

BIPROGY Group

Sustainability Report

2024

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Symbols for the data coverage

Scope	
c	BIPROGY Group
c-	BIPROGY Inc. and UNIADDEX, Ltd.
n	BIPROGY Inc. (Not consolidated)
o	Others

Sustainability at the BIPROGY Group

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Policy on Sustainability

Policy on Sustainability Management

The BIPROGY Group's corporate philosophy is "Work with all people to contribute to creating a society that is friendly to people and the environment," and its Purpose is "Create a sustainable society using foresight and insight to unlock the full potential of technology." To realize both, we are earnestly working to solve various social issues by focusing our corporate activities on environmental, social, and governance performance. As we create value by contributing to the development of a sustainable world, we aim to establish a sustainable growth cycle for the Group.

To this end, we will work to create a digital commons for society, with each team member possessing a long-term perspective and ambition, while integrating our experience with and knowledge of how to solve the issues faced by society with a network of people who possess the same ambition and digital technology, based on our many years of experience. In doing so, we will strive to create both social and economic value and pursue shared sustainability for the environment, society, and the Group.

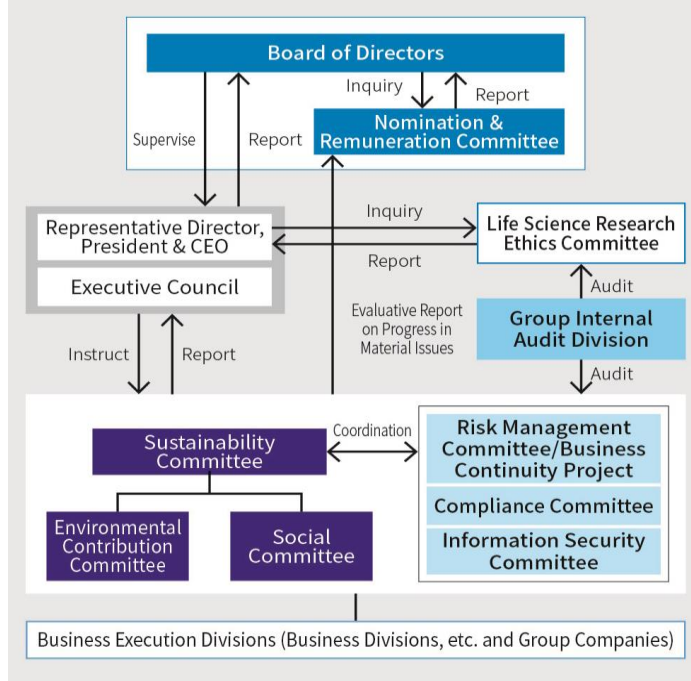
System to Ensure Sustainability-Related Governance

Sustainability Implementation System

We have established a system to implement these efforts based on the idea that it is important to strengthen management and governance as part of our efforts to tackle sustainability-related issues across the entire Group. We have established not only the Sustainability Committee, a decision-making body chaired by the CSO, who has overall responsibility for our efforts to contribute to the SDGs and our sustainability management strategy, but also the Environmental Contribution Committee and the Social Committee, which are sub-committees with a specific focus. Material issues concerning efforts to solve problems related to the environment and sustainability of society are deliberated and reported on by the Executive Council and various committees.

The Board of Directors also receives reports from all committees and organizations on the status of their main activities, including their actions on sustainability-related issues, and deliberates and makes decisions regarding them, based on multiple perspectives. In October 2022, the chair of the Compliance Committee became a member of the Sustainability Committee, followed by the chairs of the Risk Management Committee/Business Continuity Project and the Information Security Committee in April 2023. This has strengthened cooperation among the committees concerned.

Sustainability Promotion Structure (As of March 2024)



Person in charge	Koji Katsuya, Representative Director, Executive Corporate Officer, CSO
Deliberative body	Sustainability Committee (Numbers of meetings in fiscal 2023: 13) Environmental Contribution Committee (Numbers of meetings in fiscal 2023: 7) Social Committee (Numbers of meetings in fiscal 2023: 6)
Main issues discussed	<ul style="list-style-type: none"> • Sustainable procurement • Scope 3 emissions reduction targets • Establishment of basic policy for disclosure of non-financial information • Monitoring of materiality indicators¹ • Establishment of new materiality KPIs and targets <p>1. Social betterment businesses, climate change, human rights, human resources, labor, sustainable procurement, corporate governance, compliance, and information security, etc.</p>

Sustainability-Related Education

Education to Build a Corporate Culture Committed to Sustainability							
e-learning	The BIPROGY Group provides employees with a variety of opportunities to gain a deeper understanding of sustainability issues. The aim is for every person to obtain a greater awareness of what society expects and demands and be equipped to uphold the practices of good corporate citizenship. In addition to sustainability-related e-learning programs ¹ for Group executives and employees, messages from management for Group employees posted on our intranet also address sustainability at times.						
	1. In fiscal 2023, we conducted sustainability training on 10 topics, with an average participation rate of 99.0%.						
	The topics covered are as follows.						
	<ul style="list-style-type: none">• Internal control• Export control• Environmental contribution• BCP• Compliance• Information security• Diversity promotion• Human rights initiatives• Mental health measures in the workplace• Transactions with subcontractors						
Participation rate for e-learning on sustainability		Unit %	FY2019 -	FY2020 99.0	FY2021 98.8	FY2022 99.0	FY2023 99.0
Scope			-	C	C	C	

Participation in International Initiatives

Participation in International Initiatives	
UN Global Compact	<p>In March 2014, the BIPROGY Group became a signatory of the United Nations Global Compact (UNGC) in response to the global expansion of operations at its customers and partners into new business regions. We are also a member of Global Compact Network Japan (GCNJ), the Japanese local network of the UNGC. In fiscal 2023, we participated in the following GCNJ working groups:</p> <ul style="list-style-type: none">• Environmental Management• Internal Promotion of GC Principles• Human Rights Education• Women's Empowerment Principles (WEPs)• Supply Chain• SDGs• ESG• Creating Shared Value (CSV)• Reporting• Human Rights Due Diligence• Disaster Risk Reduction <p>We will continue our efforts to observe the Global Compact's ten basic principles on human rights, labour, environment, and anti-corruption.</p>
	<p>Global Compact Network Japan (GCNJ) (Available in Japanese only)</p> <p>https://www.ungcjin.org/</p>

Sustainable Development Goals (SDGs)	<p>The BIPROGY Group's Purpose mandates that the Group create social value. Accordingly, the Group is striving to help build a sustainable world under Vision 2030, which determines its course through the year 2030. Through various initiatives focused on material issues, we will contribute to the achievement of the SDGs, the global agenda through 2030, and pursue sustainability for both society and the BIPROGY Group.</p> <p>(Reference: Material Issues)</p>
	<p>Integrated Report 2023 https://pr.biprogy.com/invest-e/ir/ar.html Vision 2030 and Management Policies (2021-2023) (Available in Japanese only) https://www.biprogy.com/invest-j/uploads/vision2030.pdf</p>
Participation in Other International Initiatives	<p>We participate in and endorse the following international initiatives in the areas of human rights, labour, and environment, which are among the four areas that comprise the ten principles of the UNGC.</p> <p>Human rights and labour</p> <ul style="list-style-type: none"> • Signed the WEPs (2020) <p>(Reference: Diversity, Equity and Inclusion)</p> <p>Environment</p> <ul style="list-style-type: none"> • Endorsed the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) (April 2020) • Joined RE100 (July 2020) <p>(Reference: Climate Change)</p>
Organizational Membership	<p>The BIPROGY Group seeks to contribute to the development of Japan's industrial economy and digital society. One way we do this is by serving as a member of a variety of external organizations. Through these activities, the Group strives to ascertain important issues and share relevant information. We apply the knowledge gained to our business activities, and we also help prepare policy recommendations for government.</p> <p>Main memberships</p> <ul style="list-style-type: none"> • Japan Business Federation (Keidanren) • Japan Electronics and Information Technology Industries Association (JEITA) <p>Related expenditures in fiscal 2023 totaled 13.59 million yen.</p>

Information Disclosure System

Reporting Methods and Scope

We disclose sustainability information on our website. In fiscal 2024, we revised our Sustainability Report as part of efforts to further enhance the Group's corporate value, to better fulfill our accountability to stakeholders, and to promote deeper understanding of the Group's sustainability efforts. From the wide range of sustainability initiatives that we implement, we select those we consider of particularly fundamental importance in enhancing our corporate value for inclusion in the BIPROGY Group Integrated Report, which is also published in print.

Scope of Report/Period Covered by Report

Scope of Report

In principle, the report covers BIPROGY Inc. and its group companies (consolidated and non-consolidated subsidiaries). In specific cases where the scope differs, this is clearly stated.

Period Covered by Report

In principle, the report covers fiscal 2023 (April 1, 2023 – March 31, 2024). However, activities in previous years and activity status in fiscal 2024 and beyond are also included where helpful.

Publication Date

August 2024 (next publication scheduled August 2025)

Other

- The plans, forecasts, strategies and other information about BIPROGY Inc. and its group companies contained in this report that are not historical facts are forward-looking statements about future performance and are based on judgments and assumptions made in light of the information currently available. Please note that actual results may differ from forecasts due to changing risks and uncertainties and changes in economic conditions and other factors.
- Company names, product names, and other proprietary names mentioned in this report are trademarks or registered trademarks of their respective owners.

Reporting Standards and External Verification

Reference Guidelines

- Global Reporting Initiative (GRI) Sustainability Reporting Standards
- ISO 26000/JIS Z 26000 Guidance on Social Responsibility

External Verification

In order to improve the reliability of its non-financial information, the Group obtains independent assurance from a third party. Data covered by the fiscal 2023 assurance statement includes the following items.

- Amount of Scope 1 GHG emissions (t-CO₂e)
- Amount of Scope 2 GHG emissions (t-CO₂e) location-based and market-based
- Amount of Scope 3 GHG emissions (t-CO₂e) Categories 1-15
- Amount of total energy consumption (GJ, MWh, kL)
- Percentage of procured electricity derived from renewable sources (%)
- Amount of energy used (city gas (m³), heavy fuel oil A (kL), gasoline (kL), LPG (m³), hot water (MJ), cold water (MJ), and steam (MJ))
- Amount of water used (m³)
- Amount of waste emissions (recycled, landfilled, incinerated) (kg)
- Amount of paper used (kg)
- Percentage of employees with disabilities (%)
- Employee turnover rate (%)
- Percentage of management positions held by women (%)
- Number of employees (individuals)
- Average age (years)
- Average years of continuous employment (years)
- Average annual salary (yen)
- Percentage of eligible men taking childcare leave (%)
- Gender wage gap (the difference in pay levels for men and women) (%)
- Absenteeism rate (%)

Independent Assurance Statement (Environmental Data)

https://sustainability-cms-biprogy-s3.s3.amazonaws.com/pdf/IAS_2024_Environment_en.pdf

Independent Assurance Statement (Social Data)

https://sustainability-cms-biprogy-s3.s3.amazonaws.com/pdf/IAS_2024_Social_en.pdf

External Evaluations

External Evaluations

Inclusion in ESG investment indexes

- FTSE Blossom Japan Sector Relative Index (since 2022)
- MSCI Japan ESG Select Leaders Index (since 2018; in 2023, received the highest rating of AAA)
- MSCI Japan Empowering Women Index (WIN) (since 2017)
- Morningstar Japan ex-REIT Gender Diversity Tilt Index
- S&P Global's Sustainability Yearbook Member (since 2022)
- S&P/JPX Carbon Efficient Index (since 2018)
- Nadeshiko Brand (2021)
- Noteworthy DX Companies 2022 under Japan's Digital Transformation Stock Selection program

Third-party evaluation

- Health & Productivity Management Outstanding Organization (since 2017)
- Platinum Kurumin certification (since 2019)
- Eruboshi certification (highest level certification since 2017)

Third-party certification (management systems, etc.)

- Quality Management System (ISO 9001) certification
- Information Security Management System (ISO/IEC 27001:2013 / JIS Q 27001:2014) certification
- PrivacyMark Certification
- Environmental Management System (ISO 14001) certification

Awards, etc.

- Diversity Management Selection 100 Prime
- Gold Rating in the PRIDE Index (since 2021)
- D&I Award "Best Workplace" (since 2022)
- Telework Pioneer 100: Japan's Minister of Internal Affairs and Communications Award (2018)
- Encouragement Award, Environmental Human Resources Development Corporate Awards 2018
- AAA Website, All Japanese Listed Companies' Website Ranking (since 2018)
- Ranked No. 4 in the Best Companies to Work For by the Great Place to Work Institute (GPTW) Japan (2021) in the Medium-Sized Company Category (Cambridge Technology Partners)

External Evaluations (Available in Japanese only)

<https://biprogy.disclosure.site/ja/themes/99>

Status of Stakeholder Engagement

Stakeholder Engagement Approach	
	The BIPROGY Group recognizes that continuous, active communication with stakeholders is essential for the Group to continue to enjoy the trust of both our customers and the broader society and continue to be regarded as an indispensable member of society. We always work to understand the demands, expectations, interests, and assessments of our stakeholders and incorporate them into our corporate activities so that we can help solve the challenges that society faces.
Customers	
	We provide comprehensive services, from analysis of management issues to their resolution. Communicating with our customers allows us to deliver systems that meet customer needs, increase satisfaction, and build even greater trust.
Major methods of communication	<ul style="list-style-type: none"> • Solution proposals • Customer service (call centers, website, operator) • Customer forums and seminars • Customer satisfaction surveys • BIPROGY Users Association activities
Reference	<p>Website</p> <p>https://www.biprogy.com/e/</p> <p>Digital media: BIPROGY TERASU (Available in Japanese only)</p> <p>https://terasu.biprogy.com/</p>
Employees and Their Families	
	We respect the diversity and individuality of our employees and work to increase motivation by building a safe, supportive work environment where employees can demonstrate their full potential, communicate well within the Group, and enjoy a variety of different work styles. In human resource development, as we strive to remain a “company worth working for,” we fairly and impartially evaluate our employees and leverage their talent in accordance with their abilities and achievements. We also work to improve communication with the family members who support our employees to earn their understanding and approval.
Major methods of communication	<ul style="list-style-type: none"> • Group intranet • Social network services (including Office 365® Yammer Enterprise open communication channels for executives and employees across all departments and job categories) • In-house magazine (web portal) • Employee engagement surveys • Labor-management council • Nationwide discussions (meetings for direct dialogue between management and employees) • Roundtable discussions, information-sharing meetings, online community spaces (childcare, childcare leave, etc.) • Social contribution programs
Reference	<p>Note: Office 365 is a trademark or registered trademark in the U.S. and other countries of the Microsoft Corporation.</p> <p>Organizational Development (Enhancing Organizational Capabilities and Driving Work-Style Reform) (Available in Japanese only)</p> <p>https://biprogy.disclosure.site/ja/themes/107#277 (Creating Rewarding Workplaces)</p>
Shareholders and Investors	
	In order to earn the understanding and trust of our shareholders and investors, we disclose appropriate information in a fair and timely manner, actively engage in dialogue, and strive to practice highly transparent management.
Major methods of communication	<ul style="list-style-type: none"> • General Meeting of Shareholders https://www.biprogy.com/invest-e/stock/meeting.html • IR Meeting Presentation https://www.biprogy.com/invest-e/financial/pr.html • Business briefings and small group meetings • Meetings with individual investors • Posts on IR website https://www.biprogy.com/invest-e/

Reference	<p>IR materials</p> <p>Integrated Report https://www.biprogy.com/invest-e/financial/ar.html</p> <p>Shareholder Newsletter (Available in Japanese only) https://www.biprogy.com/invest-j/financial/br.html</p> <p>Disclosure</p> <p>Financial Report https://www.biprogy.com/invest-e/financial/statement.html</p> <p>Annual Securities Report (Available in Japanese only) https://www.biprogy.com/invest-j/financial/sr.html</p>
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Business Partners	<p>In our business partnerships, we strive to build fair and equitable relationships with subcontractors and suppliers when constructing systems and providing services, while working to share awareness of sustainability and create and deliver new value.</p>
Major methods of communication	<ul style="list-style-type: none"> • Web portal for subcontractors • Briefings for subcontractors on information-based product creation contracts and service contracts • Periodicals • Surveys on environmental protection, respect of human rights, and other sustainability initiatives
Reference	<p>Customer Relationship Management (Available in Japanese only) https://biprogy.disclosure.site/ja/themes/109</p>

Local Communities	<p>Our social contribution activities emphasize communication with local communities. We also focus on building partnerships with nonprofit and non-governmental organizations that offer expertise in special areas as we strive to prosper together with all of society.</p>
Major methods of communication	<ul style="list-style-type: none"> • Social contribution programs based on collaboration with NPOs and NGOs • Participation in local events • Charity concerts • Regular consultation with local governments and neighboring companies • Social contribution club: UniHeart
Reference	<p>Social Contribution Activities (Available in Japanese only) https://biprogy.disclosure.site/ja/themes/111</p>

Dialogue with Stakeholders

Stakeholder Dialogue Activities	<p>In February 2024, experts were invited to participate in a stakeholder dialogue event and to provide and discuss an overall assessment of BIPROGY's human rights initiatives and future challenges.</p>
	<p>Stakeholder Dialogue (Available in Japanese only) https://biprogy.disclosure.site/ja/themes/106</p>

Material Issues of the BIPROGY Group

Material Issues to Address in Order to Realize Vision 2030

In order to integrate the Group's sustainability initiatives into its management to achieve Vision 2030, we have extracted key issues that we need to tackle going forward. Moreover, we have established material issues that correspond to those key issues with an especially high degree of impact, set KPIs and targets relative to each of those material issues, and are currently promoting associated initiatives. Additionally, with a view to realizing those KPIs and targets, we have also introduced restricted stock remuneration linked to medium- and long-term performance, including the achievement of material issues, in our director remuneration system.

Classification of Material Issues	Material Issues
Material issues for achieving business growth	<ul style="list-style-type: none"> • Create schemes to solve issues through the use of digital technology and business ecosystems • Contribute to the environment through the use of digital technology and reduce the environmental impact of business activities in order to help build a world of net zero emissions
Material issues for supporting business growth	<ul style="list-style-type: none"> • Sustainably procure and provide safe, secure products and services throughout the entire value chain • Develop and strengthen human resources to create a new future and promote diversity and inclusion • Further improve corporate governance and integrity

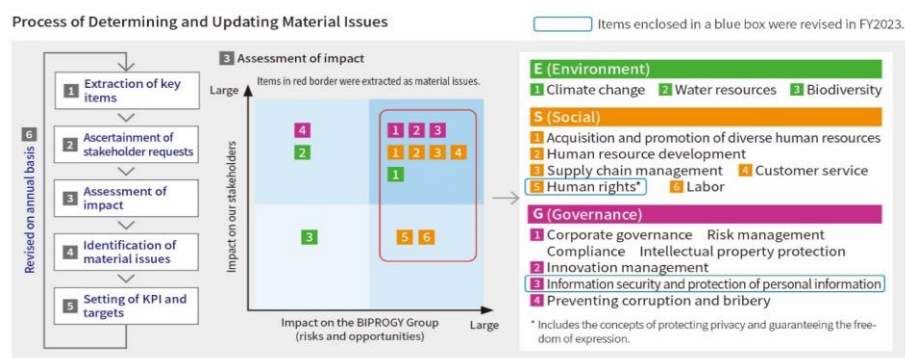
Material Issue Identification

Material Issue Selection and Review Process

The Group reviews its material issues and indicators every year based on recent internal and external changes.

- Impact on the BIPROGY Group: Looking at both risks and opportunities, risk assessments are carried out in conjunction with the Group Risk Management Committee's risk impact assessment and risk classification system.
- Impact on stakeholders: Verified while assigning weightings to different stakeholder groups including customers, supply chain participants, shareholders and investors, as well as employees. The Sustainability Committee deliberates on the selection and revision of material issues, indicators, and targets (plus the year for target achievement), including relevant processes such as impact assessment. The results of these deliberations are then approved by the Executive Council and the Board of Directors.

In light of the recent data security incident involving the loss of USB flash drives, in fiscal 2023 we adjusted the material issue impact and content concerning human rights, information security protection, and personal information protection risks.



Material Issue KPIs, Targets, and Results

Create schemes to solve issues through the use of digital technology and business ecosystems

Our ideals and goals

We will help to build a regenerative, resilient world of net-zero emissions by creating communities with customers and partner companies in a wide range of industries who share our ambition.

Related SDGs



Create social value

Contribute to society's sustainability by providing businesses that solve the issues faced by society

Create economic value

Create business opportunities that contribute to the solution of issues faced by society and capture profits in created markets

KPIs and targets (FY of achievement)

Create/expand businesses that solve the issues faced by society and that help optimize society and the world. 200% or more of such projects compared to FY2020 (FY2023)

FY2023 results and future initiatives

137.2%
Monitored the growth rate for the number of projects to help solve social issues in our outsourcing business in line with the Management Policies (2021-2023).
As we prioritized meeting our customers' strong demand for DX, we unfortunately did not reach the target growth rate for the number of outsourcing business projects. Under our Management Policies (2024-2026), we will establish a sustainable business portfolio in order to improve BIPROGY's corporate value. This will be done by focusing on business areas that can utilize the Group's strengths and assets, and by working to accelerate the co-creation and deployment of social DX businesses that help solve social issues. We will also seek to acquire new service areas and shares of growth markets.

Contribute to the environment through the use of digital technology and reduce the environmental impact of business activities in order to help build a world of net-zero emissions

Our ideals and goals

We seek to provide services that promote carbon neutrality and a circular economy while cooperating widely to build a carbon neutral world. We also aim to help reduce greenhouse gas emissions by reducing the environmental impact of our business activities.

Related SDGs



Create social value

- Contribute to the early realization of a decarbonized society by providing environmentally friendly services that promote carbon neutrality and a circular economy
- Help to reduce environmental impact by reinforcing initiatives to reduce carbon emissions from business activities, such as procuring renewable energy

Create economic value

- Increase profit from services that contribute to the environment
- Restrain costs by reducing business risks due to climate change

KPIs and targets (FY of achievement)




Percentage achieved for target contribution to corporate net-zero emissions¹ through customer use of environmentally friendly products and services: 100% or more (annually until FY2030)


FY2023 results and future initiatives

232.8%
Based on our internal management system and the calculation logic for our zero emission achievement rate,¹ a monitoring indicator adopted in fiscal 2022, we will continue to reduce GHG emissions from business activities while expanding the provision of products and services that contribute to the environment.

Percentage of business opportunities and risks identified via climate change scenario analysis (impact evaluation) for which a risk response has been implemented: 100% (annually until FY2030)	100%	Continued to identify business opportunities and risks related to climate change and associated impact evaluation through group-wide projects. Will integrate the identified climate change risks into the Group risk management system and continue responding to climate-related risks.
Percentage of purchased energy used at the Group business locations that is renewable energy: 50% or more (FY2030)	27.2%	Started procuring renewable energy in fiscal 2021, and steady progress is being made toward reaching targets according to plan. Will continue to promote renewable energy adoption, with a view to diversifying procurement methods, etc.
Reduction rate in GHG emissions (Scope 1 + Scope 2): 50% or more compared to FY2019 (FY2030)	37.5%	As a result of shifting to renewable electricity procurement, while expanding telework, energy-saving measures, and efficient use of offices and equipment and other means, emissions were reduced by 37.5% compared to the base year. Will continue with similar initiatives to reduce emissions.
Related sustainability issues		
(References: Environment, Climate Change)		

1. The zero emission achievement rate is sales of environmentally friendly products and services multiplied by the GHG reduction contribution coefficient and divided by the total Scope 1 and 2 emissions of the BIPROGY Group.

Sustainably procure and provide safe, secure products and services throughout the entire value chain		
Our ideals and goals		
We will construct and maintain a value chain that respects human rights and has a lower environmental impact, and procure and provide safe and secure products and services.		
Related SDGs		
  		
Create social value		
<ul style="list-style-type: none"> Contribute to the stability and maintenance of IT infrastructure that supports societal activities by providing safe and secure products and services that comply with various laws, regulations, and social norms Contribute to the spread of ethical consumption and help build a sustainable world by providing products and services that take into consideration the environment and society 		
Create economic value		
<ul style="list-style-type: none"> Increase profit opportunities by strengthening trust with customers/suppliers and engaging with high-quality partner companies and thus reinforcing relationship capital Reduce business risks related to issues such as human rights and environmental impact throughout the value chain 		
KPIs and targets (FY of achievement)		
To reduce Scope 3 emissions, ensure suppliers who account for 40% of the total procured value of purchased goods and services (Category 1) set targets equivalent to SBT (FY2027)	19.1%	Added a new question to the annual ESG risk assessment survey of suppliers, to determine whether they have adopted SBT-equivalent targets. Will continue the survey and encourage all suppliers to adopt such targets.
Percentage of human rights-related issues at BIPROGY Group which are being addressed: 100% (FY2023)	100%	Began addressing all six of the BIPROGY Group-wide human rights issues identified in fiscal 2021. Will continue to build a human rights due diligence system based on the BIPROGY Group Human Rights Policy.
Related sustainability issues		
(References: Environment; Business and Human Rights; Supply Chain Management)		

Develop and strengthen human resources to create a new future and promote diversity and inclusion		
Our ideals and goals		
We must become a company that recognizes and accepts individual diversity, expertise, and values to continue creating innovation to secure our future. To this end, we will support our human resources and build a more open corporate culture.		
Related SDGs		
		
Create social value		
<ul style="list-style-type: none"> • Help solve social issues by continuously producing innovative, talented workers • Create employment opportunities for diverse human resources • Contribute to the creation of a society that is physically and mentally healthy, is accepting of individual diversity, and offers work satisfaction 		
Create economic value		
<ul style="list-style-type: none"> • Expand business by generating innovation • Increase profitability by raising labor productivity 		
KPIs and targets (FY of achievement)	FY2023 results and future initiatives	
Number of “business producers” armed with specialization in business creation: 40, double that in FY2021 (FY2023)	57	Target achieved due to a steady increase in the number of employees with experience in new business creation and operation since fiscal 2021. Foundation is being laid for a constant supply of very proficient human resources. Under the next medium-term plan, the link between business results and commercialization in growth areas will be visualized. Recruitment of experienced personnel is being increased while relevant human resource development is carried out. E-learning and seminars for business producers will be provided, along with hands-on training to foster practical business creation skills and side-by-side coaching workshops. Going forward, it will be necessary to consider and implement even more effective mechanisms, such as promoting work assignments and creating a human resource pipeline.
Percentage of management positions held by women ² : 18% or more (as of April 1, 2026)	11.2% (As of April 1, 2024)	To systematically train more women for managerial positions, create a talent pipeline, and enhance advancement measures within the Group, the Sustainability Committee and the Board of Directors established monitoring and reporting mechanisms based on management promotion plans formulated by each Group company and relevant organization. As of April 1, 2024, the percentage of management positions held by women group-wide was 11.2%. To further accelerate the advancement of women in the workplace, will continue to implement the management promotion plans, and ascertain the situation for specific issues faced by women in the workforce, while providing support for training and promotion.
Percentage of employees with disabilities: 0.1% or more greater than the legally required percentage (annually)	2.89%	Achieved employment target of 2.4% (0.1 points above fiscal 2021 legally required level of 2.3%). Accomplished by promoting policy for employment of people with disabilities, through activities by special subsidiaries, and by promoting this type of employment at Group companies. To further improve the reliability of monitoring, obtained an independent third-party assurance statement concerning relevant figures.

	Weighted average score of work style related items in the engagement survey: at least equal to FY2019–FY2020 average score (3.36) (FY2023)	3.43	As a result of efforts to establish various systems and implement measures to further improve workplace environments, the score reached 3.43 in the employee engagement survey conducted in June 2023, exceeding the target. Based on the survey results, each workplace will continue to develop and implement action plans and further enhance engagement by promoting greater adoption of BIPROGY's Purpose group-wide.
	Percentage of workers with risk of high blood pressure who have received treatment at a clinic or lifestyle guidance by public health nurse: 100% of workers with stage 2 or 3 high blood pressure (FY2023)	Stage 2 100% Stage 3 100%	Provided consultations with industrial physicians, health guidance, and medical treatment at clinics to those with stage 2 and 3 hypertension. As a result, the number of these cases dropped to 32 in fiscal 2023, a decrease of approximately 75% from 125 in the previous fiscal year. To foster greater employee awareness of health management, follow-up measures were also implemented, including the provision of e-learning, seminars and events, as well as e-mail newsletters. However, many of the target employees still have low health awareness. Going forward, further efforts will be made, such as new regular health checks that combine annual health checkups and comprehensive medical exams. The aim is to promote higher awareness of personal health management that leads to behavioral changes.
	Total number of lost days of work for mental health reasons: -5% compared to FY2019–FY2020 average (FY2023)	1.3% increase annually	Created an environment and measures that allow employees to better manage their stress. Did this by raising awareness of the benefits of counseling, by holding seminars on self-care and sleep, and by opening an on-premise massage room. Promoted training for managers and supervisors to identify and address stress-related issues within their teams, and provided counseling as well as one-on-one Your Time sessions for younger employees with their superiors. This resulted in a decrease of 17 new employees on leave compared to the same period last year, demonstrating the effectiveness of the current measures. However, the effect of the jump in new employees on leave the previous year was not entirely offset, so the number of leave-takers increased compared to the earlier baseline.
	Number of executives and employees participating in social contribution activities: 20% increase compared to FY2020 (FY2023)	+125%	Increased the number of new participants in BIPROGY's social contribution programs, which aim to help employees become more aware of social issues. With greater awareness of these issues, more employees are now participating and taking action. Some employees are even providing their professional skills and experience on a pro bono basis. When these employees talk about their volunteer activities in the workplace, new employees are also inspired to get involved. This creates a chain reaction for participation in social contribution activities.
Related sustainability issues			
(References: Business and Human Rights; Labor Practices; Diversity, Equity and Inclusion)			

2. The percentage of management positions held by women was calculated for seven Group companies: BIPROGY Inc., UNIADEx, Ltd., UEL Corporation, International Systems Development Co., Ltd., S&I Co., Ltd., Cambridge Technology Partners Inc., and USOL Vietnam Co., Ltd. For the first two, the calculation included executive officers and organization heads, while for the other five, the calculation included corporate officers, executive officers, as well as organization heads and equivalents.

Further improve corporate governance and integrity

Our ideals and goals

We will construct and operate a corporate governance system that facilitates transparent, fair, quick, and bold decision-making. As a group that can provide social value and ICT services as a trustworthy form of sustainable social infrastructure, we will comply with both domestic and overseas laws and regulations, act in line with social norms based on high ethics, and conduct sound, transparent business activities.

Related SDGs



Create social value

- Help to solve issues faced by society and the economic growth of society through transparent and fair processes
- Contribute to the empowerment of all people, regardless of age, sex, handicap status, race, ethnicity, origin, religion, economic position, etc.
- Help to build a society in which workers can experience job satisfaction by ensuring equal opportunities through the elimination of discriminatory practices, creation and operation of appropriate related rules, promotion of appropriate behavior, and similar activities

Create economic value

- Create business ecosystems and expand business opportunities by establishing trust with a wide range of stakeholders
- Generate sustainable improvements in corporate value
- Reduce business risks related to scandals, etc.

KPIs and targets (FY of achievement)	FY2023 results and future initiatives
Actions for each year set in the evaluation of Board of Directors effectiveness are undertaken (each year)	<p>Deeper discussions and enhanced materials for Board of Directors meetings:</p> <p>While discussion opportunities and dialogue concerning business strategies increased, further improvements to materials and discussion promotion methods are needed to make deliberations more effective and specific.</p> <p>Monitoring the status of efforts to improve organizational culture in light of the incident involving the loss of USB flash drives:</p> <p>Appropriate response and other measures have been taken, but relevant initiatives and monitoring need to continue.</p>
Improvement and upgrade of the compliance program (each year)	<p>Compliance Roundtable activities:</p> <p>Compliance Roundtable events were held at each Group company. These discussions were held at the workplace level on the topic of the recent data security incident involving the loss of USB flash drives. Participants reviewed the incident and shared points to remember for compliance practices going forward. The roundtable sessions helped to raise awareness throughout the Group.</p> <p>Improvement of the internal reporting system (compliance hotline):</p> <p>Various measures were implemented to ensure the safe and secure operation of the Group's whistleblower hotline. These included improved hotline access channels, an enhanced user guide, and better disclosure of results for hotline call response.</p> <p>Compliance training and awareness-raising:</p> <p>Compliance lectures by external experts were provided for Group executives and employees, in order to promote understanding of the importance of compliance practices.</p>
Spread awareness of integrity among Group executives and employees (each year)	<p>Compliance awareness survey results:</p> <p>The average survey response was "Good," the highest of four levels. The survey results were shared with the responsible positions in each organization, which led to the implementation of improvement measures. We plan to continue conducting awareness surveys twice a year.</p>

	Monitor compliance incident trends (each year)	Disciplinary action: There were eight disciplinary actions in fiscal 2023. This marked an increase from the five cases of the previous year, and some cases resulted in serious action, such as suspension from work. Measures to prevent reoccurrence were implemented for each case.	
	Number of serious security incidents: 0 (each year)	1 case	In November 2023, a server administered by BIPROGY as part of contract work suffered a security breach, resulting in actual or potential leakage of customer information. Measures have been implemented to prevent any recurrence of this incident. Continuing to further improve information security levels.
	Related sustainability issues (References: Corporate Governance, Compliance, Information Security)		

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Basic Approach

A mechanism of corporate governance which enables management to make prompt and sound management decisions under appropriate and effective supervision is indispensable for enabling the BIPROGY Group to continuously grow and increase its medium- and long-term corporate value, and the Group is determined to create, maintain and ceaselessly improve this mechanism.

Furthermore, we believe that the Group's "raison d'être" lies in its contribution to society. Based on this belief, we stipulate as part of our corporate philosophy, "Listen sincerely to our stakeholders to improve our corporate value," and pursue this practice to create relationships of trust with all stakeholders. We will proceed with business activities in accordance with this principle.

Corporate Governance and Internal Control Principles

https://www.biprogy.com/invest-e/uploads/Internal_Control_System2024.pdf

Corporate Governance Report

https://www.biprogy.com/invest-e/uploads/Corporate_Governance_Report2024.pdf

Necessary Systems to Ensure Appropriate Operations and Status of Operation of the Systems

https://www.biprogy.com/invest-e/uploads/internal_control_system.pdf

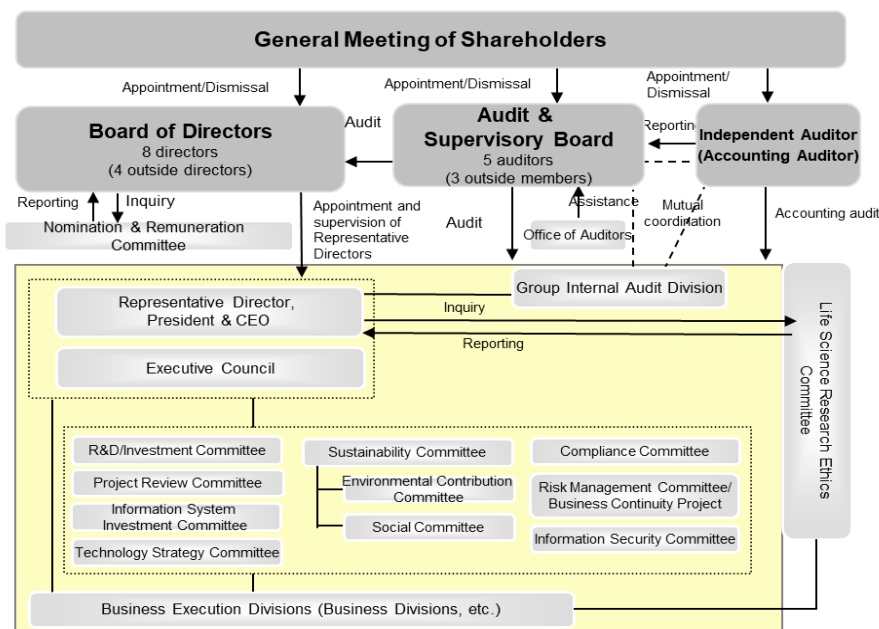
Efforts to Promote Dialogue with Shareholders (Available in Japanese only)

<https://www.biprogy.com/invest-j/com/dialogue.html>

Implementation Structure

BIPROGY has determined that an audit system involving supervision by a Board of Directors that includes outside directors and auditing by outside auditors is effective for monitoring management, and has therefore adopted an Audit & Supervisory Board structure.

Corporate Governance and Internal Control Structure (As of June 27, 2024)



Board of Directors

The Board of Directors generally meets once a month. In addition to deliberation and deciding on the Company's basic management policies, important matters, etc., it supervises overall management, including execution of duties by directors and corporate officers. The term of directors is one year, thereby ensuring a management system flexible enough to respond to changes in the business environment and clarifying the management responsibilities of directors. The Board of Directors met 12 times in fiscal 2023.

Content of main deliberations in fiscal 2023

- State of progress on implementing Management Policies (2021–2023)
- Matters related to personnel and evaluation of directors, etc.
- State of operation of the internal control system, including the Group's risk management and compliance
- State of initiatives related to the Corporate Governance Code, including cross-shareholdings and evaluation of Board of Directors effectiveness
- State of sustainability-related initiatives
- State of dialogue with investors
- State of initiatives to prevent recurrence of past information security incidents and to improve organizational culture accordingly
- State of progress on review of Management Policies (2024–2026) draft

Audit & Supervisory Board

Audit & Supervisory Board members audit the execution of duties by directors and the internal control system by attending all important meetings, including Board of Directors meetings, examining the operational and financial status, and exercising their rights regarding appointments and dismissal of accounting auditors and audit compensation. In order to increase the effectiveness of Audit & Supervisory Board audits and facilitate the execution of audit functions, the Office of Auditors (which currently has one full-time employee) aids the execution of Audit & Supervisory Board member duties. The Audit & Supervisory Board met 16 times in fiscal 2023.

Content of main deliberations in fiscal 2023

- State of initiatives to reinforce compliance framework
- State of initiatives to reinforce internal control system
- State of initiatives to raise the level of risk management
- State of initiatives to prevent misconduct, etc., or their recurrence

Nomination & Remuneration Committee

This advisory committee to the Board of Directors deliberates and reports on matters pertaining to personnel and remuneration of directors and corporate officers. The attendance of independent outside directors and the agreement of all members, including independent outside directors, are required when passing resolutions. The committee met eight times in fiscal 2023.

Content of main deliberations in fiscal 2023

- Matters concerning composition of the Board of Directors and Audit & Supervisory Board and expertise and experience required of directors and Audit & Supervisory Board members (skill matrix)
- Personnel proposals regarding director candidates and corporate officer candidates (including representative director, order of acting directors and corporate officers, performance evaluation, appropriateness of reappointment, and successor training plan, etc.)
- Bonus payment amount
- Issue and allotment of restricted stock

Note: The results of deliberations by the Nomination & Remuneration Committee are reported and submitted to the Board of Directors.

Group Internal Audit Division

This independent in-house body reports directly to the President and was established to audit the effectiveness and efficiency of internal controls throughout the Group. It confirms and audits the state of activities of Group committees, divisions, and Group companies. It also submits reports on internal audit plans and audit results to the Board of Directors.

Executive Council

The council, which is composed of corporate officers concurrently serving as directors and members appointed by the President, is a decision-making body for material matters concerning business execution and ensures efficient decision-making. Moreover, Audit & Supervisory Board members are welcome to attend Executive Council meetings, and full-time auditors typically attend.

Other Committees

Deliberate on individual management issues related to directors' execution of duties from a practical point of view.

(a) R&D/Investment Committee

Deliberates on the advisability of plans for businesses, products and services based on the Group's priority areas, and decides whether to invest in such plans. Also evaluates actual results versus forecasts for such plans and requests a review as necessary.

(b) Project Review Committee

Determines the business risks, the validity of countermeasures, and the possibility of implementation for important development and service businesses. Also evaluates actual results versus forecasts for such projects and requests a review as necessary.

(c) Information System Investment Committee

Deliberates on the advisability of cost, effectiveness, applied technologies and other matters for the Group's own system development and operation and decides whether to invest in such systems. Also evaluates actual results versus forecasts for such plans and requests a review as necessary.

(d) Technology Strategy Committee

Along with determining the technology fields the Group should focus on, discusses the appropriateness of technology strategies and relevant implementation plans for technology acquisition, improvement, and business application, including technology development, investment, and utilization. Also monitors those implementation plans.

(e) Sustainability Committee

Formulates the Group's measures and policies on helping to achieve the SDGs, determines the appropriateness of overall business activities from an ESG perspective, comprehensively determines action promotion and evaluations, and requests a review as necessary.

(f) Environmental Contribution Committee

Reviews the Group's environmental contribution-related policies, and manages and monitors the design of mechanisms to promote environmental contributions and their implementation.

(g) Social Committee

Reviews the Group's policies on social fields, designs mechanisms to address social issues, manages and supervises the status of implementation, and implements tasks including corrective instructions on pending issues.

(h) Compliance Committee

Creates and operates the Group's compliance programs and establishes compliance promotion policies. Also analyzes compliance violation cases, issues investigative reports, and investigates measures to prevent recurrence.

(i) Risk Management Committee/Business Continuity Project

Addresses various risks that exert a material impact on Group management and takes steps to ensure business continuity.

(j) Information Security Committee

Formulates strategies for overall Group security and personal information protection and considers and promotes various measures based on those strategies.

(k) Life Science Research Ethics Committee

Examines the validity of human-subjects research performed by the Company from an ethical and scientific perspective through an independent organization, and requests reviews if necessary.

KPI and Target

Actions for each year set in the evaluation of Board of Directors effectiveness are undertaken (each year)

Reference: Material Issues

Progress	<p data-bbox="371 174 539 197">Fiscal 2023 Results</p> <p data-bbox="371 230 1340 331">Deeper discussions and enhanced materials for Board of Directors meetings: While discussion opportunities and dialogue concerning business strategies increased, further improvements to materials and discussion promotion methods are needed to make deliberations more effective and specific.</p> <p data-bbox="371 365 1340 465">Monitoring the status of efforts to improve organizational culture in light of the incident involving the loss of USB flash drives: Appropriate response and other measures have been taken, but relevant initiatives and monitoring need to continue.</p>
Reference	<p data-bbox="371 566 774 589">Changes in the corporate governance system</p> <p data-bbox="371 593 944 616">https://www.biprogy.com/invest-e/com/governance.html</p>

Independence of Corporate Governance

Policy on Independence of the Board of Directors

BIPROGY has determined that an audit system involving supervision by a Board of Directors that includes outside directors and auditing by outside auditors is effective for monitoring management, and has therefore adopted an Audit & Supervisory Board structure. The Company has also appointed accounting auditors. Given the rapidly changing nature of the industry, the Board of Directors is composed of internal directors, selected primarily from those who are familiar with the industry and internal affairs, and external directors, selected from those with extensive management experience and expertise. The aim is to achieve decision-making based on a broader perspective and objectivity, as well as effective oversight of business execution. In order to separate the supervisory and management execution functions to better enable responsive business administration, BIPROGY has adopted a general executive officer system paired with a system for focused business execution by specific officers, and authority has been delegated appropriately.

(1) The Board of Directors must maintain an appropriate number of members, enabling it to perform its functions effectively and efficiently.

(2) More than half of the Board of Directors should be independent outside directors, with the aim maintaining this majority.

(3) The Board of Directors members are to be chosen by considering the need for diversity in terms of gender, nationality, career history, and age.

Composition of Personnel Executing Corporate Governance

Number of Directors and Audit & Supervisory Board Members ¹		Unit	2020	2021	2022	2023	2024
	Total number of directors	Individuals	8	9	8	8	8
	Of whom, women	Individuals	2	2	2	2	2
	Of whom, non-Japanese	Individuals	0	1	1	1	1
	Executive directors	Individuals	4	4	3	3	3
	Non-executive directors	Individuals	1	1	1	1	1
	Outside directors		3	4	4	4	4
	Total number of Audit & Supervisory Board members	Individuals	5	5	5	5	5
	Of whom, women	Individuals	1	2	2	2	2
	Of whom, non-Japanese		0	0	0	0	0
	Full-time auditors	Individuals	2	2	2	2	2
	Outside auditors	Individuals	3	3	3	3	3
Chair of the Board of Directors							
		Representative Director and President					

1. At the time of the Ordinary General Meeting of Shareholders

Skill Matrix

The Board of Directors consists of eight directors, including two women. Half of the members are independent outside directors with diverse backgrounds. In addition to a wealth of management knowledge and experience, their expertise extends to venture capital investment, global business, international taxation, gender equality, ESG, and sustainability.

Independent outside officers

	Business management experience at other companies	Industry knowledge		Finance/ Accounting	Legal/Risk management	ESG/ Sustainability ¹	Global business
Directors							
Noboru Saito		●	●		●	●	●
Koji Katsuya		●	●		●	●	
Taeko Sawakami		●	●		●	●	
Takahito Kanazawa	●	●	●				
Nalin Advani	●	●	●				●
Yoshinori Ikeda				●	●	●	●
Asako Osaki						●	●
Yuichi Katayama	●	●		●	●		
Audit & Supervisory Board members							
Mikinori Kobayashi		●	●		●		
Masaya Oishi	●	●		●	●	●	
Hirofumi Hashimoto	●			●	●	●	●
Harumi Kojo			●		●		●
Keiko Mizuguchi				●	●	●	●

1. The "S" in ESG (environmental, social, governance) includes human resource strategy, diversity and inclusion, etc.

Reasons for Selecting Items in the Skill Matrix

Business management experience at other companies	Appropriate advice and supervision by outside directors who have management experience and achievements at other companies is effective in order to enable the management to transform the Company into a company that creates social value by making appropriate and prompt business judgements pursuant to the Management Policies (2024-2026) in the midst of the rapidly changing business environment.
Industry knowledge	A wealth of knowledge about the information service industry such as ICT and DX is essential for the Company in order to promote DX for its customers and society as stipulated in the Management Policies (2024-2026) and expand business ecosystems together with customers and partners.
Technology/ R&D	As technology evolves rapidly, a wealth of knowledge and expertise about technologies and research including advanced technology is essential for the Company in order to promote DX for its customers and society as stipulated in the Management Policies (2024-2026) and expand business ecosystems together with customers and partners.
Finance/ accounting	The Company needs directors well versed in finance and accounting in order to achieve transparent and correct financial reporting, maintain a strong financial foundation, carry out strategic investments for sustained enhancement of corporate value, and practice a capital policy with consideration of appropriate shareholder returns.
Legal/ risk management	Risk management that enables appropriate and prompt responses to deal with diversified, sophisticated risks and strengthening corporate governance are indispensable in order to enable a medium- to long-term increase in corporate value. The Company needs a wealth of knowledge about these issues.
ESG/ sustainability	The Company needs a wealth of experience and expertise about efforts on climate change, workforce strategies, and promotions for ESG/sustainability issues such as diversity and inclusion in order to help build a sustainable society as it aims under the Management Policies (2024-2026).
Global business	Borderless perspectives are indispensable in order to expand business ecosystems together with customers and partners. Thus, the Company needs a wealth of knowledge about global business.

Appointment of Directors

Policy and Process for Director Appointment

Candidates for directors who will concurrently serve as corporate officers (hereinafter, senior management) are selected from a pool of individuals who are highly motivated, have a strong sense of ethics, and possess the knowledge and experience needed to precisely and effectively manage the Company. In addition, candidates for outside directors are selected while taking diversity into consideration, including individuals who possess abundant management experience and specialized knowledge, and those who are able to provide advice on and supervision of general management from an external, objective, and professional perspective. Senior management and outside director candidates are selected by the Nomination & Remuneration Committee, which is composed of a majority of independent outside directors, based on selection criteria and procedures formulated by that committee. The Board of Directors then makes its decision, giving due consideration to the opinions of the committee.

Dismissal of Directors

In the event that a member of senior management, including the CEO, violates laws and regulations or the articles of incorporation, commits an act of fraud, act of tort, or act of betrayal, or it is judged that they have not sufficiently served their office or fulfilled their function, such member will be removed from his or her position if the Board of Directors determines that the removal is justifiable.

Director Term

In order to ensure a responsive management system that can react quickly to changes in the business environment, and in order to emphasize the management responsibilities of directors, the term of office for all directors is one year. Each director is elected annually, and can be re-appointed for successive terms.

Board of Directors Effectiveness

	<p>Analysis and Evaluation of Board of Directors Effectiveness</p> <p>To continuously improve corporate value, BIPROGY considers it important for the Board of Directors to enhance governance by making the most of its functions. Every year since fiscal 2016, the Company has analyzed and evaluated the effectiveness of the Board of Directors in the previous fiscal year and worked to improve its functionality. In fiscal 2023, BIPROGY evaluated the effectiveness of its Board of Directors with the help of an external consultant.¹ The aim was to further strengthen the Board's function in preparation for the adoption of new Management Policies in fiscal 2024.</p> <p>1. Japan Board Review Co., Ltd. (JBR) was selected as the external consultant.</p>
<p>Effectiveness Evaluation Process</p>	<p>Target: All fiscal 2023 directors (8) and Audit & Supervisory Board members (5)</p> <p>Board of Directors Effectiveness Evaluation Process :</p> <p>Step 1. Anonymous survey completed by all directors and Audit & Supervisory Board members</p> <p>Step 2. Individual interviews with all directors and Audit & Supervisory Board members by JBR</p> <p>Step 3. Evaluation and analysis of questionnaire and interview results by JBR</p> <p>Step 4. Deliberation and evaluation completed by the Board of Directors</p> <p>Step 5. Action policies formulated based on the evaluations</p> <p>Step 6. Steps taken to improve</p> <p>Evaluation Items (71 questions in total):</p> <ol style="list-style-type: none"> (1) Management issues and role/functions of the Board of Directors (2) Progress of action policies for fiscal 2023 (3) Size and composition of the Board of Directors (4) Operation of the Board of Directors (5) Composition and role of the Nomination & Remuneration Committee (6) Operation of the Nomination & Remuneration Committee (7) Directors and Audit & Supervisory Board members training (8) Support system for outside directors (9) The role of and expectations for Audit & Supervisory Board members from the perspective of directors (10) Role of Audit & Supervisory Board members (11) Relationship with investors and shareholders (12) Overall effectiveness of corporate governance system and the Board of Directors (13) Self-assessment
	<p>Results from Analysis and Evaluation of Board of Directors Effectiveness</p> <p>Issues identified in fiscal 2022: (1) Materials for each Board of Directors meeting ought to be prepared further in advance and the content improved. Greater effort is also needed to enhance the proceedings and management of Board meetings. Rather than simply providing explanations, answering questions, and sharing knowledge concerning the agenda items, more substantive discussions on the important issues need to be conducted by the Board.</p> <p>(2) Whenever a serious incident occurs, the Board of Directors must strive to quickly disseminate relevant information. Then, it needs to maintain oversight of measure implementation to prevent recurrence. Furthermore, it should take steps to reform the organizational culture and monitor efforts to enhance and maintain compliance and risk management awareness among the Company's officers and employees.</p> <p>Actions to be taken in fiscal 2023</p> <p>(1) In order to achieve further growth, the Board of Directors will further deepen substantive discussions, not only on management strategies but also on human resource strategies, global strategies, risk management, and similar matters, while taking into consideration management strategies. The Board will also continue to enhance the materials necessary to facilitate such discussions.</p> <p>(2) In light of the incident involving the loss of USB flash drives in June 2022, the Board of Directors will promptly share information when a major incident occurs and monitor the state of initiatives to transform the organization's culture and strengthen corporate officers and employees' compliance and risk management awareness so that this type of incident never occurs again.</p> <p>Fiscal 2023 evaluation:</p> <p>(1) Opportunities for discussion and dialogue regarding business strategies, etc., have increased, and some progress has been made. However, in order to hold more effective and specific discussions on risk management as well as business strategies and the corresponding human resource and global strategies, the Board of Directors needs to further improve the way its discussions are conducted, as well as material content and provision methods.</p> <p>(2) While it has dealt with compliance incidents and similar situations appropriately, the Board of Directors must ensure continued efforts and monitoring to enhance compliance and risk management awareness among officers and employees. This includes measures to improve organizational culture and further raise compliance awareness in the workplace.</p>

Actions to be taken in fiscal 2024:

Based on the above evaluation results, in fiscal 2024, BIPROGY will work to further strengthen its governance system by taking the following measures.

(1) In order to deepen discussions on business, technology, and human resource strategies (including succession plans), along with risk management and the allocation of management resources, we will take the following measures: further enhance agenda setting for Board of Directors meetings, further improve meeting progress, make use of opportunities outside of Board of Directors meetings, and share more information with outside directors.

(2) In order to help prevent serious incidents and accidents, the Board of Directors will continue to effectively oversee efforts for improving the organizational culture, while enhancing workplace awareness of compliance and risk management.

Status of Board of Directors	Unit	FY2019	FY2020	FY2021	FY2022	FY2023
Number of board meetings held	Times	12	11	12	11	12
Average meeting attendance rate	%	100	100	100	100	100
Director term	Years	1	1	1	1	1
Average length of service for directors	Years	4.5	4.5	4.5	5.5	4.8

Director Remuneration

Policy for Determination of Director Remuneration

For remuneration for executive directors, the weight of performance-based bonuses and stock remuneration has been increased and, if performance targets are fully met, the fixed remuneration, performance-based bonus (linked to profit attributable to owners of parent), and stock remuneration are paid in a ratio of 4:4:2. Non-executive directors are paid only a fixed monthly salary that is not linked to performance to guarantee effective advising and monitoring of management. Policies for determining director remuneration calculation methods are set in deliberations by the Nomination & Remuneration Committee, an advisory committee of the Board of Directors, and subsequently approved by the Board of Directors.

Director Remuneration System

In fiscal 2021, we introduced a remuneration system that incorporates both performance targets linked to medium- to long-term performance and long-term performance conditions that include actual measures taken to address sustainability issues such as climate change. The goal is to enhance corporate value in the medium- to long-term and strengthen the linkage between compensation and both medium- to long-term and long-term performance.

(a) Fixed remuneration (monthly)

The monthly remuneration for directors is no more than 35 million yen, and for Audit & Supervisory Board members no more than 8 million yen.

(b) Bonus (linked to short-term performance)

The total annual amount of bonuses for executive directors is no more than 400 million yen, and is determined by the Board of Directors in accordance with a standard amount by position and a standard coefficient based on profit attributable to owners of parent as determined by the Nomination & Remuneration Committee (currently, up to 0.5%).

(c) Restricted stock remuneration

The Company has adopted a restricted stock remuneration plan for executive directors, which incorporates three requirements and indicators: (i) tenure condition; (ii) medium- to long-term performance target (total shareholder return (TSR) growth rate versus TOPIX); and (iii) ESG targets. These are paid at a ratio of 3:1:2, respectively.

The tenure conditions in (i) are designed to ensure executive directors share awareness and value with shareholders by owning shares. The performance indicator in (ii) is linked to medium- to long-term business performance, a comparative measure, benchmarked against TOPIX, of the degree to which the Company has increased its corporate value independently of overall market influence. The ESG indicators in (iii) function as guideposts to the realization of important issues that we are taking action on. The total annual amount of monetary claims for restricted stock remuneration are no more than 200 million yen per year (the total annual number of shares of common stock to be issued or disposed of in exchange for this compensation is limited to 66,000)

Illustration of executive director remuneration

	Fixed		Linked to Performance		
	(a) Monthly remuneration	(b) Bonus (linked to short-term performance)	(c) Restricted stock remuneration		
			(i) tenure condition	(ii) medium- to long-term performance target	(iii) ESG targets (linked to long-term performance)
Composition ratio	4	4	1	1/3	2/3

Total Remuneration for Directors and Audit & Supervisory Board Members with Subtotals for Each Type of Remuneration (FY2023)	Target directors (Individuals)	Unit	Total remuneration paid	(a) Fixed remuneration	(b) Bonuses	(c) Stock remuneration
Directors (Excluding outside directors)	4	Millions of yen	331	142	129	58
Audit & Supervisory	2	Millions of yen	34	34	-	-
Outside directors and outside auditors	8	Millions of yen	73	73	-	-

Notes

1. One non-executive director is not eligible for bonus and stock remuneration.
2. Audit & Supervisory Board members and outside directors are not eligible for bonus and stock remuneration.
3. Amounts listed are rounded down to the nearest million yen.
4. The stock remuneration figures in the table above indicate the amounts recorded as costs for the fiscal year under review in the costs about restricted stock as remuneration granted to four executive directors.
5. The officer retirement benefit plan was cancelled as of June 30, 2006 as resolved at a meeting of Board of Directors convened on April 28, 2006.
6. The table above includes remunerations, etc., for one director who retired at the conclusion of the 79th Ordinary General Meeting of

Activities of the Board of Directors and the Nomination & Remuneration Committee in Determining the Remuneration Amounts for Directors and Audit & Supervisory Board Members

Board of Directors

With respect to the remuneration of directors and Audit & Supervisory Board members for fiscal 2023, the Board of Directors resolved at its June 2023 meeting to issue and allot restricted stock remuneration, and resolved at its May 2024 meeting to pay performance-linked bonuses to directors and Audit & Supervisory Board members. Fixed remuneration was paid in accordance with the resolution passed at the May 2021 meeting of the Board of Directors.

Nomination & Remuneration Committee

In fiscal 2023, the Nomination & Compensation Committee held four meetings related to the remuneration of directors and Audit & Supervisory Board members, discussing the payment of performance-based bonuses and the issuance and allotment of restricted stock for fiscal 2023.

Succession Plan

Succession Plan

In addition to integrity, a critical quality demanded of the CEO, the plan defines seven important competencies, including foresight and insight. We believe that the degree to which each competency required will vary depending on the business environment (whether the Company is in a period of transition/transformation, or one of extension and expansion).

To facilitate the acquisition and strengthening of the competencies, we plan and implement the Management Leader Program and visualize and monitor candidate talent to strengthen the pipeline of management leader candidates who will be able to take on responsibility for the future of the Group. This is achieved via assessments and tough assignments, in addition to sessions with internal and external management and experts.

Requirements (Qualifications/Competencies)

1	Foresight
2	Insight
3	Determination
4	Innovation
5	Passion
6	Execution
7	Diversity and Inclusion

● Ability to Create New Value

Foresight refers to the ability to foresee the future of the BIPROGY Group, promote a vision with great aspirations and make a commitment to the future. Insight refers to the ability to understand global trends and changes, identify developments in the Japanese economy and in social trends, and perceive essential value in everything. Determination refers to the ability to decide on a direction with unwavering conviction despite unpredictable conditions and with an awareness of the risks involved.

● Ability to Improve

Innovation refers to the power to improve, leaving precedent and custom behind to ambitiously carve out a new path undeterred by difficulties. Passion refers to the ability to gain the cooperation, trust, and encouragement from others while passionately engaging in all endeavors and communicating extensively. This also refers to such attributes as a high sensitivity needed to constantly acquire useful information and ensure accurate understanding of that information, as well as the ability to convey objectives that drive the realization of dreams, achievement of goals, and solutions to problems.

● Staying Power

Execution refers to the ability to stay the course steadfastly in order to achieve results, by setting the kind of lofty goals our company should strive for and displaying leadership. Diversity and inclusion refers to the ability to interact with a wide array of people whether inside or outside the Company, recognizing the values of people with various perspectives without stereotyping or pigeonholing them. This also refers to the ability to build proactive relationships based on an understanding of ideas from various corporate and cultural perspectives.

Management Leadership Program

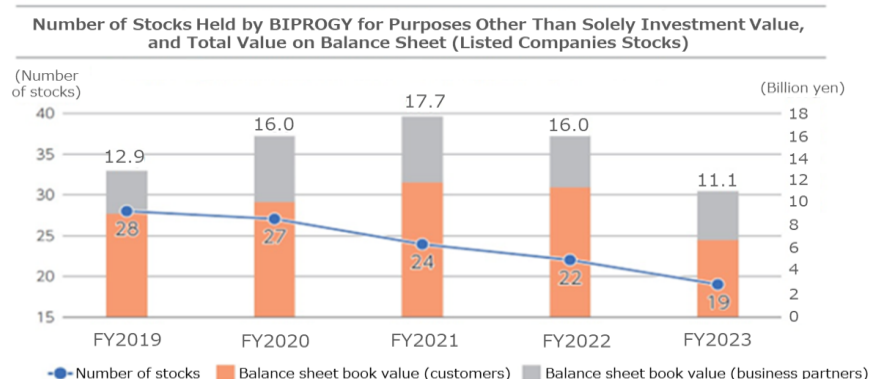
The BIPROGY Group is developing future senior management leaders who are passionate about moving the Group forward and committed to continuous transformation. We have been carrying out the Management Leadership Program based on our succession plan since 2018 to build a human resource pipeline that will produce successors to senior management and generate management leaders committed to continuous transformation. As for the Management Leader: Advanced program, one element of the leadership program, a total of 30 employees participated in the program, acquiring the perspective, perception, and viewpoints that management leader candidates need via dialogue sessions with directors and experts from inside and outside the Company.

Since fiscal 2022, we have moved forward with centralizing data on human resources by introducing a talent management system to strengthen the human resource pool and candidate pipeline and build a system for more systematic, consistent generation of management personnel. In fiscal 2023, we promoted the adoption of new assessments, while designing training mechanisms that include assignment. Starting in fiscal 2024, we plan to create a succession talent pool and implement a series of previously designed mechanisms, such as individual assessment, training, and assignment for eligible talent, with the aim of linking this effort to the Group's sustainability management.

Cross-Shareholdings

Policy on Cross-Shareholdings

BIPROGY strategically holds shares of partners when it is deemed that this would contribute to greater corporate value for the Company, such as resulting in a stronger profit basis by maintaining or strengthening the relationship with partners. The determination to acquire stock is made pursuant to its internal regulations. As for the subsequent holding of the shares, the Board of Directors verifies whether it is appropriate each year, and we are working to reduce such holdings. As a result, the total value of listed stocks on the balance sheet at the end of fiscal 2023 declined 4.8 billion yen from the end of the previous fiscal year, and the number of stocks held decreased by three stocks from the end of the previous fiscal year to 19 stocks. The total value of cross-held shares on the balance sheet was reduced to 7.6% of total equity, compared to 12.3% at the end of previous fiscal year. We will continue to reduce sell stocks which are of limited benefit to own, as appropriate.



Policy Regarding Constructive Dialogue with Shareholders and Other Investors

Policy Regarding Constructive Dialogue with Shareholders and Other Investors

In addition to disclosing information to its shareholders and other investors at a suitable time and in an appropriate manner, the BIPROGY Group engages in proactive investor relations and shareholder relations activities, led by its CEO, CFO, and the executive in charge of corporate governance promotion, in the belief that repeatedly engaging in mutual dialogue leads to the fair assessment of its value. The Group places great significance on the opinions of its shareholders and other investors and their opinions are reported to its management and the Board of Directors in a timely manner. Their views are then used to make improvements to the Company's overall management.

Basic Approach

Companies today face multiple serious risks to their activities, including increasingly severe large-scale natural disasters, scandals, and information security threats, as well as the threat of infectious diseases like COVID-19. These risks are diversifying and becoming more complex by the day. Risk management, a practice by which we predict potential issues and work to avoid and reduce losses, is a critical foundation for the Group's efforts to help resolve social issues and create value. With the goal of "transitioning to all-hazards BCP," which the Japan Business Federation recommends, the Group works to continually improve business continuity planning and business continuity management (BCP/BCM). Following the ISO 31000 international standard for risk management, the BIPROGY Group has appointed an officer responsible for risk management, established the required organizations, and works on the actions below.

- Formulation of regulations for management of the risk of loss
- Development and implementation of systems necessary for preventing risks
- Dealing with emergencies
- Reviewing risk management items and systems
- Reporting risk management activities to the Board of Directors

In our medium- to long-term risk management strategy, we have set these priority issues: (1) enhancing risk management throughout the Group; (2) further improving the risk management abilities of Group executives and employees; and (3) improving the quality and sophistication of our risk management systems. Accordingly, we are striving to address the changes in the external and internal environment by updating our risk management system. To make firm progress in implementing these policies, we run a PDCA cycle throughout the year identifying and monitoring risks, to propose improvements based on any new issues that emerge and raise risk awareness among all employees by providing education on risk.

Implementation Structure

The BIPROGY Group has established the Risk Management Committee, which is chaired by the Chief Risk Management Officer (CRMO). The committee takes the appropriate measures in response to a wide variety of risks that could have a major effect on management. The CRMO oversees risk management and business continuity for the Group overall and is responsible for building structures to administer them effectively and efficiently. The CRMO also carries out survey, monitoring, guidance and educational activities. At meetings of the Risk Management Committee, the CRMO checks and reviews the risk management performance of the Group overall, and provides the necessary guidance for ongoing improvements. In addition, the CRMO reports the activities of the Risk Management Committee to the Executive Council and the Board of Directors.

In the event that a major risk materializes, the department which it most directly impacts or the relevant committee promptly report to the Risk Management Committee, and a Risk Countermeasures Council or a Risk Countermeasures Task Force is convened depending on the impact of this risk, to address the risk rapidly and precisely.

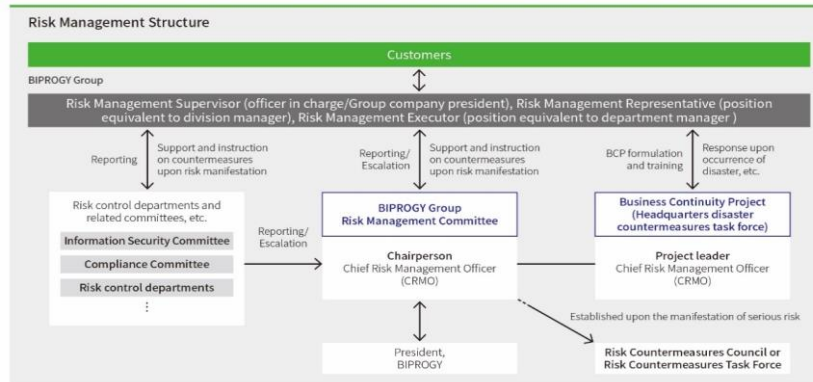
The head of each division, department and Group company is responsible for risk management in their own organization. We maintain a system in which all employees work together if a serious risk does occur so that the damage can be minimized and business continued.

Risks to large-scale development projects are reviewed by the Project Review Committee, which participates at the management level, and the Investment Committee.

In terms of the management of information assets, including personal information, in addition to setting up the Information Security Committee, chaired by the Chief Information Security Officer (CISO), we have devised a cyber security strategy and appropriately address these risks.

For business continuity risks — events where a company could undergo serious damage due to a large-scale earthquake or a new strain of influenza, for example — our Business Continuity Project, with the CRMO serving as project leader, decides on a BCP, prioritizing ensuring safety, restoring Group operations, and responding to customers. It also implements BCM, including making ongoing revisions and improvements to plans.

The Group has established a management system based on the Three Lines Model of the Institute of Internal Auditors (IIA). By managing risks in a systematic and ongoing way across three lines of defense, namely, Business Departments (First line), Headquarters Departments (Second line), and Internal Audit Departments (Third line), we are working to thoroughly implement riskmanagement measures that do not end up as hollow routines.



Person in charge

Taeko Sawakami, Corporate Officer and CRMO

Deliberative body

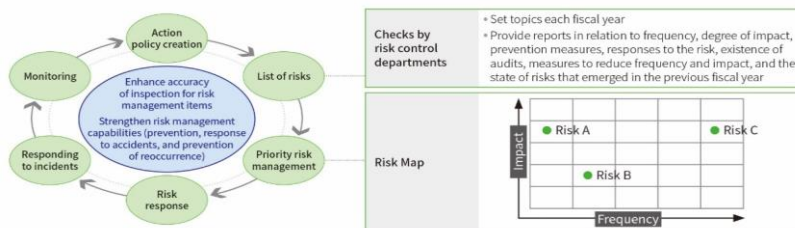
Risk Management Committee

Risk Management

Risk Assessment and Management

The Risk Management Committee has put in place a risk categorization system, which serves as a platform for comprehensively understanding and jointly managing the risks faced by the Group. Currently, about 130 risk management items are classified into categories such as information control risks (including personal information), system development risks, and natural disaster and accident risks. For each item, the back-office department, committee, or other party responsible for addressing that sort of risk formulates administrative rules, concrete preventive measures and measures to be taken in the event a risk materializes. The Risk Management Committee informs risk control departments of the risk management categories each year, and sets themes every fiscal year so that risk management departments can identify new risk management items on their own. For each risk management item, the department responsible for addressing that sort of risk reports to the Risk Management Committee in relation to frequency, degree of impact, prevention measures, responses to the risk, existence of audits, measures to reduce frequency and impact, and the state of risks that emerged in the previous fiscal year.

The Risk Management Committee then uses a risk map, formulated based on level of impact and frequency, to categorize the size of the impact of each risk, identifying risks that require focused attention. In identifying and monitoring risks, risk management policies and risk control items are subject to continual review.



Significant Risks

Matters that may have a significant effect on investors' decisions include the following

- Business and other risks
- (1) Impact of economic trends and the market environment
- (2) Procurement
- (3) Intellectual property rights
- (4) Project management
- (5) System failure
- (6) Information security
- (7) Human resources
- (8) Investment
- (9) Compliance
- (10) Natural disasters, infectious diseases, etc.

Reference

Integrated Report 2023 "Risks and Opportunities" (p. 22)
<https://pr.biprogy.com/invest-e/ir/ar.html>

Climate Change Risks

Climate-related risks assessed as having a high degree of importance to the Group's business have been integrated into the risk classification system of the Group's risk management system.

(Reference: Climate Change Strategy)

Emerging Risks

In the midst of continual external change, the BIPROGY Group identifies and works to manage newly emerging and evolving risks. Some of these risks, including the following, could have a significant impact on our business, and may require changes to our business strategies and models going forward.

Risks from Providing Service Businesses Using AI Systems and AI Technology

With the rise of generative AI models such as ChatGPT, AI technology is now evolving rapidly. Inappropriate use of AI technology could have negative consequences on privacy and fairness, as well as on protection of human life, safety, and property, and could result in human rights violations. The Group is enhancing training and project review systems so that employees can better understand the characteristics of AI and use it appropriately.

Geopolitical Risks	Companies are facing new geopolitical risks, such as those stemming from the intensification of US-China trade friction and Russia's invasion of Ukraine. Accordingly, we continually monitor the potential impact on the Group concerning a wide range of risks, including terrorism, energy supply uncertainty, and possibilities for supply chain disruption. We also recognize that geopolitical factors are behind the rapid increase and sophistication of corporate ransomware attacks in recent years. Given the nature of the Group's business, the impact of this risk is significant, so we are paying close attention to it. As part of our risk mitigation measures, we are proactively carrying out relevant employee training, in addition to various measures such as updating our IT security systems.
Reference	BIPROGY Group AI Ethics Principles https://www.biprogy.com/e/com/ai_ethics_principles_BIPROGY_group_e.pdf

Actions Taken in Fiscal 2023	<p>In fiscal 2023, we formulated Resilience Reinforcement Strategy 2023, and we have continued to implement the following activities since fiscal 2021 as we included "increasing crisis management capabilities and resilience¹ as a business ecosystem creator" in our vision.</p> <p>(1) Carrying out planned training to improve effectiveness of business continuity (2) Continually making improvements to BCP/BCM</p> <p>In fiscal 2023, we focused on initiatives to respond to the greatest risks and worked to continually improve BCP/BCM so that the Group's critical operations are resilient to various business continuity risks, such as cyberattacks, cloud service problems, and large-scale disasters, in order to transition to an all-hazards BCP. One such initiative was conducting an assessment of the Group's BCP/BCM activities. As a result, we confirmed that improvements to BCP/BCM and the introduction of the all-hazards approach have both been launched.</p> <p>As we did in fiscal 2022, we conducted a risk inventory for fiscal 2023 and carried out reviews accompanying changes in the internal and external environment. We also prepared reports on specific potential events that could lead to losses (risk scenarios), as well as on worst-case risk scenarios given current circumstances. As a result, we were able to confirm that risk impacts, frequency of occurrence, preventive measures, and risk response are being revised properly.</p> <p>Furthermore, we identified risks that newly arise or change as the social environment shifts, such as geopolitical risks, and risks that could have a serious impact on business and force us to change the business strategy and business model. We will manage these risks as "emerging risks."</p> <p>In fiscal 2024, we will continue to update both our response to changes in the external and internal environment and our risk management system. In addition, we recognize that, for sustainability, we need to include the perspective of medium- to long-term forecasts, not only concrete preventive and response activities when events occur. We will work to improve procedures and processes for identifying and examining responses to emerging risks.</p> <p>1. Resilience refers to the ability to withstand disasters and crises that impede business continuity.</p>
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Risk-Aware Culture

Training on Risk Management	<p>At the BIPROGY Group, we conduct training for the senior management team on how to hold emergency press conferences as well as various types of training on crisis and risk management for executives (including outside directors and outside auditors) and organization heads, upon appointment or periodically.</p> <p>In addition, to prepare for disasters, we ask employees, heads of organizations, and members of the disaster countermeasures task force to participate in safety confirmation drills three times a year, in principle (however, from April 2020 to May 2023, actual safety confirmation has been carried out daily as a COVID-19 countermeasure), and to attend training on using the MCA wireless/portal BCP portal site (monthly). We also conduct comprehensive simulation drills for each role in accordance with specific scenarios once a year (however, additional training may be provided depending on results), including reporting disaster conditions and response status as well as providing instructions. The necessary training is provided as needed on a consistent basis.</p>
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Risk Reporting Process and Information Sharing

In order to make it possible for individual employees to notice and report risks proactively, we have set up contact points and hotlines for reporting various risks, system failures, information security incidents, and compliance violations.

We have also established various mechanisms that allow employees to share the lessons learned from the risks that have been reported with the Group overall. For example, the Visualized Management Method (VMM), the Group's backcast-type management method, is used to manage information security in organizations, and shared with all employees on the monitoring board.

Business Continuity Plan (BCP)

BIPROGY Group BCP

Just like electricity, water, and gas, information systems have become an important lifeline essential in maintaining the functioning of society. As an ICT service provider that supports the stable operation of customers' information systems, the Group is strongly committed to its business continuity efforts. In fiscal 2006, we established the Business Continuity Project. The project team is made up 110 people from Group companies, including branches, with the three executives in charge of business continuity taking the lead. In normal times, BCP/BCM are pursued and the plans the Group has established are revised and enhanced, while training is regularly carried out, including general drills for disasters, tabletop exercises, safety confirmation drills, and training for fire and disaster prevention. In the event of a disaster, the project promptly starts to function as a disaster countermeasures task force.

In April 2022, the Group reviewed the risks relevant to its business continuity in line with changes in the external environment. It identified the following four risks:

- Risk of major natural disasters (e.g., inland earthquake around Tokyo, massive wind and flood damage, ash fall due to eruption of Mt. Fuji)
- Risk of loss of human and business resources (e.g., in a fire at the headquarters building)
- Risk of the BIPROGY Group's IT infrastructure being unavailable for more than a certain period of time (including outages due to cyberattacks)
- Risk of pandemic of a new infectious disease (e.g., novel influenza, novel coronavirus)

In light of our experiences with the Great East Japan Earthquake and the government's revised estimates of the damage that would be caused by an inland earthquake around Tokyo or a massive earthquake in the Nankai Trough, the Group decided to develop an even more dependable BCP. Accordingly, we developed the BCP/BCM Resilience Reinforcement Strategy¹ in fiscal 2018 and have continued to carry out systematic training and drills to improve the effectiveness of our BCP/BCM and to assess and improve our current BCP/BCM based on external certification standards. We have incorporated an approach based on looking at the potential impact of a disaster and are considering addressing a broader range of risks to business continuity.

In addition, since the current workplace culture emphasizes hybrid work styles that involve both working in the office and at home, we have revised our BCP for a large-scale earthquake accordingly, and we are prepared to operate a headquarters disaster countermeasures task force remotely if needed. We will continue to improve the effectiveness of business continuity planning in a telework environment.

1. BCP/BCM Resilience Reinforcement Strategy: This is the Group's medium-term strategy aimed at raising its risk management capacity and resilience as a business ecosystem creator. "Resilience" in this strategy refers to the ability to weather disasters and crises that impede business continuity.

Basic Policy

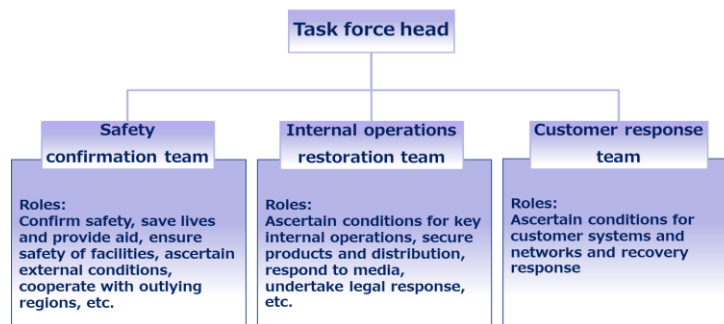
The Group's basic policy is to ensure the continuity of its important businesses, such as customers' systems, network services, and other services that the Group runs, while fulfilling its social responsibilities as a corporate citizen in the event of a major risk that makes business continuity more difficult, such as a large-scale disaster or a new strain of influenza, while taking into account orders and requests from national and local governments and prioritizing people's lives and safety above all else.

Headquarters Disaster Countermeasures Task Force

Once the key members of the headquarters disaster countermeasures task force, including the head of the task force and the team leaders, can coordinate through the network and are ready to function as the headquarters, they will establish the task force remotely. The CRMO will serve as the head of the task force. The Group's cloud-based BCP information sharing system (BCP Portal) will be used to share information with task force members as well as officers and other heads of organizations within the Group. The task force's main roles are as follows, with detailed roles defined for each organization comprising the task force.

- Confirming the status of safety of employees and officers
- Confirming the status of major business locations in the Tokyo area
- Collecting information on damage (fires, roads, bridges, etc.) across the Tokyo area
- Convening members of the headquarters disaster countermeasures task force according to the damage situation
- Maintaining the headquarters environment and providing lifesaving and relief services
- Deciding overall response measures to the disaster and issuing instructions to each team
- Reporting the situation of the Group to external parties (including the mass media)
- Approving applications for procurement of necessary resources
- Driving early restoration of damage in cooperation with branches (especially the Kansai branch)
- Dissolving the headquarters disaster countermeasures task force

In the event of an earthquake with an intensity of lower 6 or higher during weekday working hours that renders the headquarters inoperable or makes travel to the headquarters extremely difficult, an on-site response team will be formed within the headquarters building. The on-site response team will respond to customers, partners, and employees in the headquarters building, ascertain the building's damage status, and take other necessary actions on site.



Natural Disaster Response

Policy on Preventing People from Going Home All at Once in a Disaster

In the event of a disaster occurring during working hours, the Group's basic policy is to ask employees to remain in the office until the safety of their return route can be confirmed. This is in order to cooperate with the national and local governments' initiatives to address the problem of people unable to get home and ensure the safety of employees. Accordingly, we have prepared response measures including stockpiling emergency supplies in offices. In the part of Tokyo in which the headquarters is located, we cooperate with the Tokyo Metropolitan Ordinance on Measures for Persons with Difficulty Returning Home and will discourage employees from returning home all at once. On the day of the Great East Japan Earthquake in March 2011, many customers who had visited the company, in addition to employees, remained in the building until transportation was restored the following morning, and they were all supplied with water, basic food and blankets.

Response in a Disaster

In the event of an inland earthquake in the Tokyo area, we will set up a headquarters disaster countermeasures task force for the Group. However, since it will take time for this task force to be established and begin activities, we will set up a disaster task force at the company's Kansai branch when the disaster first occurs to take the initial steps.

Level	Situation	Response
0	An inland earthquake of seismic intensity 6 or greater has occurred around Tokyo	Set up a disaster task force in Kansai to take the initial steps
1	Aftershocks have calmed down and headquarters disaster countermeasures task force personnel can take action	Set up a disaster countermeasures task force at the headquarters Transfer information from the Kansai task force and start responses
2	Telephones, networks, etc., are partially restored, transportation is partially operational	Restore critical internal operations essential to the restoration of customers' systems
3	Employees can work from home or come into the office by walking about an hour	Restore systems and networks for customers and other parties responsible for social infrastructure
4	Employees can work from home or come into the office almost as usual	Restore systems and networks for all customers

Kansai Disaster Task Force	<p>In the event of an inland earthquake in the Tokyo area with an intensity of lower 6 or greater on the Japanese seismic scale, the Kansai branch will establish a Kansai disaster task force at its own discretion. The task force will mainly take the following initial responses:</p> <ul style="list-style-type: none"> • Gathering and compiling information on damage in the affected areas around Tokyo • Confirming and compiling safety reports • Providing information to and relaying information among members of the headquarters disaster countermeasures task force • Exchanging information and collaborating with members of other branch offices' disaster task forces • Disseminating information internally and externally
Self-Protection Fire Defense Team	<p>We clearly stipulated the roles of the self-protection fire defense team in ensuring the safety of employees and visitors in the office and coordinating with the disaster countermeasures task force.</p>

Ensuring Continuity of Customer Service	<p>The BIPROGY Group has a social mission to quickly restore and continue its customer operations in the event that customers' information systems and networks serviced by the Group are damaged by an earthquake or other disaster. In line with this approach, the Group quickly restored service after the Great East Japan Earthquake.</p>
Approach to Setting Priorities for Recovery	<p>In the event of an inland earthquake in the Tokyo area, many customers and many of the Group's resources (employees, offices, facilities, etc.) will be in impacted locations. This may make it difficult to restore all of customers' damaged systems and networks at once. Accordingly, under the Group's BCP, in the event of a major earthquake, we will give priority to restoring the following types of customer systems and networks, since their prompt restoration will be essential for the benefit of the country or broader society.</p> <ul style="list-style-type: none"> • Systems and networks essential to save human lives • Systems and networks that support Tokyo's strategic functions as designated in the "Report by the Expert Panel on Countermeasures for an Inland Earthquake in the Tokyo Area" by the Central Disaster Management Council • Systems and networks that support social infrastructure
Steps to Sustain Customer Service	<ul style="list-style-type: none"> • Call center switchover In the event that it becomes difficult to operate the call center in the headquarters region, we will set up and switch to a call center at the Kansai branch and continue to respond to inquiries from customers. • Product shipping center switchover In the event that it becomes difficult to operate the product shipping center in the headquarters' area (Tokyo), we will switch to the Kansai region's product shipping center and continue to ship products. • System to dispatch support service staff We maintain a cloud platform that allows us to dispatch support service staff as necessary to customers' centers. In the event of a disaster, staff will be dispatched after confirming the safety of the route. • Telecommunications equipment such as MCA wireless and satellite phones These are already prepared to support emergency communication between the headquarters and branches. • Replacement of internal work system Data of internal work systems that do not affect other customer services is also stored in high-quality, reliable data centers, making it possible to continue operations.

Other Disaster Prevention Measures	<ol style="list-style-type: none"> 1. Tabletop exercise at disaster countermeasures taskforce / BCP comprehensive simulation training 2. Training on call center switchover 3. Training on product shipping center switchover 4. Training on switchover to sites monitoring internal system operation 5. Disaster forecasting training in cloud services 6. Safety confirmation training 7. e-learning training 8. Fire and natural disaster preparedness training 9. Training on BCP information sharing system 10. Training on communication between bases 11. Reserves of food and water for three days in offices: All offices have three days' worth of supplies, including for visitors. 12. Elevator survival boxes: Elevators in the headquarters building have emergency boxes containing hand-crank emergency lights, drinking water, non-perishable food, toilet bags, ponchos, Mylar blankets, etc.
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Responding to the Impact from COVID-19

In responding to COVID-19, the Group implemented its BCP for each stage — from when the first coronavirus infections occurred overseas, to when the first infections occurred in Japan, to when infections spread widely, to when the recovery phase began — in line with the Novel Influenza Response Action Plan, which we had previously formulated. The basic policy is stated below.

1. Give the greatest priority to people's lives
2. Comply with the instructions and warnings of national and local governments and cooperate with society-wide efforts to respond to the pandemic
3. Continue and relaunch operations after ensuring safety

As for concrete responses, the Group established a COVID-19 Response Headquarters, and analyzed and evaluated the unique properties of COVID-19. After ensuring information security for employees at all Group companies and subcontractors in line with the above basic policy, the Group promoted telework and online meetings, even for customers, and had employees come to the office at non-peak commute times for work that cannot be done via telework and do their work after taking steps to reduce the risk of infection. The Group also ascertained and managed the state of health for all employees and their families and confirmed their work status by checking on their safety every day.

In addition to working to prevent the spread of infectious diseases in society, the Group gives the greatest priority to ensuring the safety of employees, customers, subcontractors and suppliers and is moving forward with work style reforms, including telework. We will do all that we can to support the business continuity of customers, remote work, digital transformation, and other such efforts as we accelerate our initiatives to help build a resilient society.

Basic Approach

BIPROGY Group Compliance Basic Policy

As a responsible member of society, the Group adheres to both domestic and international laws and regulations, acts in accordance with social norms based on high ethical standards, and conducts sound and transparent business activities. Further, we respect the human rights of all concerned and do not discriminate on the basis of ethnicity, belief, gender, social position, religion, nationality, age, sexual orientation or gender identity, mental or physical disability, or other such characteristics. In order to ensure that this basic policy is thoroughly implemented, we are committed to continuously enriching our corporate culture, working to prevent injustice, and establishing a system of accountability.

BIPROGY Group Code of Conduct

We work toward more effective compliance by thoroughly educating executives and employees on the BIPROGY Group Code of Conduct and Code of Conduct Bylaws. These codes summarize the basic principles to be observed by Group executives and employees, the spirit of major laws, regulations, and internal rule related to our business, and the use of hotlines. The BIPROGY Group Code of Conduct and Code of Conduct Bylaws are reviewed at least once a year by the Compliance Committee secretariat and revised as necessary.

BIPROGY Group Code of Conduct (Available in Japanese only)

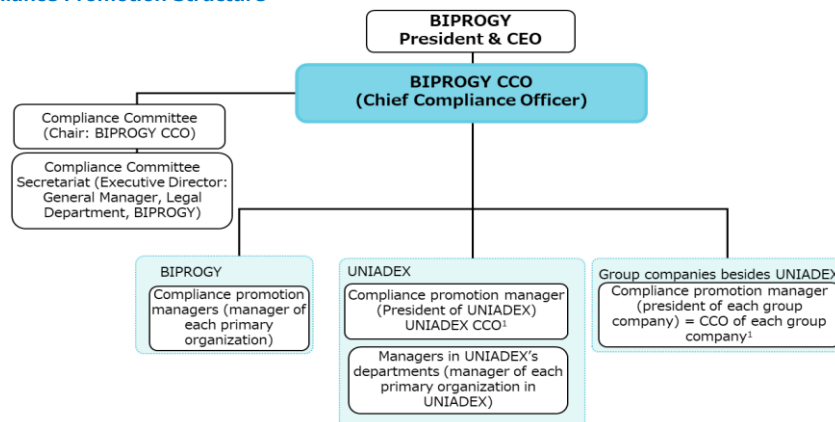
https://www.biprogy.com/com/corporate_code_of_conduct.pdf

Implementation Structure

We have established the Compliance Committee, which is chaired by the Chief Compliance Officer (CCO), and we are actively developing a Group-wide compliance program to increase understanding and raise awareness of compliance among Group executives and employees. The following steps are underway.

1. Appoint compliance managers and other required mechanisms to carry out the following:
 - Formulate compliance-related regulations;
 - Educate executives and employees on compliance;
 - Establish routes for internal reporting and thoroughly protect whistleblowers;
 - Respond when problems arise; and
 - Report to Board of Directors on activities.
2. Appropriately discipline violators in accordance with rules and regulations.
3. Task Internal Audit Division with evaluating the suitability and effectiveness of the Group's compliance system and making suggestions and proposals for improvement as necessary.

Compliance Promotion Structure



1. Compliance promotion managers of each group company can appoint their own CCO and delegate the role of their own compliance promotion.

Person in charge

Yoshiko Yamauchi, Corporate Officer and CCO

Deliberative body

Compliance Committee

KPIs and Targets	<ul style="list-style-type: none"> • Improve and upgrade compliance programs (each year) • Spread awareness of integrity among Group executives and employees (each year) • Monitor compliance incident trends (each year) <p>(Reference: Material Issues)</p>
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Progress	<ul style="list-style-type: none"> • Improve and upgrade compliance programs (each year) Fiscal 2023 Results Compliance Roundtable activities: Compliance Roundtable events were held at each Group company. These discussions were held at the workplace level on the topic of the recent data security incident involving the loss of USB flash drives. Participants reviewed the incident and shared points to remember for compliance practices going forward. The roundtable sessions helped to raise awareness throughout the Group. Improvement of the internal reporting system (compliance hotline): Various measures were implemented to ensure the safe and secure operation of the Group's whistleblower hotline. These included improved hotline access channels, an enhanced user guide, and better disclosure of results for hotline call response. Compliance training and awareness-raising: Compliance lectures by external experts were provided for Group executives and employees, in order to promote understanding of the importance of compliance practices. • Spread awareness of integrity among Group executives and employees (each year) Fiscal 2023 Results Compliance awareness survey results: The average survey response was "Good," the highest of four levels. The survey results were shared with the responsible positions in each organization, which led to the implementation of improvement measures. We plan to continue conducting awareness surveys twice a year. • Monitor Compliance incident trends (each year) Fiscal 2023 Results Disciplinary action: There were eight disciplinary actions in fiscal 2023. This marked an increase from the five cases of the previous year, and some cases resulted in serious action, such as suspension from work. Measures to prevent reoccurrence were implemented for each case.
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Compliance Management

Compliance Assessment and Identification of Issues

The BIPROGY Group conducts a compliance awareness survey to assess the extent of compliance awareness for all Group executives and employees. The survey is used to identify issues and make improvements in the promotion of compliance. As of fiscal 2022, the survey is now being conducted twice a year, and the response rate in fiscal 2023 was 96.6% in July and 98.0% in December 2023, compared to 95.6% and 97.4%, respectively, in fiscal 2022. The survey response rate is also one of the indicators that we use to measure Group efforts related to the material issue of “further improving corporate governance and integrity.”

Results for compliance awareness survey		Unit	FY2019	FY2020	FY2021	FY2022	FY2023
Response rate ¹	July survey	%	-	98.3	97.1	95.6	96.6
	December survey	%	-	-	-	97.4	98.0
Scope			-	c	c	c	c

1. Conducted every other year until fiscal 2020, then twice a year starting in fiscal 2022

Compliance Education

We work hard to ensure thorough awareness of the Group Code of Conduct, which provides a concrete code of conduct for all Group executives and employees. In addition, we hold various trainings and employ various intranet/e-learning-based training systems to continually implement education and training. All of these efforts are tailored to ensure that everyone at the Group understands and thoroughly practices compliance. The participation rate in the compliance e-learning program for all Group employees in fiscal 2023 was 100%. The rate of participation in this program is another indicator that we use to measure Group efforts related to the material issue of “further improve corporate governance and integrity.”

Results for e-learning participation		Unit	FY2019	FY2020	FY2021	FY2022	FY2023
Participation rate		%	100.0	100.0	100.0	100.0	100.0
Scope			c	c	c	c	c

Communication Channels (Internal Reporting System)

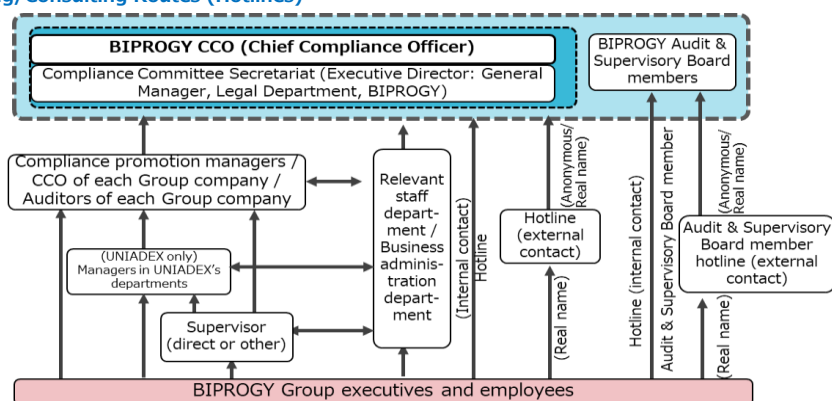
We have established communication channels (a whistleblower system) for Group executives and employees to report and advise on situations when questions or concerns about compliance arise in the course of their work.

We have also set up internal and external direct channels (hotlines) for consulting/reporting to the Compliance Committee secretariat and the Audit & Supervisory Board members. These can be used anonymously or by name, allowing the person reporting to select and use the most appropriate route for consulting on or reporting a particular problem. In addition, we are committed to protecting whistleblowers by ensuring that those who use this system are not subjected to disadvantageous treatment as a result, and we require Group companies to provide whistleblowers with the best possible care. Further, any executive or employee who subjects a whistleblower to disadvantageous treatment for their actions will be dealt with in a strict manner, including being subject to disciplinary action.

In the event that a violation is reported or discovered, we respond promptly and appropriately, taking strict action against the violator, analyzing the true cause of the violation, and taking measures to prevent recurrence.

Status reports on these activities are submitted to the Executive Council and the Board of Directors.

Reporting/Consulting Routes (Hotlines)



Number of Hotline Calls and Disciplinary Actions		FY2019	FY2020	FY2021	FY2022	FY2023
Total number of hotline calls		37	32	39	27	45
Total number of disciplinary actions		7	5	10	5	8
Workplace harassment	Number of hotline calls	16	15	21	14	27
	Number of disciplinary actions	1	0	1	1	2
Information security violation	Number of hotline calls	0	0	0	1	2
	Number of disciplinary actions	3	1	0	1	1
Improper expense claims, etc.	Number of hotline calls	1	2	1	1	3
	Number of disciplinary actions	1	1	4	0	1
Improper attendance management	Number of hotline calls	1	2	2	1	2
	Number of disciplinary actions	0	0	1	2	0
Bribery	Number of hotline calls	0	0	0	0	0
	Number of disciplinary actions	0	0	0	0	0
Money laundering or insider trading	Number of hotline calls	0	0	0	0	0
	Number of disciplinary actions	0	0	0	0	0
Conflicts of interest	Number of hotline calls	0	0	0	0	0
	Number of disciplinary actions	0	0	0	0	0
Other violations of internal regulations	Number of hotline calls	19	13	15	10	11
	Number of disciplinary actions	2	3	4	1	4
Scope ¹		0	0	0	0	0

1. The hotline is available to any employee of the BIPROGY Group (including temporary and seconded employees), as well as former employees of the Group (up to one year after their retirement), and employees of partner companies.

Preventing Corruption

Anti-Corruption Policy

The BIPROGY Group endorses the United Nations Global Compact and is committed to working against all forms of corruption, including extortion and bribery. Our basic anti-corruption stance is laid out clearly in the BIPROGY Group Compliance Basic Policy and the BIPROGY Group Code of Conduct, and we work to prevent bribery in any form by carrying out employee training and other educational activities.

We comply with the applicable laws and regulations of the countries and regions in which we operate, including Japan's Unfair Competition Prevention Act. We conduct fair business activities in accordance with sound business practices and socially accepted norms, and we work to prevent bribery for the purpose of obtaining an unfair advantage.

The BIPROGY Group Code of Conduct stipulates the following (Code of Conduct Bylaws, Section 9).

Gifts and entertainment shall not violate laws, regulations or company rules, and shall fall within the scope of socially accepted norms.

1. We do not offer money, gifts, entertainment, or any other benefits to public officials or persons of equivalent status (including foreign public officials) in connection with their duties.
2. We do not offer to or accept from executives or employees of suppliers or other business partners any money, gifts, entertainment, or other benefits that exceed socially accepted norms.
3. We comply with all laws and regulations, including the Political Funds Control Law, when making political donations or contributions to organizations.
4. We comply with laws and regulations in and outside Japan concerning anti-corruption (including prevention of bribery, money laundering, obstruction, etc.).

Anti-Corruption System

We have established a system for preventing corruption as part of our compliance promotion. Our communication channels (internal reporting system) are also available for consulting on bribery and other corrupt practices and have handled such issues in the past. Compliance reports submitted to the Board of Directors cover activities related to bribery and other forms of corruption, as well.

Our compliance education and training covers the issue of preventing bribery and other forms of corruption. In addition to disseminating the BIPROGY Group Code of Conduct, which stipulates that "gifts and entertainment shall not violate laws, regulations or company rules, and shall fall within the scope of socially accepted norms," we conduct education and training on an ongoing basis, using Intranet notifications and reminders to ensure that the issue of preventing corruption is thoroughly understood and implemented.

Meetings with Public Officials

With regard to gifts and entertainment with public officials and others, our Rules on Advance Notification of Meeting with Public Officials clearly stipulate the conduct and practices that are prohibited when meeting with public officials. We have established a system of advanced notice for such meetings, and we operate the system in accordance with these rules.

Political Donations and Lobbying						
Expenditures for donations to political groups and other organizations require advance approval through the prescribed system (ringi seido). In fiscal 2023, there were no expenditures for political donations or lobbying activities. (Excludes membership fees for economic organizations that make policy proposals)						
	Unit	FY2019	FY2020	FY2021	FY2022	FY2023
Donations to political organizations	Millions of yen	-	-	-	0	0
Expenditures for industry associations, etc.	Millions of yen	-	-	-	8.97	13.59

Research and Development Initiatives to Protect Human Dignity

Research and Development Initiatives to Protect Human Dignity	
<p>We define our purpose as “creating a sustainable society using foresight and insight to unlock the full potential of technology” to fulfill our corporate philosophy of “working with all people to contribute to creating a society that is friendly to people and the environment.” In order to build a sustainable world, it is important to understand the people who comprise societies around the globe, which is why the research and development at our Technology Research Development Center focuses on people. Steps are taken in advance to ensure that human dignity in human-subjects research is protected as stipulated by the Declaration of Helsinki¹ and related laws and guidelines.² The relevant guidelines also require reviews from ethical and scientific standpoints, as well as transparency regarding any possible conflicts of interest involving research institutions and researchers. In reference to the above requirement, we established the Life Science Research Ethics Committee in March 2020. Upholding the guidelines for medical and other research, the committee considers new standards to deal with matters that cannot be determined according to ethical guidelines for medical research. In developing new standards, the committee takes into account the currently expanding scope of fields of research that involve personal information, as IoT devices such as sensor devices become more widespread.</p>	
<p>1. Declaration of Helsinki, World Medical Association https://www.med.or.jp/dl-med/wma/helsinki2013e.pdf</p> <p>2. Guidelines for Research (Ministry of Health, Labour and Welfare website) (Available in Japanese only) https://www.mhlw.go.jp/stf/seisakunitsuite/bunya/hokabunya/kenkyujigyou/i-kenkyu/index.html</p>	

Life Science Research Ethics Committee

Life Science Research Ethics Committee

The Life Science Research Ethics Committee invites outside experts to review the ethical considerations and scientific validity of research on human subjects. These reviews serve to protect the dignity of those participating in research on human subjects, ensure that society can trust our corporate handling of personal information, and, by creating an environment in which employees are able to conduct research without worry and promote innovation. In addition, the committee’s activities (operating protocol, minutes from meetings, etc.) are widely disclosed to stakeholders via the official Group website.

Life Science Research Ethics Committee Members

Field	Name	Position	Institution
Natural sciences	Kazuhiro Sakurada	Chair	Keio University School of Medicine
Society and ethics	Ayako Kamisato	Member	Institute of Medical Science, The University of Tokyo
General	Masayo Ono	Member	PR Consulting Dentsu Inc.
Society and ethics	Yoshiko Yamauchi	Member	BIPROGY Inc.
Natural sciences	Aiko Korin	Member	BIPROGY Inc.

No. of committee meetings held: 14 (as of end of May 2024)

No. of items submitted for discussion: 19

Life Science Research Ethics Committee (BIPROGY Group Website) (Available in Japanese only)

https://www.biprogy.com/com/tech/research_ethics/

Formulating and Enforcing AI Ethics Principles

Formulating and Enforcing AI Ethics Principles

In recent years, computing architectures created to handle vast amounts of digital data and AI technologies that learn from accumulated data and perform recognition and inference have begun to contribute significantly to improving the quality of people's lives. This is also a key technology that will contribute to solving many issues, such as health and well-being and climate change, which are addressed by the United Nations Sustainable Development Goals (SDGs), which set out the commitment to leave no one behind on this planet. While AI technology has the power to enrich and transform our society, it also has the potential to negatively impact society by undermining individual privacy, diversity, and fairness, unless it is used, operated, and managed appropriately. As the adoption of AI continues to expand with the advancement of generative AI, it is becoming increasingly important to ensure appropriate AI use, training data security, and the protection of intellectual property rights. In recognition of the potential positive and negative impacts of AI on people and the rights of data subjects, the Group has formulated and implemented AI Ethics Principles, has trained employees on AI ethics, and has enhanced systems to support project response measures. We are appropriately addressing the ethical, legal and social issues (ELSI) that arise with the rapid development of science and technology.

BIPROGY Group AI Ethics Principles (BIPROGY Group Website)

https://www.biprogy.com/e/com/ai_ethics_principles_BIPROGY_group_e.pdf

Risks arising from the provision of services based on AI systems and technology (BIPROGY Group website) (Available in Japanese only)

<https://biprogy.disclosure.site/ja/themes/113>

Utilization of Data/AI

The BIPROGY Group develops and delivers various services based on the concept of "solving corporate and social issues through data analysis and AI technologies" and aims to enhance data utilization in an era of volatility, uncertainty, complexity, and ambiguity.

In the field of generative AI, we intend to develop a differentiated business by leveraging our expertise and intellectual property in natural language processing, which our Group has been working on for many years. Many companies and government agencies are considering the use of this technology, with high hopes for its convenience and impact, such as increased business efficiency and business sophistication. However, a certain level of skill is required to effectively use it, such as knowledge of generative AI and judgment of its suitability for a task. In addition, concerns and risks associated with the use of AI, such as leakage of confidential information and violation of privacy and rights, must also be addressed. In February 2020, the Group formulated the BIPROGY Group AI Ethics Principles, followed in April 2023 by our Guidelines for the Business Use of ChatGPT and Other Generative AI. We are actively working to apply generative AI to our own operations, and to deliver services to our customers.

RinzaTarget

A service that supports the promotion of consumer purchases and behavioral change by using data and AI to appropriately segment consumers and provide promotional measures suitable for each segment.

Azure OpenAI Service Starter Set Plus

A service for building environments to use ChatGPT for enterprises. We use Azure OpenAI Service to accompany and support our customers in the building of secure generative AI environments, and in the creation of use cases for their generative AI.

RinzaTarget, Customer Data Analysis Service (Available in Japanese only)

<https://www.biprogy.com/solution/service/rinzatarget.html>

Azure OpenAI Service Starter Set Plus (Available in Japanese only)

<https://www.biprogy.com/solution/service/rinzatalkplus.html>

Tax Policy

1. Basic policy

The BIPROGY Group complies with laws, regulations, social norms, and internal rules. The Group also strives to understand the culture and customs of each country and region in which it operates, acts with integrity in accordance with social common sense based on high ethical standards, and strives to properly fulfill its tax obligations.

2. Tax risk management

The department in charge of taxation strives to understand the purpose of the law regarding taxation, keeps a close watch on the international situation and the latest trends, accurately identifies and manages tax risks, and seeks to reduce tax risks.

In gathering information on legal interpretations, laws and customs outside Japan, we make effective use of the advice of outside experts. In the event that a transaction arises for which tax treatment is unclear, we make prior inquiries to the tax authorities. We provide guidance to and raise the awareness of our employees as appropriate to promote tax compliance.

3. Tax planning

The BIPROGY Group conducts appropriate and reasonable tax planning in line with the intent and purpose of laws and regulations. We observe the principle of arm's length pricing in transactions between affiliated companies. We do not engage in tax planning with the intention of avoiding taxes, such as the use of tax havens by entities with no business purpose or substance. When the Group invests in a country with low taxes based on operational necessity, or when the Group has operations in a country where tax rates were recently reduced due to legal changes, we determine whether we should take measures to prevent the appearance of tax avoidance under local laws and regulations. If applicable, the Group files tax returns accordingly.

4. Tax governance

The Chief Financial Officer (CFO) is responsible for the tax governance of the BIPROGY Group and reports to the Executive Council or the Board of Directors, as appropriate, on tax-related matters.

5. Relationships with tax authorities

We strive to build relationships of trust with tax authorities by providing timely and appropriate information in response to their requests in accordance with the relevant laws and regulations of the countries and regions in which we operate. In addition, if we receive any corrective guidance from the tax authorities, we take measures to remedy the situation and prevent recurrence.

Tax Payments by Region		Number of employee	Revenue	Income before income taxes	Income tax accrued	Income tax paid
(FY2023)		(Individuals)	(Millions of yen)	(Millions of yen)	(Millions of yen)	(Millions of yen)
Amount recorded in consolidated financial statements		8,218	370,142	34,164	10,539	9,569
(Breakdown by country/region)						
Japan ¹		7,781	366,059	33,982	10,484	9,527
Other		437	4,082	181	55	41
Company name and main business			Company name		Main business	
Country/region						
Japan			BIPROGY Inc. UNIADEX, Ltd. UEL Corporation TRADE VISION, Ltd. G&U System Service, Ltd. Cambridge Technology Partners Inc. S&I Co., Ltd. UNIAID Co., Ltd. AFAS Inc. International Systems Development Co., Ltd. Canal Globe, Ltd. Canal Ventures, Ltd. Canal Ventures Collaboration Fund 1 Investment Limited Partnership Canal Ventures Collaboration Fund 2 Investment Limited Partnership BIPROGY Challenged Inc. Emellience Partners Inc. Tech Viewing, Ltd. Green Digital & Innovation Inc. V-Drive Technologies Inc.		(System services) Provision of contracted software development, system engineering services, consulting, etc. (Support services) Provision of software and hardware maintenance services and installation support (Outsourcing) Provision of entrusted operation of information systems and other services (Software) Provision of software and other services under software license agreements (Hardware) Provision of hardware under equipment sales or lease contracts	
China			Netmarks Information Technology (Shanghai) Co., Ltd.			
Vietnam			USOL Vietnam Co., Ltd.			
Singapore			Axxis Consulting (S) Pte. Ltd. Axxis Technologies Pte. Ltd. AFON IT Pte. Ltd. AFON Systems Pte. Ltd. AFON Technologies Pte. Ltd.			
Malaysia			Axxis Consulting (M) Sdn Bhd			
Thailand			UEL (Thailand) Co., Ltd.			
US			BIPROGY USA, Inc. Cambridge Technology Partners Inc.			

1. Including consolidation adjustments, etc.

Basic Approach

The BIPROGY Group views information security management as its most important issue as an ICT service provider. Ever since we formed the Information Security Committee in 1990, we have been working steadily on information security measures. In 2018, we revised our cybersecurity strategy to ensure our business remains resilient, and we continue to take a wide range of measures.

Basic Policy on Information Security (Available in Japanese only)

https://www.biprogy.com/com/info_security/

Implementation Structure

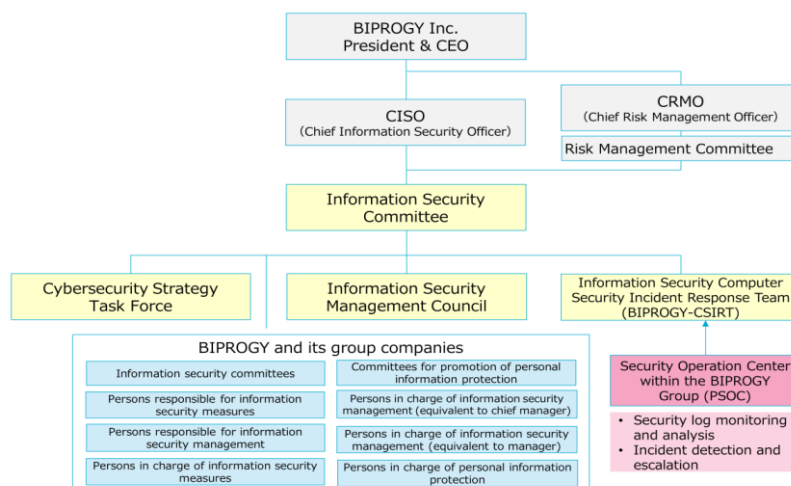
The BIPROGY Group's information security systems are comprised of the Information Security Committee, which is chaired by the Chief Information Security Officer (CISO) and the organizations under the committee, as well as the persons responsible for information security within each organization.

The Information Security Committee promotes the Group's information security strategy and the protection of personal information, considering and promoting policies based on these measures. The Committee works across the Group with the Risk Management Committee, chaired by the CRMO, to ensure that, in the event of a serious incident, causes are investigated and recurrence prevention measures are put in place. The CRMO reports the activities of the Information Security Committee to the Executive Council and the Board of Directors. The Group CISO is also a member of the Sustainability Committee. The Corporate Sustainability Officer, the chair of the committee, reports to the Board of Directors on information security matters that affect the Group's overall sustainability strategy, such as progress on initiatives to address material issues.

In order to address cybersecurity, the Cybersecurity Strategy Task Force was established under the umbrella of the Information Security Committee. The taskforce drives cross-organizational measures by coordinating efforts by related departments and organizations within the Group. In addition, the Group has set up and operates the Computer Security Incident Response Team (CSIRT), which specializes in preventing cyberattacks and responding to them, and the Security Operation Center (SOC), which monitors and analyzes threats to the Group's networks as well as cyber threats.

Persons responsible for information security measures and personal information managers in each organization hold centralized responsibility for each organization's respective information security issues. They are responsible for ensuring thorough awareness of the rules within the organization, introducing and managing policies, confirming and reviewing policy implementation, and continually making modifications to maintain and improve information security.

Information Security and Personal Information Protection Promotion System



Person in charge

Takashi Miyashita, Corporate Officer and CISO

Deliberative body

Information Security Committee

KPI and Target

Number of serious security incidents: 0 (each year)

(Reference: Material Issues)

Progress

Fiscal 2023 result: 1 case

(Reference: Information Security Incidents)

(Reference: Personal Information Protection Violations and Inquiries Received)

Information Security Management

Information Security Management System

Acquisition of ISMS (ISO/IEC27001: 2013 / JIS Q 27001: 2014) certifications (as of April 2024)

- BIPROGY Inc.
- UEL Corporation
- Cambridge Technology Partners Inc.
- AFAS Inc.
- Canal Payment Service, Ltd.
- UNIADEX, Ltd.
- S&I Co., Ltd.
- USOL VIETNAM Co., Ltd.
- International Systems Development Co., Ltd.
- G&U System Service, Ltd.
- TRADE VISION, Ltd.
- UNIAID Co., Ltd.
- BIPROGY Welfare Society

Information Security Training

The Group gives grade-specific training for all Group employees via e-learning, cyber security training and lectures for engineers, and systematic training for contractors. The goal of all of these is to ensure that we appropriately and promptly address information security threats, which are becoming more and more complex and sophisticated. In addition, we take regular steps to raise awareness of security and make it part of our culture, such as automatically displaying messages on information security every day when computers are turned on. We include external case studies in our original training materials to foster crisis awareness and a shared sense of ownership.

In addition, we have established a clear escalation process to report security incidents, and we ensure that all employees are familiar with it during information security training. The participation rate for the security e-learning program for all Group employees, which includes information on personal information protection, was 100% in fiscal 2023 .

Information Security Measures

Cybersecurity Strategy

Cyberattacks today are growing more and more sophisticated, and exploiting an increasing number of routes. As an ICT company, we must make effective use of data to operate our business, and we must also properly handle the personal and confidential information of numerous customers. Accordingly, we believe addressing cybersecurity risks is a top-priority issue. We also view creating new businesses by leveraging digital transformation and addressing cyber security risks as inseparable. To manage cybersecurity, the Group has established cybersecurity strategies based on the Government of Japan's Cybersecurity Strategy and the Ministry of Economy, Trade and Industry's Cybersecurity Management Guidelines, among others. Our strategies articulate the vision, mission and objectivities needed to implement cybersecurity management in an ongoing way, and they consist of broad-ranging and diverse security measures. In order to implement them, cybersecurity management is executed under the Information Security Committee, which oversees the Group's overall information security management. Our specific efforts include:

1. strengthening CSIRT to respond to emergencies;
2. conducting assessments in line with the cybersecurity framework established by the U.S. National Institute of Standards and Technology and then implementing priority measures according to risk based on assessment results;
3. reinforcing crisis response abilities through education and training;
4. creating a cybersecurity response infrastructure and shifting to a zero-trust model¹;
5. participating in the Cybersecurity Council, an information-sharing system between the government and the private sector promoted by the government of Japan, as a cyber-related business;
6. carrying out vulnerability analysis, including simulations of cyberattacks;
7. monitoring of IT infrastructure and information security management systems by external auditors²; and
8. securing an appropriate level of insurance coverage to cover data leaks due to unforeseen accidents.

In fiscal 2021, we conducted an assessment to clarify our maturity level, and identified three core focuses for our basic security policy over the three years. These are "implementing cybersecurity policies for the increasingly diverse business environment," "improving our response to security threats that could cause major incidents," and "providing ongoing security measures that fully take into account the whole system life cycle."

1. An approach to protecting security by confirming users and devices and examining whether they have access authorization, based on the premise that no access should be trusted and all should be examined.
2. These include external audits related to ISMS certification and the PrivacyMark system, as well as a survey and interviews by an auditing firm.

Overview of the BIPROGY Group's Cybersecurity Strategy

Vision	Cybersecurity Foresight Implement Digital Commons in society and provide a secure environment that befits us as a business ecosystem creator that connects diverse companies.			
Mission	Realizing cybersecurity management that befits us as a company providing value that creates a more affluent society together with our customers and partners and solving social issues as we strive for the world-highest level of information security at all times.			
Objectives	1. Provide secure platforms for customers and partners as a basis for business ecosystems 2. Maintain and improve the management quality of the Group so that it is chosen by customers and partners with peace of mind 3. Establish secure environments in which each employee can protect information assets and collaborate with various people on site			
Measures	System measures		Visualization measures	Organizational and process measures
	Customer systems and services Provide highly secure services and platforms	Internal systems Continuously provide a safe environment	Disclose and share information	Build systems that are not vulnerable to cyberattacks Improve the skills, abilities, and awareness of Group executives and employees
Declaration of Keidanren Cyber Security Management 2.0 Keidanren		Cybersecurity Management Guidelines Japan's Ministry of Economy, Trade and Industry		Cybersecurity Strategy Government of Japan

Information Security Incidents

Ensuring zero serious security incidents is one of the Group's materiality KPIs and targets, and performance in this area is linked to annual executive compensation. Regrettably, there was one serious security incident in fiscal 2023. In November, 2023, a server administered by BIPROGY as part of contract work suffered a security breach, resulting in actual or potential leakage of customer information. Measures have already been implemented to prevent any recurrence of this incident.

As part of response to the earlier loss of USB flash drives on June 21, 2022, the measures initially planned to prevent recurrence of this incident have been implemented or have been concretely scheduled for future implementation. Moreover, we are still investigating and implementing further improvement measures, while also taking steps to maintain employee awareness of this incident and to ensure that security procedures are top of mind.

Overview of Measures to Prevent Reoccurrence of Loss of USB Flash Drives

Measures to Prevent Reoccurrence	Overview
(1) Organizational security management measures	Reinforced security management measures for projects that involve access to highly confidential customer information assets. Put mechanisms and systems in place through which a newly established organization specializing in security objectively reviews and approves the appropriateness of said security management measures from the outside and comprehensively manages and monitors those measures.
(2) Physical and technical security management measures	Reinforced security management measures for portable media. Have supervisors thoroughly verify the state of use of portable media in work on consignment and internal operations.
(3) Contractor management	Reinforced the management of security management measures and the handling of personal data. Enforce compliance with laws, government regulations, and Group regulations on contractor oversight through means such as education and guidance. Verify and monitor the operational status of organizational security management measures under (1) above and internal audits.
(4) Further measures, including the fostering of awareness	Thoroughly prevent the fading of this case over time, the dilution of awareness, and the reduction of measures to prevent reoccurrence to a mere formality. Made decision to make the week in every June that contains the day on which the case occurred "Information Security Week" in order to instill the mindset and self-awareness to never let such an event happen again in all Group executives and employees. Set this week as June 19 to 23 in FY2023, issued a message from the CISO to Group executives and employees, and conducted the likes of various forms of information security and training related to the protection of personal information.

Current progress on measures to prevent recurrence of USB flash drive loss (Available in Japanese only)

https://www.biprogy.com/pdf/topics/info_20240520.pdf

Loss of USB flash drives (Available in Japanese only)

https://www.biprogy.com/com/info_security/info202206.html

Protection of Personal Information

Policy on Protection of Personal Information

The BIPROGY Group recognizes the importance of appropriately handling and protecting personal information, and it has established a basic policy on the protection of personal information to fulfill its social responsibility as a corporate enterprise. All Group executives and employees are familiarized with and trained in these policies, and we prioritize compliance across all of our corporate activities.

Basic Policy of Personal Information Protection for BIPROGY

<https://www.biprogy.com/e/privacy/>

BIPROGY Group Basic Personal Information Protection Policy

<https://www.biprogy.com/e/privacy/>

Personal Information Handling

<https://www.biprogy.com/e/privacy/>

Protection of Personal Information on the Website of the Company

<https://www.biprogy.com/e/privacy/>

Personal Information Protection System	<p>The CISO is responsible for the BIPROGY Group's protection of personal information. In accordance with our personal information protection management system, we establish a personal information protection strategy, and the Information Security Committee, chaired by the CISO, and committees for promotion of personal information protection consider and promote various measures. In the event of a major incident, these committees work with the Risk Management Committee, chaired by the CRMO, to investigate the cause and ensure that measures to prevent recurrence are thoroughly implemented throughout the Group. The CRMO reports on the activities of the Information Security Committee to the Executive Council and the Board of Directors.</p> <p>In addition, the personal information manager of each organization manages and supervises personal information, and the persons in charge of personal information protection assist each personal information manager in achieving the organization's goals.</p> <p>Further, an internal audit of information security and personal information protection is conducted every year.</p> <p>(Reference: Information Security and Personal Information Protection Promotion System)</p>
Obtaining the PrivacyMark	<p>PrivacyMark certification status (as of April 1, 2024)</p> <ul style="list-style-type: none"> • BIPROGY Inc. • UEL Corporation • UNIADDEX, Ltd. • S&I Co., Ltd. • International Systems Development Co., Ltd. • TRADE VISION, Ltd. <p>The PrivacyMark is granted to a business when a third-party organization certifies that the business is in compliance with JIS Q 15001 and has established a system to take appropriate protection measures for personal information.</p>
Training for Personal Information Protection	<p>(Reference: Information Security Training)</p>
Use for Secondary Purposes	<p>The BIPROGY Group prohibits the use of personal information for purposes other than those indicated at the time of acquisition. If we wish to change the purpose of use, we first reobtain the consent of the individuals concerned. The purpose of use and actual use are monitored through inventory using a control ledger. There were zero cases of use of personal information for purposes other than those stated in fiscal 2023.</p>
Response to Government or Legal Requests for the Submission of Personal Information	<p>We do not respond to all requests. For example, if we receive an inquiry from an investigative agency, we will ensure that it is based on formal procedures and that the information provided is relevant to the investigation. As set forth in the BIPROGY Group Human Rights Policy, when there is a difference between national laws and international human rights standards, we will strive to follow the higher standard. When there is a conflict between the two, we will seek ways to respect internationally recognized human rights principles.</p> <p>BIPROGY Group Human Rights Policy https://sustainability-cms-biprogy-s3.s3-ap-northeast-1.amazonaws.com/pdf/humanrightspolicy_e.pdf</p>

Response to the EU's General Data Protection Regulation

The General Data Protection Regulation (GDPR) is a unified rule established by the EU aimed at protecting personal data within the EU, which went into effect on May 25, 2018. The GDPR applies to EU member countries, but it also applies to Japanese companies in the following cases:

1. when a product or service is offered to individuals residing in the EU;
2. when the actions of individuals within the EU are being managed and monitored (for example, advertising and marketing, tracking purchase history, etc.);
3. when the customer has personal data related to an individual residing in the EU and has received a commission to "process" this information.¹

The Group has established regulations to address the above cases and strives to familiarize Group executive officers and employees with these requirements while also setting up a system and process for checking which business projects may be subject to the GDPR. The Group's system for protecting personal information is based on Japan's Act on the Protection of Personal Information, but the Group also responds appropriately with changes to its internal regulations in line with the status of implementation of the GDPR, social trends related to the protection of personal data, and any changes in the Group's business models.

1. Only applies to Article 28 of the GDPR (the obligations of the processor)

Personal Information Protection Violations and Inquiries Received

In fiscal 2023, there was a personal information protection incident due to inadequate information security measures. In November 2023, a server administered by BIPROGY as part of contract work suffered a security breach, resulting in actual or potential leakage of customer information. Measures have already been implemented to prevent recurrence of this incident.

Basic Approach

An issue such as suspension of supply of a product or service, or a serious incident or failure due to a problem with a service or security incident, may seriously impact not only customers but also the broader society. It can also have impacts on corporate management, such as erosion of public trust or damage to the brand image. Accordingly, the BIPROGY Group ascertains and mitigates procurement risks in the supply chain and implements initiatives to promote sustainable procurement. It also builds and maintains relationships of trust with suppliers, while working to provide safe and reliable products and services across the supply chain.

The BIPROGY Group is committed to ensuring fair, transparent purchasing transactions with its suppliers. The BIPROGY Group Procurement and Transaction Guidelines and the BIPROGY Group Sustainable Procurement Guidelines have been established to ensure that all procurement takes into consideration ESG issues, such as human rights and the environment, and we are working to have them adopted by our suppliers, as well.

BIPROGY Group Procurement and Transaction Guidelines (Available in Japanese only)

<https://www.biprogy.com/com/purchase.html>

BIPROGY Group Sustainable Procurement Guidelines (Available in Japanese only)

https://www.biprogy.com/pdf/com/Sustainable_Procurement_Guidelines_202408.pdf

Supply Chain Situation

Key Business Partners

BIPROGY Inc., the Group's core company, operates a partner system for outsource service providers that develop information systems and provide operation and maintenance services. We conduct partner evaluations based on multiple criteria such as transaction volume, quality, performance, and business conditions, and we certify outstanding companies as "Business Service Partners." As of October 2023, the Group has 63 of these Business Service Partners. Moreover, development outsourced to overseas companies and their subsidiaries is also expanding, and more than 10% of transactions with partner companies are overseas.

Supply Chain Risk Assessment

ESG Risk Assessments

Furthermore, in April 2021, we formulated the BIPROGY Group Sustainable Procurement Guidelines in response to recent growing social demand for procurement that is conscious of human rights and the environment. We also launched ESG risk assessments and promoted the broader use of our guidelines by suppliers. Our first assessment in fiscal 2021 covered 98 major subcontracting companies and suppliers, and we surveyed the status of their ESG initiatives and conducted a risk assessment. In fiscal 2022, we requested improvements at 49 companies that were judged to need improvement.

Going forward, we believe that further efforts are needed to increase both the expansion of companies targeted in the survey and to improve our effectiveness in resolving issues, and will move forward by setting the following new KPIs and targets.

KPIs and Targets

- Percentage of suppliers targeted in the ESG risk survey: 100% (Fiscal 2026)
- Percentage of suppliers that currently adhere to or have launched improvements to material ESG risk items that the Group has set for suppliers: 100% (Fiscal 2030)

Main survey points

- Formulation of human rights policy and conducting due diligence
- Respect for human rights (forced labor, child labor, freedom of association and the right to collective bargaining, discrimination, working hours, wages, harassment)
- Ensuring health and safety
- Formulating environmental policy and establishing management systems
- Managing resources (waste reduction, etc.)
- Securing biodiversity
- Climate change (energy consumption and CO2 emissions during product manufacturing, and reduction of GHG emissions from company activities, etc.)
- Environmental pollution countermeasures (water, air, and soil pollution, as well as control of vibration, noise, and offensive odors, along with appropriate management of chemical substances, etc.)
- Compliance
- Preventing corruption
- Information security
- Conflict minerals
- Privacy
- Supply chain management

Practicing Sustainable Procurement

Sustainable Procurement Policy Adherence Across the Supply Chain

The BIPROGY Group strives to build relationships of mutual trust and ensure fair and impartial transactions by sharing its Procurement and Transaction Guidelines and its Sustainable Procurement Guidelines, and by maintaining good communication with suppliers on a daily basis.

In particular, based on the BIPROGY Group Compliance Basic Policy, the Group strives to keep its procedures updated accompanying legal and system reforms, to comply with relevant laws and guidelines, and to ensure the proper execution of contracts. Accordingly, we publish regular reports and share information via a web portal established for suppliers, in the areas of information deliverables outsourcing and service provision. We ask suppliers to support the Group's approach to sustainability and its initiatives, and we encouraged them to work together with us on these efforts.

(Reference: Adoption of Climate Change Response Initiatives Across the Supply Chain)

Grievance Mechanism for Suppliers

We have established a dedicated compliance hotline for BIPROGY and UNIADDEX suppliers, which allows them to anonymously report compliance concerns and consult with hotline operators.

Basic Approach

The level of quality demanded of information systems, which are a critical component of social infrastructure, continues to rise. Keeping pace, the BIPROGY Group builds and maintains quality assurance systems and frameworks to ensure the provision of high-quality products and services. Through these systems and frameworks, we seek to provide comprehensive quality assurance for our software, hardware, and services. Our goal is to ensure that customers can completely trust us with every stage of the process—from proposal, to development, maintenance, and operation of systems and services.

KPI and Target

As an indicator for measuring the stability required by society, we have set a target online uptime rate of at least 99.990%.

Progress

The actual online uptime rate for fiscal 2023 was 99.999%.

KPI

	Unit	FY2019	FY2020	FY2021	FY2022	FY2023
Online uptime rate	%	99.997	99.996	99.999	99.998	99.999

Taking Responsibility for Products and Services

Quality Management System

We have acquired ISO 9001 certification for the design, development, and servicing (maintenance of delivered products) of package software for government offices and municipalities. With our systems development standardized through ISBP, we have a framework in place that allows us to develop systems of the same ISO9001-certified quality in all of the development work that we do.

Quality Assurance Delivered by the Information Services Business Process

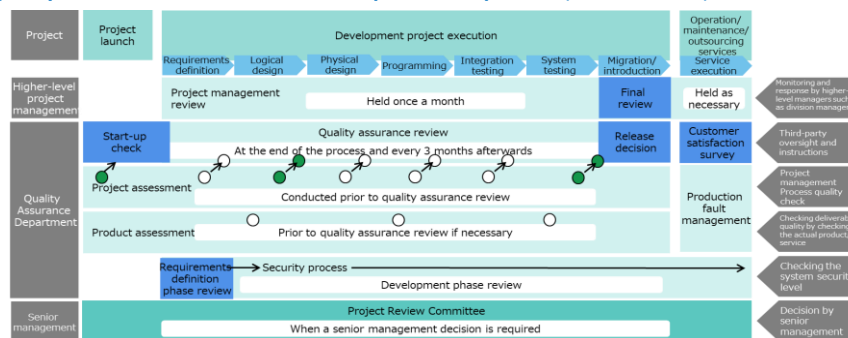
The standard business process we use is called the Information Services Business Process (ISBP). It seamlessly integrates all the work required to develop high-quality systems. ISBP comprises three sub-processes.

- Engineering process: Provides the means for developing services that meet customer requirements.
- Project management process: Ensures project conditions are visible and controlled, while sharing these conditions with customers.
- Quality assurance process: Checks and guarantees at each step of the process that the system has been created using the proper procedures.

Our Project Review Committee, as defined under ISBP, deliberates upon and evaluates key issues related to the provision of products and services.

(Reference: Corporate Governance Structure)

Quality Assurance Process from Development to Operation, Maintenance, and Outsourcing Services



Quality Assurance Process in Development Projects

The quality assurance process for developing customer systems involves quality assurance activities carried out by members of the development project, as well as continuous and systematic confirmation by individuals outside of the project that the project is being conducted in a sound manner and that the quality of deliverables is maintained. Corrective measures are taken as necessary.

With the increasing number of projects where we utilize services and products from other companies to provide our services, we require safety and security checks when adopting external services or products. We also verify those companies' capability to deliver ongoing maintenance in order to ensure the stability of the services that we provide.

Quality Assurance Process in Operation/Maintenance and Outsourcing Services

To ensure that customers are able to use our systems and services without worry long after the developed system is in place, we continuously verify service quality throughout the operation, maintenance, and outsourcing services of the systems that we operate and manage for customers.

Responding to System Failure

It is crucial that any failure that may occur at a customer site be managed by promptly communicating this information to relevant departments, providing the customer with an accurate initial response and report, and following up on the subsequent situation.

We ensure, prompt, high-quality management of any failures, as described above and in compliance with Ministry of Economy, Trade and Industry guidelines and IPA/SEC definitions. To accomplish this, we employ a failure report framework for the systems that we operate and manage for our customers. In addition, we analyze the data gathered from failure reports as needed and take comprehensive preventative measures when necessary.

Customer Satisfaction

Initiatives to Increase Customer Satisfaction						
<p>The BIPROGY Group has more than 5,000 customers, in a wide range of industries and business categories. We take seriously the customer opinions we receive directly in our daily operations, in customer satisfaction surveys conducted after our systems are up and running, and via our customer service call centers. We work to use this valuable feedback consistently to drive improvements within our Group companies and divisions.</p> <p>The survey results are also shared with the Group’s customer service departments, and we strive to increase customer satisfaction through improvement activities.</p>						
Customer satisfaction survey results	Unit	FY2019	FY2020	FY2021	FY2022	FY2023
Customer satisfaction level	% ¹	85.5	86.4	93.3	83.5	79.6

1. Questionnaire surveys were conducted for each project, and the percentage of respondents who answered "Satisfied" or "Mostly satisfied" (total of the top two responses on a four-point scale) was calculated.

Environment

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Basic Approach

There is growing concern about threats to the foundations of survival of current and future generations as the stability of ecosystems and safe access to water is endangered for multiple reasons, including more severe weather-related disasters caused by global warming. In the international community, net-zero-emission initiatives to make effective use of resources and eliminate environmental impact in order to achieve carbon neutrality by the mid-21st century are accelerating, and there is greater interest in increasing biodiversity.

With the goal of mitigating and adapting to climate change and establishing a circular economic system, we have been strengthening our environmental management under our Long-Term Environmental Vision 2050 and Vision 2030. We are aiming to build a world of net-zero emissions by reducing GHG emissions in our business activities and contributing to the environment through the provision of services to customers and the digital commons that the Group creates and participates in. In addition to initiatives focusing on material issues, we are moving forward with initiatives such as cooperating with customers and partners and conducting education to raise employees' environmental awareness.

Long-Term Environmental Vision 2050

Given the escalating severity of global environmental issues such as climate change, as well as the growing public expectations for companies to address them, in July 2020, the BIPROGY Group announced its Long-Term Environmental Vision 2050. This vision outlines the kind of sustainable world the Group would like to help build by 2050, along with the approaches and direction for Group initiatives to fulfill this objective. By working to achieve this vision, we intend to fulfill our social responsibilities in a manner befitting a company that seeks to help solve social issues together with customers and business partners, while also promoting further growth.

Through the Group's business activities, its contributions to the environment go beyond reducing its own greenhouse gas (GHG) emissions, encompassing all of its stakeholders involved in the creation of business ecosystems and the digital commons. The BIPROGY Group's target is to help build a world of net-zero emissions.

The BIPROGY Group contributes to the environment through digital technology. We promote collaboration and cooperation in the transition to a low-carbon society by providing services that facilitate carbon neutrality and the circular economy, and through the digital commons that the Group has built and in which it participates. At the same time, we are strengthening measures to reduce GHG emissions in order to reduce the environmental impact of our business activities. Through these efforts, we aim to contribute to the early realization of a world of net-zero emissions.

BIPROGY Group Long-Term Environmental Vision 2050



Environmental policies

BIPROGY Group Environmental Policies

https://sustainability-cms-biprogy-s3.s3-ap-northeast-1.amazonaws.com/pdf/environmentalpolicy_e.pdf

Implementation Structure	
	<p>The Environmental Contribution Committee, which focuses exclusively on environmental contributions, was established under the Sustainability Committee, a decision-making body formed in 2020. The Environmental Contribution Committee considers policies on how the Group should address environmental contribution, designs mechanisms to promote it, and monitors the implementation status of initiatives. The Environmental Contribution Committee reports to the Sustainability Committee on the matters it discusses and the status of activities. Meanwhile, the Sustainability Committee discusses and makes decisions on important matters discussed by the Environmental Contribution Committee that would have a substantial impact on the Group's earnings and business strategy. The status of the Sustainability Committee's activities is reported regularly to the Board of Directors.</p> <p>In addition, an annual internal environmental audit is conducted by the Internal Audit Department, which reports directly to the company president. The aim is to check whether the Environmental Contribution Committee is performing its activity management role appropriately.</p>
Person in charge	Koji Katsuya, Representative Director, Executive Corporate Officer, CSO
Deliberative body	<p>Sustainability Committee</p> <p>Environmental Contribution Committee</p>

KPIs and Targets	<ul style="list-style-type: none"> •Percentage achieved for target contribution to corporate net-zero emissions¹ through customer use of environmentally friendly products and services: 100% or more (annually until FY2030) •Percentage of business opportunities and risks identified via climate change scenario analysis (impact evaluation) for which a risk response has been implemented: 100% (annually until FY2030) •Percentage of purchased energy used at the Group business locations that is renewable energy: 50% or more (FY2030) •Reduction rate in GHG emissions (Scope 1 + Scope 2): 50% or more compared to FY2019 (FY2030) •To reduce Scope 3 emissions, ensure suppliers who account for 40% of the total procured value of purchased goods and services (Category 1) set targets equivalent to SBT (FY2027)
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1. The zero emission achievement rate is sales of environmentally friendly products and services multiplied by the GHG reduction contribution coefficient and divided by the total Scope 1 and 2 emissions of the BIPROGY Group.

Progress						
KPI	Unit	FY2019	FY2020	FY2021	FY2022	FY2023
Percentage achieved for target contribution to corporate net-zero emissions ¹ through customer use of environmentally friendly products and services: 100% or more (annually until FY2030)	%	–	–	132.9%	174.6%	232.8%
Percentage of business opportunities and risks identified via climate change scenario analysis (impact evaluation) for which a risk response has been implemented: 100% (annually until FY2030)	%	–	–	100%	100%	100%
Percentage of purchased energy used at the Group business locations that is renewable energy: 50% or more (FY2030)	%	–	–	7.4%	23.4%	27.2%
Reduction rate in GHG emissions (Scope 1 + Scope 2): 50% or more compared to FY2019 (FY2030)	%	–	–	9.0%	25.1%	37.5%
To reduce Scope 3 emissions, ensure suppliers who account for 40% of the total procured value of purchased goods and services (Category 1) set targets equivalent to SBT (FY2027)	%	–	–	–	–	19.1%

Environmental Management

Environmental Contribution Committee	
Purpose of establishment	Consider policies for addressing environmental contribution, manage and oversee design of mechanisms to promote it
Main members	Chair: Corporate officer (in charge of management and planning, environment and risk) Committee members: Persons in charge in each business department and persons in charge of management and planning, financial affairs, and environment and risk organizations (general manager/manager class) (Fiscal 2023)
Date of establishment	October 2020
Frequency of meetings (results)	In principle, three times a year (set by Rules for Administration of Environmental Contribution Committee) (Fiscal 2023: Seven times)
Main activities/achievements	<p>Fiscal 2023</p> <ul style="list-style-type: none"> Evaluated business opportunities and impacts using climate change scenario analysis (Part 3) Investigation of Scope 3 (Category 11) emissions reduction targets Continued efforts as part of the GX League initiative of Japan's Ministry of Economy, Trade and Industry (METI), and set GX-ETS targets Supported METI's Industry-Government-Academia Circular Economy Partnership Submitted a Target Submission Form to the SBTi secretariat with the aim of obtaining SBT certification Began assessments of water security and nature-related (biodiversity and natural capital) risks <p>Fiscal 2024</p> <p>Obtained certification under the SBT Initiative for BIPROGY targets aligned with the global climate benchmark of keeping temperature increases below 1.5 °C</p>
Main reports to Sustainability Committee	<p>Fiscal 2023</p> <ul style="list-style-type: none"> Fiscal 2023 action policies and plan

Environmental Management System

The BIPROGY Group complies with relevant laws and regulations related to environmental conservation, as well as with other requirements. To ensure that our business activities are environmentally friendly, we have established an ISO 14001-certified group environmental management system, which serves as the basis for managing these activities. Moreover, to strengthen governance regarding the promotion and implementation of environmental contribution activities across the Group, we have integrated our environmental management system into the activities of the Environmental Contribution Committee, and are continually working to improve it.

Certification organization: Bureau Veritas Japan

First certification date: April 9, 2003

Certification date: March 29, 2024

Certification number: 20566548

Certification scope:

BIPROGY Inc.

UNIADDEX, Ltd.

UEL Corporation

TRADEVISION, Ltd.

International Systems Development Co., Ltd.

UNIAID Co., Ltd.

Environmental management system coverage rate ¹	Unit	FY2019	FY2020	FY2021	FY2022	FY2023
ISO14001	%	-	-	89.2	89.4	88.2
In-house environmental management system	%	-	-	100	100	100
Scope		-	-	c	c	c

1. Figures are the number of employees at certified BIPROGY sites divided by the number of consolidated employees

Environmental Audits

The BIPROGY Group conducts an internal environment audit every year to confirm the operational status of its environmental management system as well as its effectiveness and appropriateness. The results are then reported to the person in charge of environmental management. The results of the internal environment audit in fiscal 2023 revealed no items out of compliance.

Environmental Education

The BIPROGY Group provides e-learning on environmental issues to all employees every year. The fiscal 2023 online training maintained the focus of the previous year. The e-learning training is designed to help solve social issues and ensure that we live up to our “For Society” commitment, which is one of the basic elements of our Management Policies (2021-2023). It also aims to help build a corporate culture that encourages employees to take environmental measures based on personal motivation and initiative. The training focused on three main points. The first was the key performance indicators (KPIs) for helping to solve the Group’s two environmental material issues, and the way they relate to employees’ own workplace activities. The second was business opportunities and risks related to climate change, identified by the Environmental Contribution Committee in accordance with the TCFD framework. The third point was the need to strengthen governance by integrating the environmental management system into the activities of the Environmental Contribution Committee, while obtaining third-party verification to ensure the reliability of the Group’s environmental data. By increasing understanding of these points across the Group, we are working to change employee behavior by promoting greater environmental awareness.

We also asked the participants to reflect on their own involvement with the business and environmental contributions via a questionnaire. This provided an opportunity for them to appreciate environmental contribution as a personal issue, as well.

Participation in Initiatives

To build a world of net-zero emissions, a commitment stated in our Long-Term Environmental Vision 2050, we recognize that engaging with various stakeholders is indispensable. Accordingly, we have not only endorsed TCFD¹ recommendations and joined RE100,² but also actively participate in various initiatives.

1. The Task Force on Climate-related Financial Disclosures (TCFD), created to help address the risks of financial instability due to climate change, is composed mainly of financial institutions in Europe and the United States. It was established in 2015 at the request of the Financial Stability Board (FSB) following instructions from the G20 Finance Ministers and Central Bank Governor Meeting. In 2017, the TCFD Final Report was released. It recommended that financial institutions (institutional investors, banks, and insurance firms) and business companies use scenarios to analyze the potential impact (risks and opportunities) of climate change on business management. Based on this, institutions and companies are also asked to devise and implement appropriate climate change response measures and strategies, and to disclose this information to financial institutions and other stakeholders.

2. RE100 is an initiative led by the Climate Group in partnership with CDP and is also operated as part of the We Mean Business Coalition. In Japan, the Japan Climate Leaders Partnership (JCLP) has been supporting the participation and activities of Japanese companies as an official regional partner of RE100 since 2017.

Violations of Environmental Laws and Regulations

Environmental Legal Compliance Record

The BIPROGY Group confirms revisions to environmental regulations and compliance status every year. There were no legal or other violations in fiscal 2023.

List of main applicable laws and regulations

- Act on the Rational Use of Energy
- Act on Promotion of Global Warming Countermeasures
- Environmental ordinances to ensure the health and safety of Tokyo residents
- Waste Management and Public Cleansing Law
- Act on Rational Use and Proper Management of Fluorocarbons
- Fire Service Act
- Home Appliance Recycling Act

Governance

Basic Approach for Climate Change Response

Climate change is having an increasingly dramatic impact on the planet, as demonstrated by the growing severity of climate disasters. In Japan, energy and climate change measures are changing significantly, with the Carbon Neutral Declaration in October 2020 and Japan's new GHG reduction targets for 2030, declared in April 2021. In addition, in capital markets around the world, sustainable finance is taking off rapidly, and companies are being asked to take specific action to deliver on the Paris Agreement and help build a carbon-free world, as well as to disclose related information.

Responding to these expectations and demands from the international community and Japanese society, as well, in April 2020 the BIPROGY Group expressed its support for the Task Force on Climate-related Financial Disclosures (TCFD) framework. The Group also participates in the TCFD Consortium. In addition, in July 2020 we formulated the BIPROGY Group Long-Term Environmental Vision 2050 and joined RE100.

We recognize that services in the IT and digital fields — the Group's main business — will play an important role in addressing environmental issues such as climate change, and we see this as an opportunity for medium- and long-term growth. We are integrating our capacity to design and achieve new services, one of the Group's strengths, with the technology and expertise that we have amassed thus far. This way we can build and provide the various services that help people mitigate and adapt to climate change — essential for our customers and the broader society — as shared assets and mechanisms that leverage digital technology to benefit society. We are confident that this approach will position the Group to help build a world of net-zero emissions, as described in our Long-Term Environmental Vision 2050.

The Group will continue to work to raise medium- and long-term corporate value by reinforcing initiatives to mitigate and adapt to climate change, pursuing appropriate information disclosure, and actively cooperating with customers and partners.

Governance Related to Climate Change

The Chief Sustainability Officer (CSO), the member of the Board of Directors who is responsible for climate-related issues, has overall responsibility for the Group's initiatives that contribute to sustainable development goals (SDGs) and the Group's sustainable management strategy. The CSO also regularly reports on the Group's sustainability activities, including response to the climate change, to the Board of Directors, which provides an opportunity to receive supervision and instructions.

As for the Group's response to environmental issues, including climate change, related issues are deliberated and decided upon at the Sustainability Committee, the decision-making body chaired by the CSO, or its subordinate body the Environment Contribution Committee. The Environment Contribution Committee is responsible for examining policies related to environmental contributions, designing mechanisms to promote environmental contributions, and managing and supervising the implementation status.

Long-term performance conditions, including conditions related to climate-related response, were incorporated into the executive compensation system introduced in June 2021. Long-term performance conditions KPI related to material issues include ESG indicators, such as GHG emissions reduction targets, which are material issues KPI for achieving Vision 2030. The Board of Directors decides on compensation following deliberations based on reports by the Nomination & Remuneration Committee, an advisory body.

(Reference: Corporate Governance Structure, Remuneration System)

Management Incentives to Address Climate Change

In June 2021, BIPROGY adopted a new executive remuneration system that is linked to the Group's long-term performance, which includes progress on addressing sustainability issues such as climate change. The relevant long-term key performance indicators (KPI) include ESG benchmarks, such as the materiality KPI established by the Group for achieving "Vision 2030 — Working to Achieve a Sustainable Society" announced in May 2021 (fiscal 2022). The materiality KPIs and goals include GHG emission reduction targets and goals related to reducing climate-related risks and expanding opportunities in response to climate change.

Participation in Industry Climate Change Initiatives

The BIPROGY Group joined the RE100¹ initiative in July 2020, and since 2021 has been increasing its annual renewable energy procurement with the aim of attaining the RE100 target of 100% renewable electricity use.

This is all part of the Group's effort to reduce its environmental impact to the point that its own business activities generate net-zero emissions. Switching to renewable energy power is an effective means of mitigating climate change caused by global warming driven by use of fossil fuels, and is an important aspect of the Group's efforts to address environmental issues.

In addition, RE100 requires that member companies in Japan become proactively involved in policy advocacy and make public demands for improvements to Japan's renewable energy popularization targets and the establishment of a transparent market that enables companies to use renewable energy directly. In accreditation services for non-fossil-fuel power sources, based on Japan's Act on Sophisticated Methods of Energy Supply Structures, which is implemented by METI's Agency for Natural Resources and Energy, we offer certification as a third-party institution commissioned by the national government. In addition, since 2018 we have taken part in the study on increasing the value of non-fossil certificates used (study on tracking information for FIT non-fossil fuel energy certificates). Moreover, Renewable Energy Market Briefing – Japan, published by RE100 in March 2020, mentions verification experiments that used the electronic tracking system we provided.

The BIPROGY Group aims not only to increase the use of renewable energy to run its own businesses, but also to contribute to the growth of the renewable energy market in Japan as a RE100 member company by participating in these related projects.

1. RE100 Website

<https://www.there100.org/>

Public-Private Partnerships and Collaboration with Business Partners

The BIPROGY Group recognizes that collaboration with various stakeholders is essential to its effort to help build a world of net-zero emissions expeditiously in order to fulfill its Long-Term Environmental Vision 2050. The Group actively participates in various partnerships and initiatives to promote activities that reduce environmental impact.

- In 2021, we announced our participation in the Japan Partnership for Circular Economy, a public-private partnership launched by the Ministry of the Environment, the Ministry of Economy, Trade and Industry, and the Keidanren (Japan Business Federation) to foster awareness and promote initiatives for achieving a circular economy.
- In October 2021, we announced support for the Clean Energy Demand Initiative sponsored by the US government, and for the Climate Group, a British organization leading the global RE100 initiative.
- In October 2021, BIPROGY joined the Green x Digital Consortium created by the Japan Electronics and Information Technology Industries Association (JEITA).
- In December 2021, we registered our own Challenge Zero Project as part of a new initiative, Challenge Net-Zero Carbon Innovation (Challenge Zero), launched by Keidanren (Japan Business Federation) in collaboration with the Japanese government. The initiative is part of efforts to realize a decarbonized society, which is identified as a long-term goal under the Paris Agreement, an international framework to combat climate change. Challenge Zero aims to greatly raise awareness in Japan and abroad of the innovative green activities being undertaken by Japanese companies and organizations.
- In December 2021, we announced our support for the Leading Tenant Action Policy of the Ministry of the Environment.
- On March 29, 2021, we announced our support for the GX League Basic Concept promoted by the Ministry of Economy, Trade and Industry. Together with other companies that have expressed their support, we also participated in demonstration projects and discussions concerning the specific design of the GX League made up of representatives from industry, academia, and government. As of April 2023, we are continuing our full-scale participation in the GX League initiative.
- Since October 2022, we have participated as a partner company in the Tokyo Ethical Action Project launched by the Tokyo Metropolitan Government.

Response to Climate-Related Opportunities and Risks	<p>The BIPROGY Group believes that addressing climate change is an important management issue that affects corporate value in many ways. Recognizing that it is important to have a strategy and the flexibility to respond to changes in uncertain circumstances, we are working to mitigate climate-related risks and expand opportunities. Since 2021, we have not only promoted material issue-centered initiatives but also continued to conduct impact evaluations, which are part of the climate-related scenario analysis, based on company-wide projects that are part of Environment Contribution Committee activities. In the analysis results up to now, despite the increase in business expenditures related to activities such as the development and innovation of technology to transition to decarbonization and introduction of resources to create new businesses, the impact of greater opportunities through the provision of technology and services that meet needs to solve climate-related issues exceeds the impact of the risk of greater expenses. We will increase the effectiveness of material issues by appropriately reflecting the results of the impact assessment into the Group's various strategies and risk management. Furthermore, we are accelerating initiatives to develop and provide new products and services that contribute to the solution of climate-related issues, such as carbon neutrality and circular economy.</p> <p>In Management Policies (2021–2023), the Group moved forward with both DX for customers and DX for society. In our Management Policies (2024–2026), we aim to create business opportunities that contribute to the solution of social issues, including climate-related issues, and capture earnings from those businesses by developing businesses within a larger framework that encompasses society as a whole. We think that it is important to disclose information reliably, make strategic investments, and further strengthen human capital to enhance technological capabilities in order to make these climate-related opportunities more achievable.</p>
Identification of Business Opportunities and Risks through Climate Change Scenario Analysis (Impact Assessment)	<p>In fiscal 2021, a group-wide project was initiated under the Environmental Contribution Committee to identify business opportunities and risks (impact assessment) using climate change scenario analysis.</p> <p>The aim is to develop adaptability and strategies for responding to unforeseeable conditions caused by climate change, which is an important management objective that affects the long-term value of the company. Using a range of potential outcomes based on the Net Zero Emissions by 2050 Scenario (NZE 2050) of IEA, and Representative Concentration Pathway (RCP) scenarios, we assessed the levels of climate change-related risks and opportunities affecting our business models and their impact on our performance, and defined measures to respond appropriately and strategically. The results of the scenario analysis indicate that our main business, digital domain services, can likely play an important role in helping to solve upcoming environmental issues. These services offer growth opportunities that can substantially contribute to the realization of our Vision 2030 and Long-Term Environmental Vision 2050. After comparing the opportunities with the expected risk impacts, we have determined that the positive impact of potential business opportunities outweighs the potential risks.</p> <p>The following is an overview of the analysis conducted in fiscal 2023 and the assessment results.</p> <p>Purpose of climate change scenario analysis</p> <p>To ensure we have the strategies and flexibility to respond to changing and uncertain circumstances and work to improve our corporate value over the medium to long term by analyzing two climate scenarios for reference to identify and assess the impact of future climate-related business opportunities and risks and changes in future environment, society, and economy.</p> <p>Climate change scenarios used</p> <p>The analysis was conducted using two scenarios based on IPCC Representative Concentration Pathway (RCP) scenarios in which the global average surface temperature in 2100 increased by 4 °C (RCP 8.5) and 1.5 °C (IEA NZE 2050 and RCP 1.9), respectively, compared to temperatures before the Industrial Revolution.</p> <p>Settings of the time axis and assessment areas for business opportunities</p> <p>The time axis for identification of business opportunities and risk is set to 2050, which facilitates imagining the world at that point in the future, and the impact assessment is set to 2030. The impacts of the identified business opportunities are assessed in terms of the six environmental contribution areas (fields 1-6 in the table on next page).</p>

Identification of business opportunities and risks through climate change scenario analysis (impact assessment)

Changes in the environment and society due to transition to carbon neutrality by 2050, which is assumed in the impact assessment based on climate change scenario analysis, and used scenario (common opportunities and risks)

- 1.5°C: Various policies and regulations related to climate change strengthened, including emission controls. Dramatic growth in markets related to solar and wind power and battery industries by 2050 as the weight of electricity in final energy consumption increases. (IEA NZE2050, RCP1.9)
- 4°C: Climate change undermines stability in the international order. Greater risk of economic crisis due to market disturbances. (RCP8.5)

Financial impact and response to climate-related opportunities and risks

Impact on business and initiatives to expand opportunities		Potential impact on finances		Time frame*	Response to growing opportunities
		1.5°C	4.0°C		
Opportunities	Increased demand for services that contribute to improving energy use efficiency and promoting the spread of renewable energy through the use of IT (Field 1: Energy management and renewable energy) Grid system reconstruction; introduction of EVs for use as emergency power source; provision of services that combine energy data and data from different industries, etc.	●	●		
	Increased demand for services that enable enhanced efficiency and reduction of losses associated with production and consumption of goods using IT (Field 2: Circular economy) Spread of supply-demand forecasting and traceability systems based on AI; expanded use of shared systems by financial institutions; promotion of shared use of facilities and means of distribution; provision of services that make carbon content in purchased goods visible; provision of systems that support optimal production; provision of systems that match material demand and supply forecasts for goods and materials, etc.	●	●		
	Increased demand for mechanisms that allow remote decision-making without needing to go to the site (Field 3: New reality and resilient cities) Expanded use of remote-sensing technology in agriculture; expanded introduction of BEMS accompanying increased demand for low-carbon buildings; expanded use and improved accuracy of disaster management systems, etc.	●	—		
	Increased demand for schemes for green cities using digital technologies (Field 4: Green mobility and transportation) Use of digital technology for the spread of automated driving and EVs; optimization of energy consumption on a city and region basis; provision of platform to centralize distribution and SCM information; response to the optimization of electricity use on a city and region basis using EVs, etc.	●	●		
	Increased demand for schemes utilizing digital technologies that do not rely on the movement of people (Field 5: New normal) Greater sophistication of online communication through use of AI; system development to resolve issues of access to consumer staples for vulnerable shoppers; expanded metaverse, virtual office, and hybrid work; research on new analytical techniques effective for addressing climate change, etc.	●	—		
	Increased demand for services that contribute to the promotion of companies' net-zero management (Field 6: Net-zero management) Promotion of Green Transformation (GX); expanded use of low-carbon data centers; development of solutions for introduction of carbon tax and carbon accounting; response to trend toward regionally diversified small data centers, etc.	●	●		
		Increase in revenue from the development of new products and services through R&D and technological innovation We will create new products and services through active development of technology that contributes to the transition to a low-carbon economy. Revenue will increase as we enter new markets and new emerging markets through this.		Short term ~ Medium term	Increase in revenue opportunities in new markets and new emerging markets through development of new products and services • Cooperate with customers, partners, and policy decision makers (business alliance, social verification) • Invest in climate-related tech companies
		Increase in revenue from the development and expansion of low-carbon products and services Sales opportunities will grow due to greater demand for digital low-carbon products and services.			Expand low-carbon products and services • Promote the provision of outsourcing services • Expand carbon neutral-related services

Impact on business operation		Potential impact on finances		Time frame*	Risk-mitigation measures
		1.5°C	4.0°C		
Transition risk	Technology Transition to low-carbon technology	●	—		Conduct R&D that contributes to the development of low-carbon technology • R&D investments • Human resource development
	Market Changing customer behavior	●	—	Short term ~ Medium term	Provide services that meet changing customer demands • Provide environmentally friendly services that contribute to climate change mitigation and adaptation • Promote customer engagement
	Reputation Stakeholders' concerns	●	—		Disclose reliable climate-related information • Initiatives to implement TCFD recommendations • Promote constructive dialogue with investors
		Decline in revenue due to less demand for products and services The Group's market dominance would be undermined if we cannot ascertain customer behavior regarding low-carbon products and services and appropriately develop technologies that contribute to related technologies. This would reduce sales opportunities, and if it is not possible to absorb the investment in development, profitability would fall.			Conduct low-carbon business activities • Join RE100 and promote switch to renewable energy • Promote value chain engagement
		Deterioration in access to capital If low-carbon oriented investors lower the Group's sustainability-related rating, and customer's evaluation of the Group as a supplier fall, revenue opportunities would decline and financing costs would increase.			

* Approximate time frame: short term, 1-3 years; medium term, 4-10 years

In addition to the major opportunities and risks listed above, we conduct impact assessments using scenario analysis for each of the following opportunities and risks identified in the TCFD recommendations.

- Opportunities: Resource Efficiency, Energy Sources, Products and Services, Markets, Resilience
- Transition Risks: Policy and Legal, Technology, Market, Reputation
- Physical Risks: Acute, Chronic

Risk Management

Managing Climate Change Risks

The BIPROGY Group has integrated climate-related risks into the Group risk management system and manages those risks. The Risk Management Committee, which provides unified management for the system, has created a risk classification system, the common management foundation that makes it possible to ascertain Group risks in an integrated manner, and added climate change risk to the system. Of the climate-related risks identified in climate change scenario analysis, items that were evaluated to be of high importance to the Group's business were targeted for management. The risks are reviewed annually using a risk management item inventory process. The Group's risk management structure and processes are clearly detailed in Risk Management Committee and Business Continuity Project Regulations and other related regulations, and are widely disseminated within the Group via the intranet and other means.

Indicators and Targets

Indicators and Targets for Climate Change Initiatives	
	<p>The Group is steadily working to achieve the targets it has set, such as those related to GHG emission reductions among the Group's material issues in 2021. Most of the GHG emissions by the Group, whose core businesses are digital and ICT services, are from the use of electricity. Therefore, we joined RE100 and are moving forward with switching to renewable energy for electricity we purchase. As of the end of fiscal 2023, the percentage of energy purchased that is renewable had risen to 27.2%. We are also promoting energy conservation measures based on the efficient use of offices and equipment. Because of these initiatives, we reduced the Group's fiscal 2023 Scope 1 + Scope 2 (market-based) GHG emissions 37.5% compared to fiscal 2019.</p> <p>As part of these efforts, we obtained Science Based Targets (SBT) verification in July 2024 after submitting our commitment letter. This means our GHG emissions reduction targets have been validated as aligned with the goals of the Paris Agreement.</p>

KPIs and Targets for Further Benefiting Customers and Society by Providing Services That Help Reduce CO2 Emissions	
Indicator: Percentage achieved for target contribution to corporate net-zero emissions	<p>Target: 100% or more (annually until FY2030)</p> <p>Results: 232.8% (FY2023), 174.6% (FY2022), 132.9% (FY2021)</p>
Indicator: Percentage of business opportunities and risks identified via climate change scenario analysis (impact evaluation) for which a risk response has been implemented (100%)	<p>Identify business opportunities and risks and continue to manage identified risks through Group risk management systems</p>

KPIs and Targets for Reducing GHG Emissions Arising from Business Activities	
Indicator: Percentage of purchased energy used at the Group business locations that is renewable energy	<p>Targets: 50% or more (FY2030), 100% (FY2050)</p> <p>Results: 27.2% (FY2023), 23.4% procurement (FY2022), 7.4% procurement (FY2021)</p>
Indicator: Reduction rate in GHG emissions (Scope 1 + Scope 2 (Market-based))	<p>Target: 50% or more compared to FY2019 (FY2030)</p> <p>Results: 37.5% reduction (FY2023), 25.1% reduction (FY2022), 9.0% reduction (FY2021)</p>
Indicator: GHG emissions across the value chain (Scope 3)	<p>Target: Ensure suppliers who account for 40% of the total procured value of purchased goods and services (Category 1) set targets equivalent to SBT (FY2027)</p> <p>Result: 19.1% (FY2023)</p>

GHG Emissions

GHG Emissions (Scope1 and Scope 2)	Unit	FY2019	FY2020	FY2021	FY2022	FY2023	Verified
Direct GHG emissions (Scope 1)	t-CO2e	0	218	1,470	1,406	1,257	✓
Indirect GHG emissions (Scope 2)							
Location-based	t-CO2e			13,442	12,370	11,571	✓
Market-based	t-CO2e	14,358	13,475	11,593	9,347	7,723	✓
GHG emissions (Scope 1 + Scope 2)							
Location-based	t-CO2e						
Market-based	t-CO2e	14,358	13,692	13,064	10,753	8,980	✓
Reduction rate (vs FY2019)	%	-	4.6	9.0	25.1	37.5	
Scope*		o	o	c	c	c	

Notes:

- Starting in fiscal 2021, calculations are based on the GHG Protocol.
- Location-based and market-based Scope 2 emissions are defined in the GHG Protocol Scope 2 Guidance 2015.

* Scope of calculation

FY2019: BIPROGY Inc. and 10 other companies and 2 organizations (covering main sites in Japan, and 85% of total BIPROGY Group personnel)
FY2020: BIPROGY Inc. and 12 other companies and 2 organizations (covering main sites in Japan, and 85% of total BIPROGY Group personnel)
FY2021: BIPROGY Inc. and 24 consolidated companies excluding its investment business limited partnerships (covering main sites worldwide, and 100% of total BIPROGY Group personnel)
FY2022: BIPROGY Inc. and 25 consolidated companies excluding its investment business limited partnerships (covering main sites worldwide, and 100% of total BIPROGY Group personnel)
FY2023: BIPROGY Inc. and 28 consolidated companies (covering main sites worldwide, and 100% of total BIPROGY Group personnel)

GHG Emissions (Scope 3)		Unit	FY2019	FY2020	FY2021	FY2022	FY2023	Verified
Categories	GHG emissions (Scope 3)	t-CO2e			632,737	615,597	522,816	✓
	1. Purchased goods and services	t-CO2e			251,490	229,242	287,512	✓
	2. Capital goods	t-CO2e			20,684	33,493	29,056	✓
	3. Fuel- and energy-related activities not included in Scope 1 or Scope 2	t-CO2e			2,276	2,330	2,252	✓
	4. Upstream transportation and distribution	t-CO2e			1,785	3,141	5,868	✓
	5. Waste generated in operations	t-CO2e			31	31	44	✓
	6. Business travel	t-CO2e			2,570	4,367	4,770	✓
	7. Employee commuting	t-CO2e			1,028	1,211	1,450	✓
	8. Upstream leased assets	t-CO2e	Included in Scopes 1 and 2					✓
	9. Downstream transportation and distribution	t-CO2e	Included in Category 4					✓
	10. Processing of sold products	t-CO2e	NA					✓
	11. Use of sold products	t-CO2e			352,767	341,618	191,766	✓
	12. End-of-life treatment of sold products	t-CO2e			105	165	97	✓
	13. Downstream leased assets	t-CO2e	NA					✓
	14. Franchises	t-CO2e	NA					✓
	15. Investments	t-CO2e	NA					✓
Scope*					c	c	c	

Note: Category 8 under Scope 3 emissions is included in Scopes 1 and 2, Category 9 is included in Category 4. Categories 13 and 15 are excluded from the calculation due to their small percentage of the total. Categories 10 and 14 are not applicable to the Group's business activities.

* Scope of calculation

FY2021: BIPROGY Inc. and 24 consolidated companies excluding its investment business limited partnerships (covering main sites worldwide, and 100% of total BIPROGY Group personnel)

FY2022: BIPROGY Inc. and 25 consolidated companies excluding its investment business limited partnerships (covering main sites worldwide, and 100% of total BIPROGY Group personnel)

FY2023: BIPROGY Inc. and 28 consolidated companies (covering main sites worldwide, and 100% of total BIPROGY Group personnel)

Energy Consumption

Energy Consumption		Unit	FY2019	FY2020	FY2021	FY2022	FY2023	Verified
	Total Energy consumption	kL	7,855	7,425	7,836	7,608	7,189	✓
	Non-renewable energy used							
	Purchased electricity	kwh			25,203,202	25,835,293	24,502,085	✓
	City gas	m ³			578,424	545,839	462,948	✓
	Heavy fuel oil A	kL			0.68	1.99	8.50	✓
	Gasoline	kL			90	91	97	✓
	LPG	m ³			404	745	849	✓
	Hot water	MJ			195,701	197,680	212,684	✓
	Cold water	MJ			1,999,799	6,740,965	7,039,956	✓
	Steam	MJ			168,199	136,866	131,360	✓
	Renewable energy used (purchased)	kwh			2,025,840	6,041,212	6,656,421	✓
	Usage rate	%			7.4	23.4	27.2	✓
Scope*			o	o	c	c	c	

* Scope of calculation

FY2019: BIPROGY Inc. and 10 other companies and 2 organizations (covering main sites in Japan)

FY2020: BIPROGY Inc. and 12 other companies and 2 organizations (covering main sites in Japan)

FY2021: BIPROGY Inc. and 24 consolidated companies excluding its investment business limited partnerships (covering main sites worldwide)

FY2022: BIPROGY Inc. and 25 consolidated companies excluding its investment business limited partnerships (covering main sites worldwide)

FY2023: BIPROGY Inc. and 28 consolidated companies (covering main sites worldwide, and 100% of total BIPROGY Group personnel)

Climate Change Response Initiatives

Policy on Climate Change Response Initiatives

Climate change issues cannot be solved by a single company alone, and in order to achieve the targets of the Paris Agreement, social systems must be reformed and technology innovated at an unprecedented scale. The BIPROGY Group believes that a digital commons — a community shared among partners with the same goals — is crucial to this much-needed reform and innovation. As we work to help build a world of net-zero emissions under our Long-Term Environmental Vision 2050 and Vision 2030, we aspire not only to reduce GHG emissions from our own business activities, but also to make broad environmental contributions by creating value through our business for customers and the broader society. Our diverse efforts will focus on six environmental contribution themes.

Environmental Contributions Made by Providing Solutions and Services	
The Group provides a variety of environmental solutions and services in the following six areas. Through these initiatives, we aim to help solve environmental issues and help build a sustainable world.	
1. Energy Management and Renewable Energy	<p>Main IT-based solutions and services to improve energy utilization efficiency and popularize renewable energy</p> <p>Enability® Series of cloud-based retail power solutions (Available in Japanese only) https://www.biprogy.com/solution/lob/energy/cis/index.html</p> <p>Enability EMS® energy management service (Available in Japanese only) https://www.biprogy.com/solution/lob/energy/ems/index.html</p> <p>Initiatives related to non-fossil fuel certificate¹ trading (1): Operations related to accreditation of non-FIT and non-fossil fuel sources² (Available in Japanese only) https://www.biprogy.com/solution/lob/energy/non_fit/index.html</p> <p>Initiatives related to non-fossil fuel certificate trading (2): Non-fossil certificate tracking (Available in Japanese only) https://pr.biprogy.com/solution/lob/energy/fit_tracking/</p> <p>Support for Efficient Procurement and Management of Non-Fossil Certificates: Environmental Value Management Service Re:lviz® (Available in Japanese only) https://www.biprogy.com/solution/service/environmental_value.html</p> <p>Solar Surplus Forecasting Service for Retail Businesses AI Forecasting Service (Available in Japanese only) https://pr.biprogy.com/solution/lob/energy/ems/power_prediction.html</p> <p>1. Non-fossil fuel energy certificate: Certificates that can be traded, separately from power, on the basis of the non-fossil fuel energy value of power generated by renewable energy or nuclear power sources that do not emit CO₂. 2. Non-FIT non-fossil fuel energy sources: Non-fossil fuel energy sources that are not eligible for the feed-in tariff (FIT) program. FIT is a program that requires power companies to buy electricity generated from renewable energy sources, such as solar and wind power, at a fixed price for a certain period of time, in order to promote the use of renewable energy.</p>
2. Circular Economy	<p>Main IT-based solutions and services to improve efficiency and reduce loss in production and consumption of goods</p> <p>Core-banking system BankVision® (BankVision on Azure) (Available in Japanese only) https://pr.biprogy.com/solution/lob/fs/bankvision/index.html</p> <p>Branch Office Support System: SmileBranch® (Available in Japanese only) https://www.biprogy.com/solution/service/smilebranch.html</p> <p>SaaS EC solutions — Omni-Base for DIGITAL'ATELIER (Available in Japanese only) https://digitalatelier.jp/</p> <p>AI-Order Foresight (AI automatic Order Service) (Available in Japanese only) https://www.biprogy.com/solution/service/aiorder.html</p> <p>U-Cloud® cloud service (Available in Japanese only) https://www.uniadex.co.jp/service/product/u-cloud.html</p> <p>Utilizing Japanese Wood Products through the KIINNOX Project¹ (Available in Japanese only) https://www.biprogy.com/solution/theme/carbon_neutral_kiinnnox.html</p> <p>1. KIINNOX is a coined word that combines “ki,” the Japanese word for “wood,” “inno” from “innovation,” and “x,” which represents multiplication and the possibility for the unknown.</p>
3. New Reality / Resilience	<p>Providing services that help create mechanisms for remote diagnosis without having to visit sites</p> <p>Dr. Bridge® AI bridge diagnosis support system (Available in Japanese only) https://pr.biprogy.com/solution/tec/iot/bp/drbridge.html</p> <p>Saigai Net, a chronology-type crisis management information sharing system (Available in Japanese only) https://pr.biprogy.com/solution/biz/disaster-net/</p> <p>Note: Dr. Bridge® is a registered trademark of BIPROGY Inc. and Nihonkai Consultant Co., Ltd.</p>
4. Green Mobility Transport	<p>Providing services that help create green city systems with digital technology</p> <p>smart oasis® mobility service platform (Available in Japanese only) https://pr.biprogy.com/solution/biz/connectedwork/index.html</p> <p>Accident-Free Program DR® drive recorders for work for operation managers and companies (Available in Japanese only) https://dr.biprogy.com/</p>

5. New Normal	<p>Main solutions and services that help leverage digital technology to create mechanisms that do not rely on the movement of people</p> <p>Work Style Innovation (Available in Japanese only)</p> <p>https://pr.biprogy.com/solution/biz/connectedwork/index.html</p> <p>Support for Problem Solving: Data + AI Rinza® (Available in Japanese only)</p> <p>https://www.biprogy.com/solution/service/airinza.html</p>
6. Net-Zero Management	<p>Providing solutions and services that help support corporate net-zero management</p> <p>Carbon Neutrality Measures (Available in Japanese only)</p> <p>https://pr.biprogy.com/solution/biz/carbon_neutral/index.html</p> <p>Use of Eco-Friendly Data Centers (Available in Japanese only)</p> <p>https://biprogy.disclosure.site/ja/themes/101#sec_datacenter</p>
Use of Eco-Friendly Data Centers	<p>The largest source of GHG emissions for companies in the IT sector is the operation of their own data centers. The Group does not itself own a data center, but instead procures and selects the equipment needed for different applications from its many business partners. In this way, we provide data center services that meet client requirements and promote the use of data centers with high environmental performance.</p> <p>The Obama Data Center¹ (Obama City in Fukui), which the Group employs as its suburban data center, has installed side-wall air supply air conditioning systems, a cutting-edge cooling technology. With this method, cold air is supplied directly through the walls to the server room from the adjacent air conditioning machine room. This allows for a significant reduction in power use for air conditioning systems compared to the conventional floor supply systems. In addition, the system is completely circular, so that cold and hot air are not mixed, and a rectification mechanism is set up, which allows IT equipment to be adequately cooled even with a supply of 22 °C air.</p> <p>Moreover, using outdoor cooling that utilizes the benefits of being located in a cold region together with free cooling² makes for an eco-friendly, energy-saving data center that can achieve a PUE³ in the 1.2 range when the assumed energy is 100% used. We began to confirm GHG emissions for other data centers in fiscal 2020 and aspire to utilize them with a greater emphasis on the environment.</p> <ol style="list-style-type: none"> 1. Kanden Energy Solution Co., Inc. built and owns the voltage substations and air conditioning equipment and maintains, runs and manages the facility. 2. Free cooling refers to the production of chilled water using external air, which is then used for cooling. 3. Power usage effectiveness: An indicator of energy effectiveness for data centers. The figure is calculated by dividing the energy consumed by the data center overall by energy consumed by IT equipment in the data center. The closer the figure is to 1, the greater the efficiency. <p>BIPROGY Group Outsourcing Center (Available in Japanese only)</p> <p>https://pr.biprogy.com/solution/biz/outsourcing/dc_summary.html</p>
Reducing Environmental Impact with a Hybrid Work Model that Combines Remote and In-Office Work	<p>The average ground level temperature in the Tokyo metropolitan area in August is expected to increase by 2 – 3 °C by the 2050s, compared to the 1990s. This will overlap with the rising temperatures caused by the heat island phenomenon resulting from greater urbanization, leading to an even greater increase in temperature in urban areas. This raises concerns about the impact on urban life, including people's health and working environments.</p> <p>The Group introduced a telework system covering all employees in October 2017. Telework not only improves employees' productivity, but can curb GHG emissions resulting from commutes, and also supports the safety of employees and business continuity in the event of disasters such as large-scale weather disasters and infectious diseases. As the employees of the BIPROGY Group shift, as part of a post-pandemic transition, from mainly telework to a hybrid work style that consists of working both from home and in the office, they are proceeding with their daily activities while maintaining an awareness of the need to reduce environmental impact. The Group is also working to improve energy efficiency by setting up satellite offices around the country and promoting workspaces without assigned seating in the headquarters building.</p>

Tackling Climate Change Across the Supply Chain

Reduce GHG Emissions through Initiatives Throughout the Supply Chain

To “build a world of net-zero emissions,” which is stated in the Long-Term Environmental Vision 2050, we consider it important to reduce GHG emissions throughout the supply chain. A new target and material issue KPI set in 2022 is “have suppliers who account for 40% of the total procured value of purchased goods and services (category 1) set targets equivalent to SBT by 2027.” We will continue to strengthen initiatives to reduce GHG emissions in procurement.

(Reference: Supply Chain Management)

Green Procurement

When it comes to procurement decisions, the BIPROGY Group takes a comprehensive perspective that includes environmental and social considerations in business activities and contribution to sustainable development in addition to considerations of quality, cost, delivery, and services. Moreover, the Group procures products and services with low environmental impact from suppliers who take environmental measures in accordance with the BIPROGY Group Green Procurement Guidelines.

BIPROGY Group Green Procurement Guidelines (Available in Japanese only)

https://www.biprogy.com/pdf/eco_green_guideline.pdf

BIPROGY Group Sustainable Procurement Guidelines (Available in Japanese only)

https://www.biprogy.com/com/about_purchase_and_procurement.html

Managing Water Risks

Impact of Business Activities on Global Water Resources and Response Measures

Water damage and droughts resulting from changing rainfall patterns attributable to climate change, as well as rapid urbanization due to increased populations and economic development, are leading to shortfalls in water resources. There is growing concern about such water risks globally. The Group consumes water directly, mainly in its offices. Based on the BIPROGY Group Environmental Policies and the Environmental Long-term Vision 2050, we strive to ascertain and reduce the amount of water used in our business activities, and we are also looking into water conservation measures for our supply chain.

Water Resource Utilization

Initiatives to Reduce Water Use

In fiscal 2023, the Group did not violate any standards or regulations concerning water quality or usage. Moreover, in fiscal 2020, we started disclosing information on water usage for certain sites such as the Toyosu Head Office Building in Koto Ward, Tokyo. Since fiscal 2021, we have been sharing this information for the entire BIPROGY Group.

Water usage for companies in the IT sector is highest for air conditioning and cooling systems at data centers owned by companies, but the Group does not itself own a data center, but instead procures and selects the equipment needed for different applications from its many business partners. In this way, we provide data center services in line with our clients' requests.

As one of our initiatives to appropriately use water resources in our business activities, we use business cards made with LIMEX®, a new material based on limestone, a mineral resource that exists plentifully around the world and can be efficiently recycled, and that involves almost no water in the manufacturing process.

Water Use		Unit	FY2019	FY2020	FY2021	FY2022	FY2023	Verified
Water withdrawal		m ³	-	-	-	53,007	51,342	
	Surface water (rainwater, wetland water, and rivers)	m ³	-	-	-	0	0	
	Brackish or sea water	m ³	-	-	-	0	0	
	Groundwater	m ³	-	-	-	30,222	30,305	
	Third-party sources	m ³	-	-	-	22,785	21,037	
	Water used	m ³	-	13,000	49,477	53,007	51,342	✓
Scope*			-	o	c	c	c	

*Scope of calculation

FY2020: Toyosu Head Office Building of BIPROGY Inc.

FY2021: BIPROGY Inc. and 24 consolidated companies excluding its investment business limited partnerships (covering main sites worldwide)

FY2022: BIPROGY Inc. and 25 consolidated companies excluding its investment business limited partnerships (covering main sites worldwide)

FY2023: BIPROGY Inc. and 28 consolidated companies (covering main sites worldwide, and 100% of total BIPROGY Group personnel)

Appropriate Use of Resources

Basic Approach to Appropriate Use of Resources

Public interest in the finite nature of the earth's resources is growing around the world. In addition to improving the efficiency of the resource cycle by recycling, which has been recommended for some time now, a new economic system called the "circular economy" has been proposed, in which value creation can be maximized and use optimized by utilizing existing products and idle assets. The Group uses resources and energy appropriately through business activities based on its Environmental Policies and Long-Term Environmental Vision 2050.

Effective Use of Resources

The Group has set targets and is working to reduce its environmental impact in order to ensure it uses resources and energy appropriately and efficiently. Starting in fiscal 2022, we are also expanding the scope of waste volume calculation while promoting initiatives focused on the following points.

- Reductions in energy use per office area
- Promotion of use of renewable energy
- Reductions in paper use
- Thorough sorting of waste to promote recycling
- Reductions to the movement of people and things, decreases in office space

Participation in Japan Partnership for Circular Economy

The Group has participated in the Japan Partnership for Circular Economy, which was launched in March 2021 by a public-private alliance (Ministry of the Environment, Ministry of Economy, Trade and Industry, and Keidanren [Japan Business Federation]), since April 2021. The trend toward the circular economy is picking up around the world, and by participating in this partnership we aim to foster understanding of the circular economy and encourage related initiatives.

Keidanren website: Establishing the Japan Partnership for Circular Economy (Available in Japanese only)
<http://www.keidanren.or.jp/policy/2021/020.html>

Waste Treatment

Waste Treatment	Unit	FY2019	FY2020	FY2021	FY2022	FY2023	Verified
Waste generated	kg	425,700	213,300	648,602	339,071	386,258	✓
Waste recycled	kg	-	-	279,501	267,838	252,348	✓
Recycling rate	%	-	-	43.1%	79.0%	65.3%	
Waste disposal (Breakdown)	kg	-	-	369,101	71,234	133,910	✓
Total waste disposal	kg	-	-	17,000	0	0	✓
Landfilled	kg	-	-	54,715	62,143	93,168	✓
Incinerated (no energy recovery)	kg	-	-	297,386	9,091	40,742	✓
Other	kg	-	-				
Scope*		o	o	c	c	c	

* Scope of calculation

FY2019-FY2020: BIPROGY Inc. and 12 other companies and 2 organizations (covering main sites in Japan)

FY2021: BIPROGY Inc. and 24 consolidated companies excluding its investment business limited partnerships (covering main sites worldwide)

FY2022: BIPROGY Inc. and 25 consolidated companies excluding its investment business limited partnerships (covering main sites worldwide)

FY2023: BIPROGY Inc. For consolidated companies, only companies in Japan out of a total of 28 are included.

Paper Usage

Paper Used	Unit	FY2019	FY2020	FY2021	FY2022	FY2023	Verified
Paper used	kg	-	-	25,696	23,698	23,650	✓
	thousand sheets	15,110	7,250	-	-	-	
Scope*		o	o	c	c	c	

* Scope of calculation

FY2019-FY2020: BIPROGY Inc. and 12 other companies and 2 organizations (covering main sites in Japan)

FY2021: BIPROGY Inc. and 24 consolidated companies excluding its investment business limited partnerships (covering main sites worldwide)

FY2022: BIPROGY Inc. and 25 consolidated companies excluding its investment business limited partnerships (covering main sites worldwide)

FY2023: BIPROGY Inc. and 28 consolidated companies (covering main sites worldwide, and 100% of total BIPROGY Group personnel)

Chemical Substance Management

Proper Management of Chemical Substances

The Group did not emit or transfer any harmful or potentially harmful chemical substances in fiscal 2023.

Managing Natural Capital/Biodiversity Risks

Impact of Business Activities on Biodiversity and Response Measures

To identify risks and opportunities related to natural capital, including biodiversity, the Group began a scoping process in fiscal 2023 to determine the priority areas for analysis. In line with the LEAP approach recommended by the Taskforce on Nature-related Financial Disclosures (TNFD), we are working to identify risks and opportunities and enhance governance in order to implement TNFD initiatives, while taking into account our dependence and impact on nature.

Biodiversity Conservation Initiatives

Participating in the Keidanren Biodiversity Declaration Initiative

Given concerns about the deterioration of natural ecosystems and biodiversity, the BIPROGY Group has endorsed the Keidanren Biodiversity Declaration and Action Guidelines (revised version) issued by the Keidanren Initiative for Biodiversity Conservation.

The Group is very aware that biodiversity is an important foundation for a sustainable world, and as a member of the international community, we embrace our role and responsibility in this area and look to collaborate and cooperate to protect biodiversity. We aim to help build a sustainable world by supporting the harmonious coexistence of human societies and the natural world.

Keidanren website: Keidanren Biodiversity Declaration Initiative
<https://www.keidanren.or.jp/en/policy/2020/055.html>

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Basic Approach

Human resources represent important assets for the BIPROGY Group, and they are the driving force behind the Group's sustainable growth and corporate value improvement over the medium and long term. Accordingly, we are making strategic investments to maximize the value of our human resources. In order to realize BIPROGY's Purpose, and to form a business ecosystem by collaborating with companies and organizations with diverse values that extend beyond industry boundaries, the Group's individual employees need to be diverse enough to ensure a broad perspective. Moreover, new perspectives and approaches that are not based on experience or conventional thinking are rarely found in a homogeneous organization. This is why we are aiming to improve our organization and corporate culture so that employees with diverse perspectives and backgrounds can demonstrate their individual abilities to the fullest, regardless of attributes such as gender, nationality, age, or disability, and thereby promote greater opportunities for every individual to pursue their goals. We are steadily working on human resource reform to recognize intrapersonal diversity, while emphasizing the stimulating aspects of change and boldly taking on new challenges. We are steadily transforming the Group into an enterprise that creates even greater social value.

In hiring and the workplace, we do not discriminate based on ethnicity, belief, gender, social position, religion, nationality, age, sexual orientation or gender identity, mental or physical disability, or other such characteristics, as stipulated in the Group Compliance Basic Policy and BIPROGY Group Code of Conduct. In June 2020, we established the BIPROGY Group Human Rights Policy. We are committed to rejecting forced labor in any form and child labor and we value dialogue with labor and management and respect the rights of workers, including their right to associate and engage in collective bargaining.

(Reference: Business and Human Rights)

We strive to familiarize all employees, both in and outside Japan, with laws on labor standards and the company's policies by distributing work regulations, posting information on the internal website and providing e-learning opportunities.

Human resource strategy

To solve social issues with a combination of foresight, insight, technology, and business ecosystems, the BIPROGY Group needs human resources who can create new social value together by involving customers and partners and sharing our vision and values.

Human resource strategy is one of the Group's key policy areas. Under our Management Policies (2021-2023), which aim to move us towards our Vision 2030, we worked to implement policies for human capital management and human resource development based on the construction and operation of talent management systems and our human resource architecture, which is built around our system of ROLES.¹ Our major policies included strengthening the links between business strategy and human resource strategy/resource management, creating mechanisms and environments to maximize the value of human resources (e.g., HR system reform, and promoting self-directed career development and reskilling), and securing and developing human resources who can lead key areas, such as human resources with DX capabilities and human resources able to become "business producers." Under the new Management Policies that took effect in fiscal 2024, we will strengthen human capital investment that is better aligned with the Group's key strategies, improve our ability to execute business strategies, and provide value to society and customers.

1. ROLES is a system that defines the job descriptions and skills for each business execution role in the Group. It is also a core concept that captures the type, quality, and volume of human capital required to execute the various business strategies based on our overall management strategy. Visualizing our human capital requirements through the ROLES system allows us to hire and train human resources in accordance with our management policies, generating a culture that creates continual innovation. By organizing and visualizing our human resource portfolio (by division, organization, business areas, and age-group) through ROLES, we carry out organizational resource management in areas such as assignments, facilitating of job rotation, and the selection of individuals for further training. In order to promote continual innovation, the Group emphasizes intrapersonal diversity (diversity found within individuals) in addition to diversity across the organization's workforce, and aims to foster a culture in which one person can take on multiple roles to expand diversity and generate innovation.

Human resource policies

BIPROGY Group Compliance Basic Policy

(Reference: Compliance Basic Approach)

BIPROGY Group Human Rights Policy

https://sustainability-cms-biprogy-s3.s3-ap-northeast-1.amazonaws.com/pdf/humanrightspolicy_e.pdf

BIPROGY Group Code of Conduct (Available in Japanese only)

https://www.biprogy.com/com/corporate_code_of_conduct.pdf

Implementation Structure	<p>Established under the decision-making Sustainability Committee, the Social Committee discusses human resource strategies and responses to human rights issues. Its deliberations and activities are reported to the Sustainability Committee, and important matters that could have a large impact on the Group's performance and business strategy are decided after deliberation by the Sustainability Committee. The activities of the Social Committee are integrated into the activities of the Sustainability Committee and reported regularly to the Board of Directors.</p> <p>In fiscal 2023, we established a Human Capital Management Department with the aim of further aligning our human capital strategy with our corporate growth strategy, thereby strengthening our human capital management.</p>
Person in charge	Taeko Sawakami, Corporate Officer and CHRO
Deliberative body	Sustainability Committee, Social Committee

Employee Composition

Number of Employees (Consolidated)	Unit	FY2019	FY2020	FY2021	FY2022	FY2023	Verified
Number of employees (consolidated)	Individuals	7,830	7,913	8,068	8,124	8,218	✓
Men	Individuals	6,378	6,370	6,404	6,379	6,364	✓
(Percentage)	%	81.5	80.5	79.4	78.5	77.4	
Women	Individuals	1,452	1,543	1,664	1,745	1,854	✓
(Percentage)	%	18.5	19.5	20.6	21.5	22.6	
Scope		c	c	c	c	c	

Number of Employees by Region (Consolidated)	Unit	FY2019	FY2020	FY2021	FY2022	FY2023
Japan	Individuals	7,523	7,615	7,720	7,759	7,781
(Percentage)	%	96.0	96.2	95.7	95.5	94.7
Men	Individuals	6,193	6,191	6,190	6,159	6,100
Women	Individuals	1,330	1,424	1,530	1,600	1,681
Asia	Individuals	304	293	336	353	423
(Percentage)	%	3.8	3.7	4.2	4.3	5.1
Men	Individuals	182	176	206	212	256
Women	Individuals	122	117	130	141	167
Americas	Individuals	3	5	12	12	14
(Percentage)	%	0.0	0.1	0.1	0.1	0.2
Men	Individuals	3	3	8	8	8
Women	Individuals	0	2	4	4	6
Europe	Individuals	0	0	0	0	0
(Percentage)	%	0.0	0.0	0.0	0.0	0.0
Men	Individuals	0	0	0	0	0
Women	Individuals	0	0	0	0	0
Scope		c	c	c	c	c

Number of Employees (BIPROGY Inc.)	Unit	FY2019	FY2020	FY2021	FY2022	FY2023	Verified
Number of employees	Individuals	4,355	4,407	4,451	4,442	4,424	✓
Men	Individuals	3,480	3,488	3,479	3,453	3,405	✓
(Percentage)	%	80.0	79.1	78.2	77.7	77.0	
Women	Individuals	875	919	972	989	1,019	✓
(Percentage)	%	20.0	20.9	21.8	22.3	23.0	
Scope		n	n	n	n	n	

Number of Employees by Age Group	Unit	FY2019	FY2020	FY2021	FY2022	FY2023	Verified
Under 30	Individuals	428	522	597	656	667	
(Percentage)	%	9.8	11.8	13.4	14.8	15.1	
Men		260	313	347	376	365	
Women		168	209	250	280	302	
30 to 39	Individuals	695	611	582	563	580	
(Percentage)	%	16.0	13.9	13.1	12.7	13.1	
Men		525	457	428	409	414	
Women		170	154	154	154	166	
40 to 49	Individuals	1,152	1,123	1,143	1,116	1,082	
(Percentage)	%	26.5	25.5	25.7	25.1	24.5	
Men		928	911	936	928	906	
Women		224	212	207	188	176	
50 to 59	Individuals	1,860	1,883	1,806	1,684	1,577	
(Percentage)	%	42.7	42.7	40.6	37.9	35.6	
Men		1,565	1,570	1,489	1,380	1,283	
Women		295	313	317	304	294	
60+	Individuals	220	268	323	423	518	
(Percentage)	%	5.0	6.1	7.3	9.5	11.7	
Men		202	237	279	360	437	
Women		18	31	44	63	81	
Average age		46.0	46.1	46.1	46.3	46.4	✓
Men		46.8	47.0	47.2	47.5	47.9	✓
Women		42.7	42.4	42.0	41.8	41.6	✓
Average years of continuous employment		21.0	21.0	21.0	20.9	21.0	✓
Men		21.7	21.7	21.8	22.0	22.2	✓
Women		18.4	18.1	17.8	17.1	17.0	✓
Scope		n	n	n	n	n	

Number of Employees by Rank		Unit	Unit
Management team (officers excluding Managers)		Individuals	21
	Men	Individuals	18
	(Percentage)	%	85.7
	Women	Individuals	3
	(Percentage)	%	14.3
	Managers	Individuals	667
	Men	Individuals	592
	(Percentage)	%	88.8
	Women	Individuals	75
	(Percentage)	%	11.2
	Subcategory: Department heads or	Individuals	276
	Men	Individuals	240
	(Percentage)	%	87.0
	Women	Individuals	36
	(Percentage)	%	13.0
	Subcategory: Section chiefs	Individuals	391
	Men	Individuals	352
	(Percentage)	%	90.0
	Women	Individuals	39
	(Percentage)	%	10.0
	General employees	Individuals	3,757
	Men	Individuals	2,813
	(Percentage)	%	74.9
	Women	Individuals	944
	(Percentage)	%	25.1
Scope			n

Percentage of Management Positions Held by Women	Unit	FY2019	FY2020	FY2021	FY2022	FY2023	Verified
Percentage of management positions held by women ¹	%	5.5	7.5	8.1	9.3	10.1	✓
	Scope ²	c-	c-	o	o	o	
Percentage of management positions in revenue-generating divisions held by women	%	-	-	7.1	7.6	8.0	
Percentage of employees in STEM-related divisions who are women	%	-	-	14.6	14.8	15.8	
	Scope	-	-	c-	c-	c-	
Percentage of management positions held by women (BIPROGY Inc.) ¹		7.4	10.5	10.6	10.4	11.2	✓
	Scope	n	n	n	n	n	

1. When calculating the percentage of management positions held by women, in FY2021 and earlier, BIPROGY and UNIADDEX included executive officers and organizational heads, and the five other Group companies included corporate officers, executive officers, and organizational heads. In FY2022 however, organization heads and equivalents were included, but not corporate and executive officers

2. FY2020 and earlier: BIPROGY Inc. and UNIADDEX, Ltd. From FY2021 onward: BIPROGY Inc., UNIADDEX, Ltd., UEL Corporation, International Systems Development Co., Ltd., Cambridge Technology Partners Inc., S&I Co., Ltd., and USOL Vietnam Co., Ltd.

Recruitment and Turnover

Recruitment Policy	
	Attracting diverse employees is the key to creating new businesses that help solve social issues, accelerate existing businesses, ensure the Group's sustainable growth and raise its value. To this end, we use a range of approaches to reach out to promising candidates and increase hiring opportunities, as well as follow up appropriately after they are hired so that they can establish themselves firmly in the company.
New graduate hiring	
	When recruiting new graduates, we aim to hire human resources with flexible thinking and strong capabilities who can help support sustainable growth and value creation for the Group. BIPROGY is pursuing a multi-faceted approach to recruit a wide range of human resources with diverse values and qualities. Specifically, we invite university students to learn about BIPROGY and encourage them to apply at recruitment events where executives and employees talk with them about our vision and business. We also offer student workshops for particular fields, such as business creation and system development.
	In addition, we recruit human resources with outstanding qualifications in advanced technical fields, such as new business development, as well as AI and IoT. We call them "newly graduated professional employees," and they are offered compensation and benefits that differ from those for regular new graduate hires.
	Based on these activities, BIPROGY Inc. hired 141 new graduates in fiscal 2023, while the BIPROGY Group hired 262 new graduates.

Mid-career hiring

When looking at mid-career hires, we primarily hire people who have the experience and knowledge needed to drive new business creation and grow existing businesses, and who possess valuable business connections. In addition, we hire younger people with job experience who can be expected to show impressive growth after joining the company, make future contributions, and accelerate the Group's business by fulfilling their high potential. In fiscal 2023, the Group recruited 220 of these mid-career employees.

Our recruitment methods include expanding the candidate pool by working closely with personnel agencies, creating job postings based on good communication between HR and the recruiting department, and conducting the recruitment selection process (document screening, interviews, and offer interviews, etc.) in a careful and flexible way. These methods enable us to communicate closely with job seekers while enhancing the attractiveness of career opportunities offered by the Group. We are also making trial efforts to recruit mid-career job seekers. The Group is using methods such as direct recruiting, which involves directly contacting human resources who have registered with external human resources platforms, as well as referral recruitment, where candidates are referred by Group employees, and alumni recruitment, where retired Group employees come back to extend their careers.

At BIPROGY, we also work hard to integrate mid-career hires into the organization and ensure they make an immediate contribution. These include providing initial training to enhance their understanding of the industry and organization immediately after joining the company. We also provide follow-up training several months later, offer regular progress interviews, and organize round-table discussions. Along with briefing sessions, a handbook is provided to managers and co-workers in workplaces where mid-career recruits are placed. The handbook includes expertise on how to incorporate these new employees as well as instructive case studies highlighting the experience of other departments. By promoting workplace understanding of the concerns and obstacles faced by mid-career hires, the Group is working to revitalize its organizations by stimulating interactions with new members of the BIPROGY team.

Hiring non-Japanese employees

To help promote the diversity and inclusion necessary for our medium- to long-term global expansion, we have been hiring new graduates and mid-career hires from other countries. In fiscal 2023, BIPROGY hired four people from nations other than Japan.

As part of efforts to hire new graduates, starting in fiscal 2023, the Group's recruitment activities have also been targeting technical universities outside Japan as well as foreign students at Japanese universities.

Recruitment		Unit	FY2019	FY2020	FY2021	FY2022	FY2023
		Individuals	333	385	353	413	443
	Men	Individual	233	253	216	255	271
	(Percentage)	%	70.0	65.7	61.2	61.7	61.3
	Women	Individual	100	132	137	158	171
	(Percentage)	%	30.0	34.3	38.8	38.3	38.7
New graduates		Individuals	204	243	248	205	223
	Men	Individuals	130	139	127	105	117
	Women	Individuals	74	104	121	100	106
Mid-career recruitment		Individuals	129	142	105	208	220
	Men	Individuals	103	114	89	150	154
	Women	Individuals	26	28	16	58	66
Scope ¹			o	o	o	o	o
Mid-career hire rate	BIPROGY Inc.	Individuals	29.4	25.4	24.6	53.1	47.5
	UNIADDEX, Ltd.	Individuals	26.8	34.4	28.7	33.6	29.5
Percentage of positions filled by internal candidates			n	n	n	n	n
		%	24.5	54.5	20.6	37.1	37.5
Scope			c-	c-	c-	c-	c-
New graduate retention rate		%	91.9	91.8	89.1	91.1	91.1
	Men	%	90.4	91.1	91.7	91.5	89.0
	Women	%	94.1	92.5	85.1	90.6	93.3
Number of people re-employed after retirement (Percentage of people re-employed after retirement)		Individuals	61	99	140	187	187
		%	69	79	92	90.3	81.7
	Men	Individuals	58	85	119	158	163
	(Percentage)	%	72	78	92	90.3	82.7
	Women	Individuals	3	14	21	29	24
	(Percentage)	%	43	82	88	90.6	75.0
Scope			c-	c-	c-	c-	c-

1. FY2020 and earlier: BIPROGY Inc. and its consolidated subsidiaries in Japan, as well as Cambridge Technology Partners Inc. From FY2021 onward: BIPROGY, UNIADDEX, UEL Corporation, International Systems Development Co., Ltd., Cambridge Technology Partners Inc., S&I Co., Ltd., G&U System Service, Ltd., BIPROGY Challenged Inc., and UNIAD Co., Ltd.

2. Mid-career recruitment rate is calculated based on Japan's Act on Comprehensively Advancing Labor Measures

Turnover		Unit	FY2019	FY2020	FY2021	FY2022	FY2023	Verified
	Employee turnover rate	%	2.8	2.3	2.3	3.1	3.5	✓
	Men	%	2.8	2.4	2.2	3.0	3.4	
	Women	%	3.1	2.2	2.6	3.4	3.9	
	Scope		c-	c-	c-	c-	c-	

Remuneration

Fair Wages	<p>The BIPROGY Group stipulates and administers internal regulations on wages, benefits, bonuses, retirement pay and other forms of remuneration, based on laws such as Japan's Labor Standards Act as well as our labor contracts with labor unions. We comply with wage-related laws on minimum wage, mandated compensation and overwork, and provide notification with pay statements or electronic data at a specific payment duration and time. Wages are paid in full directly to employees. There are no disparities in treatment based on factors such as nationality, beliefs, social position, or gender.</p>							
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Salary		Unit	FY2019	FY2020	FY2021	FY2022	FY2023	Verified
	Average annual salary	Yen	8,374,830	8,088,571	8,100,039	8,163,349	8,502,857	✓
	Median annual salary	Yen	-	-	-	7,886,646	8,073,075	
	Starting monthly salary for new graduates ¹	Bachelor's degree	220,000	220,000	220,000	220,000	225,000	
		Master's degree	245,300	245,300	245,300	245,300	250,300	
	Scope		n	n	n	n	n	

1. April base salary results for each fiscal year

Gender Pay Gap		Unit	FY2019	FY2020	FY2021	FY2022	FY2023	Verified
	Ratio of women's basic individual salaries to men's							
	Managers	Women: Men	-	-	-	1:1.04	1:1.02	✓
	Non-managers	Women: Men	-	-	-	1:1.25	1:1.25	✓
	Ratio of women's individual compensation to men's							
	Managers	Women: Men	-	-	-	1:1.04	1:1.03	✓
	Non-managers	Women: Men	-	-	-	1:1.29	1:1.29	✓
	Scope ¹		-	-	-	0	0	

1. BIPROGY Inc., UNIADDEX, Ltd. and UEL Corporation

Benefits

Benefits	<p>The Group has established a benefits program so that employees can work with peace of mind. In terms of housing, the foundation of daily life, we have dormitories available to single employees, and company residences available to transferred employees. In addition, we offer a variety of programs so that employees can live with peace of mind, such as accumulated savings, workplace-version Nippon Individual Savings Accounts (NISA), employee savings schemes, emergency loans, employee stock holding associations, and mutual aid organizations.</p> <p>We provide flex time and telework programs, and a limited-area work option that does not involve long-distance transfers, so that employees can choose the right work style for their lives. In addition, we have created a "refresh" holiday program that allows employees to take longer holidays, based on the number of years employed, to sustain their mental and physical health and restore their energy.</p>							
External evaluation of the Group	<p>Certified as an excellent employee welfare corporation</p> <p>In March 2024, BIPROGY was certified as an Excellent Employee Welfare Enterprise in the "operation enhancement" and "commitment to employee welfare" categories, under the award certification system operated by Roumu Kenkyusho, Japan's labor research institute. This system commends and certifies companies that implement outstanding employee welfare programs and those that are motivated to improve their programs going forward. BIPROGY has received this certification for three consecutive years since fiscal 2022.</p>							

Senior Employees

Opportunities for Middle-Aged and Senior Employees

The declining birth rate in Japan has made labor shortages a serious social problem. The Group takes special measures to support middle-aged and senior employees, who have a wealth of experience and knowledge.

Beginning in fiscal 2021, we started a re-employment program called Next Stage Integration (NSI). The aim of NSI is to make better use of the knowledge and experience that retired employees have accumulated during their careers. By reviewing the assignments and compensation for program participants, the percentage of retirement-age employees wishing to be re-employed has risen by 12 percentage points compared to the average over the three years before the program started. Participants can choose among flexible work options, working one, two or three days per week, or full time. Currently, 32 participants (7.3%) have chosen to work less than five days a week. Our work-style reform efforts to respect diverse values foster a pool of employees who are highly motivated, allowing us to continue tackling the challenges of an era in which many people live to 100. Moreover, we have set up a senior expert program in which we recognize employees with high market value and expertise as senior experts, and continue to employ them after retirement with compensation that differs from the regular reemployment program. Currently, the senior expert program has 53 participants (12.1% of re-employed employees).

Compliance with Labor Laws and Regulations

Violation of Labor Laws and Regulations

There were no instances of Labor Standards Act violations in fiscal 2023.

Basic Approach

With a central focus on its Purpose, the BIPROGY Group aims to foster a corporate culture where each employee can fully embrace their intrapersonal diversity, respect others' individuality, and fully demonstrate their individuality and abilities.

The Group respects human rights as well as diverse cultures and customs as outlined in the following policies for diversity, equity and inclusion (DE&I). The policies clearly prohibit any discrimination based on race, gender, age, creed, religion, nationality, sexual orientation or gender identity, and physical or mental disability, etc.

To effectively promote these policies, the Group uses employee engagement surveys and other methods, and policy compliance levels are monitored by senior management. We also undertake a variety of related initiatives including the promotion of DE&I activities, as well as those to help create more rewarding workplaces.

DE&I-Related Policies

BIPROGY Group Compliance Basic Policy

(Reference: Compliance Basic Approach)

BIPROGY Group Human Rights Policy

https://sustainability-cms-biprogy-s3.s3-ap-northeast-1.amazonaws.com/pdf/humanrightspolicy_e.pdf

BIPROGY Group Code of Conduct (Available in Japanese only)

https://www.biprogy.com/com/corporate_code_of_conduct.pdf

KPIs and Targets

- Percentage of management positions held by women at the BIPROGY Group : 18% or more (by April 1, 2026)
- Percentage of employees with disabilities: 0.1% or more greater than the legally required percentage of 2.3% (annually)
- Weighted average score of work style related items in the engagement survey: at least equal to FY2019–FY2020 average score (3.36) (FY2023)

Progress KPI	Unit	FY2019	FY2020	FY2021	FY2022	FY2023
Percentage of management positions held by women ¹ at the BIPROGY Group: 18% or more (by April 1, 2026)	%	-	-	9.3% (As of April 1, 2022)	10.2% (As of April 1, 2023)	11.2% (As of April 1, 2024)
Percentage of employees with disabilities ² : 0.1% or more greater than the legally required percentage of 2.3% (annually)	%	2.31	2.59	2.62	2.84	2.89
Weighted average score of work style related items in the engagement survey: at least equal to FY2019–FY2020 average score (3.36) (FY2023) ³	pt	-	-	3.43	3.47	3.43

1. BIPROGY Inc., UNIADDEX, Ltd., UEL Corporation, International Systems Development Co., Ltd., Cambridge Technology Partners Inc., and USOL Vietnam Co., Ltd.

2. FY2019: BIPROGY Inc. and UNIADDEX, Ltd. From FY2020 onward: BIPROGY Inc., UNIADDEX, Ltd., UEL Corporation, BIPROGY Challenged Inc., International Systems Development Co., Ltd., Cambridge Technology Partners Inc., and S&I Co., Ltd.

3. BIPROGY Inc., UNIADDEX, Ltd., UEL Corporation, International Systems Development Co., Ltd., Cambridge Technology Partners Inc., and G&U System Service, Ltd., AFAS Inc., USOL Vietnam Co., Ltd., TRADE VISION, Ltd., UNIAID Co., Ltd., Canal Payment Service, Ltd., BIPROGY USA, Inc., S&I Co., Ltd., and Green Digital & Innovation Inc.

Employee Engagement

Employee Engagement Survey						
<p>To get a clearer picture of employee awareness and organizational issues, the Group has been conducting annual engagement surveys for all Group employees since fiscal 2013.</p> <p>The Group's survey consists of questions in three areas: the employee's company, direct superior, and workplace situation. By measuring the employee's expectations and satisfaction level for each question, an engagement score is calculated by converting the engagement level into a standardized value. The survey results are used to improve the organizational culture of the entire Group, as it allows the heads of each department to get a better idea of the issues in their own organizations and use results to devise improvements.</p> <p>As part of efforts to address the issues identified by the survey results, in fiscal 2023 management implemented measures to enhance employee appreciation of BIPROGY's Purpose, which has led to organizational strengthening. As a result of such ongoing culture reform efforts, the Group's overall engagement score has improved by more than 10 points since the start of the survey. We are now able to maintain a level higher than the average engagement score of 50. Moving forward, we will undertake new efforts, including changing the survey tools we use in order to track the effectiveness of our human resources policies in more detail.</p>						
	Unit	FY2019	FY2020	FY2021	FY2022	FY2023
Engagement score	pt	53.4	56.5	56.7	55.9	55.4
Percentage of employees who responded to the survey	%	96.1	95.4	95.8	95.3	96.2
Scope		c	c	c	c	c

Creating Rewarding Workplaces

Creating Rewarding Workplaces	
<p>By creating rewarding organizations and workplaces where diverse human resources can fully demonstrate their capabilities, the Group can gain a new source of competitiveness and growth. We are supporting this effort through activities like Purpose engagement, the Your Time initiative, and work-style reform.</p>	
1. Purpose engagement	<p>In fiscal 2023, the Group conducted an employee survey on Purpose engagement and implemented measures based on the survey results. Approximately 100 senior management members, including executives, attended lectures by external experts and consultants to better understand purpose-driven management. They also delved deeper into My Purpose, and took part in workshops on creating an organizational purpose. In addition, we held discussion meetings over six months for middle managers on Purpose engagement to promote understanding of purpose-driven management. The Group will continue to conduct Purpose engagement surveys in conjunction with regular engagement surveys, and will implement effective measures to enhance Purpose adoption based on the results.</p>
2. Your Time initiative	<p>By offering the Your Time initiative, which involves one-on-one dialogue sessions between superiors and their subordinates, we are working to ensure better workplace communication for all employees, whether or not they work remotely. For managers, we provide information sessions concerning Your Time implementation, along with a guide and tools, and there are also workshops for managers to share their concerns. The aim is to improve and support the acquisition of skills such as coaching, teaching, and feedback provision by managers and to effectively promote the Your Time initiative. As a result, based on the fiscal 2023 survey, about 80% of managers who have implemented Your Time have been able to realize benefits such as building trust and enhancing employee autonomy and growth. On the other hand, only about 35% of managers have actually adopted Your Time. Good communication between superiors and subordinates is essential, especially when transitioning to a new personnel system. Therefore, we will continue to hold Your Time information sessions for newly appointed managers, while also sharing information on the benefits of Your Time adoption, and working to foster a dialogue-oriented corporate culture.</p>

3. Work-style reform

The Group aims to offer work styles that allow employees to continue producing results while adapting readily to the needs of their own lifestyles and changes in the social environment. We have set two goals for work-style reform: maximizing the performance of each employee, and creating new value. Based on these, various initiatives have been implemented. In fiscal 2022, we re-designated telework not as a temporary measure to manage the spread of COVID-19, but as an officially accepted work style that can allow diverse employees to perform at their best. Accordingly, the Group has eliminated its restriction on the number of days a year that an employee may work remotely. Restrictions on telework locations have also been relaxed, thereby expanding remote work opportunities. Moreover, we have adopted a system that allows annual leave to be taken in hourly increments, thus enabling employees to take time off during the work day for medical and other appointments. We are increasing the flexibility of work style options, such as making hourly leave available for those with young children, as well as for those with nursing care responsibilities. In April 2023, the Group lifted its requirement concerning the percentage of employees that should be present in the office, which was adopted as a pandemic measure. We now have a system that allows each organization to decide its own staffing level required in the office. Workplaces are expected to assess the advantages and disadvantages having employees in the office or teleworking, while at the same time, being mindful of each employee's work-life balance and career development needs.

	Target	Result
Weighted average score of work style related items in the engagement survey	At least equal to FY2019–FY2020 average score (3.36) (FY2023)	3.43 (FY2023)

(Reference: Material Issues)

Assignment

In addition to reviewing the organization every year based on the business environment, we assign employees using a rotation system designed to improve employee knowledge and experience (intrapersonal diversity). Assignment to a different organization gives individual employees new knowledge and experience, and restructuring their knowledge can foster entirely new perspectives and thoughts. Through these means, we not only encourage employee's growth, but also create a foundation for innovation.

We have established a self-reporting system that allows employees to indicate their interest in a transfer, and an e-career board for internal recruitment to meet human resource needs in new areas and strategic and priority operations. This structure assists employees to work in an organization of their choosing and sustain high motivation.

Promoting Diversity, Equity and Inclusion

Promoting DE&I

We promote diversity, equity and inclusion (DE&I) efforts based on the commitment of our CEO. The Group is undertaking initiatives to support individuals with certain attributes such as women, employees with disabilities, LGBTQ+ individuals, and non-Japanese nationals. We make comprehensive efforts to foster a DE&I-positive corporate culture that offers psychological safety and inclusion for everyone. We are working on these kinds of measures based on two key objectives: promoting understanding, awareness, and behavior change; and improving systems and mechanisms.

DE&I dialogue	In the belief that fostering a culture of dialogue can lead to DE&I promotion, the Group has been carrying out DE&I dialogue activities since fiscal 2020. This initiative for dialogue-based organizational development is not led by corporate headquarters, but rather by frontline organization employees, who take the initiative to improve their own organizations and companies. Top management and their subordinates in frontline organizations are working together to carry out various dialogue-based initiatives in workplaces. Since the start, new participants and initiatives have been added every year. The number of initiatives planned by participants in these DE&I dialogue activities has exceeded 30, with more than 500 people participating group-wide. Accordingly, the activities at frontline organizations continue to expand.
DE&I seminars	Seminars for all officers and employees of the Group, featuring lectures by outside experts and messages from the corporate officer in charge
Diversity e-learning	e-learning for all Group employees (mandatory)
Unconscious bias seminars	Seminar for all Group employees to help them understand unconscious bias and learn how to address it.
Interviews with employees advocating for diversity	Interviews with employees, published on the internal communication site on a wide range of topics, such as women's perspectives, balancing work with childcare, middle-aged employees, non-Japanese employees and other topics.
DE&I e-mail magazine	An e-mail magazine on the subject of DE&I, distributed to all employees on an ad hoc basis
Diversity promotion survey	A diversity-related questionnaire survey for all Group employees: The responses are analyzed and shared internally

Gender Diversity Promotion

Initiatives for Gender Diversity Promotion

The Group has adopted the percentage of management positions held by women as a KPI for addressing one of its material issues. Accordingly, BIPROGY Inc. has set and is working to achieve targets for the number of women in management positions and the percentage of executive officer positions held by women, under its action plan based on Japan's Act on Promotion of Women's Participation and Advancement. We have implemented grade-specific programs for women in the workforce, to help them with independent career development and to foster a managerial mindset. Our aim is to systematically train women for promotion to managerial positions, create a human resources pipeline, and enhance group-wide promotion of these efforts. To this end, we have established monitoring and reporting mechanisms involving the Sustainability Committee and the Board of Directors, based on plans for promoting women into management created by each division and Group company. BIPROGY is also actively participating in external initiatives such as the UN Women's Empowerment Principles (WEPs) and the Keidanren's Challenge Initiatives for 30% to increase the percentage of executive officer positions held by women to 30% by 2030. In order to further accelerate the advancement of women, we will continue to provide training and promotion support that is tailored to the individual challenges faced by women in the workforce.

	Target	Result
Material issue KPI	Percentage of management positions held by women: 18% or more (by April 1, 2026)	11.2% (as of April 1, 2024)
Percentage of executive officer positions held by women ¹	20% (by April 1, 2025)	17.1% (as of April 1, 2024)
Percentage of management positions held by women ¹	Double the number of women in management positions compared to fiscal 2020 (126 by April 1, 2025)	96 women (as of April 1, 2024)

1. BIPROGY Inc.

Promoting employee understanding, awareness and behavioral change

Grade-specific development program for women	With the aim of cultivating a managerial mindset among women in the workforce and increasing their awareness of opportunities for independent career development, while forming a human resource pipeline for women, this program is provided to young- to mid-career women and women who are candidates to serve as organization heads. The practical content includes a panel discussion among women from frontline organizations, discussion among participants, and a study of how to share career goals with a superior.
Networks for women in the workplace	Internal and external online social networks for all women in the workforce of the Group: One such network is WITTy (Women in IT in Toyosu), a network of women from IT companies in the Toyosu area, where our head office is located.

Systems and Mechanisms

The BIPROGY Group has clearly defined employment grades and evaluation criteria, thereby building a system in which women and men are treated equitably in evaluations and promotions. Moreover, our systems are carefully designed and implemented to ensure that employees who find themselves in certain major life stages, such as having a child, are treated and evaluated fairly in light of the special situation they face.

Support for Balancing Work and Life Stages

Support for Balancing Work and Life Stages

The Group has established an environment in which each individual, even employees with various attributes and constraints, can work and sustain their motivation at high levels by selecting a work style that fits their various needs based on their lifestyle and life stage. We strive to enable employees to develop their own careers and work in ways that can accommodate their personal situations. We also foster mutual respect within the workplace so that teams can achieve maximum results.

Balancing Work and Nursing Care

The Group's employees remain with the company for a long time (the average was 20.9 years at the end of fiscal 2022), which means that there is a high probability that employees over the age of 40 will be faced with caring for their parents or spouses just as their work responsibilities increase. We assume that both men and women will be involved in nursing care during their careers. Providing a flexible system for these important times in our employees' lives is very reassuring for employees.

The Group has programs that can be used for nursing care and go beyond the legal mandates. Employees can take paid or unpaid leave for nursing care (12 days of paid nursing care leave per family member to be cared for, plus up to 60 days of accumulated paid leave). We also offer transportation subsidies for long-distance nursing care. In addition, we carry out surveys on nursing care situations and perceptions, hold seminars on nursing care related to preparing for and balancing it with work, and publish nursing care handbooks.

Promoting employee understanding, awareness and behavioral change

Nursing care seminars	Seminars given by outside experts held once a year, with all Group employees eligible, designed to help employee balance work and nursing care
Diversity management training	Training that all organization heads must attend, designed to prepare them to manage their subordinates involved with nursing care and to prepare for providing nursing care themselves. This training was shifted to an e-learning format in fiscal 2023.
Nursing care handbook	The handbook is published to help employees understand the important points for balancing work and family nursing care responsibilities
e-learning	Training that provides basic knowledge for employees needing to take on family nursing care responsibilities. The key points are provided in an easy-to-understand way, allowing participants to adopt the necessary mindset. Group employees can attend on a voluntary basis.

Systems and mechanisms

Nursing care unpaid leave	Up to one year per family member needing care (can be taken multiple times)
Nursing care paid leave	(1) Accumulated special paid leave can be used on a one-day, half-day, or hourly basis (2) Up to 12 days annually of paid nursing care leave per eligible family member, which can be taken in one day, half day, or hourly basis
Flex time	Working hours are calculated with a one-month settlement period; there are core times
Reduced working hours	As little as two hours/day
Counseling	Employees can speak with advisers on balancing work and home responsibilities, with the employee consultation office, or with external counselors when needed
Subsidies	In-home care subsidy, transportation subsidy for long-distance nursing care, and nursing care leave subsidy

Balancing Work and Childcare

The BIPROGY Group provides comprehensive programs and support to help employees balance work and childcare responsibilities. We have implemented diversity management training for organizational heads, along with other seminars and roundtable discussions to enhance internal support for work and childcare balance. This allows employees to build fulfilling careers while still participating in child-rearing, and to fully demonstrate their abilities.

As a result of these efforts, the percentage of eligible women taking childcare leave and the percentage returning to work has remained at nearly 100% for the last 10 years or more. On the other hand, although the percentage of eligible men taking childcare leave has been rising, we recognize that a gender gap remains, and we will address this issue. Going forward, we will encourage more men to take childcare leave, with the aim of allowing both men and women to better share the burdens of housework and childcare, and to balance their work and childcare responsibilities.

Promoting employee understanding, awareness and behavioral change

Diversity management training	Required e-learning program for organizational heads to learn about their appropriate role and approach when dealing with subordinates balancing work and childcare responsibilities. This training was shifted to an e-learning format in fiscal 2023.
Interview for those taking maternity and childcare leave	Three-way interviews (employee, supervisor and Diversity Promotion Office representative) before and after maternity and childcare leave
Network for men	Internal social media for all men employed by the Group

Systems and mechanisms

Programs that can be used before childbirth	Subsidies for infertility, limits on late night work and overtime during pregnancy, measures limiting work on holidays
Leave before and after childbirth	Maximum of nine months
Childcare leave (company-specific system)	The primary guardian and their partner can take this benefit until the child reaches the age of two. It can also be taken in installments.
Reduced working hours	As little as two hours/day; application categories are "childcare term" (until the child is in the sixth grade of elementary school), and "parenting term" (children of junior-high and high school age with illnesses and disabilities, until they turn 18)
Childbirth leave to support wife	Men can take up to two days of special paid leave (may be divided)
Counseling	Work-life balance advisors, employee consultation rooms, and external counseling are available as needed
Other	These programs may be combined with flextime or accumulated special paid leave (up to 60 days of annual paid leave remaining that cannot be carried over into the following year can be accumulated and used for personal illness, nursing care, and volunteer activities, in units of half days)

Results of Using Support Systems for Balancing Childcare and Work	Unit	FY2019	FY2020	FY2021	FY2022	FY2023	Verified
Number of men taking childcare leave	Individuals	31	43	49	60	59	✓
Percentage of eligible men taking childcare leave	%	20.9	24.8	30.1	48.7	49.5	
Scope ¹		C-	C-	C-	0	0	
Percentage of people returning to work after childcare leave	%	97.0	99.0	97.6	98.8	100.0	
Men	%	100.0	100.0	100.0	98.0	100.0	
Women	%	95.0	98.0	95.5	100.0	100.0	
Percentage of people retained after childcare leave ²	%	100.0	99.0	95.1	92.7	97.6	
Men	%	100.0	97.0	100.0	90.0	100.0	
Women	%	100.0	100.0	90.5	96.9	94.3	
Number of people using reduced working hours for childcare	Individuals	263	263	235	254	249	
Men	Individuals	22	31	13	17	19	
Women	Individuals	269	234	222	237	230	
Number of people taking paid leave for nursing care	Individuals	488	296	501	515	464	
Number of people taking unpaid leave for nursing care	Individuals	4	0	4	4	3	
Number of people using reduced working hours for nursing care	Individuals	15	14	16	19	17	
		C-	C-	C-	C-	C-	

1. FY2021 and earlier: BIPROGY Inc. and UNIADEx, Ltd. From FY2022 onward: BIPROGY Inc., UNIADEx, Ltd., UEL Corporation, International Systems Development Co., Ltd., Cambridge Technology Partners Inc., and S&I Co., Ltd.

2. Calculated as the number of employees retained after childcare leave divided by the number of employee returning to work after childcare leave. The number of employees retained after childcare leave is the number of employees who are still employed at the beginning of the following fiscal year among those who have returned to work after taking childcare leave.

Hiring Persons with Disabilities

Initiatives for Persons with Disabilities

As of March 31, 2024, employees with disabilities accounted for 2.89% of the BIPROGY Group's workforce. The Group is proactively implementing initiatives to ensure that employees with disabilities can work with peace of mind and play an active role throughout their careers. These measures include providing retention support interviews for such employees during their first six months with the company, and operating a dedicated consultation service concerning the employment of persons with disabilities. In fiscal 2020, we began hiring employees with disabilities at an outdoor farm with the aim of creating a work environment that can help promote their mental and physical health, while providing them with opportunities for job satisfaction and enjoyment through agricultural work. In fiscal 2023, we opened a massage room at our head office and began hiring visually impaired individuals who are nationally qualified as massage and shiatsu therapists.

In fiscal 2024, we transferred both the farm and massage operations to a special subsidiary, BIPROGY Challenged Inc., to create an environment where employees with disabilities can work with more stability and thrive. We are also actively creating job areas such as website accessibility improvement projects, based on the premise of fully remote work. In this way, the Group is working to build workplaces where people with various disabilities can participate.

Reference

BIPROGY Challenged Inc. (Available in Japanese only)

<https://biprogy-chd.co.jp/>

	Unit	FY2019	FY2020	FY2021	FY2022	FY2023	Verified
Number of employees with disabilities ¹	Individuals	112	201.5	205.5	225.0	229.5	
Percentage of employees with disabilities	%	2.31	2.59	2.62	2.84	2.89	✓
Scope ²		0	0	0	0	0	

1. Individuals with severe physical or intellectual disabilities having a weekly scheduled working time of 30 hours or more were counted as 2 employees; individuals with non-severe physical or intellectual disabilities having a weekly scheduled working time of 20 to 29 hours were counted as 0.5 employees (individuals with mental disabilities were counted as 1 employee)

2. FY2019: BIPROGY Inc. and BIPROGY Challenged Inc. From FY2020 onward: BIPROGY Inc., UNIADDEX, Ltd., UEL Corporation, BIPROGY Challenged Inc., International Systems Development Co., Ltd., Cambridge Technology Partners Inc., and S&I Co., Ltd.

Promoting the Advancement of People with Disabilities

In order to foster a workplace culture that enables employees with disabilities to play an active role in the organization, we provide training for all organization heads and offer relevant e-learning that all Group employees can take.

Promoting employee understanding, awareness and behavioral change

Diversity management training	Training that all organization heads must attend, designed to create a workplace where everyone can work confidently regardless of their ability types. The practical training incorporates group discussions and information sharing by role-model organizations that actively support people with disabilities
e-learning	Participants learn important points for changing workplace awareness, focusing on the considerations necessary to create a workplace where everyone can work comfortably. Group employees can attend on a voluntary basis.
Handbook on working with people with disabilities	Released handbook that company personnel can refer to for handling various situations. It is divided into sections concerning basic knowledge on disabilities, pre-hiring preparation, job design, recruitment, and management.

Measures to Promote LGBTQ+ Acceptance and Support

Measures to Promote LGBTQ+ Acceptance and Support

The BIPROGY Group aims to build an environment where all people can work to their full capacity, regardless of their sexual orientation or gender identity. The Group Compliance Basic Policy, BIPROGY Group Charter of Corporate Behavior, and BIPROGY Group Human Rights Policy state clearly that the Group does not discriminate against LGBTQ+ individuals.

Promoting employee understanding, awareness and behavioral change

We encourage people to acquire accurate knowledge and deepen their understanding by holding seminars, implementing e-learning that can be taken by all Group employees, and publishing e-mail magazines and handbooks. Moreover, to increase internal supporters, we created ally stickers and distribute them to those who want one, as well as background images for allies to use while participating in online meetings.

Systems and mechanisms

In fiscal 2020, we established a company regulation concerning our new same-sex partnership system, which allows same-sex partners to be treated in the same way as married spouses in provisions for vacations, leaves of absence, allowances, and welfare benefits, etc. We also revised our employment regulations to state that any action injuring the dignity of someone identifying as LGBTQ+ is grounds for disciplinary action. Moreover, employees can now use their accumulated special leave or leave for personal injury or sickness when undergoing gender reassignment surgery and hormone treatments, and financial assistance is also provided.

Non-Japanese Human Resources

The Group aims to foster a culture that welcomes the diverse personalities and viewpoints of all employees, regardless of nationality. To ensure a smooth onboarding process for non-Japanese nationals joining the Group, we conduct orientation sessions as well as regular interviews with the hires and their superiors. Workshops are also provided to encourage networking between the organizations to which the hires are assigned. Under the new Management Policies, we will continue to promote a variety of initiatives to ensure that non-Japanese nationals get off to a good start after joining the Group, and to promote employee understanding of their situations.

Participating in External Initiatives and Receiving External Evaluations

Participating in External Initiatives

Promoting career advancement of women

In 2020, the Group signed the UN Women's Empowerment Principles (WEPs). Going forward, we will continue to promote gender equality and the empowerment of women, while strengthening diversity management by endorsing international initiatives.

Also in 2020, we supported Keidanren's Challenge Initiatives for 30% (#HereWeGo203030) to increase the percentage of executive positions held by women to 30% by 2030. The Group also participated in the Nikkei Women's Empowerment Consortium, a collaboration between companies and across industries. We will continue to increase our collaboration with international organizations as well as with companies and stakeholders that transcend industry boundaries.

In support of

**WOMEN'S
EMPOWERMENT
PRINCIPLES**

Established by UN Women and the
UN Global Compact Office

LGBTQ+

In fiscal 2021, BIPROGY Inc. began co-sponsoring and participating with other companies in the LGBT-Allly Project, in order to help promote LGBTQ+ acceptance by society. In April 2022, we endorsed the Business for Marriage Equality (BME) campaign for marriage equality (legalization of same-sex marriage).

External Evaluations of Diversity Efforts

Nadeshiko Brand

The Group's diversity and inclusion initiatives, including those to promote the advancement of women in the workplace, have been recognized with the Nadeshiko Brands designation. This is an initiative under which Japan's Ministry of Economy, Trade and Industry (METI) and the Tokyo Stock Exchange (TSE) jointly select listed companies that are outstanding in terms of encouraging women's empowerment in the workplace. BIPROGY had been selected as a Semi-Nadeshiko Brand for three consecutive years since fiscal 2018, and in fiscal 2021, it was selected as a full Nadeshiko Brand for the first time.



Diversity Management Selection 100 Prime

BIPROGY has been selected by Japan's METI as a winner of the Diversity Management Selection 100 Prime, a program recognizing companies that had been selected in the past under the New Diversity Management Selection 100 program and then gone on to leverage the capabilities of diverse human resources to create value over the medium to long term while further evolving best practices. BIPROGY was recognized for efforts to promote the advancement of diverse human resources, including women, by making reforms related to our corporate culture, organizations, and human resources designed to allow diverse personnel to fully demonstrate their capabilities and help generate innovation. BIPROGY was selected under the New Diversity Management Selection 100 program in fiscal 2018.



Gold Rating in the PRIDE Index 2023

The PRIDE Index program is run by “work with Pride,” a voluntary organization that aims to create workplaces where LGBTQ+ people can work in an open way within Japanese companies and other organizations. In 2023, BIPROGY was recognized with the highest Gold rating for the third consecutive year. This rating recognized our efforts to build workplace environments in which all employees can succeed, regardless of their sexual orientation or gender identity.



Platinum Kurumin certification

This is an initiative under which Japan’s Minister of Health, Labour and Welfare certifies companies that engage in high-level initiatives based on the Act on Advancement of Measures to Support Raising Next-Generation Children as “companies that support child-rearing.” In 2019, BIPROGY acquired Platinum Kurumin certification in recognition of its efforts, including reviewing existing work styles and introducing new work styles, improving the annual paid leave utilization rate, reducing overtime hours, and supporting career development for employees planning to return or having returned from childcare leave.



Eruboshi certification

This is an initiative under which Japan’s Minister of Health, Labor and Welfare certifies companies making excellent efforts to promote women’s active involvement based on the Act on Promotion of Women’s Participation and Advancement in the Workplace. In 2017, BIPROGY received the third level of certification, the highest level, for meeting the criteria for all evaluation items.



D&I Award 2023 “Best Workplace”

At the D&I Awards 2023, the Group was awarded the highest honor of Best Workplace for the second consecutive year. This program, run by JobRainbow Co., Ltd., provides certification and awards to companies that implement diversity and inclusion measures. The Best Workplace award is based on a diversity score, which measures company performance across five areas: LGBTQ+ rights, gender gap, employees with disabilities, multicultural diversity, as well as childcare and nursing care programs. From various angles of diversity promotion, BIPROGY was recognized for its efforts to create workplaces and a corporate culture in which every employee is respected and can thrive.



Basic Approach

With the basic philosophy that human resources are important assets of the BIPROGY Group and the driving force of its growth, we are implementing various human resource development measures, including OFF-JT,¹ OJT,² and OCT,³ seeking to integrate our human resource strategy fully with our business strategy. We are working to create programs and workplaces that help employees to build their careers independently.

Under the Management Policies (2021-2023), which were designed to help achieve our Vision 2030, we focused on several key measures, such as strengthening the interlock between business strategy and human resources strategy along with risk management. We also created mechanisms and environments to maximize the value of human resources, for instance by promoting career autonomy and reskilling and revising personnel systems. We also worked to hire and develop human resources ready to lead in our priority fields, such as those with expertise in digital transformation or in new business startups — which we call “business producers.” Going forward, the Group will continue to align its Management Policies, as well as business and human resources strategies, and actively invest in focus areas. At the same time, we will continue to promote existing measures, such as the development of senior management leaders, work-style reform, organizational and human resources development, and DE&I measures.⁴

1. OFF-JT: OFF-the-Job Training

2. OJT: On-the-Job Training

3. OCT: On-the-Chance Training (Offers opportunities for challenges designed to develop capacity and build experience. Specifically includes activities to consider and give advice on issues from a management perspective and opportunities to consider business plans intended to create new businesses.)

4. A new approach that adds equity to the already familiar concepts of diversity and inclusion.

KPI and Target

- Number of “business producers” armed with specialization in business creation: 40, double that in FY2021 (FY2023)

Progress

KPI	Unit	FY2019	FY2020	FY2021	FY2022	FY2023
Number of “business producers” armed with specialization in business creation ¹	Individuals	-	-	20 (As of April 1, 2021)	37 (As of March 31, 2023)	57 (As of March 31, 2024)

1. BIPROGY Inc., UNIADDEX, Ltd.

Human Resource Management

ROLES-Based Human Capital Management

The BIPROGY Group has been working to implement policies for human capital management and human resource development based on the construction and operation of talent management systems and its human resource architecture, which is built around the ROLES system. These policies seek to strengthen our human resource management and empower our diverse workforce to generate maximum value.

ROLES is a system that defines the job descriptions and skills for each business execution role in the Group. It is also a core concept that captures the type, quality, and volume of human capital required to execute the various business strategies based on our overall management strategy. Visualizing our human capital requirements through the ROLES system allows us to hire and train human resources in accordance with our management policies, generating a culture that creates continual innovation. By organizing and visualizing our human resource portfolio (by division, organization, business areas, and age-group) through ROLES, we carry out organizational resource management in areas such as assignments, facilitating of job rotation, and the selection of individuals for further training. In order to promote continual innovation, the Group emphasizes intrapersonal diversity (diversity found within individuals) in addition to diversity across the organization's workforce, and aims to foster a culture in which one person can take on multiple roles to expand diversity and generate innovation.

Utilizing Human Resource Data

The Group is building human resource platforms designed to promote our overall human resource strategy including career development and job assignment. The system centers around a talent management system based on the centralized control of human resource data. With this platform, we will encourage "self-directed career development," "stronger organizational capabilities" and the "clarification and organization of human capital requirements" as we seek to achieve our Vision 2030.

By visualizing human resource data, we not only help employees take charge of their own career-building and self-development, but also take a data-driven approach to human resource strategy decisions, including personnel placement, assignment, and training.

Human Resource Investment

Human Resource Development Related Expenses	Unit	FY2019	FY2020	FY2021	FY2022	FY2023
Annual training hours per employee	Hours	-	39.6	34.9	37.0	33.1
Annual training cost per employee	Yen	-	78,908	79,387	72,031	97,631
Scope		-	C-	C-	C-	C-

Employee Evaluation

Employee Evaluation System

The Group conducts both personnel assessments and performance evaluations with the aim of evaluating and compensating employees appropriately. A personnel assessment is an evaluation that focuses on competencies to encourage conduct befitting a BIPROGY employee. It is used to determine qualification grades and monthly salaries based on the performance status. In contrast, a performance evaluation measures results or the degree of achievement of individual and organizational goals, and is used to determine individual bonuses.

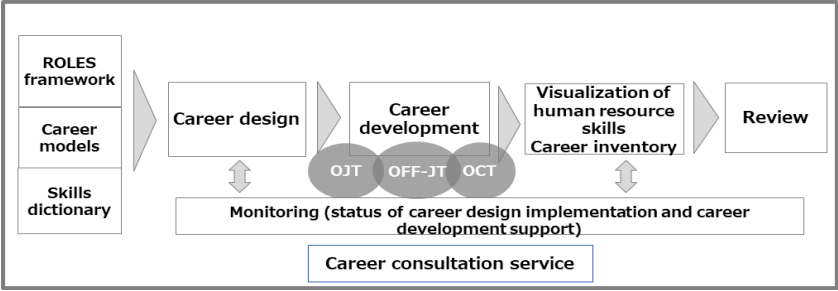
After each evaluation is finalized, a feedback meeting is always held between the supervisor and the employee. In these meetings, the supervisor not only shares the final evaluation scores, but also areas where the employee exceeded expectations, areas for improvement, and supervisor expectations including the next steps. The aim is to increase employee satisfaction with the evaluation process, and encourage their growth.

While the formal evaluations are conducted at the end of each fiscal year, managers also take appropriate measures as necessary during the year. These include using one-on-one meetings with employees to discuss the degree of competency demonstration, the status of goal achievement, and any work performance issues.

Human Resource Development Program 1: Career Development Program

BIPROGY Career Development Program

In order to develop the foresight and insight indicated in BIPROGY's Corporate Statement and Purpose and help solve social issues that change over time, we believe that it is essential for each individual to take the initiative in building their own career. Accordingly, we created the BIPROGY Career Development Program (CDP) to invest in employee skills and ability development as well as organizational strengthening. It was also designed to enhance the capabilities of diverse human resources who can generate innovation as well as those with system implementation capabilities. Specifically, the Group supports proactive career-building through regular career interviews between superiors and subordinates, one-on-one Your Time sessions, age-group specific training for career planning, and career consultations with qualified employees. Moreover, we will continue to expand opportunities for employees to take on challenges independently by developing voluntary participation programs and an internal recruitment system, by allowing side jobs and concurrent positions in and outside the company, and by providing ROLES-based training courses, online independent learning programs, and other opportunities. The aim is to encourage individuals to pursue career well-being.



Career Design

We believe that employees can independently shape their careers by thinking collaboratively with their organization head about their desired career path and how it overlaps with their current role, and how they can tackle their work with a sense of purpose. The supervisor and individual continuously manage career goals and plans, based on the Group's ROLES initiative and each organization's development plan, as well as the individual employee's thoughts and desires for their career.

- Medium- and long-term career goals: Set future career goals (three to five years)
- Skill development goals for each fiscal year: Based on the medium- and long-term career goals, set goals for skill development for each fiscal year.
- Review: Review results of the skill development goals for each fiscal year and agree on actions for the next year.

When setting career plan goals at the beginning of the term, each individual records their medium- to long-term ROLES targets, single-year ROLES targets, and proficiency level targets. During the review at the end of the term, the completed ROLES, the proficiency levels, and the specific work execution results are recorded. In this way, we visualize the progress of human resource development throughout the organization and compile records of the diverse experiences of each employee to guide future assignments and employee development.

Moreover, we believe that the Group's sustainable growth can be achieved by aligning organizational expectations with the aspirations of individual employees, and by striving for growth together. In fiscal 2024, we identified "career well-being" as the focus for achieving a material issue that represents the foundation that supports business growth, namely, developing and strengthening human resources to create a new future and promote diversity and inclusion." Accordingly, we have set targets to achieve a 100% rate of mutual career understanding between supervisors and subordinates in career interviews and a 100% rate of progress in developing mechanisms to promote career well-being by fiscal 2026, respectively. Efforts are being strengthened for the achievement of this goal.

Career Stocktaking

We believe that employees can independently shape their careers by thinking collaboratively with their organization head about their desired career path and how it overlaps with their current role, and how they can tackle their work with a sense of purpose. Accordingly, we invite employees to review their skills and career, from the past to the present, based on objective facts such as their work history and qualifications.

- Work history: Records of the work, projects, and roles that the employee has been assigned to
- Application for qualifications: Records of qualifications acquired
- Self-reporting: Reports on thoughts and desires for one's own career from the past into the future

Skill Surveys

Skill surveys are carried out as part of career stocktaking in order to clarify the status of skill acquisition, based on operations performed in the past, projects undertaken, and credentials earned. The data from the skill surveys are recorded and used for the following purposes.

- Identifying people with specific skills
- Identifying the skills needed for project team members
- Reference for work assessment
- Planning development programs and selecting eligible employees
- Considering shifting resources across the organization: Skill surveys compatible with ROLES have been implemented since fiscal 2021.

Human Resource Development Program 2: Developing Leadership Human Resources for Priority Areas

Business Producers

The BIPROGY Group refers to individuals with specialist business development knowledge who can produce a beneficial impact on society as “business producers.” We have set a KPI for fostering “business producers” to achieve one of our material issues, namely, doubling the number of employees with the highest ROLES proficiency level between fiscal 2021 and 2023. Over the 13 years between fiscal 2010 and 2022, we have delivered our “Next Principal” training program, which aims to equip personnel with the practical skills required to generate new businesses, to a total of 405 individuals. Since fiscal 2017, we have also been holding monthly pre-work Morning Challenge meetings in which employees are introduced to the skills and services developed within startup companies. Each morning, between 500 and 800 employees voluntarily take part in these meetings. Since fiscal 2023, as a spinoff of the Morning Challenge, some employees have been making use of the lunch hour of interactive dialogue sessions under the title “More Challenge,” with around 100-150 employees taking part voluntarily in each session. By creating these human resource programs and communities, we are steadily transforming employee attitudes and behavior. The number of “business producers” has reached 57, exceeding our target of 40 for the period from fiscal 2021 to fiscal 2023, and this is leading to the creation of new businesses. Going forward, we will continue to strengthen the training for this kind of talent by revising the training programs to place a greater emphasis on practical skills. We will also introduce a talent exchange program, including strategic secondments, while creating a community of business producers.

(Reference: Material Issues)

Positive impact on business

Through these efforts, the number of business producers has steadily increased, and the number of individuals with the highest ROLES proficiency level, which is one of the Group’s material issue KPIs, was 57 in fiscal 2023, exceeding our target. In addition, new businesses and services are being created and expanded, and demonstration experiments and collaborations with various companies are being created on an ongoing basis.

Examples in fiscal 2023:

- Launched marbleMe, an inter-company community that offers mutual support for women in resolving female health issues through dialogue
- Conducted a demonstration experiment with Ricoh for the automatic generation of spatial data and the management of building facilities using a digital twin
- Began a demonstration experiment that helps people reduce their own CO2 emissions by visualizing the impact of their daily behavior and providing incentives
- Worked to eliminate taxi shortages and promote local travel and industrial development through a mobility-as-a-service (MaaS) project at Challenge Hakuba, a co-creation business entity involving industry, government, and academia
- With electronic ticket service Kimaticke, launched a new service that can promote regional economic revitalization according to the scale of use and app environment

Target employees and number of participants

Next Principal training program participants: 405 (cumulative total since fiscal 2010)
Morning Challenge participants: 500-800 (held monthly, number of participants per session)
More Challenge participants: 100-150 (held irregularly, number of participants per session)

DX specialists	<p>Seeking to develop human resources who can promote digital transformation (DX) initiatives to benefit society and customers, the Group has defined the related competencies and skills in the ROLES system. There are definitions for roles such as product managers who lead the effort to build digital businesses, data scientists who specialize in data and other analysis and are familiar with the Group's business areas and operations, and cloud computing experts who are specialists in cloud-based services. For each of these roles, we offer a variety of training programs covering everything from basic knowledge to practical skills. Moreover, in order to strengthen the Group's service development capabilities, we are training employees in agile service development methods, while providing training for Scrum Master certification.</p>
Positive impact on business	<p>There have been improvements in the quantity and quality of our human resources capable of meeting strong customer demand for digital transformation projects. Under the Group's Management Policies (2021-2023), in addition to significant growth for system services mainly in the digital transformation field, we targeted DX initiatives that can help solve social issues expanded in various fields. Moreover, by utilizing our wealth of experience and expertise, in fiscal 2023, we began offering RinzaInsight and RinzaAcademy services to support data analysis and data scientist training for DX and information systems departments, as well as accounting DX support services.</p>
Target employees and number of participants	<p>Total number of participants in training programs for ROLES positions, who are key to promoting DX: 1,611 employees (fiscal 2023)</p>
Cybersecurity Specialists	<p>As an ICT firm, BIPROGY treats cybersecurity risks as a top priority. Accordingly, we are working to create new businesses through DX while responding to cybersecurity risks by treating these efforts as two sides of the same coin. We also strive to foster group-wide awareness regarding the importance of nonstop information security in order to continue earning the trust of our customers. To maintain continual cybersecurity management, the Group has devised a cybersecurity strategy and is focusing on relevant human resource development. In addition to developing highly skilled professional human resources with advanced knowledge, we are implementing the following initiatives to prevent security incidents from occurring and to improve security response capabilities across the Group.</p> <ul style="list-style-type: none"> • Incident response training centered on CSIR • Specific types of cybersecurity training (beginner, basic knowledge, IT developer, as well as intermediate basic knowledge and app use) • Linking training with job assignments to ensure that trainees are assigned to actual system development projects and are able provide practical support.
Positive impact on business	<p>An incident occurred in 2022 involving the loss of USB flash drives, and we have taken the mishap very seriously. By steadily promoting our cybersecurity strategy, we aim to strengthen our ability to respond to social issues such as cyber-attacks and to become a corporate group that maintains world-class information security throughout our entire supply chain. (Reference: BIPROGY Cybersecurity Strategy)</p>
Target employees and number of participants	<p>Total number of employees who have attended security training: 789 (Fiscal 2023)</p>
Organizational Heads (Middle Managers)	<p>Since the organizational heads are positioned in the middle of the organizational chart, they function like nodes that exert influence in all directions. They provide leadership to the members of their own departments, follow the lead of higher-ranking managers and top management, and communicate with other departments and external stakeholders. Based on the role of each organizational rank as well as the management competencies required by the new personnel system, training for newly appointed heads is conducted with a focus on important points for fulfilling their roles. Based on a full understanding of the role, conduct, and skills required for their individual positions and ranks, the new heads are trained to create and implement action plans, and then learn from the results. By improving the abilities of heads, we aim to maximize the performance of department members and the organization, and build a seamless pipeline of leader candidates for the sustainable growth of the company.</p>
Positive impact on business	<p>When asked about the usefulness of their training, nearly all newly appointed organizational heads responded positively. They reported being able to deepen their role awareness and acquire the necessary management skills for their level, which is the purpose of the training. After strengthening the competencies of middle managers, who are the nodes of the organization, we found the scores for management conduct in employee engagement surveys have remained relatively high. This has led to improved psychological safety and productivity in the organization, and our turnover rate has remained significantly lower than the industry average.</p>
Target employees and number of participants	<p>Numbers of training participants in fiscal 2023 Training for new 1st-tier organizational heads: 7 Training for new 2nd-tier organizational heads: 36 Training for new 3rd- and 4th-tier organizational heads: 93</p>

Human Resource Development Program 3: Developing Senior Management Leaders

Management Leadership Program	<p>The BIPROGY Group is developing future senior management leaders who are passionate about moving the Group forward and committed to continuous transformation. We have been carrying out the Management Leadership Program based on our succession plan since 2018 to build a human resource pipeline that will produce successors to senior management and generate management leaders committed to continuous transformation. As for the Management Leader: Advanced program, one element of the leadership program, a total of 30 employees participated in the program, acquiring the perspective, perception, and viewpoints that management leader candidates need via dialogue sessions with directors and experts from inside and outside the Company.</p> <p>Since fiscal 2022, we have moved forward with centralizing data on human resources by introducing a talent management system to strengthen the human resource pool and candidate pipeline and build a system for more systematic, consistent generation of management personnel. In fiscal 2023, we promoted the adoption of new assessments, while designing training mechanisms that include assignment. Starting in fiscal 2024, we plan to create a succession talent pool and implement a series of previously designed mechanisms, such as individual assessment, training, and assignment for eligible talent, with the aim of linking this effort to the Group's sustainability management.</p>
Positive impact on business	<p>By developing senior management leadership candidates internally, we aim to foster a corporate culture that encourages engagement with our Purpose and Vision and promotes change while still maintaining the unique characteristics of the BIPROGY Group. By strengthening our executive candidate pipeline, we will increase the diversity of senior management, and accelerate the Group's ability to adapt to change and generate innovation.</p>
Target employees and number of participants	<p>Total number of participants in the Advanced Senior Management Leaders program: 30</p>

Human Resource Development Program 4: New Graduate Hire Training

New Graduate Hire Training	<p>The following training programs for new graduate hires are designed to equip them with the basic knowledge and skills they will need when assigned to their first job.</p> <ul style="list-style-type: none">• Orientation for all new employees• Elective training based on needs of assigned position• Follow-up training after assignment <p>In addition, OJT is offered to employees through the third year of their employment. This is designed to support individual growth by providing development and growth planning tools and regularly carrying out pulse surveys and interviews, and it also helps to increase retention.</p>
Positive impact on business	<p>New graduate hires are immediately assigned to positions after undergoing new employee training so that they can quickly become valuable assets. This allows us to meet the strong demand for human resources created by the booming investment in digital transformation by our clients. Some young employees are achieving outstanding results and have been recognized under BIPROGY's "BeProud!" award system. At the same time, by quickly identifying situations where young employees are facing difficulties and by carefully offering support and advice, we strive to keep them from leaving the company for any number of reasons.</p>
Target employees and number of participants	<p>Main new employee training participants: 207 new graduate hires at six Group companies (BIPROGY Inc., UNIADDEX, Ltd., International Systems Development Co., Ltd., UEL Corporation, G&U System Service, Ltd., and S&I Co., Ltd.) (fiscal 2023)</p> <p>OJT program participants: 327 new graduate hires at BIPROGY who have been with the company for up to three years (fiscal 2023)</p>

Human Resource Development Program 5: Self-Development

Self-Development	We provide a learning environment tailored to diversifying work styles so that the Group's employees can learn independently and achieve career well-being. We offer online programs that allow flexible learning, as well as a program that subsidizes remote education and offers discounts on external training that employees are interested in. In line with the Group's strategies and industry trends, we designate the necessary external certifications on a Group or business unit basis and systematically work to help our employees acquire those certifications.
Positive impact on business	In addition to improving employee engagement and job satisfaction scores, self-development leads to improved productivity, better business performance, and brand enhancement. This stems from employees improving their skills, acquiring problem-solving abilities based on a multifaceted perspective, and obtaining external qualifications.
Target employees and number of participants	Number of users of the Udemy online learning platform: 717 (fiscal 2023)

Human Resource Development Program 6: Programs to Empower Diverse Human Resources

Side Job Program	<p>Providing employees with opportunities to improve their skills and knowledge by having experiences that cannot be obtained internally is important for them as they develop their own career plans. This is why we allow employees to take side jobs under prescribed procedures. In addition, our re-employment program for employees who have retired at retirement age enables former employees to work five, three, two or one day a week, and they are also allowed to have side jobs on days they are not working for BIPROGY.</p> <p>In fiscal 2024, on a trial basis we will begin allowing employees to take side jobs internally, while also accepting side job applicants from outside BIPROGY. Internal side jobs can provide employees with an opportunity to acquire new skills and knowledge, while accepting outside side job applicants can help revitalize the company and promote growth based on the ability to collaborate with human resources with diverse experience and expertise.</p>
Positive impact on business	By taking a side job outside BIPROGY, employees can acquire new skills, knowledge, and experience that they could not otherwise get internally. Even when the side job is based on a hobby or interest that is unrelated to the employee's job, it helps promote the individual's work-life balance. The number of employees taking advantage of this program is increasing every year.
Target employees and number of participants	<p>As of April 2024</p> <p>External side jobs: Open to all employees</p> <p>Number of participants: 76 (20 new, 56 continuing from last year)</p>

Expert Certification Program	<p>Human resources with special skills and experience (certified experts) are compensated as highly expert professionals in accordance with the scope of their skills and experience.</p> <ul style="list-style-type: none"> • After leaving their positions as organizational heads, they can be certified as highly expert professionals and promoted, and are compensated accordingly. • If BIPROGY is able to continue utilizing their abilities after the age of retirement, they can be certified as "senior expert" employees, and are compensated accordingly.
Positive impact on business	This program prevents important information and expertise within the organization from being lost and ensures it is continuously utilized. It enhances employee motivation to help improve the organization's processes and operations, and increases job enthusiasm and results.
Target employees and number of participants	<p>(Fiscal 2023 results)</p> <p>Number of employees certified as experts after leaving management positions: 17</p> <p>Number of employees certified as senior experts after the age of retirement: 13</p>

External Activities	The Group has set up a program for encouraging professional pro-bono activities outside of the company. We encourage the Group's employees to engage in writing, lecture, committee and publishing activities outside of the company, with the aim of facilitating social contributions and raising their skills.
Positive impact on business	External activities offer employees the opportunity to utilize their own expertise and experience to contribute to society. By writing and giving lectures, they enhance their communication and presentation skills, which also improves their overall skills and knowledge.
Target employees and number of participants	Fiscal 2023 results (activities open to all employees): 46

Employee Incentives

	As a further investment in human capital to realize our Vision 2030, we will introduce a stock-based remuneration plan (restricted stock trust) for employees. The plan aims to bolster the sense of unity and strengthen the connections between management and employees, motivate employees to help achieve Management Policies, and contribute to higher employee engagement, thereby driving sustainable growth and increased corporate value for the BIPROGY Group.
Eligible employees	For fiscal 2024, the plan will be offered only to people in management (corporate officers and employees in management positions) who belong to BIPROGY Inc. with the strong potential to make an ongoing contribution to the Company and help enhance corporate value over the medium- to long-term.

Basic Approach

The BIPROGY Group is convinced that human resources are its most important asset. Accordingly, it has established an HR system that encourages all of its diverse employees to reach their full potential. The creation of new businesses is also supported with human resources programs. As part of the employer's responsibility, we respect the human rights of employees and ensure safe, healthy conditions in the workplace, always striving to provide a comfortable working environment. In addition to complying with related laws and regulations, we also consider the public's heightened interest in the labor environment as well as international principles, and we pursue initiatives designed to prevent human rights violations, work accidents and health problems. The Group's goal is to provide a workplace in which employees can work with good mental and physical health and peace of mind for as long as they wish.

The Group signed the UN Global Compact in 2014 and supports the five constitutional principles of the ILO Core Labour Standards (freedom of association and the effective recognition of the right to collective bargaining; elimination of all forms of forced or compulsory labour; effective abolition of child labour; elimination of discrimination in respect of employment and occupation; and a safe and healthy working

KPIs and Targets

- Percentage of workers with risk of high blood pressure who have received treatment at a clinic or lifestyle guidance by public health nurse: 100% of workers with stage 2 or 3 high blood pressure (FY2023)
- Total number of lost days of work for mental health reasons: -5% compared to FY2019–FY2020 average (FY2023)

(Reference: Material Issues)

Progress

KPI	Unit	FY2019	FY2020	FY2021	FY2022	FY2023
Percentage of workers with risk of high blood pressure who have received treatment at a clinic or lifestyle guidance by public health nurse: 100% of workers with stage 2 or 3 high blood pressure (FY2023)	%	-	-	Stage 2: 0% (Efforts to begin in FY2022) Stage 3: Efforts underway	Stage 2: 100% Stage 3: 100%	Stage 2: 100% Stage 3: 100%
Total number of lost days of work for mental health reasons: -5% compared to FY2019–FY2020 average (FY2023)	%	-	-	-9.1%	+1.4%	+1.3%

Management of Occupational Health and Safety

Labor-Management Consultations on Occupational Health and Safety (Occupational Health and Safety Committee Activities)	
	<p>The Occupational Health and Safety Committee meets regularly for each business site, based on Japan's Industrial Safety and Health Act. The committee examines and discusses the following issues, and provides its opinions to the Group as necessary:</p> <ol style="list-style-type: none"> 1. Matters related to countermeasures that should be the basis for the prevention of employee health problems; 2. Matters related to countermeasures that should be the basis for maintaining and promoting employee health; 3. Measures to prevent the causes of work accidents and their reoccurrence and matters related to health and safety; and 4. Other important matters related to the prevention of damage to employees' health and the maintenance and promotion of their health.

Occupational Health and Safety Education	
	<p>At regular Occupational Health and Safety Committee meetings held in relevant workplaces of the Group, industrial physicians give talks on health-related topics to help raise employee awareness. Every April, employees engage in e-learning to enhance their understanding of the importance of personal health management, and organizational leaders learn how to provide guidance and take appropriate measures. Every February, employees also participated in an e-learning program designed to promote mental health thoroughly in the workplace, with a focus on self-care.</p>

Occupational Health and Safety Results

Occupational Accident and Illness Record	Unit	FY2019	FY2020	FY2021	FY2022	FY2023	Verified
Number of work-related accidents	Accidents	6	5	12	6	12	
Scope ¹		0	0	0	0	0	
Absenteeism rate	%	0.22	0.14	0.21	0.23	0.21	✓
Scope		C-	C-	C-	C-	C-	

1. BIPROGY Inc., UNIADDEX, Ltd. and UEL Corporation

Health Management

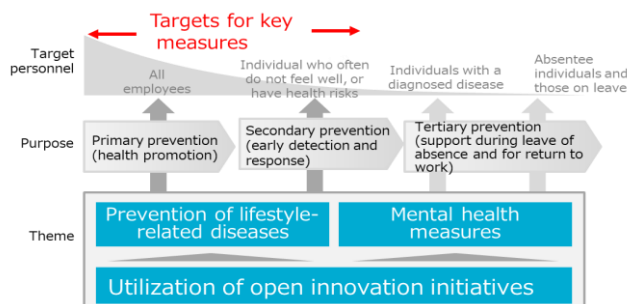
Health Management Approach	
	<p>The BIPROGY Group's corporate philosophy is: "Work with all people to contribute to creating a society that is friendly to people and the environment." With this philosophy underpinning everything we do, we value people and aim to be a corporate group that the public needs. We also believe that having employees who are mentally and physically healthy and happy leads to high productivity and abundant innovation and will lead to corporate development.</p> <p>The Group works together with its health insurance associations, welfare society, and labor union, striving to raise employees' interest in health and motivation to improve their health, as well as to provide activities that enhance health. In addition, we contribute to customers and the broader society through our businesses that utilize these initiatives.</p> <p>In April 2016, in his role overseeing the Group's overall health management strategy, the representative director and president was made the Chief Health Officer (CHO). In this role, the CHO considers health management from a management perspective and further promotes strategic implementation.</p> <p>Specialized staff, including industrial physicians, public health nurses, and industrial counselors, have been assigned to HR departments within the Group to promote various measures designed to enhance employee health management. Established under the Sustainability Committee, the Social Committee serves as the relevant decision-making body and oversees efforts to promote the mental and physical health of employees. It also identifies important material issues for maintaining and improving employee health. In addition to investigating response policies, it establishes response measures and checks the status of their implementation, and issues instructions for measures to correct issues of concern.</p> <p>The Group works with its health insurance association to promote collaborative health, which includes cooperation in the areas of health guidance, medical check-ups, and investigating support for various vaccinations. It also collaborates with labor unions, especially in the area of health promotion, such as by awarding health points at employee fitness events to encourage walking.</p>
Issue recognition	
	<p>The Group recognizes that efforts to improve corporate value must include enhancing the physical, mental and social well-being of employees, which in turn helps to strengthen productivity and creativity.</p>

Objective		We understand that, when executives and employees perform their jobs while not feeling their best, it will have a negative impact on their personal productivity and that of the organization. By encouraging personnel to independently improve their health literacy, including health knowledge, health management ability, and practical skills for health enhancement, the Group aims to reduce absenteeism and presenteeism (which is the lost productivity that occurs when employees are not fully functioning in the workplace because of poor health). In this way, we seek to maintain and improve the labor productivity of individuals and the entire organization.				
Priority measures and materiality-based KPIs		<p>In fiscal 2021, the Group selected as a material issue the need to maintain and improve the physical and mental health of executives and employees. Accordingly, we are working to improve the following two indicators.</p> <ul style="list-style-type: none"> • Total number of lost days of work for mental health reasons: -5% compared to FY2019–FY2020 average (FY2023) (FY2023 result: +1.3%) • Percentage of workers with risk of high blood pressure who have received treatment at a clinic or lifestyle guidance by public health nurse: 100% of workers with stage 2 or 3 high blood pressure (FY2023) (FY2023 result: 100% for both stages 2 and 3) 				
	Unit	FY2019	FY2020	FY2021	FY2022	FY2023
Percentage change in total number of lost days of work for mental health reason (compared to FY2019–FY2020 average)	%	-	-	-9.1	1.4	1.3
Percentage of workers with risk of high blood pressure who received lifestyle guidance	%	-	-	100.0	100.0	100.0
		-	-	C-	C-	C-

Policy for Health Management Promotion

We work on improving employee health by reinforcing health improvements and early detection and response under the two themes of “prevention of lifestyle-related diseases” and “mental health measures.”

In addition to physical indicators, a multi-faceted analysis is carried out on self-perceived symptoms, lifestyle habits, stress and performance. Based on the approaches of disease prevention as well as early detection and response, we aim to promote employee health even more actively. Going forward, we will focus on those eligible for specific health guidance and those with high blood pressure risks, while implementing initiatives to reduce the number of new leaves of absence for mental health reasons as well as the durations of such absences.



Encouraging Employees to Take Paid Leave

One of the indicators for the promotion of work-style reform at the BIPROGY Group has been achieving an annual paid leave utilization rate of 80%, using our own criteria, since fiscal 2018. Employees can maintain and improve their mental and physical health by taking holidays and experiencing work-life balance.

By designating a day to encourage employees to take annual paid leave, providing an anniversary leave program, and encouraging employees to take consecutive days off, we reached a paid leave utilization rate of 85.81%, with 14.8 days of paid leave taken on average, in fiscal 2023.

	Unit	FY2019	FY2020	FY2021	FY2022	FY2023
Paid leave utilization rate	%	86.20	81.10	82.54	85.15	85.81
Average days of paid leave taken	Days	15.3	13.7	13.7	14.5	14.8
Scope		C-	C-	C-	C-	C-

Working Hour Management						
<p>The Group strives to eliminate overtime not only by complying with laws and regulations and the 36 agreements concluded with the labor union, but also by promoting overtime flexibility and other measures. We have introduced systems ensuring that managers are aware of their subordinates' actual working hours. The average monthly overtime worked per employee in fiscal 2023 was 17.5 hours, and even over the past five years, the average has been less than 18 hours.</p>						
	Unit	FY2019	FY2020	FY2021	FY2022	FY2023
Annual working hours per employee	Hours	1,808	1,845	1,841	1,848	1,851
Average monthly overtime hours worked	Hours	15.6	14.9	16.3	17.3	17.5
Scope		C-	C-	C-	C-	C-

Measures to Prevent Health Problems Due to Overwork	
<p>The Group takes the following preventive measures.</p> <ul style="list-style-type: none"> • Employees who work long hours are interviewed and given guidance by physicians, based on the Group's standards, which are stricter than the requirements of Japan's Industrial Safety and Health Act. We also work to raise the consultation rate by holding online interviews and sending out occupational doctors and health nurses to organizations with many people working excessive overtime. • In addition to follow-up measures laid out in the Industrial Safety and Health Act (such as changing the place of employment and shortening work hours), we strive to detect illnesses early in cooperation with doctors at the internal health clinic (internal medicine, psychiatrist). • We have set up an Excessive Overtime Rescue Unit, which focuses on projects and individual characteristics that could be problematic in terms of personnel labor and project management. • Labor performance is included as part of the review when reviewing progress management for projects. 	

Improving the Office Environment	
Wellness measures	Providing blood pressure readers, massage chairs, and balance balls
Counseling for mental and physical health	Setting up employee counseling rooms (staffed by workplace counselors and certified psychologists)
Employee cafeterias	<ul style="list-style-type: none"> • Providing healthy menu options in the employee cafeterias, and displaying calorie counts using the automated payment machine. Through this initiative, the Group acquired three-star certification in the food service category of the "Healthy Meal and Food Environment (Smart Meal)" certification system. The program is run by the Healthy Meal and Food Environment consortium, which consists of organizations such as the Japanese Society of Hypertension, the Japan Society for the Study of Obesity, and the Nonprofit Organization Kenkokeiei. • In the employee cafeteria, we provide pesticide-free vegetables harvested from the farm we operate as part of our effort to provide rewarding employment for people with disabilities.

Adopting IT to Promote Health	
Health point program	A new health point program aimed at improving employee health was introduced in June 2022, and 603 people participated in the program in fiscal 2023.
App utilization to prevent productivity decline	Using mainly startup company apps, we are continually helping employees improve specific symptoms (stiff shoulders, back pain, obesity, and lack of sleep, etc.) as well as their eating habits.

Increasing Health Awareness							
Providing a health portal	Health management service, including the viewing of health checkup results and the provision of health information						
Holding health management seminars	In fiscal 2023, we worked to enhance workplace mental health by holding seminars on stress management and on better sleep to reduce stress, as well as a seminar for organizational heads on workplace-based care (basic and advanced).						
Encouraging the taking of health-related certification exams	Employees are recommended to take the Mental Health Management Examination and the Japan Health Master Examination						
Raising employee awareness	<ul style="list-style-type: none">• Revision of health and safety management regulations• Online training for new organizational heads• e-learning on mental health, and on maintaining physical and mental health while working (health management)						
Key indicators for health awareness raising		Unit	FY2019	FY2020	FY2021	FY2022	FY2023
Communicative and critical health literacy (CCHL) ¹			-	-	3.62	3.65	3.67
Employee satisfaction with health management seminars		%	-	-	94	93	92
Scope			-	-	C-	C-	C-

1. Average score on a five-point scale for BIPROGY Inc. and UNIADEx, Ltd.

Regular Health Checkups and Complete Health Screening Aid							
<p>We carry out regular health checkups with the addition of necessary items by age, according to legally mandated health diagnostics. We have introduced a system that allows employees to access their test results on their computers or smartphones in order to promote proper understanding of diagnosis results and improve health awareness. For high-risk individuals, such as those with high blood pressure, our public health nurses provide medical examinations and guidance on lifestyle habits at our internal health clinics. If necessary, those employees can be referred for detailed examinations and visits to medical institutions.</p> <p>In affiliation with the BIPROGY Health Insurance Association, we have set up a program that provides subsidies for checkup packages for women, and for complete health and brain screenings that seek to detect cancer and other life-threatening diseases early.</p>							
Key Indicators for Employee Health Management		Unit	FY2019	FY2020	FY2021	FY2022	FY2023
Regular health checkup rate		%	100.0	100.0	100.0	100.0	100.0
Smoking rate ¹		%	23.4	16.8	20.9	20.2	19.5
Exercise habit rate ¹		%	21.6	33.6	21.9	24.8	25.4
Sleep satisfaction rate ¹		%	61.8	78.7	73.7	73.2	70.1
Breakfast skipping rate ¹		%	28.0	24.4	28.3	29.7	31.1
Excessive drinking rate ¹		%	11.0	7.5	8.9	8.6	8.4
Healthy weight rate ¹		%	71.6	69.3	70.6	70.6	71.4
Hypertension rate ^{1,2}		%	17.1	21.6	18.4	18.8	16.8
Abnormal lipid profile rate ¹		%	22.4	27.5	23.4	21.3	21.1
Abnormal blood glucose rate ¹		%	12.8	14.3	11.1	12.2	13.0
Presenteeism rate ³		%	1.000	0.983	0.982	0.985	0.993
Absenteeism rate (injury or illness) ⁴		%	3.9	3.5	4.4	4.5	4.0
Scope			0	0	0	0	

1. Calculated using regular health checkup results from BIPROGY, UNIADEx, International Systems Development, and Cambridge Technology Partners

2. Percentage of employees with stage 1 hypertension or more advanced

3. Results of employee surveys at BIPROGY and UNIADEx, based on WHO HPQ relative presenteeism (0.25 to 2)

4. Percentage of employees at BIPROGY and UNIADEx who were absent from work or took leave of absence for 7 or more consecutive days due to injury or illness

Administration of Health Clinics

Our internal health clinics provide employees with access to physicians, psychiatrists, and dermatologists.

In 2022, we opened a new outpatient clinic especially for women. Employees can receive electrocardiograms as well as echocardiograms, and we also have a pharmacy, resting rooms and other facilities. We provide an environment in which employees can work throughout their lives with peace of mind. Smoking cessation outpatient services have been available since fiscal 2016.

We have also established a Health Management Center where employees can go as needed to consult with an occupational nurse about their health. When a medical examination is deemed necessary, the center coordinates with an internal health clinic to provide treatment and guidance.

Examinations at internal health clinics and counseling at the Health Management Center were traditionally offered only in-person. Since fiscal 2020, however, they have also been available online for the convenience of employees. In addition, we recommend that employees get the seasonal flu vaccine, and we offer the vaccine at the headquarters and branches every year around November. We also provide vaccination subsidies for employees' family members. We are also cooperating with medical institutions to provide workplace vaccinations against COVID-19.

Mental Health Measures

We carry out stress checks so that employees can take steps to prevent stress from accumulating by understanding their own stress levels. When necessary, employees can speak with doctors and this can lead to special arrangements at work and improvements in the workplace. In order to prevent mental health problems in the first place, we promote or provide the following measures.

- Self-care (employees become more aware of their stress and take steps to manage it)
- Workplace-based care (improvements in the workplace environment made by the managing supervisor, with consultation)
- Care by occupational health staff in the company (expert care by occupational physician and psychiatrist)
- Care provided by resources outside of the company (care by specialized institutions)
- Stress checks (follow-ups with people with high stress levels; aggregate data also used for per-organization analysis)
- Counseling for all employees through their third year with the company, and mandatory one-on-one Your Time sessions for employees and their superiors
- Talks with counselors based on pulse check results for new graduate hires, through their third year
- Training and seminars to promote self-care and workplace-based care

Indicator	FY2023 Results
Stress check participation rate	97.1%
Number of high stress cases	88.6% compared to FY2016
Scope ¹	o

1. Employees of BIPROGY Inc., UNIADDEX, Ltd., and AFAS Inc. (including those seconded to other companies), as well as employees seconded from UEL Corporation to BIPROGY Inc.

Basic Approach

Concern about human rights is growing in Japan and around the world, and stakeholders everywhere expect companies to address human rights issues. The Group supports international norms such as the Universal Declaration of Human Rights and the ILO Core Labour Standards and recognizes respect for human rights as integral to sustainability management and achievement of the SDGs. In June 2020, we introduced the BIPROGY Group Human Rights Policy, which is based on international human rights norms and the United Nations Guiding Principles on Business and Human Rights. In April 2021, we released the BIPROGY Group Sustainable Procurement Guidelines, which are based on BIPROGY Group Procurement and Transaction Guidelines. The BIPROGY Group Sustainable Procurement Guidelines outline human rights and other social, environmental, and governance issues that we ask our suppliers to understand and work with us on. Based on these policies and guidelines, we are carrying out human rights due diligence, human rights education, awareness-raising activities, and other initiatives to ensure that our employees and all other stakeholders in the value chain respect human rights in the countries and regions in which we operate.

Policies Related to Human Rights

BIPROGY Group Human Rights Policy

https://sustainability-cms-biprogy-s3.s3-ap-northeast-1.amazonaws.com/pdf/humanrightspolicy_e.pdf

BIPROGY Group Code of Conduct (Available in Japanese only)

https://www.biprogy.com/com/corporate_code_of_conduct.pdf

BIPROGY Group Procurement and Transaction Guidelines (Available in Japanese only)

<https://www.biprogy.com/com/purchase.html>

BIPROGY Group Sustainable Procurement Guidelines (Available in Japanese only)

https://www.biprogy.com/pdf/com/Sustainable_Procurement_Guidelines_202408.pdf

BIPROGY Group AI Ethics Principles

https://www.biprogy.com/e/com/ai_ethics_principles_BIPROGY_group_e.pdf

Implementation Structure

As a subordinate organization to the Sustainability Committee, which is a decision-making body, the Social Committee identifies human rights issues, examines policies addressing these issues, designs mechanisms to address these issues, manages and supervises the implementation of these mechanisms, and gives instructions on correcting pending issues.

Key matters of discussion that could significantly impact the Group's business performance and strategies are taken up by the Sustainability Committee or the Executive Committee, which make decisions on these matters. In addition, status reports are also regularly submitted to the Board of Directors via the Sustainability Committee.

(Reference: Social Issue Management System)

Person in charge

Koji Katsuya, Representative Director, Executive Corporate Officer, CSO

Deliberative body

Sustainability Committee, Social Committee

KPI and Target

Percentage of human rights-related issues at BIPROGY Group which are being addressed: 100% (FY2023)

(Reference: Material Issues)

Progress

KPI	Unit	FY2019	FY2020	FY2021	FY2022	FY2023
Percentage of human rights-related issues at BIPROGY Group which are being addressed: 100% (FY2023)	%	-	-	17	83	100

Human Rights Compliance Management

Human Rights Education

Since fiscal 2020, we have conducted e-learning programs on business and human rights for Group executives and employees. The fiscal 2023 participation rate was 99.0%.

Participation in Human Rights Initiatives

The Group is a signatory to the United Nations Global Compact and is also a member of the Global Compact Network Japan (GCNJ). In fiscal 2023, we participated in the GCNJ's Human Rights Education Subcommittee.

Human Rights Due Diligence

Human Rights Due Diligence Process

In recent years, manuals and guidelines on human rights have been issued by Japanese associated institutions and economic groups, and Japanese companies have pursued initiatives for the respect of human rights as an essential management issue. The BIPROGY Group supports international norms such as the Universal Declaration of Human Rights and the ILO Core Labour Standards, and recognizes respect for human rights as an important element of its corporate activities. We conduct human rights due diligence to reduce business risks related to human rights throughout the value chain. In June 2020, we published the BIPROGY Group Human Rights Policy based on the Guiding Principles on Business and Human Rights.

As part of our materiality efforts, we have set a KPI, "percentage of human rights-related issues at BIPROGY Group which are being addressed," with a target of 100% for fiscal 2023. In fiscal 2023, we achieved the target.

In fiscal 2021, we identified business-related human rights risks for the entire Group, and in fiscal 2022, we began investigating and implementing measures to address the identified issues.

Human Rights Risk Assessment

Assessment procedure

1. Basic survey
2. Creation of a human rights risk inventory
3. Human rights risk assessment (external analysis)
4. Human rights risk assessment (internal analysis)
5. Identification of human rights issues
6. Response formulation and implementation

Scope of implementation

19 companies of the BIPROGY Group

Identified Human Rights Issues/Response Measures and Implementation Status

Rigorous dissemination of human rights policy

- Provision of relevant e-learning for all Group employees (once a year)
- Currently translating human rights policy into other languages for Group companies outside Japan

Responsible procurement and management thereof

- In fiscal 2021, we conducted ESG risk assessments of 98 major business partners and made improvement requests to 49 companies with identified risks (Reference: Human Rights Considerations in Supply Chain)

Establishing a mechanism for handling external complaints

- While we have a long-established point of contact for the submission of complaints by external stakeholders such as business partners, we are now conducting an investigation to determine whether our responses to complaints meet the requirements set forth in the UN Guiding Principles on Business and Human Rights. We are also considering ways to better respond to issues.

Initiatives for freedom of expression

- Started investigating industry trends and relevant internal issues

Initiatives for ethical/responsible marketing

- Started investigating industry trends and relevant internal issues

Access to Remedy

Eligibility: BIPROGY Group employees
(Reference: Communication Channels (Internal Reporting System))
Eligibility: Employees/workers of suppliers and contractors
(Reference: Grievance Mechanism for Suppliers)
Eligibility: Other external stakeholders
(Reference: Community Contact)

Human Rights Initiatives

Preventing Harassment and Eliminating Discrimination
<p>Group employment regulations stipulate that the Group will not engage in any conduct that impugns an employee's character or interferes with their work or motivation. This includes power harassment, sexual harassment, and harassment against LGBTQ+ individuals. In addition, we are also focused on raising harassment awareness. We have created Guidelines for the Prevention of Sexual Harassment and Guidelines for the Prevention of Power Harassment to raise awareness among all employees and, focusing specifically on management, we share case studies during training sessions that all new managers are required to take.</p> <p>We have established a system with multiple points of contact for employees to consult with in the event they experience harassment, and we ensure a proper response. In addition to the in-house contact point within the Human Resources Department, we have also set up internal and external direct reporting/consulting channels (hotlines) to the Compliance Committee secretariat and the Audit & Supervisory Board members that can be used anonymously or by name, allowing the employee to select and use the most appropriate channel for consulting on or reporting a particular situation. In addition, we are committed to protecting whistleblowers by ensuring that those who report or consult on a problem are not subjected to disadvantageous treatment as a result and are cared for in the best possible way. Further, our Group Compliance Basic Regulations clearly stipulate that any officer or employee who subjects a whistleblower to disadvantageous treatment for their actions will face strict consequences, including being subject to disciplinary action.</p> <p>(Reference: Communication Channels (Internal Reporting System))</p>

Respecting Freedom of Association and Right to Collective Bargaining						
<p>We respect employee rights concerning freedom of association and collective bargaining. Accordingly, the BIPROGY Group Human Rights Policy outlines a commitment to promote dialogue between labor and management and to respect workers' rights, including the right to organize and to engage in collective bargaining.</p> <p>The BIPROGY Labor Union is made up of employees from the company and some Group companies. The companies and corporate branches engaged with the BIPROGY Labor Union maintain stable labor relations, and regularly negotiate and discuss employees' labor conditions at labor-management councils. The labor management councils meet once a month, in principle, for dialogue between labor and management.</p>						
	Unit	FY2019	FY2020	FY2021	FY2022	FY2023
Number of union members*	Individuals		5,265	5,235	5,141	5,022
Unionization rate	%		94.64	94.89	94.83	94.93
	Scope		C-	C-	C-	C-

*As of March 1 of each fiscal year

Rejection of Child and Forced Labor
<p>In the BIPROGY Group Human Rights Policy, we commit to rejecting forced or child labor in all forms.</p> <p>Further, through donations to the Child's Dream Fund run by the NGO "SHAPLA NEER = Citizens' Committee in Japan for Overseas Support" (Shapla Neer), we support the organization's activities in Bangladesh, Nepal and East Asia, which seek to help build a world where children are not forced to work.</p> <p>(Reference: Helping to Eliminate Child Labor through the Sutenai Seikatsu Campaign)</p>

Human Rights Considerations in the Supply Chain	<p>The BIPROGY Group aims to achieve sustainable growth by strengthening relationships of trust with its business partners, including subcontractors and suppliers in systems design, construction, operation and maintenance, and provision of services. As part of these efforts, we work together with our partners to address issues related to human rights, labor, the environment, and more.</p> <p>By providing regular newsletters and websites for subcontractors, we provide an overview of our sustainability initiatives, including Group policy and initiatives on respecting human rights, so that they can understand and work together on our approach to sustainability.</p> <p>In addition, we have established compliance hotlines for BIPROGY and UNIADEX subcontractors to enable them to (anonymously) report and consult with in-house and third-party points of contact on compliance matters. In fiscal 2019, we revised the BIPROGY Group Procurement and Transaction Guidelines to include a policy on respect for human rights throughout the supply chain.</p>
ESG Risk Assessment	<p>In April 2021, we formulated the BIPROGY Group Sustainable Procurement Guidelines in response to recent growing social demand for procurement that is conscious of human rights and the environment. We also launched ESG risk assessments and promoted the permeation of our guidelines.</p> <p>(References: Toward Achieving Sustainable Procurement, ESG Risk Assessment)</p>
Eliminating Conflict Mineral Use	<p>Every year, we conduct surveys of the goods and services received from our main suppliers using an ESG risk assessment to confirm that no conflict minerals were used to produce or provide them.</p> <p>(Reference: Toward Achieving Sustainable Procurement)</p>

Basic Approach

People around the world want to live in peace. Various issues stand in the way, including labor shortages in developed countries caused by declining birthrates and aging populations, population explosions in developing countries, and food shortages caused by conflict.

In our corporate philosophy, we commit to “working with all people to contribute to creating a society that is friendly to people and the environment,” and state that our purpose is “creating a sustainable society using foresight and insight to unlock the full potential of technology.” To live up to these principles, we work to resolve social issues through our businesses, and we engage in social contribution activities focused on supporting persons with disabilities, fostering the next generation, and promoting community engagement.

We also recognize that it is important to increase employee awareness of social issues if we are to advance solutions to these issues via digital transformation. This is why we engage in social contribution activities as part of our human resources development and awareness-raising efforts. Since fiscal 2021, we have designated the number of executives and employees participating in social contribution activities as one of our key indicators, aiming for a 20% increase by fiscal 2023 over the 84 employees who participated in fiscal 2020. Thanks to an increase in the number of new participants, the number had risen to 189 in fiscal 2023, a 125% increase.

Policy on Social Contribution Activities

1. Contribute to the creation of a society that is friendly to people and the environment by providing ICT services.
2. Support employee participation in society, including through volunteer activities, as part of efforts to raise employee awareness of social expectations and demands.
3. Listen earnestly to stakeholders, participate in local communities, and contribute to community development.

KPI and Target

- Number of executives and employees participating in social contribution activities: 20% increase compared to FY2020 (FY2023)
(Reference : Material Issues)

Progress

- Number of executives and employees participating in social contribution activities: 189 (125% increase in FY2023 compared to FY2020)

KPI

	Unit	FY2019	FY2020	FY2021	FY2022	FY2023
Number of executives and employees participating in social contribution activities (Target : 20% increase compared to FY2020)	Individuals	-	84	117	143	189

Social Contribution Activities: Data

Status of Social Contribution Activities

Social contribution activity expenses	Unit	FY2019	FY2020	FY2021	FY2022	FY2023
Social contribution activity expenditure	Million yen	-	12.50	15.19	18.94	25.09
Scope		-	c	c	c	c

Priorities in Social Contribution Activities

Priorities in Social Contribution Activities	<p>In selecting priorities for our social contribution activities, we looked for areas that our business does not directly address, but in which our employees have a high level of interest, as well as areas that are closely compatible and potentially synergistic with our business. Based on these considerations, we have selected three priority areas: support for persons with disabilities, fostering the next generation, and community engagement.</p> <p>Through these efforts, we are working to increase our employees' awareness of social issues. We believe this will also lead to the creation and expansion of social solution-oriented businesses that leverage an optimized approach to the society and the globe. This is a KPI for the Group's material issue of creating schemes to solve issues through the use of digital technology and business ecosystems.</p> <p>Each activity is planned and evaluated in terms of its contribution to society and value to the Group. We also actively engage in discussions with local governments, local communities, donation recipients, and social contribution activity partners in the regions where we operate, reflecting on the feedback we receive and incorporating it into future initiatives.</p>
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1. Support for Persons with Disabilities

Key Initiatives

- Partnership with violinist Narimichi Kawabata
- Providing employment opportunities to people with disabilities

Social Benefits/Indicators (Actual Contributions to Society)

- Partnership with violinist Narimichi Kawabata
- Official partner of Narimichi Kawabata, a visually impaired violinist, since 1998
 - Concert invitations issued to visually impaired persons, transportation and venue assistance provided by employee volunteers
 - Over 15,800 concertgoers, approx. 2,550 invitations issued, approx. 550 employee volunteers (total figures since 2005)
- Initiatives at special subsidiary BIPROGY Challenged, Inc.
- Introduction of complete work-from-home option to enable persons across the country with disabilities who have difficulty commuting to work
 - Operation of Wakuwaku Farm, an outdoor workplace that aims to provide a work environment that enables employees with disabilities to engage in agriculture in fulfilling ways that encourage physical and mental health and happiness
 - Seminar at Toda Junior High School in Saitama Prefecture for teachers at Toda elementary and junior high schools and guardians of children with disabilities showcasing examples of BIPROGY employment opportunities for people with disabilities

2. Fostering the Next Generation

Key Initiatives

- e-Net Caravan
- Badminton lessons

Social Benefits/Indicators (Actual Contributions to Society)

- e-Net Caravan
- Group employee visits to elementary, junior high, and high schools to teach students about safe Internet use since 2006
 - Total of 198 sessions
- Badminton lessons
- Company badminton team coach and player visits to local junior high and high schools to give students lessons since 2003

3. Community Engagement	
Key Initiatives	<ul style="list-style-type: none"> • Interaction with the local community in collaboration with the Toyosu Cultural Center in Koto Ward, Tokyo (where our headquarters is located) • International contributions in collaboration with TABLE FOR TWO
Social Benefits/Indicators (Actual Contributions to Society)	<p>Interaction with the local community in collaboration with the Toyosu Cultural Center in Koto Ward, Tokyo (where our headquarters is located)</p> <ul style="list-style-type: none"> • Participation in local children's events since 2005 with booths teaching ICT and badminton • Organized Narimichi Kawabata charity concerts, collaborative events with non-profits and other organizations, and donation activities; hall and other amenities provided by collaborative partners. • Approx.1,900 concertgoers (total since 2005) <p>International contributions in collaboration with TABLE FOR TWO</p> <ul style="list-style-type: none"> • Implementation of program at headquarters cafeteria to support provision of school lunches to children in Africa and Asia since 2018

Framework for Promoting Social Contribution

Framework	
Paid and Unpaid Leave for Social Contribution Activities	<p>The Group has established paid and unpaid leave programs to support employees who undertake voluntary social contribution activities.</p> <ul style="list-style-type: none"> • Volunteer paid leave: Up to five days in a month, up to a total of 12 days per year, taken either consecutively or in installments • Volunteer unpaid leave: From one month to two years, in principle
Uni-Heart Supports Employees' Voluntary Social Contribution Activities	<p>Uni-Heart was established in 2006 for the purpose of contributing to society by encouraging employees to volunteer, and it has 805 members as of March 31, 2024. Members are involved in a wide range of activities, including planning and organizing charity events and donations to non-profits and other organizations. BIPROGY provides matching funds for external donations made by employees through UniHeart.</p>
Donation Decision-Making Process	<p>Donation recipients and amounts are determined by prescribed approval procedures and based on multiple factors, including whether the activities fall under the designated priorities.</p>
Community Contact	<p>The BIPROGY Group has established a contact point for inquiries on its corporate website, which can be accessed by the general public. Relevant departments work together to review, fact-check and respond to inquiries and feedback received via this website.</p> <p>Corporate website https://contact-e.biprogy.com/hc/en-us/requests/new?ticket_form_id=7787529301647&tf_7811229533839=general_inquiries</p>

Social Contribution Achievements: Support for People with Disabilities

Support for People with Disabilities: Activities in Partnership with violinist Narimichi Kawabata	
	<p>The BIPROGY Group has been inspired by the accomplishments of world-renowned violinist Narimichi Kawabata and has been supporting him as an official partner since his debut in 1998. In 2017, Kawabata was also appointed by Japan's Ministry of Education, Culture, Sports, Science and Technology as a special support ambassador.</p> <p>This year, the Group invited more than 130 visually impaired people and their companions to attend the "BIPROGY Presents Narimichi Kawabata New Year Concert 2024" held in January. Employee volunteers staffed the concert after first receiving training on how to assist people with visual impairments. Every year, dozens of employees serve as guides for this concert, assisting patrons to find their way around the facility. At the venue, concert programs were distributed in Braille or large print, as well as in a form for text-to-speech conversion, and many of the invited guests expressed their appreciation of this service.</p> <p>The Narimichi Kawabata Concert was selected for recognition (excellence in supporting the visually impaired) at the Mecenat Awards 2019, organized by the Association for Corporate Support of the Arts (award conferred to "Nihon Unisys, Ltd."). The Mecenat Awards honor outstanding activities by companies that contribute to society through the arts and culture. The 149 activities (by 87 companies and organizations) across Japan that received the "This is Mecenat 2018" designation were reviewed by a selection committee made up of outside experts to determine the winning companies and activities for the Mecenat Award 2019.</p>

Support for People with Disabilities: Activities to Help Promote the Fuller Participation of the Visually Impaired in Society	<p>Since 2004, we have been raising funds for the Japan Guide Dog Association, thereby helping the visually impaired to participate more fully in society. Every year, fund-raising sales to support guide dog training along with activities to promote understanding of proper guide dog interactions are held across Japan.</p> <p>These provide opportunities for the public to learn about what to do on the street when encountering a guide dog with someone who is blind or has a visual impairment. At the Narimichi Kawabata Charity Concert, guide dogs and their trainers are also invited, so the concert can serve as a useful training situation for them.</p>
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Support for People with Disabilities: Learning How to Assist the Visually Impaired	<p>Every year, we hold a training course on how to help guide the visually impaired, for employees who volunteer to work at the Narimichi Kawabata New Year's Concert, and for other employees, as well. With assistance from the Tokyo Independent Living Support Center for the Visually Impaired, the participants learn the basics concerning visual impairment, how to speak to people who are visually impaired, and how to guide them on staircases and to the restrooms.</p>
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Support for People with Disabilities: ICT Workshop to Support the Visually Impaired	<p>With the support of SPAN, a nonprofit organization that assists computer users who are visually impaired, we hold workshops for employees to learn how to help these computer users. The participants learn about computer input and output using text-to-speech software, and how to operate a tablet device using voice commands.</p>
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Social Contribution Achievements: Fostering the Next Generation

Fostering the Next Generation: Deploying Employees to Support e-Net Caravan	<p>"e-Net Caravan" is an educational program for children, parents, and teachers designed to help children safely use mobile phones, smartphones, and the Internet.</p> <p>Many companies and organizations in the field of information and communications are working together to provide e-Net Safety Courses across Japan. This program is operated by the Foundation for MultiMedia Communications, which is supported by Japan's Ministry of Internal Affairs and Communications, and Ministry of Education, Culture, Sports, Science and Technology. Based on its support for the mission of e-Net Caravan, the Group has participated in the program since it began in April 2006. Our employees have been taking seminars to become certified e-Net Caravan instructors, after which they are deployed to educate kids. In fiscal 2023, our instructor employees delivered lessons at 12 locations across Japan.</p>
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Fostering the Next Generation: Collaborative Programs with Charitable Organizations	<p>We work with donation-recipient organizations to offer online lectures and workshops.</p> <p>A representative of Bridge for Smile, a non-profit organization that provides support to children aging out of the foster care system, gave a talk on the current situation and activities at children's homes in Japan. Employees who volunteer at these facilities also spoke about their experiences participating in facility activities. The talk presented the audience with the opportunity to learn about the situation facing these young adults, think about how they could help, and take action.</p> <p>Visit, a divorce and parenting support center that provides visitation support for children with separated parents, also sent a representative to speak about the center's activities. The talk included stories about the current situation in Japan facing children of separated families and issues concerning visitations, as well as examples offered by Group employee volunteers of how to get involved and volunteer at the center. This was a valuable opportunity for employees to learn about the challenges faced by separated families and to think about how they can use their skills to make a contribution.</p>
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Fostering the Next Generation: Employee Participation in the Fureai Festival	<p>Group employees participate in the Fureai Festival organized by Koto With. This festival is an annual event to promote interactions between residents of Koto Ward, Tokyo, and people with disabilities, and to deepen public understanding concerning the activities of those with disabilities. Our employees work together with the children of Koto With as volunteers at refreshment stands</p>
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Fostering the Next Generation: Tech Volunteers for Family House	<p>Family House is a non-profit organization that provides accommodation for children with intractable diseases and their families. Since 2010, our Group has supported the nonprofit by providing employee volunteers to perform regular technical checks of the computers set up at each accommodation facility, and other activities.</p>
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Fostering the Next Generation: BIPROGY Badminton Team

In 1989, the Nihon Unisys Badminton Team was founded with an ambitious desire to develop some of the best badminton talent in Japan, and has since produced many players for the Japanese national team. The team has now changed its name to the BIPROGY Badminton Team. The members train hard every day at a sport that is part of the Group's public image, while taking on the challenge of performing on the world stage. In addition, the team regularly holds badminton classes for numerous young people, including elementary, junior high, and high school students in Koto Ward, Tokyo, where our head office is located. The Group is actively sharing the fun of badminton while contributing to the sound development of young people through sport.

BIPROGY Badminton Team (Available in Japanese only)

<https://www.biprogy.com/badminton/>

BIPROGY Junior Open Badminton Friendly Match

In March 2024, the 2nd BIPROGY Junior Open Badminton Friendly Match was held at the Fukagawa Sports Center in Koto Ward, Tokyo. This tournament was an unofficial competition for elementary school students (grades 1 to 3) in Tokyo, and 96 young athletes competed with enthusiasm. Before the match, players of the BIPROGY Badminton Team took on the role of coaches and conducted a training session, which made the tournament even more significant as part of efforts to help foster the next generation. The Group plans to continue holding this event going forward.

Social Contribution Achievements: Community Engagement

Community Engagement: Narimichi Kawabata Charity Concert

The BIPROGY Group holds an annual charity concert at the Toyosu Civic Center Hall in Koto Ward, Tokyo, featuring Narimichi Kawabata. It is an event that aims to share music, feeling, and awareness together with local residents.

In addition to enjoying the musical performance, attendees can take part in a range of other activities related to the concert. These include fundraising, and listening to a talk about visual impairments and guide dogs. Audience members can also listen to a readout of the concert program, using the voice software on their smartphones or mobile phones. They can even sit through the performance wearing an eye mask to fully immerse themselves in this aesthetic experience that does not rely on the sense of sight. Our aim is for attendees to have an enjoyable experience while getting a better understanding of diversity in society. They might also gain the confidence to offer assistance the next time they encounter someone in need.

Community Engagement: Participation in Toyosu Festa

Toyosu Festa is held each autumn by the Koto City Culture and Community Foundation, and the Koto Ward Toyosu Cultural Center to promote interactions between local residents and companies and organizations in the Toyosu area. Every year since fiscal 2005, the Group has been providing opportunities for children to become more familiar with information and communications technology (ICT), as part of its contribution to the local community. In fiscal 2023, we participated with our "Welcome to BIPROGY D-Farm Village" contribution, featuring 3D measurements of cows, hands-on programming, creating a BIPROGY-colored cow (coloring book), and other experiences. Run primarily by our employee volunteers, the event was part of a day of fun for families with kids from infants to junior high school students.

Community Engagement: Supporting the Koto Seaside Marathon

As in 2022, BIPROGY participated again in November 2023 in the Koto Seaside Marathon organized by Koto Ward, with nine Group employees serving as water station volunteers. The event provides an opportunity for employees to participate in social contribution activities through sports.

Community Engagement: Participation in Local Networks

We participate in the Koto Ward Social Contribution Network (Korabora), which brings together companies and universities located in this ward, and promotes activities to re-energize social contribution activities in this part of Tokyo. In addition to sharing information at regular meetings, we jointly participate in local events such as neighborhood cleanups and the Koto Citizens' Festival.

Community Engagement: Local Cleanup Activities

The Toyosu Clean-Up Team is made up of employee volunteers who regularly carry out cleanup activities during lunch hours. The team was launched in 2004 at the suggestion of an employee, and since 2007 it has been participating in joint cleanup activities by companies and organizations in the Toyosu area, with many people taking part across the local community.

(Activities suspended during fiscal 2023)

Branch offices conduct cleanup activities, as well. Employees of the Chubu Regional Headquarters carry out the Horikawa Miya-no-Watashi Park cleanup.

Community Engagement: Community Fund-Raising Sales	<p>At our head office building in Tokyo, we regularly hold fund-raising sales of products made at facilities for people with disabilities in Koto Ward. At the sales booth, employee volunteers sell the products together with facility residents by calling out to passers-by, providing opportunities for interaction.</p> <p>(Activities suspended during fiscal 2023)</p>
Community Engagement: Initiatives for Local Employment	<p>The BIPROGY Group pursues various initiatives that help promote community job creation and neighborhood revitalization.</p> <p>BIPROGY Challenged Inc. was established as a wholly owned subsidiary of BIPROGY Inc. and became a special subsidiary of the company in February 2019. Utilizing the Group's expertise and technical capabilities, BIPROGY Challenged has created an environment that allows employees to perform work from remote locations. By enabling a completely home-based work style, the company can provide employment for people with disabilities who may have difficulty commuting to work, while also creating jobs for those living in rural areas. In addition, the Group established Wakuwaku Farm, a rural agricultural facility, with the aim of providing a supportive work environment that enables employees with disabilities to engage in agriculture in fulfilling ways that encourage physical and mental health and happiness.</p> <p>BIPROGY Challenged Inc. (Available in Japanese only) https://biprogy-chd.co.jp/</p>
Community Engagement: Helping to Alleviate Hunger in Developing Countries through TABLE FOR TWO	<p>We are participating in a program of the nonprofit TABLE FOR TWO, which aims to eliminate hunger in developing countries, as well as obesity and lifestyle-related diseases in developed countries. As part of this program, the employee cafeteria in our head office building offers a healthy lunch option each day. Every time someone in the company (or other participant in a developed country) purchases the healthy lunch, 20 yen is automatically donated to provide one school lunch for a child in a developing country. In fiscal 2023, TABLE FOR TWO and the BIPROGY Wakuwaku Farm collaborated on the sales of vegetables from the farm, which opened in 2020, at the employee cafeteria on the first floor of our head office building. All proceeds from the sales of the farm's vegetables were donated to charity activities. Onigiri Action also sponsored the event, providing a variety of programs to support these activities.</p>
Community Engagement: Helping to Eliminate Child Labor through the Sutenai Seikatsu Campaign	<p>The Sutenai Seikatsu (No Waste Lifestyle) campaign is based on the concept of using discarded items to promote international cooperation instead of throwing them away. Each year, Group employees across Japan donate their used postcards, as well as used books, CDs, and DVDs, which are purchased by a partner retailer. The sale proceeds then become a donation, which is used to fund the international cooperation activities of the NGO "SHAPLA NEER = Citizens' Committee in Japan for Overseas Support" (Shapla Neer). Our donation proceeds are used to prevent and reduce child labor in Bangladesh and Nepal, through the Shapla Neer Child's Dream Fund.</p>
Community Engagement: 2024 Noto Peninsula Earthquake	<p>The BIPROGY Group donated to relief efforts to help those affected by the disaster and support restoration and recovery efforts in affected areas. In addition, the Group's Uni-Heart social contribution club took the lead in collecting donations at the head office and Group branches and offices. These funds, together with contributions from individuals and a matching gift from the Group, were donated to the Japanese Red Cross Society 2024 Noto Peninsula Earthquake Disaster Relief Fund.</p>

Social Contribution Achievements: Activities of Uni-Heart

Organizations	Receiving Donations from Uni-Heart
	<p>Organizations supporting people with disabilities</p> <ol style="list-style-type: none"> 1. SPAN (Computer Assistance Network for the Visually Impaired) 2. Japan Guide Dog Association 3. Cinema Access Partners 4. Fukuoka Support and Welfare Association for the Hearing Impaired 5. Tokyo Friends of the Visually and Hearing Impaired 6. Chupki 7. Re Job Osaka 8. Special Olympics Nippon Tokyo <p>Organizations supporting children</p> <ol style="list-style-type: none"> 1. Foundation for MultiMedia Communications (e-Net Caravan) 2. Family House 3. Koto With 4. Sapporo Ikuseikai 5. Bridge for Smile 6. SHAPLA NEER = Citizens' Committee in Japan for Overseas Support 7. Yumeshokunin 8. Visit <p>(FY2023)</p>
Interacting with Donation Recipients	
	<p>Uni-Heart holds regular events for employees to interact with donation-recipient organizations. In fiscal 2023, the Group offered in-person events, online talks and workshops flexibly, thereby maintaining opportunities for employees to interact with the organizations receiving donations.</p>