



[Summary]Consolidated Financial Report for the Second Quarter of Fiscal Year Ending March 31, 2023 [IFRS]

November 1, 2022

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 11, 2022
Scheduled Starting Date for Dividend Payment:	December 2, 2022
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 FY2023 Q2(from April 1, 2022 to September 30, 2022)

(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	%
FY2023 Q2	154,782	6.1	13,648	5.3	14,885	7.1	10,112	7.9	8,692	(17.6)
FY2022 Q2	145,914	0.6	12,956	9.7	13,905	18.6	9,373	17.0	10,554	18.3

(Note) Adjusted operating profit FY2023 Q2 : 13,598 Million Yen (5.9%) FY2022 Q2 : 12,841 Million Yen (8.6%)

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

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
FY2023 Q2	100.65	100.35
FY2022 Q2	93.36	93.05

(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	%
FY2023 Q2	255,653	134,228	132,663	51.9%
FY2022	268,647	130,674	128,917	48.0%

2. Dividends

	Dividends Per Share				
	End of Q1	End of Q2	End of Q3	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
FY2022	—	35.00	—	50.00	85.00
FY2023	—	40.00	—	—	—
FY2023 (Forecast)	—	—	—	40.00	80.00

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

3. Consolidated Earnings Forecast for FY2023(from April 1, 2022 to March 31, 2023)

(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
FY2023	330,000	3.9	29,000	5.7	29,000	(1.9)	20,000	(2.4)	199.16

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

(Note2) Adjusted operating profit (Full Year) 29,000 Million Yen (8.7%)

* 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 : No

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)	FY2023 Q2	109,663,524	FY2022	109,663,524
2. Number of shares of treasury stock	FY2023 Q2	9,173,981	FY2022	9,218,006
3. Average number of shares outstanding (during the period)	FY2023 Q2	100,468,714	FY2022 Q2	100,409,648

* 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 Consolidated Financial Statements

(1) Condensed Consolidated Statements of Financial Position

(Millions of Yen)

	FY2022	FY2023 Q2
	(As of March 31, 2022)	(As of September 30, 2022)
Assets		
Current assets		
Cash and cash equivalents	48,703	45,161
Trade and other receivables	80,249	60,816
Contract assets	6,467	11,015
Inventories	9,550	10,148
Other financial assets	666	751
Other current assets	12,419	15,586
Total current assets	158,056	143,481
Non-current assets		
Property, plant and equipment	11,479	11,251
Right-of-use assets	19,888	17,428
Goodwill	1,589	2,003
Intangible assets	21,722	24,999
Investments accounted for using equity method	2,855	3,199
Other financial assets	42,293	42,111
Deferred tax assets	3,222	3,507
Retirement benefit asset	1,623	1,629
Other non-current assets	5,916	6,041
Total non-current assets	110,590	112,171
Total assets	268,647	255,653

(Millions of Yen)

	FY2022	FY2023 Q2
	(As of March 31, 2022)	(As of September 30, 2022)
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	29,771	23,022
Contract liabilities	19,959	23,355
Borrowings	6,275	5,925
Lease liabilities	8,033	7,437
Other financial liabilities	2,203	2,194
Income taxes payable	6,039	2,771
Provisions	161	105
Other current liabilities	25,704	18,719
Total current liabilities	98,148	83,530
Non-current liabilities		
Borrowings	14,575	14,925
Lease liabilities	12,967	11,182
Other financial liabilities	389	336
Retirement benefit liability	9,945	9,437
Provisions	1,652	1,653
Deferred tax liabilities	262	336
Other non-current liabilities	30	22
Total non-current liabilities	39,823	37,894
Total liabilities	137,972	121,425
Equity		
Share capital	5,483	5,483
Capital surplus	14,944	14,962
Treasury shares	(13,400)	(13,332)
Other components of equity	8,290	6,858
Retained earnings	113,599	118,691
Total equity attributable to owners of parent	128,917	132,663
Non-controlling interests	1,757	1,564
Total equity	130,674	134,228
Total liabilities and equity	268,647	255,653

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

(Condensed Consolidated Statements of Profit or Loss)

(Millions of Yen)

	FY2022 Q2 (Six months ended September 30, 2021)	FY2023 Q2 (Six months ended September 30, 2022)
Revenue	145,914	154,782
Cost of sales	106,914	113,359
Gross profit	39,000	41,422
Selling, general and administrative expenses	26,158	27,824
Share of profit (loss) of investments accounted for using equity method	0	192
Other income	171	56
Other expenses	57	199
Operating profit	12,956	13,648
Finance income	1,044	1,321
Finance costs	96	84
Profit before tax	13,905	14,885
Income tax expense	4,416	4,782
Profit	9,488	10,103
Profit attributable to		
Owners of parent	9,373	10,112
Non-controlling interests	114	(8)
Profit	9,488	10,103
Earnings per share		
Basic earnings per share (Yen)	93.36	100.65
Diluted earnings per share (Yen)	93.05	100.35

(Condensed Consolidated Statements of Comprehensive Income)

(Millions of Yen)

	FY2022 Q2 (Six months ended September 30, 2021)	FY2023 Q2 (Six months ended September 30, 2022)
Profit	9,488	10,103
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	992	(1,730)
Share of other comprehensive income of investments accounted for using equity method	(0)	-
Total of items that will not be reclassified to profit or loss	992	(1,730)
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	73	322
Share of other comprehensive income of investments accounted for using equity method	-	(3)
Total of items that may be reclassified to profit or loss	73	319
Other comprehensive income, net of tax	1,066	(1,411)
Comprehensive income	10,554	8,692
Comprehensive income attributable to		
Owners of parent	10,435	8,697
Non-controlling interests	119	(5)
Comprehensive income	10,554	8,692

(3) Condensed Consolidated Statements of Changes in Equity
FY2022 Q2 (Six months ended September 30, 2021)

(Millions of Yen)

	Equity attributable to owners of parent					
				Other components of equity		
	Share capital	Capital surplus	Treasury shares	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, 2021	5,483	14,901	(13,475)	6,132	518	0
Profit						
Other comprehensive income				992		(0)
Comprehensive income	-	-	-	992	-	(0)
Dividends of surplus						
Purchase of treasury shares			(0)			
Disposal of treasury shares		2	17		(19)	
Share-based payment transactions		50	37			
Loss of control of subsidiaries						
Changes in ownership interest in subsidiaries		(3)				
Transfer from other components of equity to retained earnings				(53)		
Other						
Total transactions with owners	-	49	54	(53)	(19)	-
As of September 30, 2021	5,483	14,950	(13,420)	7,072	499	0

	Equity attributable to owners of parent					
	Other components of equity					
	Exchange differences on translation of foreign operations	Total	Retained earnings	Total	Non-controlling interests	Total equity
As of April 1, 2021	(34)	6,618	98,744	112,271	1,715	113,986
Profit			9,373	9,373	114	9,488
Other comprehensive income	68	1,061		1,061	4	1,066
Comprehensive income	68	1,061	9,373	10,435	119	10,554
Dividends of surplus			(3,513)	(3,513)	(110)	(3,624)
Purchase of treasury shares				(0)		(0)
Disposal of treasury shares		(19)		0		0
Share-based payment transactions				88		88
Loss of control of subsidiaries					(166)	(166)
Changes in ownership interest in subsidiaries				(3)	133	130
Transfer from other components of equity to retained earnings		(53)	53			-
Other			(5)	(5)		(5)
Total transactions with owners	-	(72)	(3,466)	(3,435)	(142)	(3,578)
As of September 30, 2021	34	7,607	104,651	119,271	1,691	120,963

	Equity attributable to owners of parent					
				Other components of equity		
	Share capital	Capital surplus	Treasury shares	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					
	Exchange differences on translation of foreign operations	Total	Retained earnings	Total	Non-controlling interests	Total equity
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

(4) Condensed Consolidated Statements of Cash Flows

(Millions of Yen)

	FY2022 Q2	FY2023 Q2
	(Six months ended September 30, 2021)	(Six months ended September 30, 2022)
Cash flows from operating activities		
Profit before tax	13,905	14,885
Depreciation and amortization	8,361	8,032
Impairment losses	-	58
Interest and dividend income	(241)	(257)
Interest expenses	83	74
Share of loss (profit) of investments accounted for using equity method	(0)	(192)
Decrease (increase) in trade and other receivables	15,146	19,496
Decrease (increase) in contract assets	(5,210)	(4,548)
Decrease (increase) in inventories	(1,409)	(597)
Increase (decrease) in trade and other payables	(7,042)	(6,837)
Increase (decrease) in contract liabilities	3,240	3,362
Increase or decrease in retirement benefit asset or liability	(515)	(514)
Other	(8,281)	(10,974)
Subtotal	18,036	21,987
Interest and dividends received	242	258
Interest paid	(84)	(74)
Income taxes paid	(6,388)	(7,052)
Net cash provided by (used in) operating activities	11,805	15,118
Cash flows from investing activities		
Purchase of property, plant and equipment	(989)	(1,203)
Proceeds from sale of property, plant and equipment	0	0
Purchase of intangible assets	(3,653)	(6,367)
Purchase of investment securities	(1,172)	(1,547)
Proceeds from sale of investment securities	109	2
Decrease from loss of control of subsidiaries	(480)	-
Other	593	(38)
Net cash provided by (used in) investing activities	(5,594)	(9,154)

(Millions of Yen)

	FY2022 Q2	FY2023 Q2
	(Six months ended September 30, 2021)	(Six months ended September 30, 2022)
Cash flows from financing activities		
Proceeds from long-term borrowings	-	350
Repayments of long-term borrowings	(1,140)	(350)
Repayments of lease liabilities	(4,424)	(4,324)
Dividends paid	(3,512)	(5,020)
Dividends paid to non-controlling interests	(103)	(135)
Other	242	(155)
Net cash provided by (used in) financing activities	(8,937)	(9,635)
Effect of exchange rate changes on cash and cash equivalents	31	129
Net increase (decrease) in cash and cash equivalents	(2,694)	(3,541)
Cash and cash equivalents at beginning of period	46,281	48,703
Cash and cash equivalents at end of period	43,586	45,161