

(Revised on February 4, 2025)

Results for the 2nd Quarter of FY March 2025

November 1, 2024
BIPROGY Inc.



(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.

	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%)

(Unit : Billion Yen)

(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.

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

Let me begin by providing an overview of the financial results for H1 of fiscal year ending March 2025.

Revenues increased by JPY13.1 billion YoY to JPY186.0 billion, mainly due to increased revenues from outsourcing and product sales, as customers' investment demand for DX remained brisk.

In terms of profit, an increase in SG&A expenses due to the renewal of the core system and changes in the personnel system were offset by an increase in gross profit due to higher sales, resulting in operating profit of JPY17.9 billion, up JPY1.3 billion from YoY, and adjusted operating profit of JPY17.3 billion, up JPY0.8 billion.

Profit attributable to owners of parent decreased by JPY1.1 billion to JPY11.8 billion due to a decrease in income from financial income and costs, mainly due to valuation losses on overseas funds and foreign exchange effects, and an increase in income taxes.

Orders and order backlogs grew upon an increase in the orders for product sales and support services of large projects as well as the expansion of small and medium-sized projects in outsourcing, then the portion scheduled for sales during this fiscal year also increased steadily.

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)	(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	26.6	8.3 (31.3%)	28.3	9.5 (33.7%)	+1.7 (+6.5%)	+1.2 (+14.6%)	(Support services) Revenue and gross profit from support services increased based upon product sales continuing a strong performance.
Outsourcing	37.3	8.3 (22.3%)	42.7	9.1 (21.3%)	+5.5 (+14.7%)	+0.8 (+9.5%)	(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.
Other services	5.4	1.2 (23.0%)	5.7	1.4 (24.8%)	+0.3 (+5.9%)	+0.2 (+14.2%)	(Software) 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	17.4	2.6 (15.2%)	20.1	2.9 (14.3%)	+2.7 (+15.3%)	+0.2 (+8.5%)	(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	26.3	4.6 (17.6%)	28.6	5.1 (17.7%)	+2.3 (+8.8%)	+0.4 (+9.0%)	(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.
Total	173.0	46.2 (26.7%)	186.0	48.7 (26.2%)	+13.1 (+7.5%)	+2.5 (+5.4%)	

Next, I will explain revenue and gross profit by segment.

System services revenue increased due to continued strong sales of DX projects for a wide range of customers in a wide range of industries. The development of large-scale projects up to the previous year has run its course, and there is currently an increase in projects in the start-up phase, such as requirement definition, etc. Although the increase in revenue from YoY was only about JPY600 million, we believe the project pipeline remains active.

Profits decreased mainly due to a decrease in highly profitable projects compared to YoY.

In H2, we will work to accelerate the further expansion of revenue and further improve profitability by steadily accumulating projects that will lead to revenue within the current fiscal year and results in the following fiscal year and beyond, as well as by improving productivity or promoting partner strategies.

Outsourcing reported higher revenues and profits due to the trend of continued strong sales of other companies' cloud services and ITO services, as well as the start of new user operations at BankVision on Azure in May.

Gross margin declined due to revenue growth of other companies' cloud services and costs incurred for service enhancements.

Product sales of software and hardware increased year-on-year due to an increase in small and medium-sized projects as well as several large hardware 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
Support services	24.2	30.8
Outsourcing	28.0	32.3
Other services	6.5	5.7
Software	16.8	20.6
Hardware	27.8	34.2
Total	166.3	187.8

(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.

[Order Backlogs by Segment]

	FY Mar2024 End of H1		FY Mar2025 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

Next, I will explain orders and order backlogs by segment.

Orders and order backlogs increased due to the posting of a renewal project for a financial institution in the outsourcing business and a network construction project for a government agency in the support services business in Q1, as well as a network construction project for a government agency in software and hardware in Q2.

Orders for system services in H1 increased due to the acquisition of small and medium-sized DX-related projects from customers in a variety of industries. Although YoY growth was only 1.7%, customers' willingness to invest continues to be active, and we expect to receive orders for many large projects in H2 and beyond, so we will strive to increase orders and revenue by steadily acquiring these projects.

(Revised on February 4, 2025)

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

I will now explain the progress of businesses in the focus areas.

Under the Management Policies (2024-2026), which was launched this fiscal year, the Group is pursuing two business strategies, one for its core businesses, which is the current source of earnings, and the other for its growth businesses, which will become a new earnings pillar, and has defined focus areas for each.

In our core businesses, we aim to increase profitability by concentrating management resources in five focus areas where the Group has strengths.

In H1, customers' DX initiatives were particularly active in the retail and mobility areas, resulting in increased revenue.

In each of the five focus areas, we are making steady progress in our efforts to increase the value we provide to 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.

In the growth businesses, we have set three focus areas: market development, business development, and global initiatives.

As of H1, the impact on our business performance is still small, but we aim to establish a new earnings base as soon as possible by aggressively investing in growth businesses areas based on the earnings earned in our core businesses.

I will explain the specific progress of our initiatives in our core and growth businesses later in this presentation.

FYMar2025 (Full-Year) Performance Forecast No Revisions

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

(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.

I would like to explain our full-year performance forecast for fiscal year ending March 2025.

The full-year forecast remains unchanged from the forecast announced at the beginning of the fiscal year.

H1, both revenue and profits have progressed steadily, and order backlogs scheduled for revenue in the current fiscal year is also increasing steadily. Current customer demand for DX investment is strong, and we expect this situation to continue in the second half of the year and beyond. However, since we are unable to make a detailed forecast at this moment, we maintain our forecasts of JPY385 billion in revenue, JPY35.5 billion in operating profit, and JPY24.5 billion in profit attributable to owners of parent.

We will monitor the situation closely and review the situation accordingly.

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



I will continue with an explanation of the progress of the Management Policies (2024-2026).

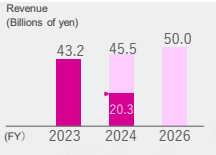
Our management policy is to accelerate the creation of social and economic value through our business activities, and to become an entity that is recalled by the market and customers as the company that wants to solve social issues together. To achieve this, we will focus on areas of strength in our core businesses, which are our current sources of revenue, to increase the value and profitability of our offerings, while creating a sustainable new business portfolio with growth businesses that will serve as new pillars of revenue to realize Vision 2030.

From the next page, I will explain the progress of our core businesses strategy and growth businesses strategy.

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

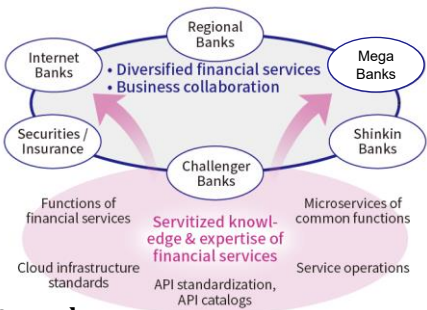


- Strategy 1

- 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.

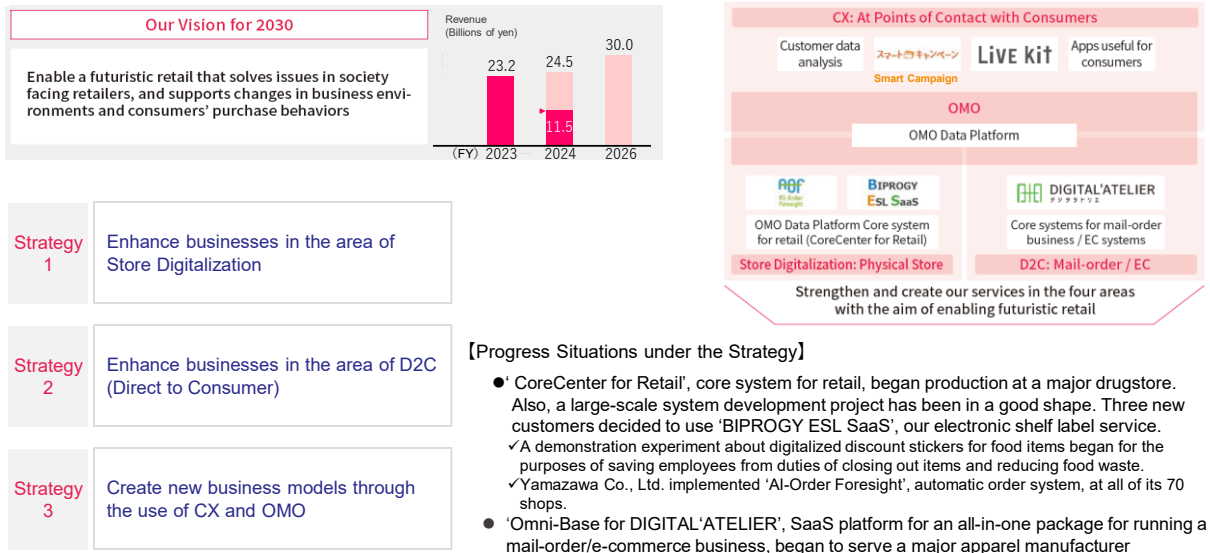
For our core business strategy, we have selected five focus areas: financial, retail, energy, mobility, and OT infrastructure. In the financial area, we aim to integrate financial services, evolve engagement among business partners, and play a role in the transformation of the digital economic sphere.

In H1, BankVision on Azure, a core-banking system, went into production at Saikyo Bank, Ltd. then inquiries from financial institutions increased. The Kagoshima Bank, Ltd. has begun operating BankVision on Azure in a hybrid configuration with a public cloud disaster management environment to ensure stable business continuity and optimize usage costs. Also, #tsumuGO_mobile, a banking application for regional financial institutions, has expanded its functions and has been adopted by two new financial institutions.

In addition, we will accelerate the development of services in new areas such as banking BPO and wealth management, as well as the consideration of next-generation core banking and financial service platforms. At the BIPROGY FORUM 2024 held in June of this year, we presented a roadmap to 2030 for these new areas and the Financial Service Platform.

We have new projects coming up in H2, and we will steadily execute them to achieve this year's plan.

Initiatives for Focus Areas in Core Business Strategies: 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

Next is retail area.

Retail aims to solve social issues faced by retailers through technology, and to create a futuristic retail experience that is responsive to changes in the business environment and purchasing behavior.

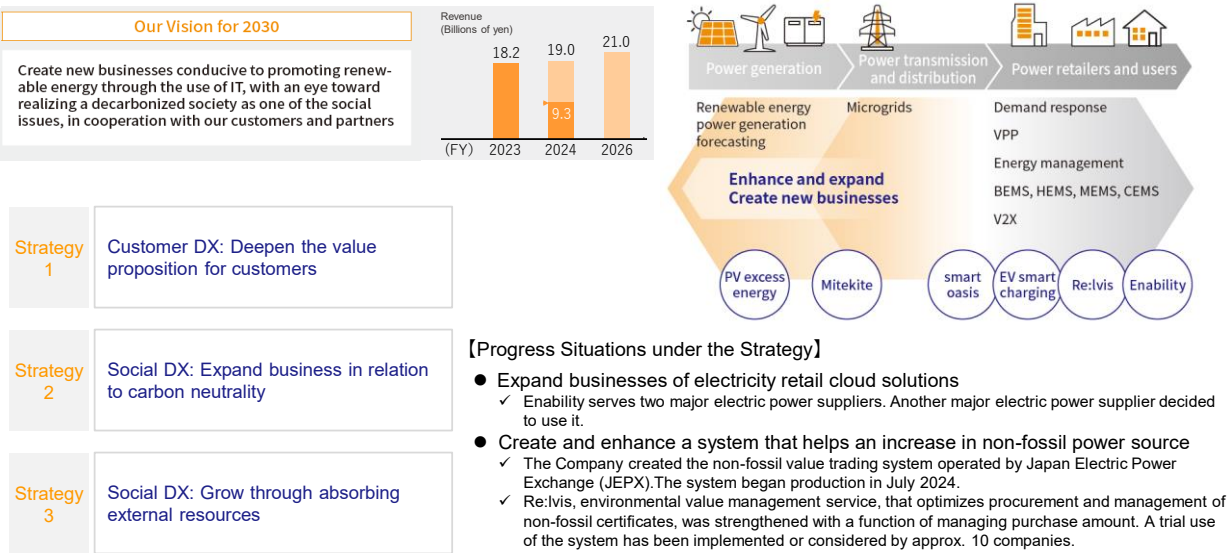
In the area of Store Digitalization, CoreCenter for Retail, the core retail system, has gone into production at a major drugstore, then another large-scale development project is progressing smoothly. Against a backdrop of labor shortages, customers are increasingly evaluating our AI automated ordering and electronic shelf label services that lead to more efficient store operations, which we are receiving an increasing number of new inquiries.

BIPROGY ESL SaaS, released in February of this year, is expanding steadily, with three companies having decided to adopt the service in H1 of the year.

In addition, DIGITAL'ATELIER, the main service of our EC operations, went into full production at a major apparel manufacturer.

In H2, we will continue to capture strong demand and steadily execute our plan for the current fiscal year. We will further expand our services to include e-commerce, online, and offline, with the aim of further expansion in the future.

Initiatives for Focus Areas in Core Business Strategies: Energy



In energy area, we aim to 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, cooperation with our customers and partners.

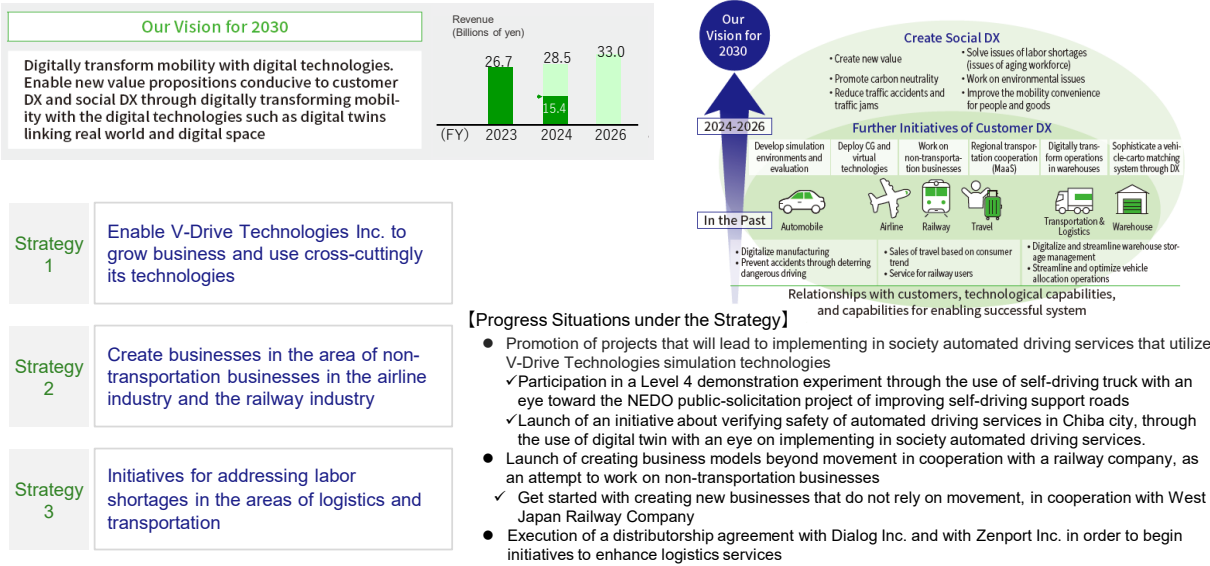
In the customer DX, Enability services for retail electric utilities have gone live at two major energy companies, and one new company has decided to adopt the service.

In the social DX, the non-fossil value trading system, which supports the expansion of non-fossil power sources, went into full-scale operation in July of this year, and efforts are underway to realize a decarbonized society.

In addition, the environmental value management service Re:lviv, which streamlines the procurement and management of fossil certificates and has added functionality, has about 10 customers who are considering introducing or are using the service, and inquiries are steadily increasing.

Furthermore, to solve social issues such as carbon neutrality, we will continue our efforts to differentiate ourselves by expanding our service functions and combining service solutions to expand our business and create new businesses, which we will steadily carry out to achieve our plan for the current fiscal year.

Initiatives for Focus Areas in Core Business Strategies: Mobility



Next, mobility strategy.

In mobility, we aim to realize a new value environment that leads to customer DX and social DX through initiatives such as the Digital Twin, which links mobility and digital technologies.

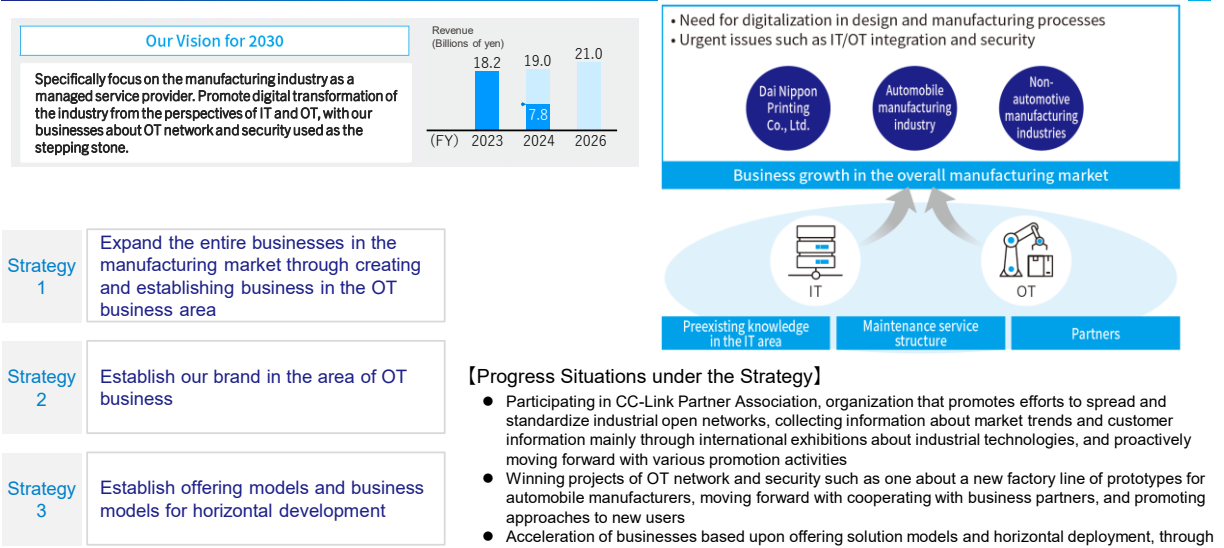
In H1, we launched initiatives that will lead to social implementation, including a demonstration test of automated driving services in Chiba City using V-Drive Technologies' simulation technology and a demonstration test using Level 4 automated trucks for the development of automated driving support roads.

As a co-creation partner, we have been involved from the early stages of West Japan Railway Company's efforts to create a new business model in the non-transportation business and will continue to work together to create new value.

In logistics, we have signed off distributor agreements with Dialog, Inc. and Zenport Inc. in order to begin initiatives to enhance DX in logistics services. By expanding our sales network, we will accelerate the DX of logistics and import/export operations of domestic companies and work to solve supply chain issues, including the logistics 2024 problem, such as transportation capacity shortages and poor delivery quality.

In H2, we will continue to promote initiatives that cross mobility and digital technologies, and steadily implement them to solve social issues and achieve this year's plan.

Initiatives for Focus Areas in Core Business Strategies: OT Infrastructure



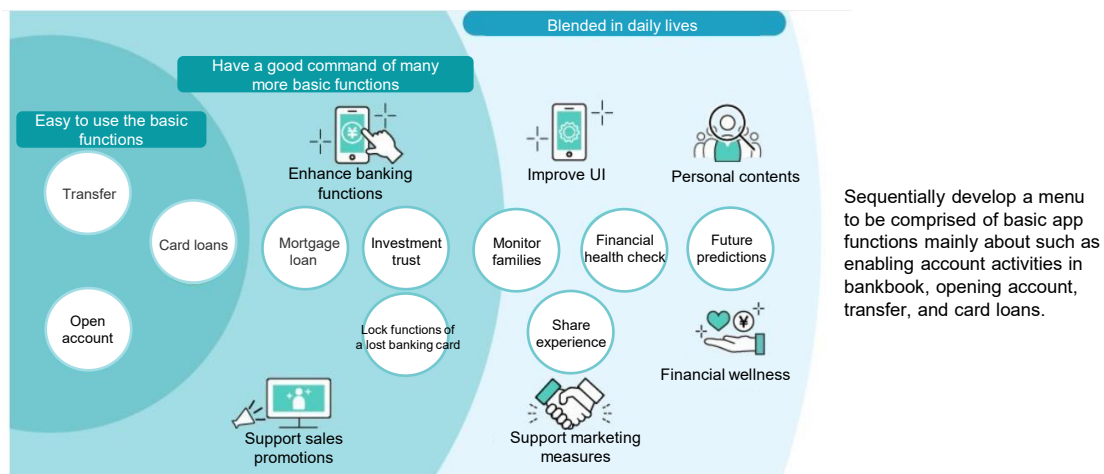
In OT infrastructure, we are focusing on the manufacturing industry in particular as a managed service provider, by UNIADDEX, our Group company, using the OT network and security business as a foothold to promote the digitalization of the manufacturing industry from both IT and OT perspectives.

In June of this year, UNIADDEX joined the CC-Link Partner Association, which promotes open networks for industrial use, and is actively engaged in promotional activities through external lectures and video websites. We also won OT network security projects, including a new prototype line for an automotive manufacturing company.

Aiming at further business expansion, we will continue to accelerate our offering model and horizontal deployment business through customer proposals for a solution model that gathers and combines a variety of commercial products and collaboration with partners.

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.



Here are two examples in our core businesses.

A banking app with full banking capabilities, #tsumuGO_mobile seamlessly connects traditional face-to-face teller operations with non-face-to-face banking functions, providing a pleasant experience for everyone, including local financial institutions, customers, and business entities.

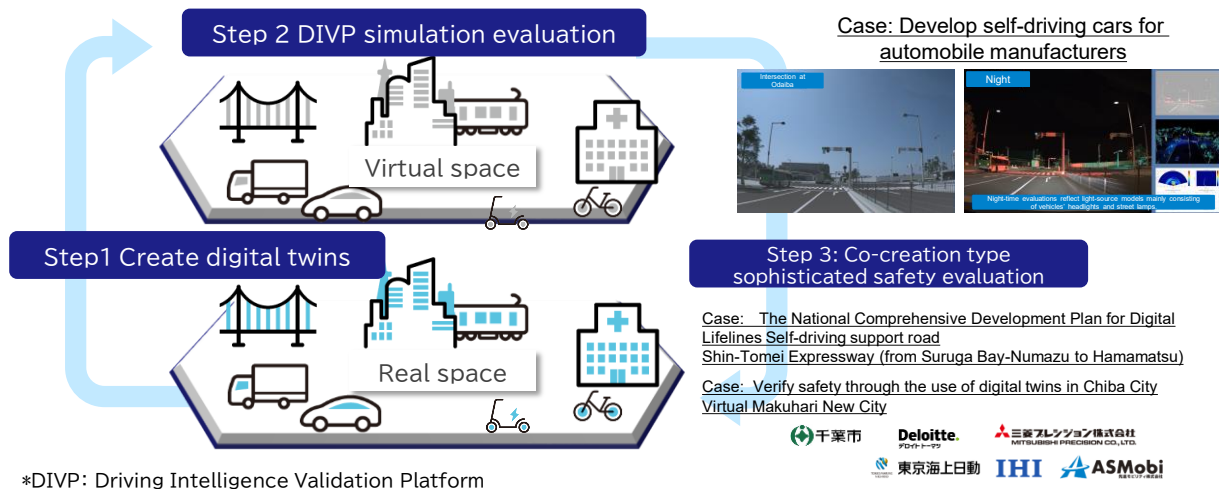
Since the service was launched in 2023, it has been adopted by six financial institutions and the number of users is steadily increasing.

In September of this year, we added functions such as card locks, various types of purpose loans, and menus linked to other applications, and began offering them.

We will continue to enhance the functions that enrich the app user experience by reflecting the opinions of regional financial institutions and their customers, then provide an environment where financial services can be used regardless of location or time, while helping regional financial institutions streamline their operations and DX their sales activities.

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.



*DIVE: Driving Intelligence Validation Platform

The second example is mobility.

We are working with various partners on safety verification initiatives utilizing the Digital Twin for social implementation of automated driving services.

In Self-Driving Support Road Project of the National Comprehensive Development Plan for Digital Lifelines being considered by the Ministry of Economy, Trade and Industry, we will work with partners to develop a data linkage system to support automatic driving.

Our company will develop a scenario catalog that can be used to develop automated driving systems by acquiring and simulating near-miss information from vehicles and external systems, as well as an environment for generating driving environment models and simulations.

In addition, Chiba City is aiming to realize near-future mobility, including self-driving buses, and this is the first project in Japan led by a local government to verify the safety of self-driving in a virtual space.

Looking ahead to the futuristic mobility society, we will continue to contribute to the development of industry by leveraging the technological capabilities we have cultivated to date to solve social issues through practical applications in various mobility-related industries.

Strategy for Growth Businesses

Key Strategic Initiatives	Progress Situations
Market development Acquire/Expand new service areas and capture/expand market share	[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
Business development Accelerate the co-creation and deployment of social digital transformation businesses	[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.
Global initiatives Develop business in major ASEAN countries and strengthen approaches for North America and other markets	<ul style="list-style-type: none">•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.

Next, this is the progress of our growth businesses strategy.

In market development, we are currently executing data & AI utilization services aimed at business transformation. A major manufacturing company has decided to use AI to improve quality control and introduce business-specific AI assistants in Japan and overseas and is aiming to further expand the scope of utilization.

In managed services, in addition to the expansion of services in the digital workplace area, solutions in the security area and other areas linked to managed services are expanding.

In business development, we will promote GHG emissions visualization business in the SX/GX emissions management business, starting with business collaboration with boost technologies, Inc. In addition, we are expanding our IoT smart trash/garbage can, SmaGO, as a resource recycling business, and have received multiple inquiries from local governments and other entities.

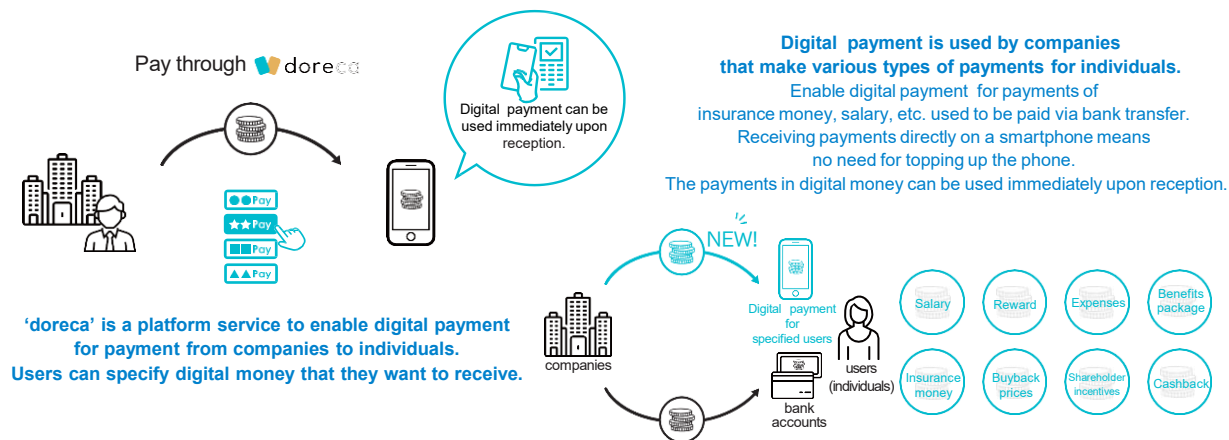
In the smart life, we are promoting the direct online recharge business, and our value exchange platform doreca, which is designed for the spread of digital money payments, has been adopted by a major nonlife insurance company for the second time.

In regional revitalization, we have started collaboration with The Shoko Chukin Bank, Ltd. to provide DX support to small and medium-sized enterprises.

In global initiatives, we have made SAP solution companies in Thailand and Malaysia consolidated subsidiaries and are developing global human resources for further growth in the future.

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.



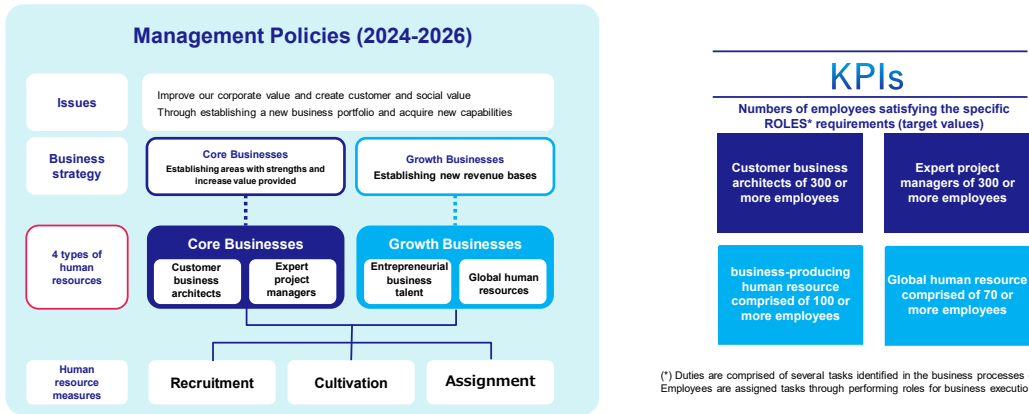
Here is one of our examples in our growth businesses strategy.

In the smart life area, one of the areas of business development initiatives, we are developing doreca, a platform service that provides a seamless cashless experience by enabling digital payments that meet customer needs as a direct online recharge business, which has been adopted by several companies and we still receive inquiries. Furthermore, with the launch of digital payroll payments, more and more companies are expected to adopt digital payments in the future.

We will continue to expand the alliance with the aim of reducing the workload of companies in digital payments and improving user 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.



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

Human resources are the most important asset of the BIPROGY Group and the driving force behind the Group's sustainable growth and enhancement of corporate value over the medium to long term.

In the human resources strategy, we have defined four types of human resource models that will lead each of the core and growth businesses strategies in the Management Policies (2024-2026) and will actively acquire and develop human capital over the three-year period, monitoring progress while promoting various measures. In H1, we formulated three-year human capital plans for each of our focus areas and growth business areas and are sequentially implementing human capital measures such as recruitment, development, and assignment.

For more information on our human resources strategy, please see the BIPROGY Group's Human Resources Strategy Report 2024 (only in the Japanese language), which was released on September 30 of this year.

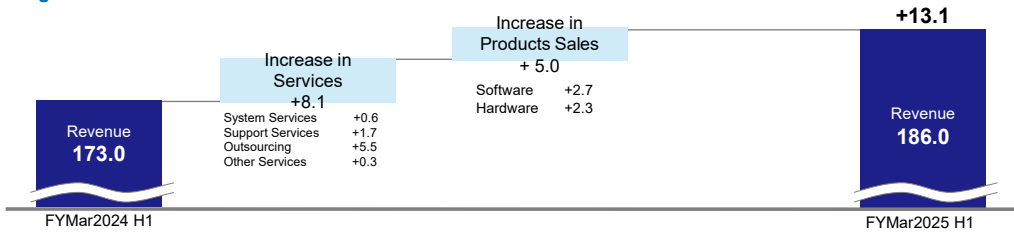
The BIPROGY Group will continue to work as one to promote structural reforms and portfolio transformation to enhance corporate value and realize Vision 2030.

This concludes our explanation.

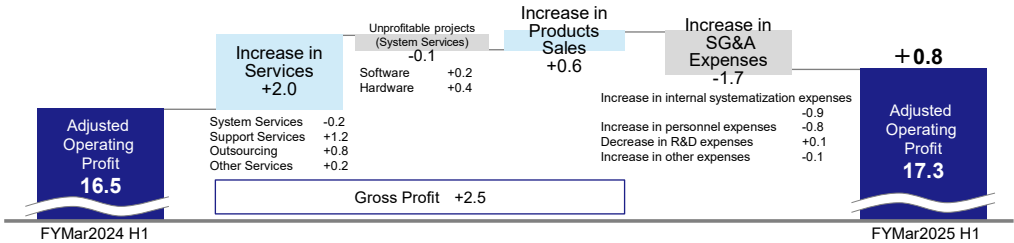
(Reference Materials) FYMar2025 H1 Performance Breakdown Details

[Changes in Revenue]

(Unit: Billion of Yen)



[Changes in Adjusted Operating Profit]

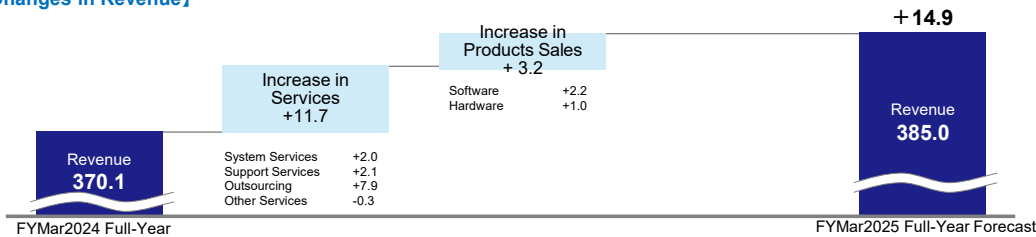


(Reference Materials) FYMar2025 (Full-Year) Performance Forecast Breakdown Details

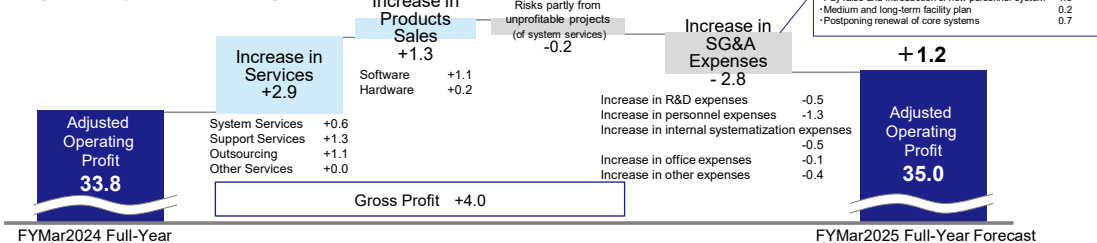
Breakdown has been changed

[Changes in Revenue]

(Unit: Billion of Yen)



[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.

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

(Unit : Billion Yen)							
(Revenue and Gross Profit (Gross Margin) by Segment)							
	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 (-0.0%)	
Support services	13.8	4.5 (32.2%)	14.6	5.0 (34.2%)	+0.8 (+5.5%)	+0.5 (+12.3%)	
Outsourcing	18.6	4.3 (23.1%)	21.3	5.1 (23.9%)	+2.7 (+14.3%)	+0.8 (+18.7%)	
Other services	2.8	0.7 (23.0%)	3.1	0.8 (26.4%)	+0.2 (+8.7%)	+0.2 (+24.6%)	
Software	9.6	2.2 (23.1%)	10.4	2.1 (20.1%)	+0.8 (+8.6%)	-0.1 (-5.2%)	
Hardware	16.2	2.8 (17.4%)	16.1	2.7 (16.8%)	-0.2 (-1.0%)	-0.1 (-4.6%)	
Total	93.1	25.8 (27.7%)	97.7	27.1 (27.7%)	+4.6 (+4.9%)	+1.3 (+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.

(Reference Materials)
FYMar2025 Q2 (Jul-Sep) Orders by Segment

Orders by Segment

	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%)

(Unit: Billion Yen)

(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.

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.