BIPROGY Inc.
Briefing Session
for the third Quarter of the Fiscal Year Ending March 2026
held on February 4, 2026

Principal Questions and Answers

(with certain details modified in an attempt to provide readers with a deeper understanding)

[Questioner A]

Q: Regarding the synergies generated by the consolidation of Catalina Marketing Japan K.K. (hereinafter referred to as “CMJ”), page 3 of the Financial Results Briefing Materials indicates approximately 5 billion yen in revenue synergies for the fiscal year ending March 2027. Could you please clarify the mechanism by which these synergies will be realized and whether they will be realized on either the CMJ side or the BIPROGY side?

A: The 15 billion yen increase in retail revenue for the fiscal year ending March 2027 is positioned as a standalone target for CMJ. Synergies between CMJ and our company are expected to be realized from the fiscal year ending March 2028 onward. By combining the data held by CMJ’s retail media network with our services, we aim to achieve a revenue of 60 billion yen or more for the retail area as a whole in the fiscal year ending March 2031.

Q: What will be the impact of CMJ on the financial results for the fiscal year ending March 2027? Also, could you provide CMJ’s operating profit for the fiscal year ended December 2025?

A: As disclosed in the news release dated November 28, 2025, CMJ recorded an operating profit of approximately 400 million yen for the fiscal year ended December 2024, which included one-off costs associated with the carve-out from Catalina Marketing US. As a result, its real earning power is higher than that figure. Operating profit for the fiscal year ended December 2025 has been on an improving trend. Depending on the status of the PPA, we expect operating profit for the fiscal year ending March 2027 to be slightly higher than that figure. We also forecast that CMJ’s revenue will increase compared with the fiscal year ended December 2025.

Q: As CMJ is a growing company, I understand that its profit levels may fluctuate due to temporary factors. Will the profit target for the fiscal year ending March 2027 (the final year of the Management Policies) remain unchanged, even taking into account factors such as fluctuations in CMJ’s financial results and the PPA?

A: Even if there are any short-term negative impacts, we will implement measures at the Group level to ensure they are absorbed as we work toward achieving the Management Policies.

[Questioner B]

Q: Does the target operating margin of 10% or more in the retail area for the fiscal year ending March 2027 include PPA depreciation and amortization?

A: The target has been set based on certain assumptions. However, depending on the results of the PPA, the actual figures may be impacted if the allocation to depreciable assets and amortizable assets differs from those assumptions.

Q: Could you explain the factors behind the improvement in gross margin across each segment in Q3 (October to December)? Also, what factors contributed to the improvement in UNIADEX’s outsourcing gross margin?

A: The gross margin for system services rose due to overall improvement rather than any single specific factor. In outsourcing, the improvement was partly attributable to the lump-sum amount of profit from a project for a financial institution. Software was affected by a highly profitable mainframe-related project for the manufacturing industry. In hardware, there was no particular individual factor; instead, the improvement came from the accumulation of many projects. Regarding UNIADEX’s outsourcing business, there were no special factors, yet overall profitability improved. UNIADEX also launched its new service “GASSAI” in Q1 of the fiscal year ending March 2026 and has been working to expand outsourcing revenue and improve profitability.

[Questioner C]

Q: Regarding CMJ, could you elaborate on the assumptions underlying the PPA, your view on a rough estimate of the PPA depreciation and amortization period, the likelihood of revenue growing from 10 billion yen in the fiscal year ended December 2024 to 15 billion yen within two years, and the impact of PPA depreciation and amortization on the profit target under the Management Policies?

A: Because the PPA is still ongoing, the following represents a rough estimate at present. We assume that, of the acquisition cost of approximately 40 billion yen, approximately 20 billion yen will be allocated to goodwill and the remainder to depreciable assets and amortizable assets, with an estimated depreciable and amortization period of about ten years. For the fiscal year ended December 2025, revenue increased by about 20%. If this pace continues, we believe that 15 billion yen can be achieved in fiscal 2026. We do not intend to revise the profit target under the Management Policies as a result of this M&A. CMJ’s business is not based on selling services individually; rather, it operates more like an outsourcing model, with the business expanding significantly as the number of retail stores using its services increases. Taking this into account, we conducted due diligence and proceeded with the M&A.

Q: Could you provide details of the outsourcing project for which profits were recognized on a lump-sum basis, including the scale of the amount involved? Also, regarding the unprofitable project, could you explain why the impairment loss on intangible assets exceeded the initial projections?

A: The outsourcing project for which profits were recognized on a lump-sum basis is structured as a contract combining monthly fees and a lump-sum payment. Although the contract amount is less than 1 billion yen, it is highly profitable. Regarding the unprofitable project, the causes were a misunderstanding during the testing phase and delays in addressing failures. Following a revision of future projections, we recorded an impairment loss of 1.3 billion yen, including expected future costs. As a result, we do not anticipate any additional impairment risk.

[Questioner D]

Q: Regarding CMJ, could you elaborate on its expected profit contribution for the fiscal year ending March 2027 and when the PPA will be finalized?

A: Because the PPA is currently underway, the impact of CMJ on operating profit in Q4 of the fiscal year ending March 2026 is provisionally assumed to be zero. The profit impact for the fiscal year ending March 2027 will depend on the outcome of the PPA. We intend to finalize the PPA before the full-year financial results announcement at the end of April. However, the timing will depend on the progress of the external evaluations.

Q: Regarding the retail area's target for 2030, could you elaborate on CMJ's expected contribution toward achieving 60 billion yen in revenue and 20% in operating margin?

A: These targets are expected to be achieved through the accumulation of synergies, in addition to the growth of our existing businesses and CMJ on a standalone basis. We estimate that the effect of this M&A will account for roughly half of the overall target.

[Questioner E]

Q: The operating margin in the retail area is currently around 10%. How do you plan to achieve an operating margin of 10% or more in the fiscal year ending March 2027 after reflecting CMJ's PPA depreciation and amortization? Also, how much has CMJ's operating margin improved at this point?

A: CMJ's individual operating margin is currently under review and therefore not disclosed. In the retail area, we have secured a healthy order backlog, including a large-scale system development project. Taking this into account, we expect to achieve an operating margin of 10% or more for the retail area as a whole.

Q: What is the scale of the mainframe project within the software segment?

A: A one-time initiative, the mainframe project generated approximately 1.5 billion yen in revenue and 1 billion yen in profit. In the fiscal year ending March 2027, we plan to offset this with other projects.

[Questioner F]

Q: Could you explain CMJ's business mode?

A: CMJ's business model is based on receiving promotional fees from manufacturers, and its value increases as the number of participating retail stores expands. We plan to broaden the service offering from traditional paper coupons to online coupons and mobile apps. Leveraging our track record of expanding a wide range of services, including smartphone apps, we intend to enhance their value by combining them with CMJ's platform.

Q: I think that, with the acquisition of CMJ, you have used the majority of the growth investment budget under the Management Policies. Could you explain your approach to future shareholder returns, including share buybacks?

A: Our policy remains unchanged. We will continue to prioritize investments for future growth, while considering shareholder returns based on the progress of those investments and the accumulation of cash.

[Questioner G]

Q: Excluding special factors, could you provide CMJ's normalized operating profit for the fiscal year ended December 2025?

A: CMJ's normalized operating profit is currently under review and therefore not disclosed. Rather than treating CMJ in isolation, we seek to drive growth and enhance profitability across the retail area as a whole, including CMJ.

Q: Regarding synergies with CMJ, will BIPROGY be in charge of the database, systems, and related areas for CMJ's marketing support platform?

A: CMJ's systems have been built on the systems and infrastructure of Catalina Marketing US. From now on, we will improve operational efficiency and strengthen security by incorporating our own expertise. From a data utilization perspective, although paper coupons remain the most common option today, we intend to enhance OMO through initiatives such as rolling out apps, thereby delivering greater value to both retailers and manufacturers.