focus areas</li><li>Structure plans for personnel interaction opportunities with a view to strengthening customer relationships and co-creating businesses</li><li>Conduct training programs for ahead-of-the-curve learning of latest technologies and foster communities for mutual learning</li></ul> |
|  | <b>Expert project managers</b><br>Driving the latest technologies and development approaches |  |  |
| Growth businesses                        | <b>Entrepreneurial business talent</b><br>Leading co-creation and new businesses             | Acquisition of job-ready skills for accelerating business creation     | <ul style="list-style-type: none"><li>Provide ongoing training to develop personnel who can lead growth businesses</li><li>Acquire talent through proactive growth investments (e.g. M&amp;As)</li><li>Hire management talent with capabilities in business creation</li></ul>   |
|  | <b>Global human resources</b><br>Pioneering global businesses with resilience and insight    |  |  |
| Culture                                  | <b>Raise engagement</b>  | Promotion of DEI centered on our Purpose                               | <ul style="list-style-type: none"><li>Appoint more women to management positions; ensure the success of career hires and senior professionals</li><li>Provide venues for discussion that encourage engagement with our Purpose</li></ul>   |
| Foundation                               |  | Reforms to personnel systems and office environments                   | <ul style="list-style-type: none"><li>Reform personnel systems to support the essence of the BIPROGY Group</li><li>Invest in appealing office environments that employees enjoy being in and are proud of</li></ul>  |

Continuing on: our human resources strategy.

People are the BIPROGY Group's greatest asset. By maximizing the value they can create, we will enhance our ability to effectively implement our Management Policies.

Accordingly, our first step will be to create opportunities and environments that enable all Group employees to take charge of developing their careers.

We will also systematically rotate management-level personnel, in addition to offering them assignments that enable the acquisition of a broad outlook.

In core businesses, we will strategically allocate human resources to focus areas and create opportunities for growth and hands-on experience by structuring plans with customers and partners, and we will implement development programs to encourage them to acquire new skills.

In growth businesses, we will develop human resources capable of leading business creation, and will make proactive growth investments so as to acquire job-ready talent.

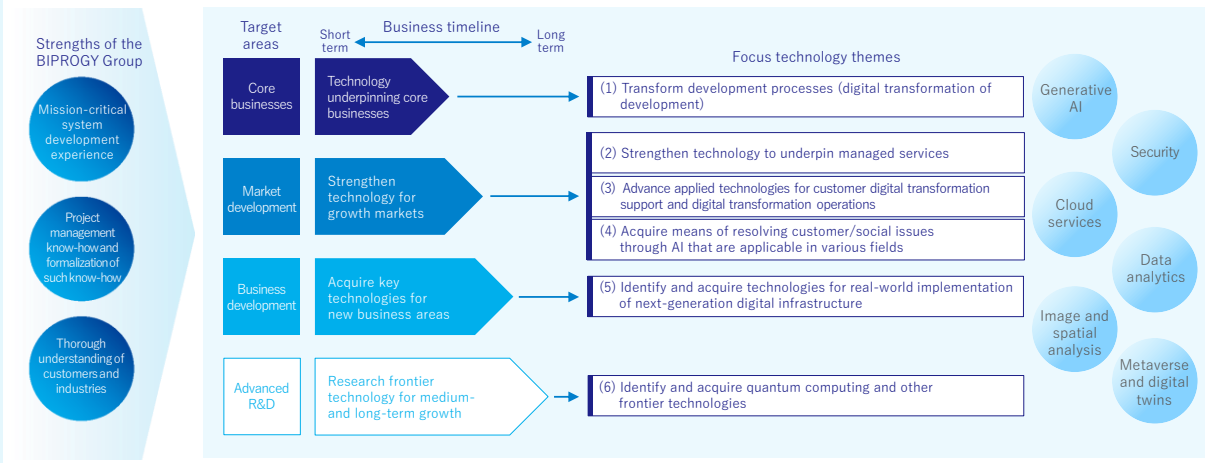
Finally, to transform our corporate culture and strengthen our management base, we will promote personnel system reforms and invest in appealing office environments where all Group employees can flourish.

We will continue to evolve these measures including through the use of data analysis and feedback.

# Technology Strategy

We will rebuild our technology portfolio based on the Group's accumulated strengths and business timelines, promote digital transformation of development in core businesses, and strengthen technology for accelerating high-value-added proposals and advances in the market development area.

We also aim to achieve sustainable business growth by identifying, acquiring, and implementing frontier and next-generation digital technologies.



Next we have our technology strategy.

We will accelerate business strategies by cultivating competitive advantages and enhancing our service business offerings by leveraging the Group's many assets and the technologies we have strengthened and acquired.

To strengthen the technologies underpinning core businesses, we will use generative AI and other technologies to transform development processes.

To strengthen technologies for growth markets, we will advance security, cloud management, data utilization, and other technologies to accelerate the push for services that offer more added value and increased sophistication.

Furthermore, we aim to achieve sustainable business growth by discovering, acquiring, and implementing advanced and next-generation digital technologies.



# Investment Strategy

We will promote proactive business-related investment, including consideration of M&As, with an eye toward business portfolio expansion and future transformation.

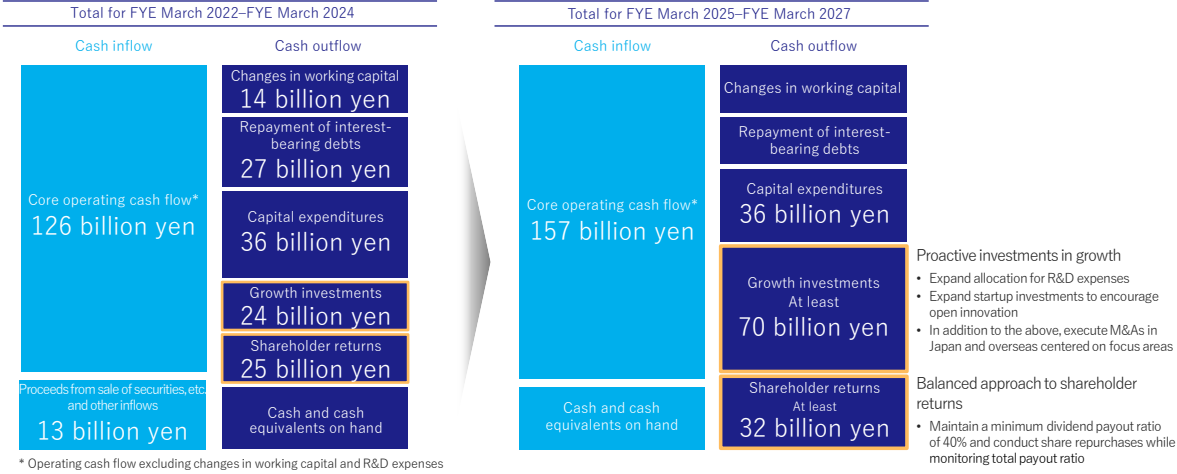


Our investment strategy is to proactively invest in growth—including R&D, open innovation, and M&As—in order to establish a sustainable portfolio.

We intend to invest more than 70 billion yen over the three years through fiscal 2026.

# Financial Strategy (Capital Allocation)

While maintaining appropriate financial discipline, including consideration of the equity ratio, we will strike a balance between proactively investing in businesses and areas with high growth potential, targeting long-term sustainable growth and thereby increased corporate value, and providing shareholder returns.



The last of our strategies is our financial strategy. We will ensure financial soundness first and foremost, and increase our corporate value through proactive investment and a balanced approach to shareholder returns.

## Performance Targets

While aiming to transform our business portfolios and strengthen our focus areas, we target revenue of 420 billion yen and adjusted operating margin of 11.0%.

|                           | FYE March 2027 (Target)   |
|---------------------------|---|
| Revenue                   | 420 billion yen   |
| Adjusted operating margin | 11.0%   |
| ROE                       | 15.0%   |
| Dividend payout ratio     | 40.0% or more<br>+ Flexibly implement share repurchases,<br>taking into account stock price |

The final part of Management Policies (2024–2026) is our performance targets for the final year, the fiscal year ending March 31, 2027.

Our targets include revenue of 420 billion yen and an adjusted operating margin of 11%.

In terms of capital efficiency, we will monitor cost of capital as we aim for ROE of 15%.

For dividend payout ratio, our target is 40% or more, and we will carry out share repurchases with an eye on the total payout ratio.

Starting this fiscal year, under the new leadership structure and Management Policies (2024–2026), we will work to be a company that the market and customers want to work with to resolve social issues, and will enhance our ability to execute measures for achieving sustainable growth and enhancing the corporate value of the Group.

This concludes the briefing on our Management Policies, and we will end with a full-year earnings forecast for the fiscal year ending March 31, 2025.

1 Summary of the Results for FYMar2024

2 Management Policies (2024-2026)

3 Full-Year Performance Forecast for FYMar2025

FYMar2025 (Full-Year) Performance Forecast

- ✓ Balance increasing the core businesses and strengthening growth investments with an eye toward establishing new revenue bases in the first fiscal year of the Management Policies.
- ✓ An increase in SG&A expenses due to investing in the future.

|   | (Unit : Billion Yen)             |                                   |               |
|---|----------------------------------|-----------------------------------|---------------|
|   | FYMar2024<br>(Full Year Results) | FYMar2025<br>(Full Year Forecast) | YoY           |
| Revenue   | 370.1                            | 385.0                             | +14.9 (+4.0%) |
| Gross Profit  | 97.2                             | 101.2                             | +4.0 (+4.1%)  |
| SG&A Expenses   | -63.4                            | -66.2                             | -2.8 (+4.5%)  |
| Share of profit (loss) of investments accounted for using equity method / Other income and expenses | -0.5                             | 0.5                               | +1.0          |
| Operating Profit  | 33.3                             | 35.5                              | +2.2 (+6.6%)  |
| (Operating Margin)  | (9.0%)                           | (9.2%)                            | (+0.2pt)      |
| Profit attributable to Owners of Parent   | 25.2                             | 24.5                              | -0.7 (-3.0%)  |
| Adjusted Operating Profit*  | 33.8                             | 35.0                              | +1.2 (+3.5%)  |
| (Adjusted Operating Margin)   | (9.1%)                           | (9.1%)                            | (-0.0pt)      |

**[Key Factors Conducive to the Increase in SG&A Expenses]**  
(Unit: Billion Yen)

- Increase in R&D expenses 0.5
- Pay raise and introduction of new personnel system 1.0
- Medium and long-term facility plan 0.6
- Postponing renewal of core systems 0.7
- Others 0.2

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

Let me summarize our predictions of full-year performance for the fiscal year ending March 2025.

In the first fiscal year of our Management Policies (2024-2026), we plan to strengthen R&D initiatives and workforce investments with an eye on increasing the core businesses that reflect the strength of the Group and establishing new revenue bases. This will be conducive to our achieving performance targets of the final fiscal year.

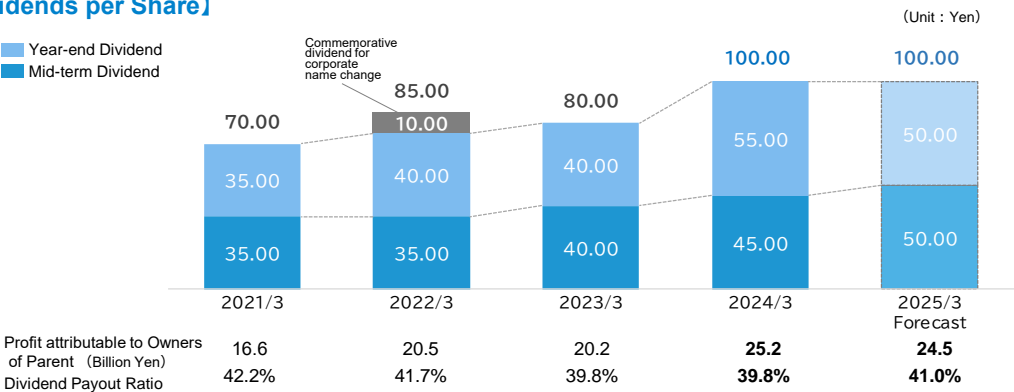
We target at revenue of ¥385.0 billion, an increase of ¥14.9 billion compared with the previous period. This prediction is based upon our assumptions about our customers' continuingly strong demands for DX, and about our system services continuously leading favorable situations of services businesses.

We target operating profit of ¥35.5 billion, an increase of ¥2.2 billion, and profit attributable to owners of parent of ¥24.5 billion, a decrease of ¥0.7 billion. This is based upon our forecasting that SG&A expenses will be driven up through investments in the future and even compromise an expected increase in operating profit ascribable to an increase in revenue. We predict adjusted operating profit of ¥35.0 billion, an increase of ¥1.2 billion.

FYMar2025 (Full-Year) Dividend Forecast

- ✓ We plan annual dividends of ¥100 per share for the fiscal year ended March 2024 (by an increase of 5 yen from the previous projection announced on February 1).
- ✓ We forecast an annual dividend of ¥100 per share pursuant to a target payout ratio of 40% or more for the fiscal year ending March 2025.

【Dividends per Share】



Next, let me brief you on shareholder returns.

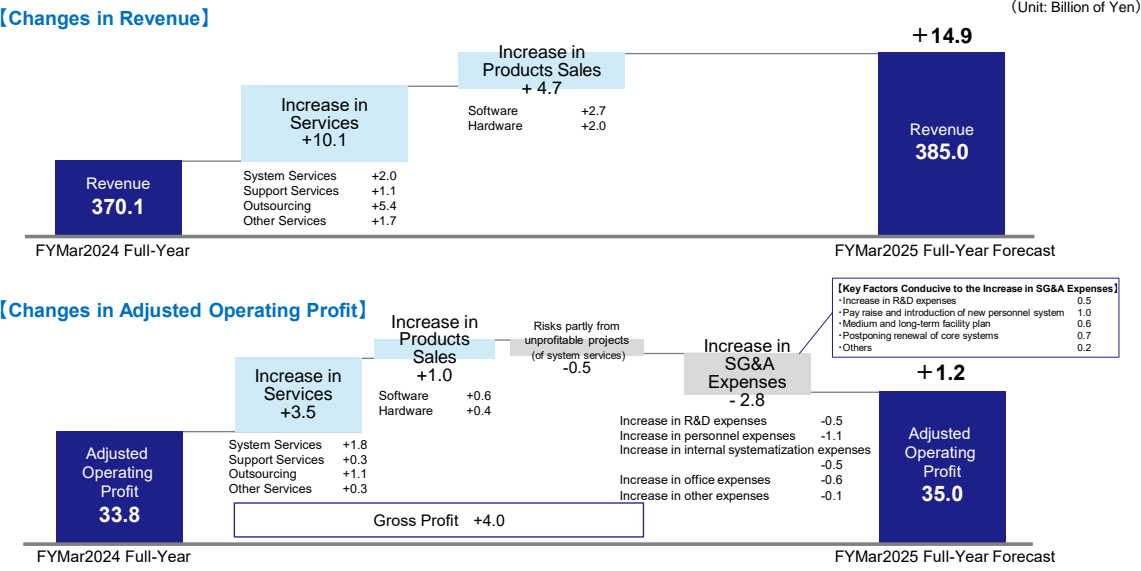
We plan to pay an annual dividend of ¥100 per share for the fiscal year ending March 2024, an increase of ¥5 yen per share from the previous projection.

We plan an annual dividend of ¥100 per share, the same as in the previous fiscal year, for the fiscal year ending March 31, 2025, on the assumption of a profit forecast of ¥24.5 billion.

Our new management team will respond to your expectations through steadily implementing key strategies, as stipulated in the new management policies, with an eye on enabling furthermore growth.

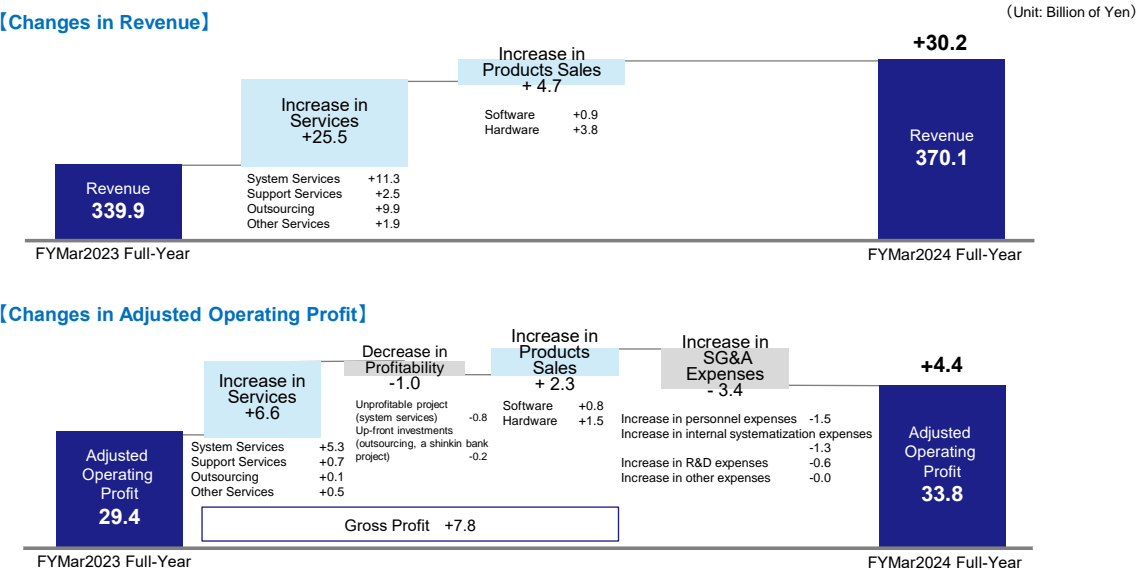
This concludes my briefing. Thank you.

FYMar2025 (Full-Year) Performance Forecast Breakdown Details



(Reference Materials)

FYMar2024 (Full-Year) Performance Breakdown Details



(Reference Materials)  
FYMar2024 (Full-Year)  
Consolidated Statements of Financial Position / Consolidated Statements of Cash Flows

[Consolidated Statements of Financial Position]

(Unit: Billion Yen)

|   | FYMar2023<br>(end of Q4) | FYMar2024<br>(end of Q4) | YoY          |
|---|--------------------------|--------------------------|--------------|
| <b>Assets</b>                                 |                          |                          |              |
| Current Assets                                | 164.7                    | 187.9                    | +23.3        |
| Non-Current Assets                            | 115.7                    | 126.3                    | +10.6        |
| <b>Total Assets</b>                           | <b>280.4</b>             | <b>314.2</b>             | <b>+33.8</b> |
| <b>Liabilities</b>                            |                          |                          |              |
| Current Liabilities                           | 98.9                     | 112.5                    | +13.5        |
| Non-Current Liabilities                       | 39.9                     | 33.4                     | -6.4         |
| <b>Total Liabilities</b>                      | <b>138.8</b>             | <b>145.9</b>             | <b>+7.1</b>  |
| <b>Equity</b>                                 |                          |                          |              |
| Total equity attributable to owners of parent | 139.9                    | 166.4                    | +26.5        |
| Non-controlling Interests                     | 1.7                      | 1.9                      | +0.2         |
| <b>Total Equity</b>                           | <b>141.6</b>             | <b>168.3</b>             | <b>+26.7</b> |
| <b>Total Liabilities and Equity</b>           | <b>280.4</b>             | <b>314.2</b>             | <b>+33.8</b> |

[Consolidated Statements of Cash Flows]

(Unit: Billion Yen)

|  | FYMar2023   | FYMar2024   | YoY          |
|--|-------------|-------------|--------------|
| Net Cash Provided by (Used in) Operating Activities          | 28.4        | 41.7        | +13.3        |
| Net Cash Provided by (Used in) Investing Activities          | -15.5       | -8.6        | +7.0         |
| <b>Free Cash Flows</b>                                       | <b>12.9</b> | <b>33.1</b> | <b>+20.3</b> |
| Net Cash Provided by (Used in) Financing Activities          | -18.0       | -17.6       | +0.4         |
| Effect of Exchange Rate Changes on Cash and Cash Equivalents | 0.1         | 0.1         | -0.0         |
| <b>Net Increase (decrease) in Cash and Cash Equivalents</b>  | <b>-5.1</b> | <b>15.6</b> | <b>+20.7</b> |
| Cash and Cash Equivalents at End of Period                   | 43.6        | 59.3        | +15.6        |

[Consolidated Statements of Financial Position]

**(Assets)**  
Assets increased compared with the end of the previous period. This was partly attributable to an increase in cash and cash equivalents, intangible assets and deferred tax assets.

**(Liabilities)**  
Liabilities increased compared with the end of the previous period. This was due to an increase in contract liabilities despite a decrease in lease liabilities.

**(Equity)**  
Equity increased compared with the end of the previous period. This was partly ascribable to an increase in retained earnings based upon profit despite distributing dividends. Ratio of owners' equity to gross assets was 53.0%, an increase of 3.1 points compared with the end of the previous period.

[Consolidated Statements of Cash Flows]

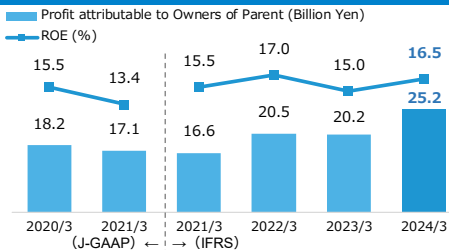
**(Cash flows from operating activities)**  
Net cash provided by operating activities increased compared with the previous period. This increase reflects proceeds of ¥34.2 billion in profit before taxes, factors of increasing the proceeds and factors of decreasing the proceeds. The factors increasing proceeds include ¥17.9 billion in depreciation and amortization, non-cash expenses. The factors decreasing the proceeds include an increase of ¥2.8 billion in inventories, an increase of ¥2.4 billion in trade and other receivables.

**(Cash flows from investing activities)**  
Net cash used in from investing activities decreased compared with the previous period. This includes: expenditures of ¥2.2 billion as a result of purchasing property, plant and equipment such as computers for business activities; expenditures of ¥10.6 billion due to the acquisitions of intangible assets such as the investments in software for outsourcing; and proceeds of ¥7.5 billion from selling cross-shareholdings among other investment securities.

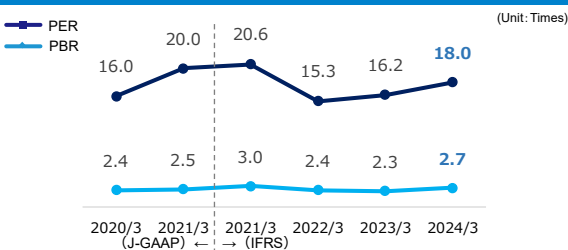
**(Cash flows from financing activities)**  
Net cash used in financing activities decreased compared with the previous period. This decrease was partly attributable to spending ¥9.0 billion for repaying lease liabilities, and spending ¥8.5 billion for paying dividends.

(Reference Materials)  
Indicators

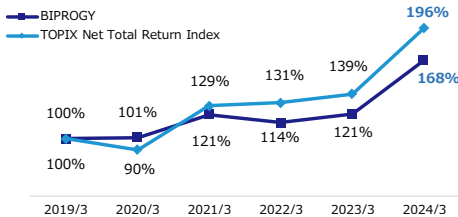
Profit Attributable to Owners of Parent / ROE



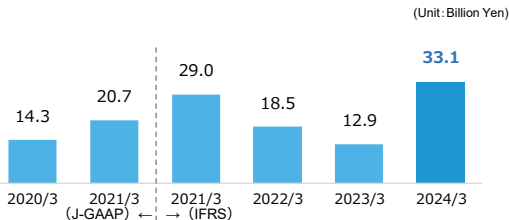
PER / PBR



Total Shareholder Return (TSR)



Free Cash Flows





(Reference Materials)  
FYMar2024 Q4 (Jan-Mar) Consolidated Performance Results

| (Unit : Billion Yen)  |                   |                   |          |         |
|---|-------------------|-------------------|----------|---------|
|   | FYMar2023<br>(Q4) | FYMar2024<br>(Q4) | YoY      |         |
| Revenue   | 109.9             | 111.3             | +1.3     | (+1.2%) |
| Gross Profit  | 27.7              | 28.5              | +0.8     | (+3.0%) |
| SG&A Expenses   | -17.6             | -18.4             | -0.8     | (+4.4%) |
| Share of profit (loss) of investments accounted for using equity method / Other income and expenses | -0.1              | -1.0              | -0.9     |         |
| Operating Profit  | 10.0              | 9.2               | -0.9     | (-8.8%) |
| (Operating Margin)  | (9.1%)            | (8.2%)            | (-0.9pt) |         |
| Profit attributable to Owners of Parent   | 6.6               | 7.1               | +0.5     | (+6.9%) |
| Adjusted Operating Profit*  | 10.1              | 10.2              | +0.1     | (+0.5%) |
| (Adjusted Operating Margin)   | (9.2%)            | (9.1%)            | (-0.1pt) |         |
| Orders  | 133.5             | 135.0             | +1.5     | (+1.1%) |

\* Adjusted operating profit is the result obtained after deducting selling, general and administrative expenses and cost of sales from revenue.

(Revenue)

Revenue was driven up mainly by Services businesses such as Outsourcing continuously remaining strong.

(Operating Profit)

Gross profit was driven up based upon the revenue increase and an improved profitability. However, operating loss occurred partly due to an increase in SG&A expenses and a decrease in the share of profit (loss) of investments accounted for using equity method as well as an increase in other expenses.

•Gross profit

Gross profit increased based upon an improved profitability mainly of system services as well as the increase in the revenue.

•SG&A expenses

Personnel expenses: a decrease of 0.3 billion yen  
Internal systematization expenses: an increase of 0.7 billion yen  
R&D expenses: an increase of 0.1 billion yen

•Share of profit (loss) of investments accounted for using equity method / Other income and expenses

Goodwill impairment of a Group company (0.7 billion yen) and loss on liquidation of business of our affiliated company (0.3 billion yen) among others were posted.

(Profit Attributable to Owners of Parent)

Profit was driven up despite a decrease in operating profit. The profit increase was attributable to a decrease in the income tax partly through applying the Tax Measure to Promote Wage Increases.

(Reference Materials)  
FYMar2024 Q4 (Jan-Mar) Revenue and Gross Profit by Segment

[Revenue and Gross Profit (Gross Margin) by Segment]

|                  | FYMar2023<br>(Q4) |                                | FYMar2024<br>(Q4) |                                | YoY     |          |                                |          |
|------------------|-------------------|--------------------------------|-------------------|--------------------------------|---------|----------|--------------------------------|----------|
|                  | Revenue           | Gross Profit<br>(Gross Margin) | Revenue           | Gross Profit<br>(Gross Margin) | Revenue |          | Gross Profit<br>(Gross Margin) |          |
| System services  | 34.9              | 11.9<br>(33.9%)                | 35.0              | 12.4<br>(35.5%)                | +0.1    | (+0.2%)  | +0.6<br>(+1.5pt)               | (+4.8%)  |
| Support services | 13.7              | 3.8<br>(28.0%)                 | 14.6              | 4.1<br>(28.1%)                 | +1.0    | (+6.9%)  | +0.3<br>(+0.1pt)               | (+7.5%)  |
| Outsourcing      | 18.7              | 4.1<br>(22.1%)                 | 21.5              | 4.6<br>(21.2%)                 | +2.8    | (+15.1%) | +0.4<br>(-0.9pt)               | (+10.3%) |
| Other services   | 3.9               | 0.9<br>(23.5%)                 | 4.5               | 1.1<br>(24.7%)                 | +0.6    | (+16.1%) | +0.2<br>(+1.2pt)               | (+22.2%) |
| Software         | 14.3              | 2.9<br>(20.5%)                 | 13.8              | 2.4<br>(17.4%)                 | -0.5    | (-3.2%)  | -0.5<br>(-3.1pt)               | (-17.8%) |
| Hardware         | 24.5              | 4.0<br>(16.5%)                 | 21.8              | 3.9<br>(18.0%)                 | -2.7    | (-10.9%) | -0.1<br>(+1.4pt)               | (-3.3%)  |
| Total            | 109.9             | 27.7<br>(25.2%)                | 111.3             | 28.5<br>(25.6%)                | +1.3    | (+1.2%)  | +0.8<br>(+0.4pt)               | (+3.0%)  |

(System services)

Revenue was almost unchanged compared with the same quarter of the previous fiscal year. The profitability was improved by an increase in the highly profitable projects and an improved productivity, despite an unprofitable project (of 0.2 billion yen) being posted. As a result, gross profit was improved.

(Outsourcing)

Outsourcing revenue and gross profit were increased due to an increase in the business about cloud services provided by other companies, our service-based type business, and ITO services business. Gross margin was dragged down as a result of the increase in the sales of cloud services provided by other companies and a provision of allowance (0.2 billion) for a shinkin bank business.

(Software)

Despite an increase in highly profitable small and medium-sized projects, revenue and gross profit decreased compared with the same quarter of the previous fiscal year. (In-house software products projects had been posted in that past period.) Gross margin was diminished as well.

(Hardware)

Revenue and gross profit decreased in this fourth quarter, compared with the same quarter of the previous fiscal year. (Large-scale projects had been posted in that past period.) The decrease was partly due to moving up the posting of orders up to the third quarter in order to level out quarterly sales (revenues). Gross margin was improved based upon an improved product mix.

(Reference Materials)  
FYMar2024 Q4 (Jan-Mar) Orders by Segment

[Orders by Segment]

|                  | FYMar2023<br>( Q4 ) | FYMar2024<br>( Q4 ) | (Unit: Billion Yen) |          |
|------------------|---------------------|---------------------|---------------------|----------|
|                  |                     |                     | YoY                 |          |
| System services  | 34.4                | 35.0                | +0.6                | (+1.7%)  |
| Support services | 19.7                | 20.7                | +1.0                | (+5.3%)  |
| Outsourcing      | 38.3                | 46.7                | +8.4                | (+21.9%) |
| Other services   | 3.8                 | 4.8                 | +1.0                | (+26.2%) |
| Software         | 13.7                | 12.3                | -1.4                | (-10.1%) |
| Hardware         | 23.6                | 15.4                | -8.2                | (-34.6%) |
| Total            | 133.5               | 135.0               | +1.5                | (+1.1%)  |

**(System services)**  
DX projects continuously remained strong in a wide range of business sectors, as evidenced in the large-scale projects for financial institutions and a project for an administrative organization related to pharmaceuticals.

**(Outsourcing)**  
The Company posted long-term, large-scale projects for financial institutions in the fourth quarter of the previous fiscal year. Again, the Company posts a long-term, large-scale projects in the same quarter of the fiscal year ended March 2024. As a result, orders increased.

**(Software)**  
The accumulated quantity of small and medium-sized projects diminished compared with the same quarter of the previous fiscal year.

**(Hardware)**  
Hardware orders suffered a decrease partly due to attempts to move up the posting of orders up to the third quarter in order to level out quarterly sales (revenues). Also, hardware orders diminished compared with the same quarter of the previous fiscal year (when a large-scale project was posted in the fourth quarter of the previous fiscal year).

Names of companies or products herein described are trademarks or registered trademarks of their respective organizations.

(Note)  
Forecasts in this document rely on judgments and assumptions based on information available at present. Actual results may differ from the forecasts due to changes in risks, uncertainties, economy and other factors. Thus, the certainty of these forecast is not guaranteed by our Group. Also, the information is subject to change without prior notice in future. Information in this document is intended to provide further understanding of BIPROGY Inc. and is not intended to solicit investment. This Company shall not be held responsible for any damages whatsoever incurred as a result of utilizing the information provided in this document.