

**BIPROGY Inc.**  
**Briefing Session for the Fiscal Year Ended March 2026**  
**held on April 30, 2026**

**Principal Questions and Answers**

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

[Questioner A]

Q: I understand that an impairment loss of 1.3 billion yen was recorded for the unprofitable project in Q3 (October to December). Am I correct in understanding that in Q4 (January to March), there were no new unprofitable projects and that losses from the existing project were contained?

A: In Q4, no new unprofitable projects occurred. The existing unprofitable project also remained within the amount recorded in Q3.

Q: Regarding Catalina Marketing Japan K.K. ("CMJ")'s contribution to the results, could you please share the Q4 results and the assumptions underlying the forecast for the fiscal year ending March 2027?

A: The Q4 results were in line with our expectations at the time of the Q3 earnings announcement, with revenue in the mid-2 billion yen range and only a limited impact on consolidated operating profit. For the fiscal year ending March 2027, we plan to increase revenue in the retail area by approximately 15 billion yen and expect much of this increase to come from CMJ's inclusion in the Group. However, as the PPA has not yet been finalized, we anticipate a negligible contribution to operating profit.

Q: Is CMJ's performance seasonal? Even after taking into account amortization expenses following the finalization of the PPA, is CMJ expected to generate a reasonable level of profit for the fiscal year ending March 2027?

A: CMJ's performance is seasonal, with relatively lower revenue in the January to March period. While operating profit for the fiscal year ending March 2027 depends on the PPA, we expect that CMJ will make a reasonable profit on a non-consolidated basis.

Q: Regarding the retail area, your plan shows a 3 billion yen increase in operating profit for the fiscal year ending March 2027. Is this increase due to CMJ's contribution? On a consolidated basis, you plan to increase operating profit by 5.8 billion yen. Do you expect the retail area to account for half of this increase?

A: Excluding CMJ's contribution, we plan to increase operating profit in the retail area by 3 billion yen. In the fiscal year ended March 2026, operating profit was low due to M&A-related

expenses of 800 million yen, impairment losses on software, and the impact of up-front investments. For the fiscal year ending March 2027, with the absence of the 800 million yen in M&A-related expenses, the effect of increased revenue in services, and improved profitability, we plan to increase operating profit by 3 billion yen in the retail area. The planned increase in operating profit on a consolidated basis is expected to come mainly from the retail area.

[Questioner B]

Q: Regarding CMJ's PPA, has there been any change to the assumption made at the time of the Q3 results announcement that the amortization period would be approximately 10 years? Is CMJ's contribution to operating profit assumed to be zero in the forecast for the fiscal year ending March 2027? Is there any risk that operating profit could fall short of the forecast after the PPA is finalized?

A: Although the PPA has not yet been finalized, there has been no major change in the assumption made at the time of the Q3 results announcement. The forecast for the fiscal year ending March 2027 reflects the assumption that amortizable assets will exceed 20 billion yen and the amortization period will be approximately 10 years. At present, we do not expect the amortization following the finalization of the PPA to present a major risk to the forecast.

Q: Regarding outsourcing, what level of contribution do you expect from CMJ to the planned 6.9 billion yen increase in gross profit for the fiscal year ending March 2027? At the time of the Q3 results announcement, you stated that CMJ's revenue for its fiscal year ended December 2025 increased by approximately 20% year on year. Has your assumption for CMJ's growth in the current fiscal year changed?

A: We would prefer not to disclose CMJ's contribution to gross profit. There is no major change in our assumption regarding CMJ's growth potential since the announcement of the Q3 results, and we expect reasonable growth in the current fiscal year as well.

Q: The gross profit margin in system services improved significantly in Q4. Was there a once-off factor behind this? Given the order backlog scheduled to be recognized as revenue in the next fiscal year, the forecast for system services for the fiscal year ending March 2027 seems conservative. Does it factor in risks such as the situation in the Middle East?

A: There was no once-off factor in system services in Q4. The results reflect a large number of highly profitable projects overall. Ongoing efforts to improve productivity have contributed to higher profitability across individual projects. While we remain cautious about further margin improvement given the competitive environment, we will continue to enhance productivity. In light of the order backlogs, the plan may seem conservative. However, risks such as the situation in the Middle East have not materialized, and customers' willingness to invest in IT remains very strong, so we have not factored in any particular risks.

Q: Regarding “BankVision,” is the SHIGA BANK project included in the forecast for the fiscal year ending March 2027? How do you view the impact of The Hokkoku Bank’s in-house development of its next core-banking system?

A: The SHIGA BANK project is progressing smoothly, and development volume is expected to ramp up around the end of the fiscal year ending March 2027. As to The Hokkoku Bank’s in-house development, it is progressing with our cooperation. Regarding external sales of the in-house developed system, we expect no impact on our business, as it is intended for relatively small financial institutions. Having said that, we intend to work together in areas such as sales where cooperation is possible.

[Questioner C]

Q: The gross margin for system services was very strong in Q4, and I have the impression that the forecast for the fiscal year ending March 2027 is also strong. Could you explain the factors behind the improvement in profitability in Q4 and whether those factors are expected to continue?

A: In Q4, there were many highly profitable projects. Although we are making efforts to improve productivity, we believe that a favorable project mix contributed to the higher gross margin in Q4. For the fiscal year ending March 2027, given the competitive environment, we are cautious about further improvement in profitability and expect the full-year gross margin to be lower than the level seen in Q4.

Q: Regarding SG&A expenses in the forecast for the fiscal year ending March 2027, internal system expenses are planned to increase by 2.1 billion yen. Could you provide a breakdown of this increase? Will internal system expenses decrease in the fiscal year ending March 2028?

A: The consolidation of CMJ does not have a significant impact on the increase in internal system expenses. While expenses related to the renewal of internal core systems will drop off, we expect increases in amortization and operating expenses following the launch of the new system in April. In addition, we expect a certain level of expenses for essential BPR initiatives. AI-related investments are also included, as we are strengthening investments aimed at further improving profitability. With respect to the fiscal year ending March 2028, this will be considered as we formulate the management policy for the next term. However, we do not expect a significant reduction, as we intend to continue making necessary investments.

[Questioner D]

Q: Regarding the increase in profit in the retail area in the fiscal year ending March 2027, is the improvement expected mainly from BIPROGY on a non-consolidated basis, excluding CMJ’s effect on operating profit? Will the increase in profit be recorded in outsourcing?

A: While a portion of the increase is expected to come from synergies with CMJ, the majority is expected to stem from BIPROGY's growth in profit on a non-consolidated basis. In addition, as the retail area continues to see large-scale projects in system services and other areas, we do not expect the profit increase to be attributable solely to outsourcing. The roll-off of the M&A-related expenses recorded in the fiscal year ended March 2026 is also one of the factors behind the increase in profit.

Q: Regarding system services in the fiscal year ending March 2027, what are the factors behind the forecast that gross profit is expected to increase more significantly than revenue?

A: The forecast is based on the fact that profitability has been improving overall and that we are implementing initiatives aimed at improving profitability.

[Questioner E]

Q: Regarding CMJ's performance in the fiscal year ending March 2027, assuming revenue of approximately 14 billion yen, up approximately 15% from approximately 12 billion yen in the fiscal year ended December 2025, and PPA amortization of approximately 2 billion yen, operating profit would be around breakeven, which would imply an operating margin of approximately 13% on a pre-PPA amortization basis. Is this the right way to look at it?

A: We would prefer not to comment on CMJ's non-consolidated performance.

Q: Regarding support services in the fiscal year ending March 2027, is the forecast of improved gross margin due to progress in price revisions?

A: In the fiscal year ended March 2026, gross margin in support services declined due to the impact of the absence of rebates and the time required to pass through higher personnel expenses into pricing. Although cost increases have not yet been fully reflected in prices, we are implementing price revisions in line with contract renewals and expect gradual improvement.

Q: In the fiscal year ending March 2027, hardware revenue is forecast to increase by approximately 14% year-on-year. Do you expect large-scale projects to be ordered and recognized as revenue within the current fiscal year?

A: Although the hardware order backlog has declined, the forecast takes into account projects for which orders will be received and recognized as revenue in the fiscal year ending March 2027.

(Note)

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