



[Summary] Consolidated Financial Report for the Second Quarter of Fiscal Year Ending March 31, 2024 [IFRS]

November 1, 2023

BIPROGY Inc.

Stock Listing:	Tokyo Stock Exchange, Prime Market
Stock Code:	8056
URL:	https://www.biprogy.com/e/
Representative:	Akiyoshi Hiraoka, Representative Director, President & CEO
Scheduled Submission Date for Quarterly Report:	November 10, 2023
Scheduled Starting Date for Dividend Payment:	December 1, 2023
Earnings Supplementary Explanatory Documents:	yes
Earnings Results Briefing:	yes (for institutional investors, analysts and the press)

(Amounts are rounded down to the nearest million yen.)

1. Consolidated Financial Results for FY2024 Q2 (from April 1, 2023 to September 30, 2023)

(1) Consolidated Results of Operations

(Percentage below represents increase (decrease) from previous year)

	Revenue		Operating profit		Profit before tax		Profit attributable to owners of parent		Comprehensive income	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
FY2024 Q2	172,978	11.8	16,635	21.9	17,446	17.2	12,826	26.8	15,606	79.5
FY2023 Q2	154,782	6.1	13,648	5.3	14,885	7.1	10,112	7.9	8,692	(17.6)

(Note) Adjusted operating profit FY2024 Q2 : 16,534 Million Yen (21.6%) FY2023 Q2 : 13,598 Million Yen (5.9%)

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

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
FY2024 Q2	127.61	127.26
FY2023 Q2	100.65	100.35

(2) Consolidated Financial Position

	Total assets	Total equity	Equity attributable to owners of parent	Ratio of equity attributable to owners of parent to total assets
	Millions of Yen	Millions of Yen	Millions of Yen	%
FY2024 Q2	283,278	153,268	151,470	53.5%
FY2023	280,396	141,597	139,887	49.9%

2. Dividends

	Dividends Per Share				
	End of Q1	End of Q2	End of Q3	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
FY2023	—	40.00	—	40.00	80.00
FY2024	—	45.00	—	—	—
FY2024 (Forecast)	—	—	—	45.00	90.00

(Note) Revisions to the latest forecast of dividends: No

3. Consolidated Earnings Forecast for FY2024 (from April 1, 2023 to March 31, 2024)

(Percentage below represents increase (decrease) from previous year)

	Revenue		Operating profit		Profit before tax		Profit attributable to owners of parent		Basic earnings per share
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Yen
FY2024	350,000	3.0	32,500	9.5	32,500	8.3	22,000	8.9	218.95

(Note1) Revisions to the latest forecast of consolidated earnings: No

(Note2) Adjusted operating profit (Full Year) 32,000 Million Yen (8.9%)

* Notes

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in change in scope of consolidation): No

(2) Changes in accounting policies, changes in accounting estimates and restatement of corrections

1. Changes in accounting policies as required by IFRS : Yes

2. Other changes in accounting policies: No

3. Changes in accounting estimates: No

(3) Number of shares outstanding (common stock)

(shares)

1. Number of shares outstanding (including treasury shares)

FY2024 Q2	109,663,524	FY2023	109,663,524
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2. Number of shares of treasury stock

FY2024 Q2	9,133,632	FY2023	9,161,560
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3. Average number of shares outstanding (during the period)

FY2024 Q2	100,513,570	FY2023 Q2	100,468,714
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* This Consolidated Financial Report is not subject to quarterly review procedures.

* Comments regarding appropriate usage of earnings forecast, and other special notes

The forward-looking statements such as earnings forecasts contained in this document are based on the information currently available to the Company and certain assumptions which are regarded as legitimate. The Company makes no warranty as to the achievability of what is described in the statements. Actual results may differ from these forecasts due to various factors.

2. Condensed Quarterly Consolidated Financial Statements

(1) Condensed Quarterly Consolidated Statements of Financial Position

(Millions of Yen)

	FY2023	FY2024 Q2
	(As of March 31, 2023)	(As of September 30, 2023)
Assets		
Current assets		
Cash and cash equivalents	43,645	55,016
Trade and other receivables	84,695	72,809
Contract assets	11,742	9,376
Inventories	10,166	11,803
Other financial assets	587	830
Other current assets	13,813	18,032
Total current assets	164,650	167,866
Non-current assets		
Property, plant and equipment	12,663	12,072
Right-of-use assets	16,110	13,594
Goodwill	1,906	2,659
Intangible assets	27,256	30,120
Investments accounted for using equity method	4,281	4,627
Other financial assets	43,385	41,218
Deferred tax assets	2,011	2,000
Retirement benefit asset	1,748	1,758
Other non-current assets	6,383	7,359
Total non-current assets	115,745	115,411
Total assets	280,396	283,278

(Millions of Yen)

	FY2023 (As of March 31, 2023)	FY2024 Q2 (As of September 30, 2023)
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	30,962	25,766
Contract liabilities	22,041	28,012
Borrowings	2,400	2,400
Lease liabilities	8,153	7,545
Other financial liabilities	2,264	2,376
Income taxes payable	5,731	5,142
Provisions	76	240
Other current liabilities	27,309	21,298
Total current liabilities	98,940	92,781
Non-current liabilities		
Borrowings	18,325	18,325
Lease liabilities	9,126	7,207
Other financial liabilities	265	364
Retirement benefit liability	8,398	7,492
Provisions	3,048	3,053
Deferred tax liabilities	679	776
Other non-current liabilities	15	8
Total non-current liabilities	39,858	37,228
Total liabilities	138,798	130,010
Equity		
Share capital	5,483	5,483
Capital surplus	14,955	15,011
Treasury shares	(13,315)	(13,273)
Other components of equity	8,302	7,838
Retained earnings	124,460	136,411
Total equity attributable to owners of parent	139,887	151,470
Non-controlling interests	1,710	1,798
Total equity	141,597	153,268
Total liabilities and equity	280,396	283,278

(2) Condensed Quarterly Consolidated Statements of Profit or Loss and Comprehensive Income

(Condensed Quarterly Consolidated Statements of Profit or Loss)

(Millions of Yen)

	FY2023 Q2 (Six months ended September 30, 2022)	FY2024 Q2 (Six months ended September 30, 2023)
Revenue	154,782	172,978
Cost of sales	113,359	126,780
Gross profit	41,422	46,197
Selling, general and administrative expenses	27,824	29,663
Share of profit (loss) of investments accounted for using equity method	192	235
Other income	56	40
Other expenses	199	174
Operating profit	13,648	16,635
Finance income	1,321	890
Finance costs	84	79
Profit before tax	14,885	17,446
Income tax expense	4,782	4,532
Profit	10,103	12,914
Profit attributable to		
Owners of parent	10,112	12,826
Non-controlling interests	(8)	87
Profit	10,103	12,914
Earnings per share		
Basic earnings per share (Yen)	100.65	127.61
Diluted earnings per share (Yen)	100.35	127.26

(Condensed Quarterly Consolidated Statements of Comprehensive Income)

(Millions of Yen)

	FY2023 Q2 (Six months ended September 30, 2022)	FY2024 Q2 (Six months ended September 30, 2023)
Profit	10,103	12,914
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Net change in fair value of equity instruments designated as measured at fair value through other comprehensive income	(1,730)	2,297
Total of items that will not be reclassified to profit or loss	(1,730)	2,297
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	322	287
Share of other comprehensive income of investments accounted for using equity method	(3)	107
Total of items that may be reclassified to profit or loss	319	394
Other comprehensive income, net of tax	(1,411)	2,692
Comprehensive income	8,692	15,606
Comprehensive income attributable to		
Owners of parent	8,697	15,510
Non-controlling interests	(5)	96
Comprehensive income	8,692	15,606

(3) Condensed Quarterly Consolidated Statements of Changes in Equity
FY2023 Q2 (Six months ended September 30, 2022)

(Millions of Yen)

	Equity attributable to owners of parent					
	Share capital	Capital surplus	Treasury shares	Other components of equity		
				Financial assets measured at fair value through other comprehensive income	Share acquisition rights	Share of other comprehensive income of investments accounted for using equity method
As of April 1, 2022	5,483	14,944	(13,400)	7,698	485	3
Profit						
Other comprehensive income				(1,730)		(3)
Comprehensive income	—	—	—	(1,730)	—	(3)
Dividends of surplus						
Purchase of treasury shares			(0)			
Disposal of treasury shares		(9)	27		(18)	
Share-based payment transactions		37	40			
Changes in ownership interest in subsidiaries		(9)				
Transfer from other components of equity to retained earnings				0		
Other						
Total transactions with owners	—	17	68	0	(18)	—
As of September 30, 2022	5,483	14,962	(13,332)	5,968	467	0

	Equity attributable to owners of parent					
	Other components of equity			Total	Non-controlling interests	Total equity
	Exchange differences on translation of foreign operations	Total	Retained earnings			
As of April 1, 2022	104	8,290	113,599	128,917	1,757	130,674
Profit			10,112	10,112	(8)	10,103
Other comprehensive income	318	(1,414)		(1,414)	3	(1,411)
Comprehensive income	318	(1,414)	10,112	8,697	(5)	8,692
Dividends of surplus			(5,022)	(5,022)	(145)	(5,167)
Purchase of treasury shares				(0)		(0)
Disposal of treasury shares		(18)		0		0
Share-based payment transactions				78		78
Changes in ownership interest in subsidiaries				(9)	(42)	(52)
Transfer from other components of equity to retained earnings		0	(0)			—
Other			3	3		3
Total transactions with owners	—	(17)	(5,019)	(4,950)	(187)	(5,138)
As of September 30, 2022	422	6,858	118,691	132,663	1,564	134,228

	Equity attributable to owners of parent					
	Share capital	Capital surplus	Treasury shares	Other components of equity		
				Financial assets measured at fair value through other comprehensive income	Share acquisition rights	Share of other comprehensive income of investments accounted for using equity method
As of April 1, 2023	5,483	14,955	(13,315)	7,447	456	18
Profit						
Other comprehensive income				2,297		107
Comprehensive income	—	—	—	2,297	—	107
Dividends of surplus						
Purchase of treasury shares			(0)			
Disposal of treasury shares		(0)	2		(2)	
Share-based payment transactions		55	40			
Obtaining of control of subsidiaries						
Transfer from other components of equity to retained earnings				(3,146)		
Other						
Total transactions with owners	—	55	41	(3,146)	(2)	—
As of September 30, 2023	5,483	15,011	(13,273)	6,598	453	125

	Equity attributable to owners of parent					
	Other components of equity			Total	Non-controlling interests	Total equity
	Exchange differences on translation of foreign operations	Total	Retained earnings			
As of April 1, 2023	381	8,302	124,460	139,887	1,710	141,597
Profit			12,826	12,826	87	12,914
Other comprehensive income	278	2,683		2,683	8	2,692
Comprehensive income	278	2,683	12,826	15,510	96	15,606
Dividends of surplus			(4,020)	(4,020)	(145)	(4,165)
Purchase of treasury shares				(0)		(0)
Disposal of treasury shares		(2)		0		0
Share-based payment transactions				95		95
Obtaining of control of subsidiaries					136	136
Transfer from other components of equity to retained earnings		(3,146)	3,146			—
Other			(2)	(2)		(2)
Total transactions with owners	—	(3,148)	(876)	(3,927)	(8)	(3,935)
As of September 30, 2023	659	7,838	136,411	151,470	1,798	153,268

(4) Condensed Quarterly Consolidated Statements of Cash Flows

(Millions of Yen)

	FY2023 Q2 (Six months ended September 30, 2022)	FY2024 Q2 (Six months ended September 30, 2023)
Cash flows from operating activities		
Profit before tax	14,885	17,446
Depreciation and amortization	8,032	8,785
Impairment losses	58	1
Interest and dividend income	(257)	(213)
Interest expenses	74	68
Share of loss (profit) of investments accounted for using equity method	(192)	(235)
Decrease (increase) in trade and other receivables	19,496	12,106
Decrease (increase) in contract assets	(4,548)	2,366
Decrease (increase) in inventories	(597)	(1,636)
Increase (decrease) in trade and other payables	(6,837)	(5,326)
Increase (decrease) in contract liabilities	3,362	5,486
Increase or decrease in retirement benefit asset or liability	(514)	(915)
Other	(10,974)	(10,703)
Subtotal	21,987	27,231
Interest and dividends received	258	215
Interest paid	(74)	(66)
Income taxes paid	(7,052)	(5,398)
Net cash provided by (used in) operating activities	15,118	21,982
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,203)	(1,062)
Proceeds from sale of property, plant and equipment	0	0
Purchase of intangible assets	(6,367)	(5,636)
Purchase of investment securities	(1,547)	(1,206)
Proceeds from sale of investment securities	2	6,547
Payments for acquisition of subsidiaries	—	(930)
Other	(38)	27
Net cash provided by (used in) investing activities	(9,154)	(2,260)

(Millions of Yen)

	FY2023 Q2	FY2024 Q2
	(Six months ended September 30, 2022)	(Six months ended September 30, 2023)
Cash flows from financing activities		
Proceeds from long-term borrowings	350	—
Repayments of long-term borrowings	(350)	—
Repayments of lease liabilities	(4,324)	(4,363)
Dividends paid	(5,020)	(4,019)
Dividends paid to non-controlling interests	(135)	(145)
Other	(155)	76
Net cash provided by (used in) financing activities	(9,635)	(8,451)
Effect of exchange rate changes on cash and cash equivalents	129	101
Net increase (decrease) in cash and cash equivalents	(3,541)	11,371
Cash and cash equivalents at beginning of period	48,703	43,645
Cash and cash equivalents at end of period	45,161	55,016