

(Revised on February 4, 2025)

Results for the 2nd Quarter of FY March 2025

November 1, 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 H1 results (announced on November 1, 2024).

1 Summary of the Results for H1 FYMar2025

2 Progress under the Management Policies (2024-2026)

FYMar2025 H1 Consolidated Performance Results

- ✓ Revenue of all business segments increased, with outsourcing taking the lead. It even absorbed an increase in SG&A costs. As a result, operating profit was pushed up.
- ✓ Orders and order backlogs showed a stable performance across the board. 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 H1 (Apr-Sep)	FYMar2025 H1 (Apr-Sep)	YoY	
Revenue	173.0	186.0	+13.1	(+7.5%)
Gross Profit	46.2	48.7	+2.5	(+5.4%)
SG&A Expenses	-29.7	-31.4	-1.7	(+5.9%)
Share of Profit (Loss) of Investments Accounted for Using Equity Method / Other Income and Expenses	0.1	0.7	+0.6	
Operating Profit	16.6	17.9	+1.3	(+7.9%)
(Operating Margin)	(9.6%)	(9.6%)	(+0.0pt)	
Profit attributable to Owners of Parent	12.8	11.8	-1.1	(-8.2%)
Adjusted Operating Profit*	16.5	17.3	+0.8	(+4.6%)
(Adjusted Operating Margin)	(9.6%)	(9.3%)	(-0.3pt)	
Orders	166.3	187.8	+21.5	(+12.9%)
Order Backlogs	267.2	291.6	+24.4	(+9.1%)
(Order backlogs in the current FY)	104.3	114.0	+9.7	(+9.3%)

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

(Revenue)

Revenue from all segments increased. Outsourcing and products sales took the lead in the increase based upon continued strong demand for DX.

(Operating Profit)

Gross profit was driven up due to the strong revenue.

Gross profit absorbed an increase in SG&A costs. As a result, operating profit grew.

•Gross profit

Increased due to the strong revenue.

Gross margin was slightly dragged down due to a lower gross profit from system services and a decrease in the profitability of outsourcing.

•SG&A expenses

Driven by an increase in costs mainly for renovating core systems and a change in personnel system (Internal system costs up by ¥0.9 billion, Personnel costs up by ¥0.8 billion)

•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)

Profit was down due to a decrease in finance income (partly caused by loss on valuation of fund impacted by foreign currency fluctuations) as well as an increase in income taxes.

(Orders and Order Backlogs)

Orders as well as order backlogs grew based upon an increase in the orders for product sales, support services and outsourcing.

FYMar2025 H1 Revenue and Gross Profit by Segment

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

(Unit : Billion Yen)

	FYMar2024 H1 (Apr-Sep)		FYMar2025 H1 (Apr-Sep)		YoY			
	Revenue	Gross Profit (Gross Margin)	Revenue	Gross Profit (Gross Margin)	Revenue		Gross Profit (Gross Margin)	
System services	60.0	21.0 (35.0%)	60.6	20.7 (34.2%)	+0.6	(+0.9%)	-0.3 (-0.9pt)	(-1.6%) -
Support services	26.6	8.3 (31.3%)	28.3	9.5 (33.7%)	+1.7	(+6.5%)	+1.2 (+2.4pt)	(+14.6%) -
Outsourcing	37.3	8.3 (22.3%)	42.7	9.1 (21.3%)	+5.5	(+14.7%)	+0.8 (-1.0pt)	(+9.5%) -
Other services	5.4	1.2 (23.0%)	5.7	1.4 (24.8%)	+0.3	(+5.9%)	+0.2 (+1.8pt)	(+14.2%) -
Software	17.4	2.6 (15.2%)	20.1	2.9 (14.3%)	+2.7	(+15.3%)	+0.2 (-0.9pt)	(+8.5%) -
Hardware	26.3	4.6 (17.6%)	28.6	5.1 (17.7%)	+2.3	(+8.8%)	+0.4 (+0.0pt)	(+9.0%) -
Total	173.0	46.2 (26.7%)	186.0	48.7 (26.2%)	+13.1	(+7.5%)	+2.5 (-0.5pt)	(+5.4%) -

(System services)

A large-scale and highly profitable system development project was finished in the previous period. However, the Company managed an increase in system services revenue as a result of winning DX projects in a wide variety of business sectors.

Gross profit declined due to a decrease in high-profitability projects.

(Support services)

Revenue and gross profit from support services increased based upon product sales continuing a strong performance.

(Outsourcing)

Revenue and gross profit from outsourcing increased. The increase was enabled mainly by BankVision on Azure serving new users, as well as an increase in cloud services offered by other companies and system infrastructure operation services offered by UNIADEx.

Gross margin was compromised mainly by an increase in the sales of cloud services offered by other companies and costs for enhancing the functions of multiple services.

(Software)

Revenue and gross profit from software increased mainly due to posting small and medium-sized projects for the service industry and the manufacturing industry among others. Gross margin was impacted by a worsened product mix.

(Hardware)

Revenue and gross profit from hardware increased mainly due to multiple large-scale projects posted and an increase in small and medium-sized projects.

FYMar2025 H1 Orders and Order Backlogs by Segment

[Orders by Segment]

(Unit: Billion Yen)

	FYMar2024 H1 (Apr-Sep)	FYMar2025 H1 (Apr-Sep)	YoY	
System services	63.0	64.1	+1.1	(+1.7%)
Support services	24.2	30.8	+6.6	(+27.4%)
Outsourcing	28.0	32.3	+4.3	(+15.5%)
Other services	6.5	5.7	-0.8	(-12.0%)
Software	16.8	20.6	+3.8	(+22.6%)
Hardware	27.8	34.2	+6.4	(+23.2%)
Total	166.3	187.8	+21.5	(+12.9%)

[Order Backlogs by Segment]

(Unit: Billion Yen)

	FYMar2024 End of H1		FYMar2025 End of H1		YoY			
	Order backlog	in the current FY*	Order backlog	in the current FY*	Order backlog		in the current FY*	
System services	39.4	32.9	40.5	33.8	+1.1	(+2.8%)	+0.9	(+2.7%)
Support services	43.4	20.6	50.6	22.2	+7.2	(+16.6%)	+1.6	(+7.8%)
Outsourcing	150.0	26.3	162.4	29.4	+12.3	(+8.2%)	+3.1	(+11.8%)
Other services	5.9	3.7	6.3	3.0	+0.4	(+6.2%)	-0.7	(-20.1%)
Software	7.5	5.9	9.7	8.4	+2.2	(+29.1%)	+2.5	(+41.4%)
Hardware	21.0	14.9	22.2	17.3	+1.2	(+5.9%)	+2.5	(+16.6%)
Total	267.2	104.3	291.6	114.0	+24.4	(+9.1%)	+9.7	(+9.3%)

*to be posted as revenue within the current FY

(System services)

A strong demand for DX from customers in a wide variety of industries such as financial industry, retail industry, and service industry continued. Small and medium-sized projects took the lead in indicating the strong demand.

(Support services)

An increase was enabled by posting a project of creating system networks for government and municipal offices in the first quarter and winning small and medium-sized projects.

(Outsourcing)

Orders were increased mainly through posting a system renewal project for financial institutions in the first quarter. Order backlogs increased based upon winning projects such as BankVision projects in the fourth quarter of the previous fiscal year.

(Software)

An increase was enabled mainly by posting a project of creating system networks for government and municipal offices in the second quarter.

(Hardware)

An increase was enabled mainly by posting in the second quarter a project of creating system networks for governmental and municipal offices and a large-scale project related to creating system infrastructure for customers in the service industry as well as an increase in small and medium-sized projects.

FYMar2025 H1 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 H1 (Apr-Sep)		FYMar2025 H1 (Apr-Sep)		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	20.7	2.2 (10.6%)	20.3	1.8 (9.1%)	-0.4	(-1.9%)	-0.3	(-15.9%) (-1.5pt)	43.2	3.7 (8.6%)	45.5	4.4 (9.6%)	+2.3	(+5.3%)	+0.7	(+18.1%) (+1.0pt)
Retail	10.5	1.1 (10.3%)	11.5	1.0 (8.4%)	+1.0	(+9.4%)	-0.1	(-9.3%) (-1.9pt)	23.2	2.1 (9.0%)	24.5	2.5 (10.2%)	+1.3	(+5.6%)	+0.4	(+19.0%) (+1.2pt)
Energy	8.8	1.4 (15.4%)	9.3	1.3 (13.6%)	+0.5	(+5.4%)	-0.1	(-7.5%) (-1.9pt)	18.2	2.5 (13.6%)	19.0	2.8 (14.5%)	+0.8	(+4.2%)	+0.3	(+11.1%) (+0.9pt)
Mobility	12.5	1.9 (15.3%)	15.4	2.1 (13.5%)	+2.8	(+22.6%)	+0.2	(+7.9%) (-1.8pt)	26.7	3.5 (13.2%)	28.5	4.0 (14.0%)	+1.8	(+6.8%)	+0.5	(+13.3%) (+0.8pt)
OT infrastructure	7.8	0.5 (6.7%)	7.8	1.0 (12.3%)	+0.1	(+1.3%)	+0.4	(+85.9%) (+5.6pt)	18.2	1.1 (6.1%)	19.0	1.2 (6.5%)	+0.8	(+4.4%)	+0.1	(+11.2%) (+0.4pt)
Total revenue	60.3	7.1 (11.7%)	64.3	7.1 (11.0%)	+4.0	(+6.6%)	+0.0	(+0.7%) (-0.7pt)	129.6	12.9 (10.0%)	136.5	14.9 (10.9%)	+6.9	(+5.4%)	+2.0	(+15.7%) (+0.9pt)

(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 H1 results (announced on November 1, 2024).

[FYMar2025 H1 Progress Situations]

- Financial sector:** BankVision on Azure began to serve new user in May 2024. Despite that, due to a backlash from having completed a large-scale system development projects and having posted a highly profitable projects in the first half of the previous fiscal year, revenue decreased compared with the previous period.
- Retail sector:** Electronic Shelf Label (ESL) projects and DX system development projects for retailers continued to be strong. Use of DIGITAL'ATELIER, EC platform, steadily increased.
- Energy sector:** DX-related system development projects and system network development projects for power companies were strong. Users of Enability (electricity retailing cloud solution) continuously increased.
- Mobility sector:** A steady progress was made about a project of implementing non-transportation business systems at a railroad company. Efforts towards implementing automated driving services in society are being strengthened.
- OT Infrastructure sector:** The automobile industry takes the lead in considering and implementing more systems of the OT infrastructure and network area at factories. Thus, the Company intensified approaches to existing customers.

FYMar2025 H1 Progress of Businesses in the Focus Areas belonging to the Growth Businesses

[Revenue of Businesses in the Focus Areas belonging to the Growth Businesses]

(Unit : Billion Yen)

	FYMar2024 H1 (Apr-Sep)	FYMar2025 H1 (Apr-Sep)	YoY		FYMar2024 (Full Year Results)	FYMar2025 (Full Year Target)	YoY	
Market development	1.7	2.1	+0.3	(+19.2%)	3.5	5.0	+1.5	(+43.0%)
Business development	1.3	2.2	+0.9	(+72.6%)	3.5	4.5	+1.0	(+28.0%)
Global initiatives	0.9	1.6	+0.7	(+85.3%)	2.5	4.0	+1.5	(+63.1%)
Total revenue	3.9	5.8	+2.0	(+51.6%)	9.5	13.5	+4.0	(+42.7%)

[FYMar2025 H1 Progress Situations]

Market development: Obtainment of new service areas and expansion of our share

- [AI use/Data use] Making efforts to deploy a narrow AI assistant in business mainly conducive to sophisticating quality control at major manufacturers
- [Managed services] Expansion of UNIADDEX solutions mainly in the security area

Business development: Acceleration of co-creation and deployment of social DX businesses

- [SX/GX] Participation into businesses about visualizing GHG and also launching a model project about trash and garbage measures due to over-tourism issues
- [Smart Life] Use of 'doreca' digital money platform by more customers
- [Regional revitalization] Launch collaboration with partner companies with an eye towards helping small and medium businesses performing DX

Global Initiatives: Deployment of businesses in major ASEAN countries and enhancement of approaches to markets mainly in North America

- Two companies that provide SAP solutions in the ASEAN region became our consolidated subsidiaries.

FYMar2025 (Full-Year) Performance Forecast No Revisions

- ✓ No revisions are made to forecast values announced at the beginning of the fiscal year.

	FYMar2024 (Full Year Results)	FYMar2025 (Full Year Forecast)	(Unit : Billion Yen)	
			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)	
Dividends 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.

1 Summary of the Results for H1 FYMar2025

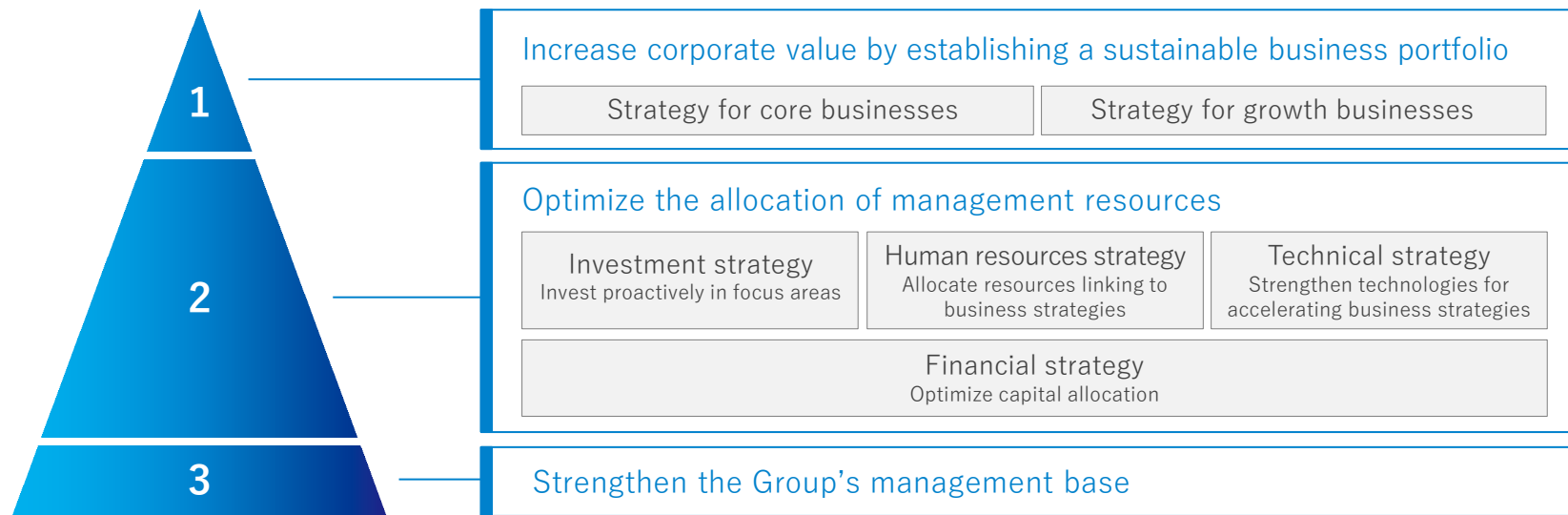
2 Progress under the Management Policies (2024-2026)

Basic Policies

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

Vision 2030

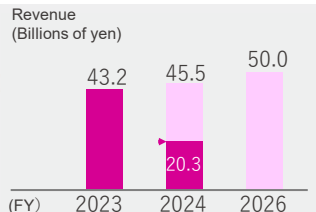
We will develop the Digital Commons as a platform for creating a society where everyone can live happily



Initiatives for Focus Areas in Core Business Strategies: Financial

Our Vision for 2030

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



Strategy 1

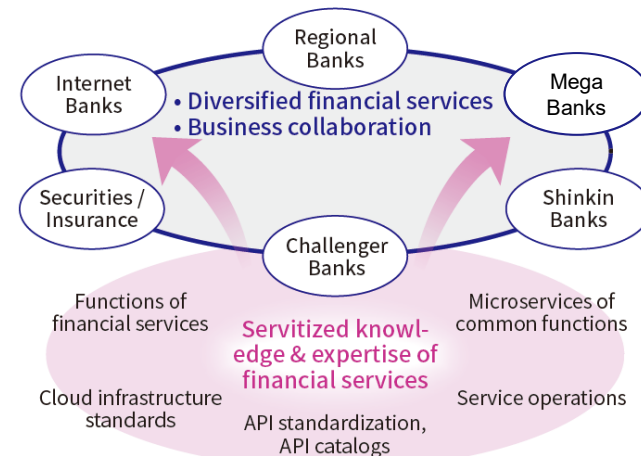
- Establish our position as a third force based upon advanced BankVision and OptBAE
- Improve customer experience based upon our customer engagement platform that fuses together face-to-face and non-face-to-face channels
- Promote efforts to servitize our solution lineup specialized in financial operations in tandem with BPO initiatives

Strategy 2

- Envision servitized new areas that will impact the market
- Refine business requirements and create new markets

Strategy 3

- Through integrating system architectures, ensure productivity, quality and speed in providing financial services and optimize the entire IT (Financial Service Platform concept)



【Progress Situations under the Strategy】

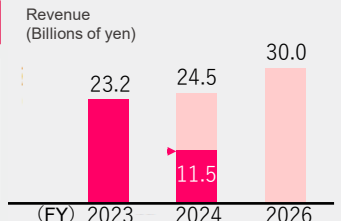
- Users of our core-banking systems have steadily increased. Two financial institutions decided to use our banking app.
 - ✓ A new core-banking system based upon BankVision on Azure (open core-banking system) began to serve the Saikyo Bank, Ltd. BankVision and BankVision on Azure have enabled a continued stable operation and optimum use costs since the systems in a hybrid mode began to serve the Kagoshima Bank, Ltd.
 - ✓ Two financial institutions decided to use ‘#tsumuGO_mobile’, our banking app. for regional financial institutions, that was strengthened with new functions.
- The Company accelerated considerations about servitization in the new areas (such as banking business BPO and wealth management) as well as the next-generation core-banking and ‘Financial Services Platform’. The Company publicized roadmaps at the opportunity of BIPROGY FORUM 2024.



Initiatives for Focus Areas in Core Business Strategies: Retail

Our Vision for 2030

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



Strategy 1 Enhance businesses in the area of Store Digitalization

Strategy 2 Enhance businesses in the area of D2C (Direct to Consumer)

Strategy 3 Create new business models through the use of CX and OMO

CX: At Points of Contact with Consumers

Customer data analysis

スマートキャンペーン
Smart Campaign

Live kit

Apps useful for consumers

OMO

OMO Data Platform

AI-Order Foresight

BIPROGY
ESL SaaS

DIGITAL'ATELIER
デジタルアトリエ

OMO Data Platform Core system for retail (CoreCenter for Retail)

Core systems for mail-order business / EC systems

Store Digitalization: Physical Store

D2C: Mail-order / EC

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

【Progress Situations under the Strategy】

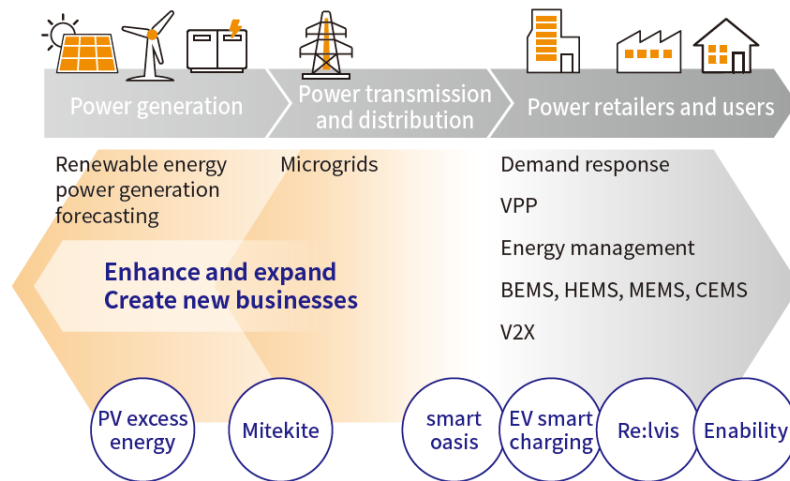
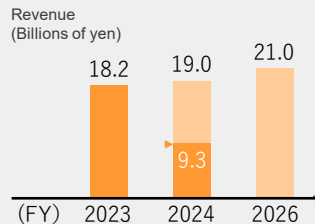
- 'CoreCenter for Retail', core system for retail, began production at a major drugstore. Also, a large-scale system development project has been in a good shape. Three new customers decided to use 'BIPROGY ESL SaaS', our electronic shelf label service.
 - ✓ A demonstration experiment about digitalized discount stickers for food items began for the purposes of saving employees from duties of closing out items and reducing food waste.
 - ✓ Yamazawa Co., Ltd. implemented 'AI-Order Foresight', automatic order system, at all of its 70 shops.
- 'Omni-Base for DIGITAL'ATELIER', SaaS platform for an all-in-one package for running a mail-order/e-commerce business, began to serve a major apparel manufacturer



Initiatives for Focus Areas in Core Business Strategies: Energy

Our Vision for 2030

Create new businesses conducive to promoting renewable energy through the use of IT, with an eye toward realizing a decarbonized society as one of the social issues, in cooperation with our customers and partners



Strategy 1

Customer DX: Deepen the value proposition for customers

Strategy 2

Social DX: Expand business in relation to carbon neutrality

Strategy 3

Social DX: Grow through absorbing external resources

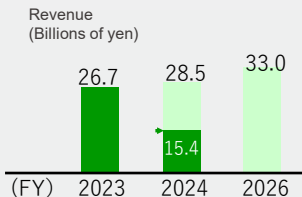
【Progress Situations under the Strategy】

- Expand businesses of electricity retail cloud solutions
 - ✓ Enability serves two major electric power suppliers. Another major electric power supplier decided to use it.
- Create and enhance a system that helps an increase in non-fossil power source
 - ✓ The Company created the non-fossil value trading system operated by Japan Electric Power Exchange (JEPX). The system began production in July 2024.
 - ✓ Re:lvivis, environmental value management service, that optimizes procurement and management of non-fossil certificates, was strengthened with a function of managing purchase amount. A trial use of the system has been implemented or considered by approx. 10 companies.

Initiatives for Focus Areas in Core Business Strategies: Mobility

Our Vision for 2030

Digitally transform mobility with digital technologies. Enable new value propositions conducive to customer DX and social DX through digitally transforming mobility with the digital technologies such as digital twins linking real world and digital space



Strategy 1

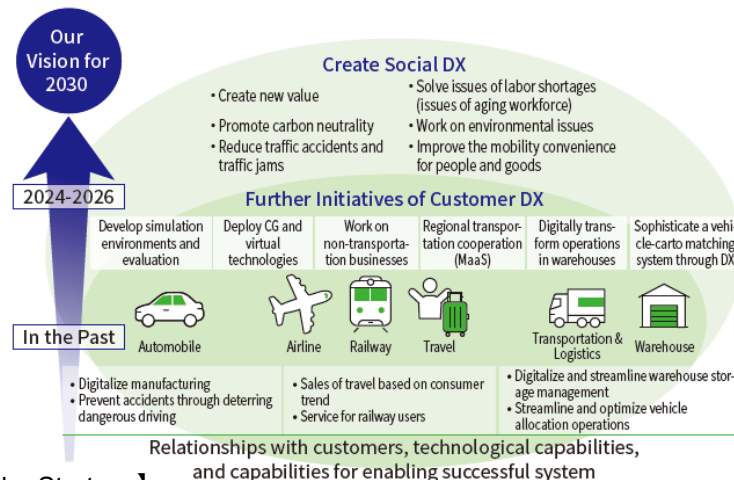
Enable V-Drive Technologies Inc. to grow business and use cross-cuttingly its technologies

Strategy 2

Create businesses in the area of non-transportation businesses in the airline industry and the railway industry

Strategy 3

Initiatives for addressing labor shortages in the areas of logistics and transportation



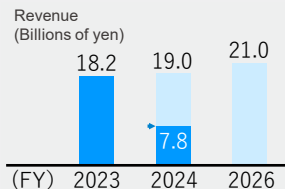
【Progress Situations under the Strategy】

- Promotion of projects that will lead to implementing in society automated driving services that utilize V-Drive Technologies simulation technologies
 - ✓ Participation in a Level 4 demonstration experiment through the use of self-driving truck with an eye toward the NEDO public-solicitation project of improving self-driving support roads
 - ✓ Launch of an initiative about verifying safety of automated driving services in Chiba city, through the use of digital twin with an eye on implementing in society automated driving services.
- Launch of creating business models beyond movement in cooperation with a railway company, as an attempt to work on non-transportation businesses
 - ✓ Get started with creating new businesses that do not rely on movement, in cooperation with West Japan Railway Company
- Execution of a distributorship agreement with Dialog Inc. and with Zenport Inc. in order to begin initiatives to enhance logistics services

Initiatives for Focus Areas in Core Business Strategies: OT Infrastructure

Our Vision for 2030

Specifically focus on the manufacturing industry as a managed service provider. Promote digital transformation of the industry from the perspectives of IT and OT, with our businesses about OT network and security used as the stepping stone.



- Need for digitalization in design and manufacturing processes
- Urgent issues such as IT/OT integration and security

Dai Nippon
Printing
Co., Ltd.

Automobile
manufacturing
industry

Non-
automotive
manufacturing
industries

Business growth in the overall manufacturing market



IT



OT

Preexisting knowledge
in the IT area

Maintenance service
structure

Partners

Strategy
1

Expand the entire businesses in the manufacturing market through creating and establishing business in the OT business area

Strategy
2

Establish our brand in the area of OT business

Strategy
3

Establish offering models and business models for horizontal development

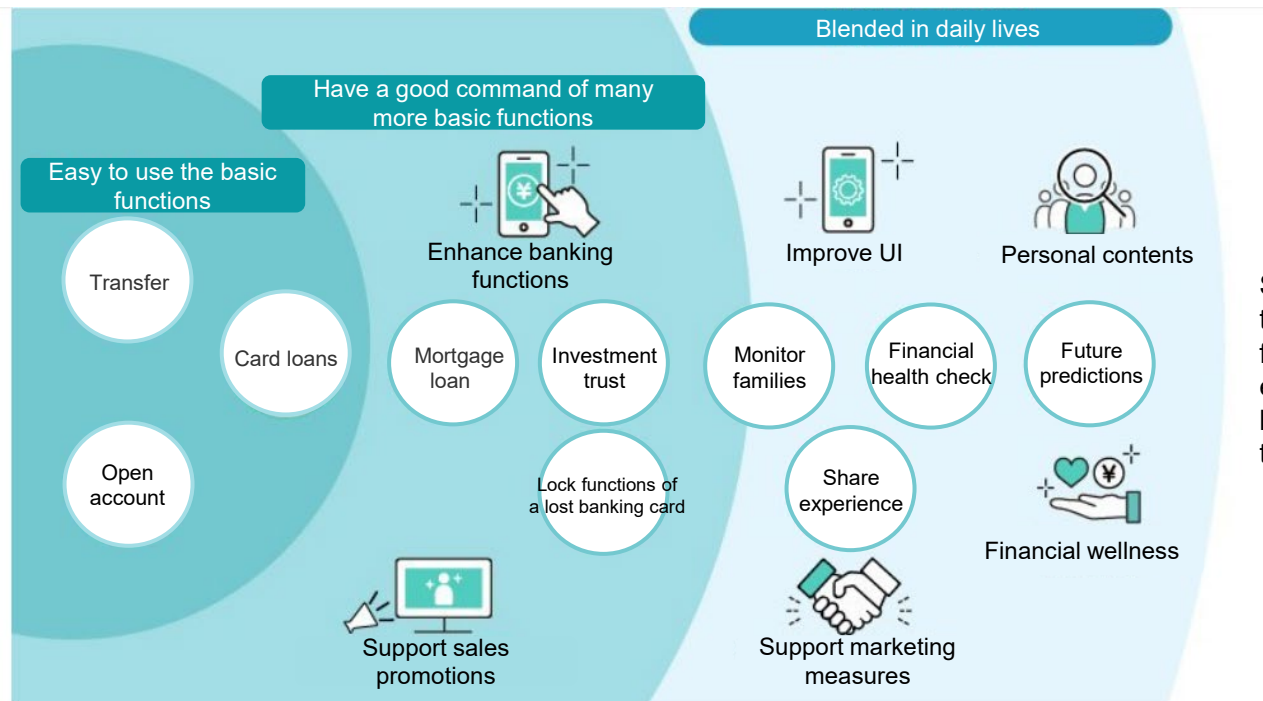
【Progress Situations under the Strategy】

- Participating in CC-Link Partner Association, organization that promotes efforts to spread and standardize industrial open networks, collecting information about market trends and customer information mainly through international exhibitions about industrial technologies, and proactively moving forward with various promotion activities
- Winning projects of OT network and security such as one about a new factory line of prototypes for automobile manufacturers, moving forward with cooperating with business partners, and promoting approaches to new users
- Acceleration of businesses based upon offering solution models and horizontal deployment, through proposing to customers solution models composed of collections of a variety of products



Financial : Help community revitalization and creating liveable cities through the use of #tsumuGO_mobile

#tsumuGO_mobile, banking app that weaves the fabric of support for regional revitalization and liveable cities in cooperation with regional customers. Everybody can use the app safely whenever and wherever.



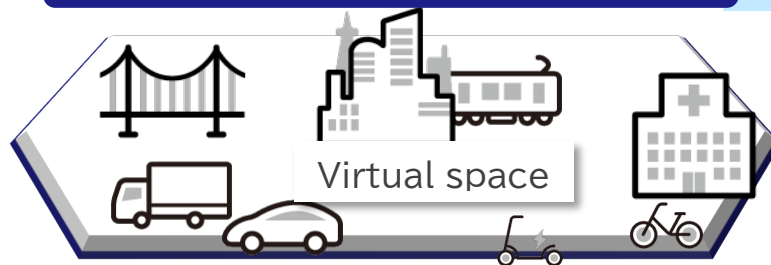
Sequentially develop a menu to be comprised of basic app functions mainly about such as enabling account activities in bankbook, opening account, transfer, and card loans.

Mobility: take on the challenge of paving the way for a society where self-driving vehicles are assimilated through using digital twin technologies across the nation.

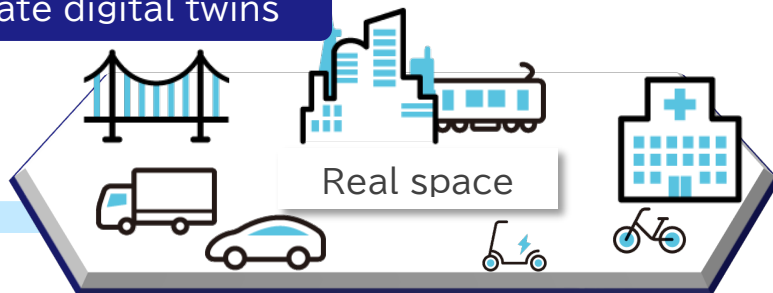
We launched an initiative to verify safety through the use of digital twins with an eye towards implementing in Chiba city futuristic mobility exemplified by a self-driving bus.

We aim to create a society where highly reliable and highly safe self-driving vehicles are used.

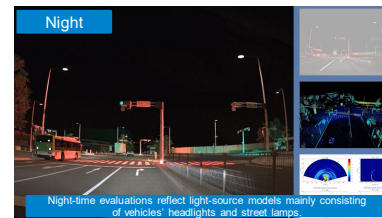
Step 2 DIVP simulation evaluation



Step1 Create digital twins



Case: Develop self-driving cars for automobile manufacturers



Step 3: Co-creation type sophisticated safety evaluation

Case: The National Comprehensive Development Plan for Digital Lifelines Self-driving support road Shin-Tomei Expressway (from Suruga Bay-Numazu to Hamamatsu)

Case: Verify safety through the use of digital twins in Chiba City Virtual Makuhari New City



*DIVP: Driving Intelligence Validation Platform



BIPROGY

Foresight in sight

Strategy for Growth Businesses

Key Strategic Initiatives

Market development

Acquire/Expand new service areas and capture/expand market share

Business development

Accelerate the co-creation and deployment of social digital transformation businesses

Global initiatives

Develop business in major ASEAN countries and strengthen approaches for North America and other markets

Progress Situations

[Data use & AI use]

Our services of data use and AI use designed for transforming business operations are exemplified by those for sophisticating quality management for major manufacturers. The services are also represented by domain-specific narrow AI assistants that we have been deploying at home and abroad.

[Managed services]

Increase in the solutions mainly in the security area, as well as enhanced services in the area of digital workplace

[SX/GX]

Launch of a business about visualizing GHG through an alliance with boost technologies, Inc. as an exhaust gas management business.

Activities in progress for driving a business about resource circulation, with multiple inquiries coming mainly from local governments in response, the business of IoT smart trash/garbage can SmaGO

[Smart Life]

It was decided that 'doreca', platform for value exchange, would serve its second major nonlife insurance company. Efforts about digital pay services will be accelerated by enhancing alliance destinations in the future.

[Regional revitalization]

Launch of collaboration with the Shoko Chukin Bank, Ltd. in order to help leading medium-sized companies and small and medium-sized enterprises (SMEs) perform DX.

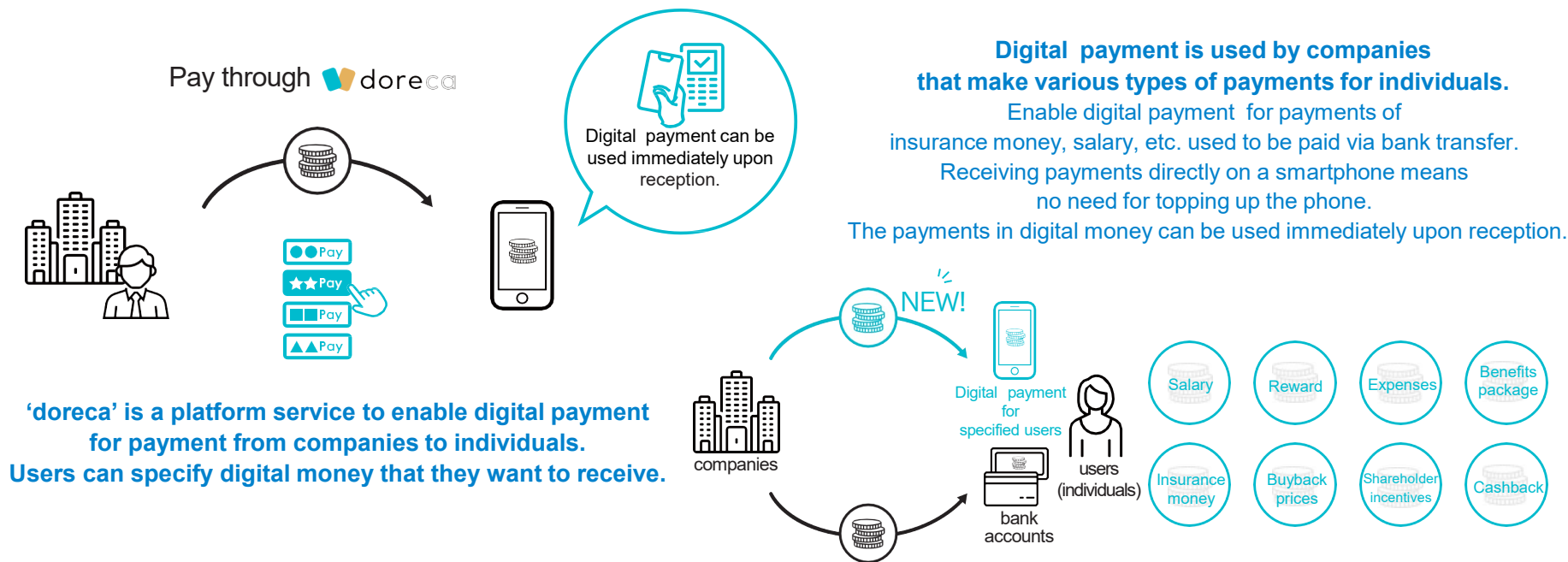
- Nexus System Resources Co., Ltd. in Thailand became our consolidated subsidiary in June 2024, and iByte Solution Sdn Bhd in Malaysia became consolidated subsidiary in September 2024. The intention was a part of efforts to expand businesses in the ASEAN region.
- An overseas training program for young employees is being prepared as part of programs to globalize our workforce.



Business Development: Provide seamless and cashless payment experience

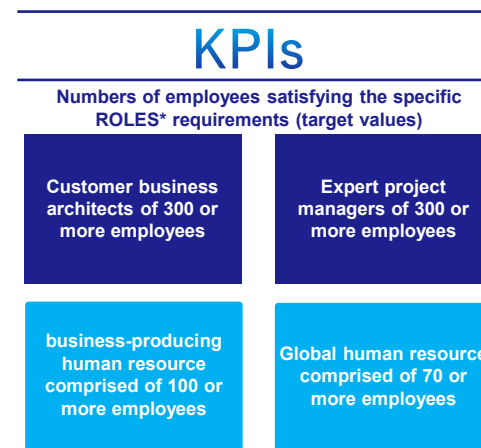
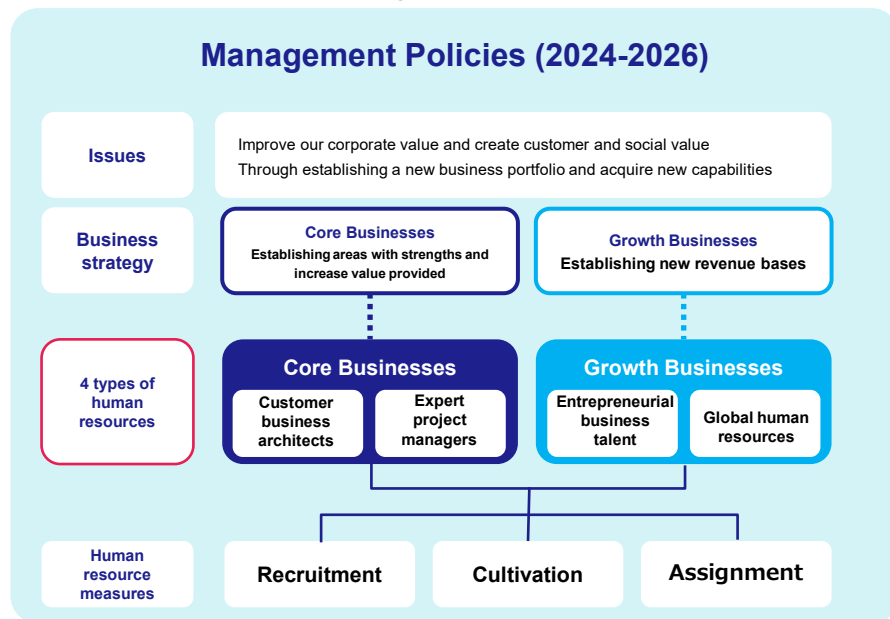
Enabling digital payment in response to the needs of customers.

Providing seamless and cashless experience activities in progress for increasing alliance partners in order to enable 'doreca' to support more products, with an eye on further improving convenience.



Strengthen human capital management for the sake of a sustained growth

Human resources strategy defines four types of human resources models to lead business strategies as stipulated in the Management Policies (2024-2026). The Company wants to focus on hiring and developing the four types of employees in the next three years. The Company will promote measures and monitor progress situations in this regard.



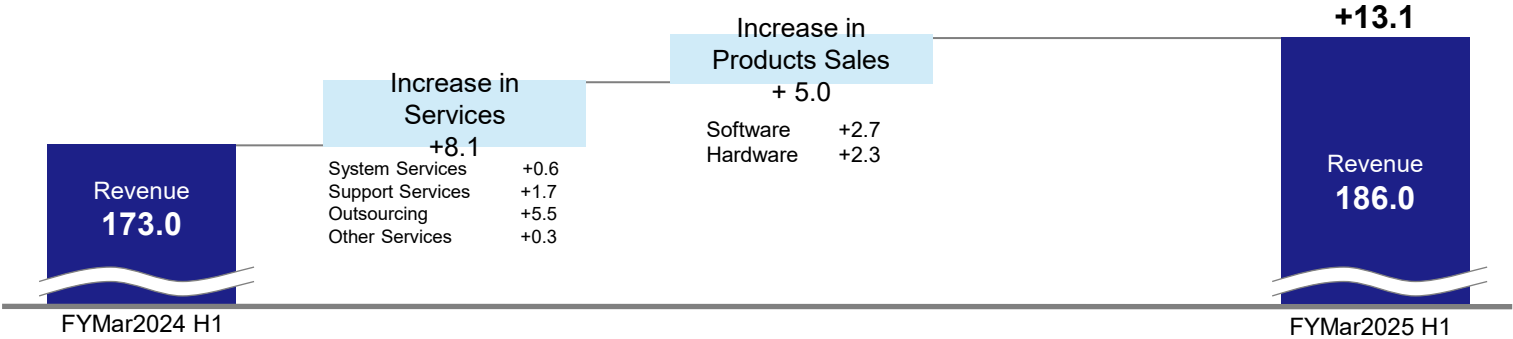
(*) Duties are comprised of several tasks identified in the business processes of BIPROGY Group. Employees are assigned tasks through performing roles for business execution (ROLES).

* Please see "the BIPROGY Group's Human Resources Strategy Report 2024 (only in the Japanese language)" for details on human resources strategy

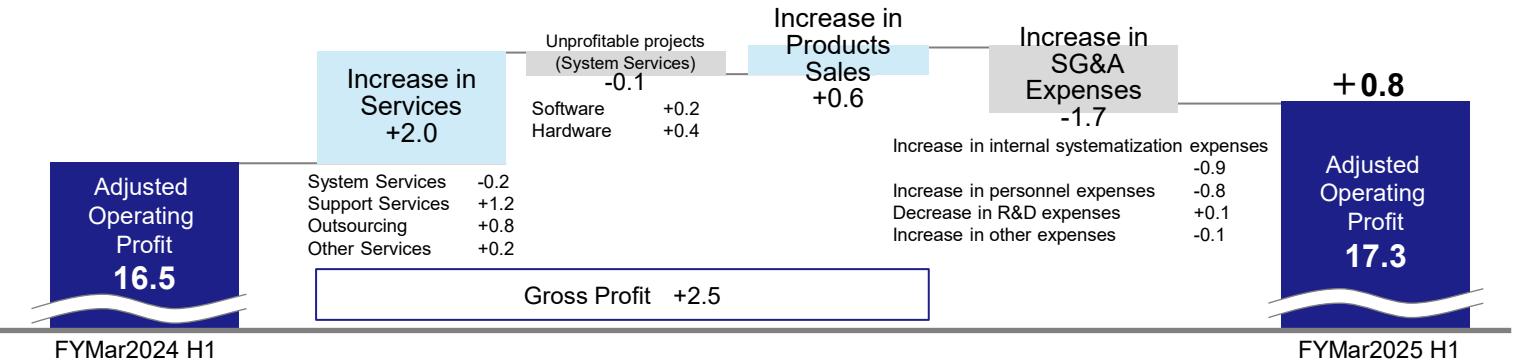
(Reference Materials) FYMar2025 H1 Performance Breakdown Details

(Unit: Billion of Yen)

【Changes in Revenue】

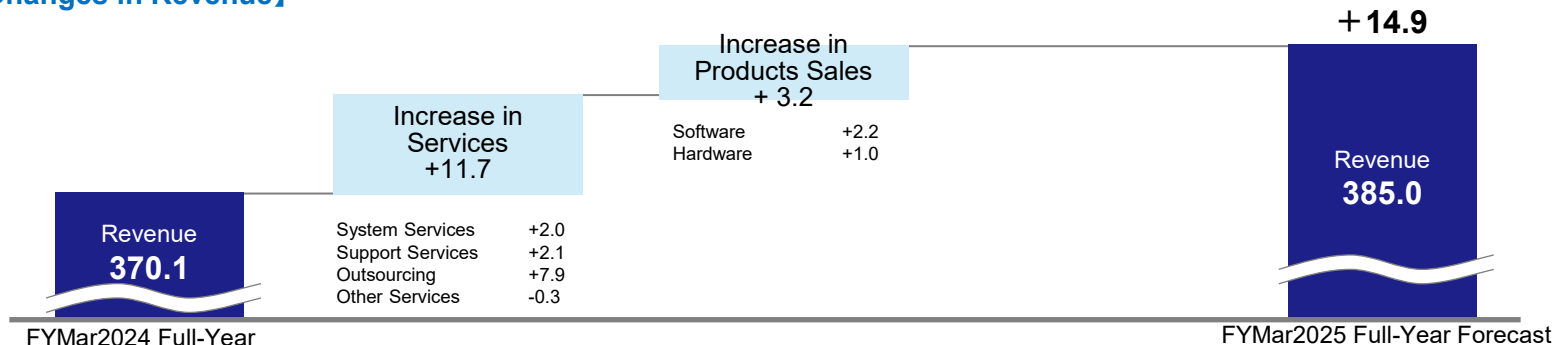


【Changes in Adjusted Operating Profit】

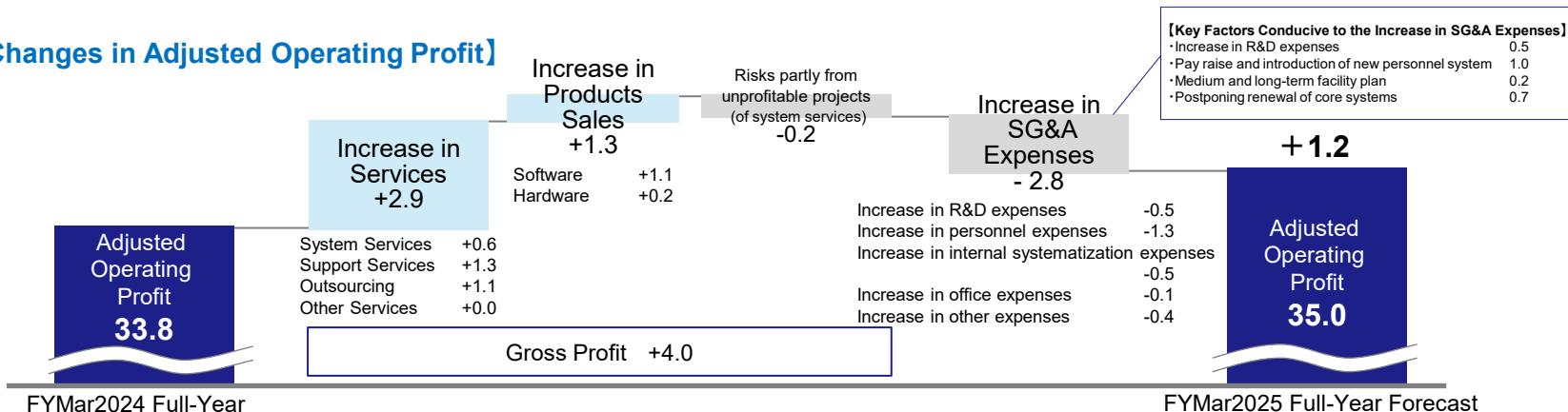


(Unit: Billion of Yen)

【Changes in Revenue】



【Changes in Adjusted Operating Profit】



(Reference Materials)

FYMar2025 Q2 (Jul-Sep) Consolidated Performance Results

(Unit : Billion Yen)

	FYMar2024 Q2 (Jul-Sep)	FYMar2025 Q2 (Jul-Sep)	YoY	
Revenue	93.1	97.7	+4.6	(+4.9%)
Gross Profit	25.8	27.1	+1.3	(+4.9%)
SG&A Expenses	-15.0	-16.1	-1.1	(+7.1%)
Share of Profit (Loss) of Investments Accounted for Using Equity Method / Other Income and Expenses	0.0	0.4	+0.4	
Operating Profit	10.8	11.4	+0.6	(+5.2%)
(Operating Margin)	(11.6%)	(11.6%)	(+0.0pt)	
Profit attributable to Owners of Parent	8.5	6.9	-1.6	(-18.7%)
Adjusted Operating Profit*	10.8	11.0	+0.2	(+1.9%)
(Adjusted Operating Margin)	(11.6%)	(11.2%)	(-0.3pt)	
Orders	88.2	99.2	+11.0	(+12.5%)

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

(Revenue)

Strong performances continued across the board, as exemplified by a growth in outsourcing. As a result, revenue was driven up.

(Operating Profit)

The strong revenue drove up gross profit much enough to absorb an increase in SG&A expenses. As a result, operating profit increased.

•Gross profit

Increased due to the strong revenue as well as improved outsourcing profitability

•SG&A expenses

Driven by an increase in costs mainly for renovating core systems and a change in personnel system (Internal system costs up by ¥0.3 billion, Personnel costs up by ¥0.4 billion)

•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)

Profit was down due to a decrease in finance income (partly caused by loss on valuation of fund impacted by foreign currency fluctuations) as well as an increase in income taxes.

(Orders)

Increased due to an increase in the orders amount of product sales and support services.



FYMar2025 Q2 (Jul-Sep) Revenue and Gross Profit by Segment

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

(Unit : Billion Yen)

	FYMar2024 Q2 (Jul-Sep)		FYMar2025 Q2 (Jul-Sep)		YoY			
	Revenue	Gross Profit (Gross Margin)	Revenue	Gross Profit (Gross Margin)	Revenue		Gross Profit (Gross Margin)	
System services	32.0	11.3 (35.5%)	32.2	11.3 (35.3%)	+0.2	(+0.6%)	-0.0 (-0.2pt)	(-0.0%) -
Support services	13.8	4.5 (32.2%)	14.6	5.0 (34.2%)	+0.8	(+5.5%)	+0.5 (+2.1pt)	(+12.3%) -
Outsourcing	18.6	4.3 (23.1%)	21.3	5.1 (23.9%)	+2.7	(+14.3%)	+0.8 (+0.9pt)	(+18.7%) -
Other services	2.8	0.7 (23.0%)	3.1	0.8 (26.4%)	+0.2	(+8.7%)	+0.2 (+3.4pt)	(+24.6%) -
Software	9.6	2.2 (23.1%)	10.4	2.1 (20.1%)	+0.8	(+8.6%)	-0.1 (-2.9pt)	(-5.2%) -
Hardware	16.2	2.8 (17.4%)	16.1	2.7 (16.8%)	-0.2	(-1.0%)	-0.1 (-0.6pt)	(-4.6%) -
Total	93.1	25.8 (27.7%)	97.7	27.1 (27.7%)	+4.6	(+4.9%)	+1.3 (+0.0pt)	(+4.9%) -

(System services)

A large-scale and highly profitable system development project was finished in the previous period. However, the Company managed an increase in system services revenue as a result of winning DX projects in a wide variety of business sectors.

No unprofitable projects were posted in the second quarter. Gross margin was at the same level as the same quarter of the previous fiscal year.

(Support services)

Product sales continuously showed a strong performance. In this connection, small and medium-sized support services projects increased. The increase drove up revenue and gross profit.

(Outsourcing)

Revenue and gross profit from outsourcing increased. The increase was enabled mainly by BankVision on Azure serving new users, as well as an increase in cloud services offered by other companies and system infrastructure operation services offered by UNIADEx. Gross margin was compromised mainly by an increase in the sales of cloud services offered by other companies and costs for enhancing the functions of multiple services.

(Software)

Software revenue increased mainly due to posting small and medium-sized software projects for manufacturers and financial institutions.

Software gross profit was down as a result of gross margin negatively impacted by product mix.

(Hardware)

Small and medium-sized projects were less than the same quarter of the previous fiscal year. As a result, hardware revenue and gross profit were negatively impacted. Gross margin was compromised by product mix.

FYMar2025 Q2 (Jul-Sep) Orders by Segment

[Orders by Segment]

(Unit: Billion Yen)

	FYMar2024 Q2 (Jul-Sep)	FYMar2025 Q2 (Jul-Sep)	YoY	
System services	32.6	31.9	-0.7	(-2.0%)
Support services	12.2	14.2	+1.9	(+15.8%)
Outsourcing	12.3	13.1	+0.8	(+6.3%)
Other services	3.4	3.1	-0.3	(-9.7%)
Software	9.6	14.0	+4.3	(+45.1%)
Hardware	18.0	22.9	+4.9	(+27.3%)
Total	88.2	99.2	+11.0	(+12.5%)

(System services)

Orders shrank after posting small and medium-sized projects less than the same quarter of the previous fiscal year. Customers showed no signs of change in the appetite for IT investment. We expect to receive orders for many large projects in the second half.

(Support services)

An increase in the support services orders was enabled by posting projects for a medical institution and winning small and medium-sized projects.

(Outsourcing)

An increase in the outsourcing orders was enabled by winning small and medium-sized projects. We had no large projects posted in the second quarter of the previous fiscal year. It is the same with the same quarter of this fiscal year.

(Software)

An increase was enabled mainly by posting a project of creating system networks for government and municipal offices as well as small and medium-sized projects.

(Hardware)

An increase was enabled mainly by posting: a project of creating system networks for governmental and municipal offices; a large-scale project related to creating system infrastructure for customers in the service industry; and more small and medium-sized projects.



BIPROGY

Foresight in sight

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(Note)

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