

(Revised on February 4, 2025)

Results for the 1st Quarter of FY March 2025

July 29, 2024
BIPROGY Inc.



BIPROGY

Foresight in sight

(Note) Due to a change in the method of calculating profits for some businesses in the focus areas in Q3 of the fiscal year ending March 31, 2025 (announced on February 4, 2025), some figures on page 4 have been revised from those disclosed as of the announcement of Q1 results (announced on July 29, 2024).

Acquisition and Cancellation of Treasury Shares

- ✓ **Acquiring and cancelling treasury shares as well as deciding on a policy about holding treasury shares (3% at maximum)**
- ✓ **Continuing growth investments (of at least JPY 70.0 billion) as indicated in the Management Policies (2024-2026)**

[Contents of the Resolution as of July 29, 2024]

Decision on the acquisition of own shares and the acquisition of own shares through ToSTNeT-3

Total number of shares to be acquired	3,000,000 shares (maximum) (Percentage of total number of shares issued (excluding treasury shares): 3.0%)
Total amount of share acquisition cost	¥13,707,000,000 (maximum)
Period of acquisition	at 8:45 am on July 30, 2024
Method of acquisition	Acquisition through off-auction own share repurchase trading system (ToSTNeT-3)

Decision on matters relating to the cancellation of treasury shares

Total number of shares to be cancelled	9,000,000 shares
Scheduled date of cancellation	August 30, 2024
Total number of shares issued after cancellation	100,663,524 shares

[Handling of treasury shares held by the Company]

Policy to retain treasury shares of 3% of the total number of issued shares at maximum, and cancel the excess portion of the treasury shares

FYMar2025 Q1 Consolidated Performance Results

- ✓ Revenue of all business segments increased. It even absorbed an increase in SG&A expenses. As a result, operating profit was pushed up.
- ✓ Services took the lead in the stable performance of orders and order backlogs. Order backlogs to be posted as revenue within the fiscal year also steadily increased.

(Unit : Billion Yen)

	FYMar2024 Q1 (Apr-Jun)	FYMar2025 Q1 (Apr-Jun)	YoY
Revenue	79.9	88.4	+8.5 (+10.6%)
Gross Profit	20.4	21.6	+1.2 (+6.1%)
SG&A Expenses	-14.6	-15.3	-0.7 (+4.6%)
Share of profit (loss) of investments accounted for using equity method / Other income and expenses	0.1	0.3	+0.2
Operating Profit	5.8	6.6	+0.7 (+12.8%)
(Operating Margin)	(7.3%)	(7.4%)	(+0.1pt)
Profit attributable to Owners of Parent	4.4	4.9	+0.5 (+12.1%)
Adjusted Operating Profit*	5.8	6.3	+0.6 (+9.7%)
(Adjusted Operating Margin)	(7.2%)	(7.2%)	(-0.1pt)
Orders	78.1	88.6	+10.5 (+13.5%)
Order Backlogs	272.1	290.1	+18.0 (+6.6%)
(Order backlogs in the current FY)	123.5	129.6	+6.1 (+4.9%)

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

(Revenue)

Revenue was strong and increased in all business segments. Outsourcing and product sales drove the strength of revenue.

(Operating Profit)

Gross profit was pushed up by the strong revenue. Gross profit even absorbed SG&A expenses. As a result, operating profit was increased.

•Gross profit

Gross profit increased as a result of the revenue increase. A decrease in system services gross profit and an increase in outsourcing costs among others shrank gross margin.

•SG&A expenses

SG&A expenses were driven by renewing internal core systems and revising personnel systems. (an increase of JPY 0.6 billion in internal system costs, an increase of JPY 0.4 billion in personnel costs)

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

An increase in the share of profit, partly due to a strong performance of an overseas affiliate accounted for by equity method

(Profit Attributable to Owners of Parent)

Strong operating profit drove profit.

(Orders and Order Backlogs)

Strong services segments drove order amount and also order backlogs. Order backlogs to be posted as revenue within the fiscal year steadily increased.



FYMar2025 Q1 Revenue and Gross Profit by Segment

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

(Unit : Billion Yen)

	FYMar2024 Q1 (Apr-Jun)		FYMar2025 Q1 (Apr-Jun)		YoY			
	Revenue	Gross Profit (Gross Margin)	Revenue	Gross Profit (Gross Margin)	Revenue		Gross Profit (Gross Margin)	
System services	28.1	9.7 (34.5%)	28.4	9.4 (32.9%)	+0.4	(+1.3%)	-0.3 (-1.6pt)	(-3.4%) -
Support services	12.7	3.9 (30.4%)	13.7	4.5 (33.2%)	+1.0	(+7.6%)	+0.7 (+2.7pt)	(+17.3%) -
Outsourcing	18.6	4.0 (21.6%)	21.4	4.0 (18.7%)	+2.8	(+15.1%)	-0.0 (-2.9pt)	(-0.3%) -
Other services	2.6	0.6 (22.9%)	2.6	0.6 (22.8%)	+0.1	(+2.7%)	+0.0 (-0.0pt)	(+2.6%) -
Software	7.8	0.4 (5.4%)	9.6	0.8 (7.9%)	+1.8	(+23.5%)	+0.3 (+2.5pt)	(+80.3%) -
Hardware	10.1	1.8 (17.9%)	12.5	2.4 (18.8%)	+2.5	(+24.4%)	+0.6 (+0.9pt)	(+30.5%) -
Total	79.9	20.4 (25.5%)	88.4	21.6 (24.5%)	+8.5	(+10.6%)	+1.2 (-1.1pt)	(+6.1%) -

(System services)

System services revenue growth was driven by digital transformation (DX) projects posted for a wide range of business sectors. However, system services gross profit was diminished mainly due to posting provisions (of JPY 0.1 billion) for an unprofitable project and a decrease in highly profitable projects.

(Support Services)

Support services revenue and gross profit increased on the basis of an increase in small and medium-size projects.

(Outsourcing)

Outsourcing revenue was driven through expansions of the cloud services provided by other companies and ITO services. However, outsourcing gross profit remained at the same level as in the same quarter of the previous fiscal year. It is attributable to costs for strengthening functions of multiple services as well as an increase in the revenue from cloud services provided by other companies.

(Software)

Software revenue was driven mainly by small and medium-size projects posted for financial institutions as well as the service industry. Software profitability was pushed up by improving the product mix.

(Hardware)

Hardware revenue and gross profit increased due to posting a large-scale infrastructure project and an increase in small and medium-size projects.



FYMar2025 Q1 Orders and Order Backlogs by Segment

[Orders by Segment]

(Unit: Billion Yen)

	FYMar2024 Q1 (Apr-Jun)	FYMar2025 Q1 (Apr-Jun)	YoY	
System services	30.5	32.2	+1.7	(+5.7%)
Support services	11.9	16.6	+4.7	(+39.2%)
Outsourcing	15.7	19.3	+3.6	(+22.7%)
Other services	3.0	2.6	-0.4	(-14.6%)
Software	7.2	6.6	-0.5	(-7.6%)
Hardware	9.8	11.3	+1.5	(+15.7%)
Total	78.1	88.6	+10.5	(+13.5%)

[Order backlogs by Segment]

(Unit: Billion Yen)

	FYMar2024 End of Q1		FYMar2025 End of Q1		YoY			
	Order backlog	in the current FY*	Order backlog	in the current FY*	Order backlog		in the current FY*	
System services	38.8	34.5	40.7	36.1	+2.0	(+5.1%)	+1.5	(+4.4%)
Support services	45.0	26.9	51.0	29.2	+6.0	(+13.4%)	+2.2	(+8.3%)
Outsourcing	156.4	37.6	170.6	42.3	+14.2	(+9.1%)	+4.6	(+12.3%)
Other services	5.3	3.9	6.2	3.8	+0.9	(+17.9%)	-0.1	(-2.5%)
Software	7.5	6.2	6.1	5.8	-1.3	(-17.8%)	-0.4	(-6.4%)
Hardware	19.2	14.3	15.4	12.5	-3.8	(-20.0%)	-1.8	(-12.7%)
Total	272.1	123.5	290.1	129.6	+18.0	(+6.6%)	+6.1	(+4.9%)

*to be posted as revenue within the current FY

(System services)

The company obtained small and medium-sized projects mainly related to DX for customers in a wide range of industries such as financial institutions, retailers and business operators in the service industry. System services orders and order backlogs increased. Order backlogs to be posted within the fiscal year increased steadily.

(Support Services)

Support services orders and order backlogs increased on the basis of an increase in the projects of creating networks for government and municipal offices as well as small and medium-size projects.

(Outsourcing)

A system renewal project for a financial institution increased outsourcing orders.

BankVision systems were created through BankVision projects awarded in Q4 of the previous fiscal year. This also contributed to an increase in order backlogs and orders to be posted within the fiscal year.

(Software)

Software small and medium-size projects were less than Q1 of the previous fiscal year. Orders and order backlogs decreased.

(Hardware)

Hardware orders increased based on small and medium-size projects. Order backlogs were diminished after drawing down for posting revenue.

FYMar2025 Q1 Progress of Businesses in the Focus Areas belonging to the Core Businesses

[Revenue and Operating Profit (Margin) of Businesses in the Focus Areas belonging to the Core Businesses]

(Unit : Billion Yen)

	FYMar2024 Q1 (Apr-Jun)		FYMar2025 Q1 (Apr-Jun)		YoY				FYMar2024 (Full Year Results)		FYMar2025 (Full Year Target)		YoY			
	Revenue	Operating profit (Operating margin)	Revenue	Operating profit (Operating margin)	Revenue		Operating profit (Operating margin)		Revenue	Operating profit (Operating margin)	Revenue	Operating profit (Operating margin)	Revenue		Operating profit (Operating margin)	
Financial	9.9	0.9 (9.6%)	9.5	0.5 (5.5%)	-0.4	(-4.4%)	-0.4	(-44.4%) (-4.1pt)	43.2	3.7 (8.6%)	45.5	4.4 (9.6%)	+2.3	(+5.3%)	+0.7 (+1.0pt)	(+18.1%)
Retail	4.7	0.5 (11.3%)	5.3	0.4 (6.6%)	+0.6	(+13.1%)	-0.2	(-32.0%) (-4.7pt)	23.2	2.1 (9.0%)	24.5	2.5 (10.2%)	+1.3	(+5.6%)	+0.4 (+1.2pt)	(+19.0%)
Energy	4.2	0.5 (11.2%)	4.7	0.5 (9.9%)	+0.5	(+12.1%)	-0.0	(-1.3%) (-1.3pt)	18.2	2.5 (13.6%)	19.0	2.8 (14.5%)	+0.8	(+4.2%)	+0.3 (+0.9pt)	(+11.1%)
Mobility	5.9	0.9 (14.9%)	6.8	0.8 (11.8%)	+0.9	(+14.4%)	-0.1	(-9.8%) (-3.2pt)	26.7	3.5 (13.2%)	28.5	4.0 (14.0%)	+1.8	(+6.8%)	+0.5 (+0.8pt)	(+13.3%)
OT Infrastructure	3.5	0.2 (6.8%)	3.4	0.4 (12.6%)	-0.1	(-1.7%)	+0.2	(+83.0%) (+5.8pt)	18.2	1.1 (6.1%)	19.0	1.2 (6.5%)	+0.8	(+4.4%)	+0.1 (+0.4pt)	(+11.2%)
Total revenue	28.1	3.0 (10.8%)	29.6	2.6 (8.7%)	+1.5	(+5.2%)	-0.5	(-16.0%) (-2.2pt)	129.6	12.9 (10.0%)	136.5	14.9 (10.9%)	+6.9	(+5.4%)	+2.0 (+0.9pt)	(+15.7%)

(Note) Due to a change in the method of calculating profits for some businesses in the focus areas in Q3 of the fiscal year ending March 31, 2025 (announced on February 4, 2025), some figures have been revised from those disclosed as of the announcement of Q1 results (announced on July 29, 2024).

[FYMar2025 Q1 Progress Situations]

- Financial sector:** Revenue was dropped partly due to impacts from an end of a development cycle of large-scale systems. BankVision on Azure began to serve its fourth customer in May 2024.
- Retail sector:** Utilization of electronic shelf label solutions increased at retailers, and our e-commerce platform service DIGITAL'ATELIER saw an increase.
- Energy sector:** DX projects for energy-related companies and Enability, power retailing cloud service, continued to be strong.
- Mobility sector:** The Company has begun to provide services related to payment/settlement for a railroad companies. It re-uses knowledge and expertise that it obtained from serving customers in the financial industry and distribution industry. The dashcam business continued to be strong.
- OT Infrastructure sector:** The Company has been making attempts to approach existing customers and draw their attention in the OT network and security areas. Customers show strong interest in investment and pipelines are on the increase.

FYMar2025 (Full-Year) Performance Forecast No Revisions

- ✓ No revisions are made to forecast values announced at the beginning of the fiscal year. SG&A expenses trajectory has closely followed our expectations.

(Unit : Billion Yen)

	FYMar2024 (Full Year Results)	FYMar2025 (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)	

(Unit : Yen)

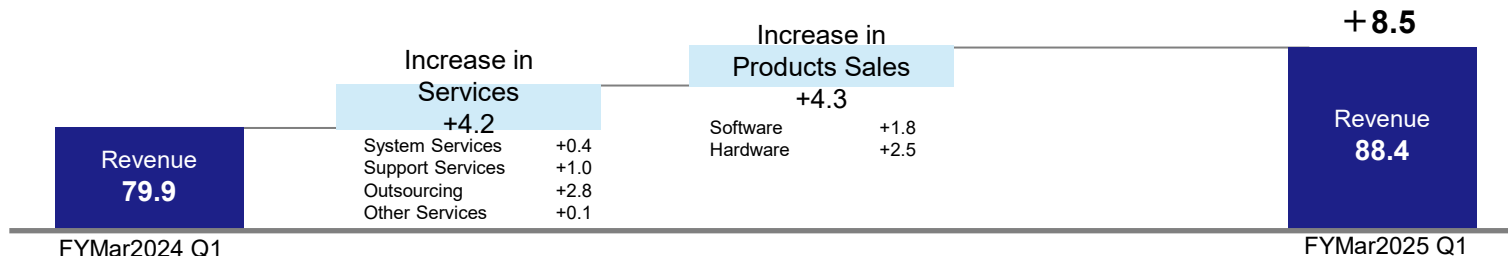
Dividens per share	100	100	+0	(+0.0%)
Mid-term Dividend	45	50	+5	(+11.1%)
Year-end Dividend	55	50	-5	(-9.1%)
Dividend Payout Ratio	(39.8%)	(41.0%)	(+1.2pt)	

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

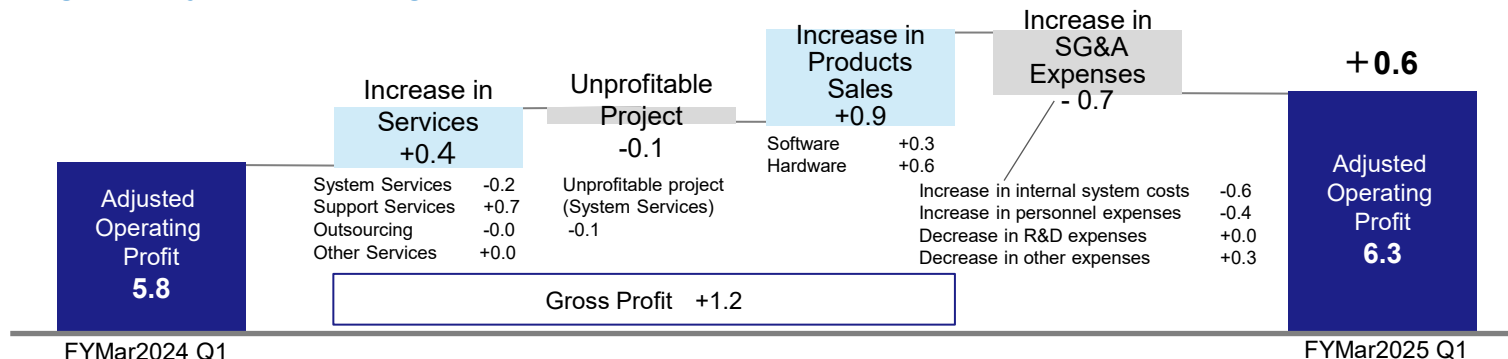
(Reference) FYMar2025 Q1 Performance Breakdown Details

(Unit: Billion of Yen)

【Changes in Revenue】



【Changes in Adjusted Operating Profit】

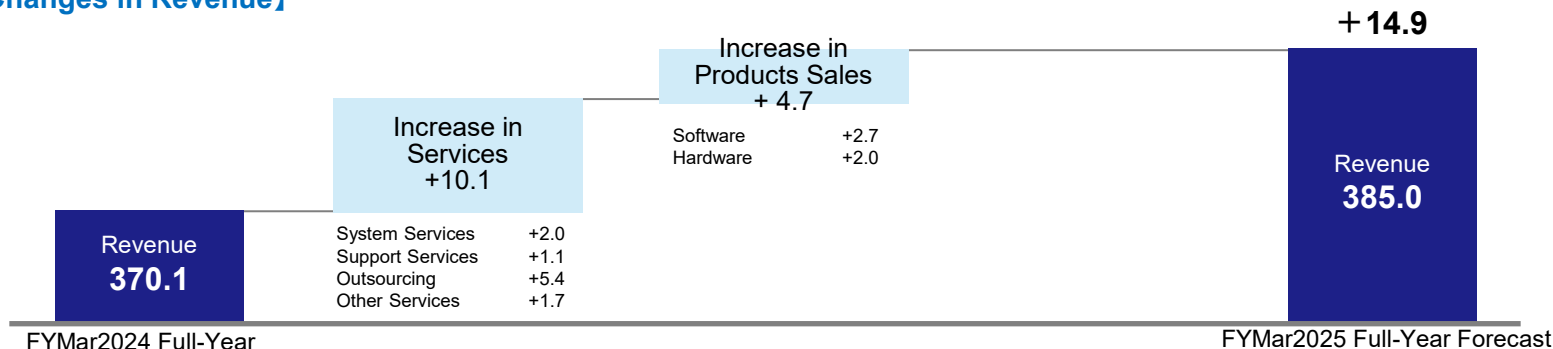


FYMar2025 (Full-Year) Performance Forecast Breakdown Details

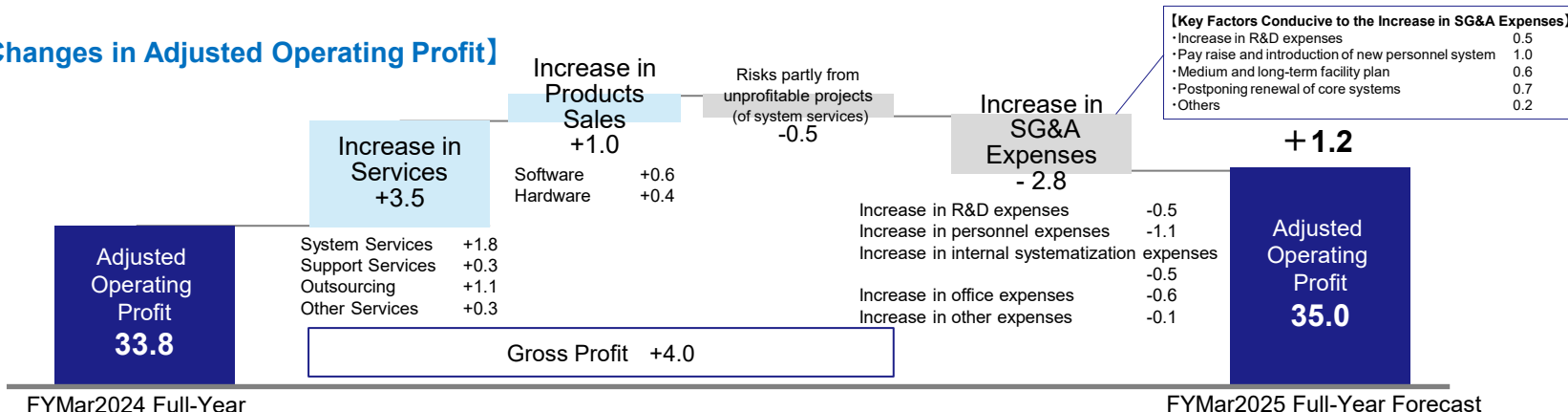
No Revision

(Unit: Billion of Yen)

【Changes in Revenue】



【Changes in Adjusted Operating Profit】





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(Note)

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