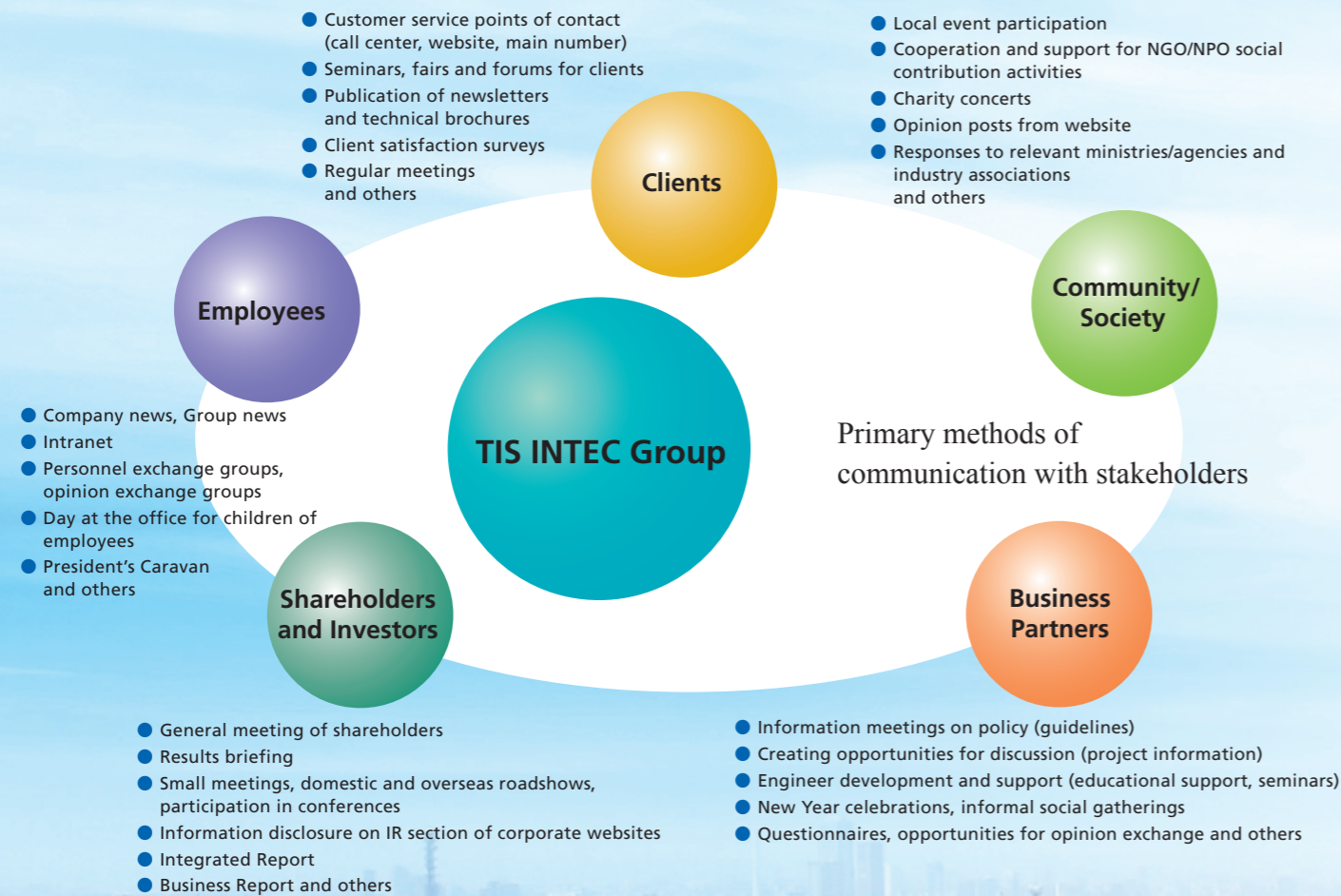


Platform that Supports Value Creation Process

The Group seeks to enhance corporate governance and internal controls, which are vital to support sustainable corporate growth. The focus is also on promoting quality control/production innovations, essential for the business of information systems—a key social infrastructure—to function and steadily evolve, as well as evolving risk management processes, including information security and compliance. In addition, TIS strives to build bonds of trust through active communication with all stakeholders and to promote sustainable corporate value in harmony with the evolving values of society.

Communication with Stakeholders

The TIS INTEC Group strives to build bonds of trust through communication with all stakeholders, including clients, employees, shareholders and investors, and business partners, and to boost corporate value.



Corporate Governance

*Please visit the following page for details of our corporate governance. <http://www.tis.com/ir/policy/governance/>

Based on OUR PHILOSOPHY (TIS INTEC Group Philosophy) and Group Vision, we have formulated basic corporate governance policies aimed at improving the Group's corporate value in a sustainable way.

Basic Policy

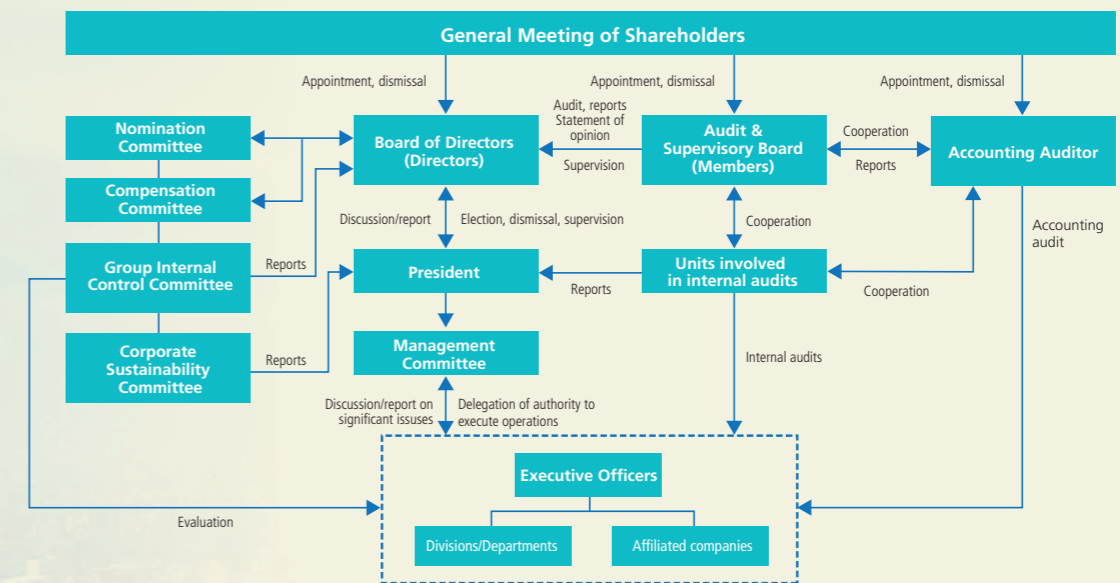
TIS consistently pursues the best corporate governance practices and constantly works to enhance corporate governance. Management believes that the key to good corporate governance is to ensure transparency and fairness in decision-making processes, make full and effective use of management resources, and raise the integrity of management practices through swift and accurate assessment of situations, from the viewpoint of promoting sustainable corporate growth and boosting medium- and long-term corporate value. Accordingly, management at the Company is committed to upholding good corporate governance in line with the following basic principles.

1. To respect the rights of shareholders and to ensure equality in their treatment.
2. To consider the interests of stakeholders, including shareholders, and work with stakeholders in an appropriate manner to achieve stated goals.
3. To disclose corporate information appropriately and ensure transparency.
4. To engage in constructive dialogue with shareholders based on a medium- to long-term investment perspective.

Corporate Governance Structure

Organizational Structure	Company with Audit & Supervisory Board
Chairman of the Board	Chairman and President
Number of Directors	Nine, including three external directors
Directors' term of office	One year
Number of Audit & Supervisory Board members	Five, including three external Audit & Supervisory Board members
Term of office for Audit & Supervisory Board members	Four years
Number of independent directors	Six, including three external directors and three external Audit & Supervisory Board members

Organizational Chart



Reason for Selection of Current Corporate Governance Structure

TIS has an Audit & Supervisory Board, a model chosen for its double-check function through which the Board of Directors oversees the execution of business activities and the Audit & Supervisory Board audits activities to ensure operations are legal and appropriate. In addition, the Company aims to strengthen the supervisory function of the Board of Directors by appointing outside directors with industry- and corporate-management-related experience and insight. Drawing on advice and recommendations from an independent standpoint ensures the validity and appropriateness of decision-making by the Board of Directors.

Directors and Board of Directors

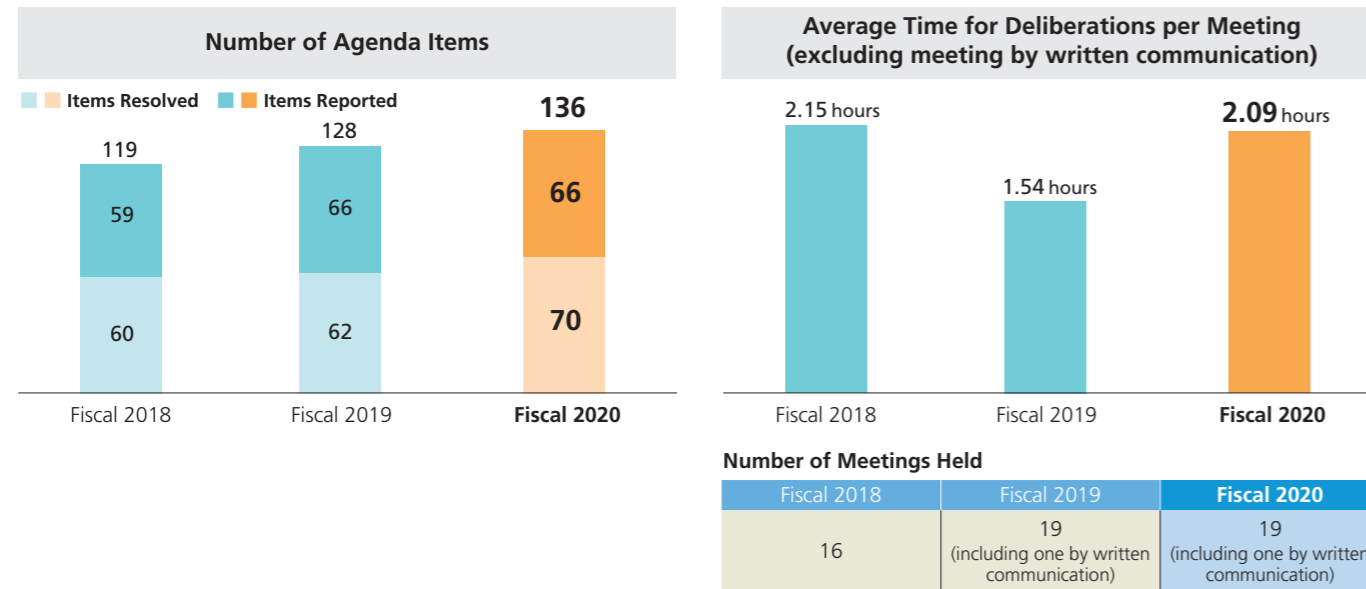
As stipulated in its Articles of Incorporation, the Company's Board of Directors will comprise at least three and no more than 15 directors, and to strengthen the supervisory functions of the Board of Directors, a policy has been established that two or more of the directors must be independent external directors. At present, three independent external directors have been appointed.

For swift and dynamic decision-making by the Board of Directors, it convenes in principle once monthly and also meets on an ad hoc basis whenever necessary. TIS holds an information meeting once a year to present management direction as well as meetings ahead of Board of Directors' meetings—in principle, twice a month—to give external directors and outside members of the Audit & Supervisory Board sufficient background information to participate in discussions. In addition, the Company organizes study sessions with experts—in-house and external—and arranges visits to

local Group facilities and offices. TIS also creates opportunities for external directors to exchange opinions with the President and convenes meetings that involve only external directors and external members of the Audit & Supervisory Board. This facilitates smooth but vigorous discussion by the Board of Directors.

The Group seeks to enhance corporate governance and internal controls, which are vital to support sustainable corporate growth. The focus is also on promoting quality control/production innovations, essential for the business of information systems—a key social infrastructure—to function and steadily evolve, as well as evolving risk management processes, including information security and compliance. In addition, TIS strives to build bonds of trust through active communication with all stakeholders and to promote sustainable corporate value in harmony with the evolving values of society.

Year ended March 31, 2020 Board of Directors: **19** meetings held (including **one** by written communication); **136** agenda items discussed (**70** items resolved and **66** items reported)



Management Committee

The Management Committee convenes twice a month in principle, where members deliberate and report important

matters related to the execution of business activities throughout TIS and the Group. The committee consists of the

President and Representative Director, as the chairperson, and general managers, directors in charge, division managers, and the head of the Corporate Planning Department, as attendees. If necessary, the chairperson can request the attendance of Directors and Executive Officers. If deemed necessary for

agenda items related to a Group company, the chairperson can request the attendance of its president and others to get explanations, opinions or reporting. Audit & Supervisory Board members can attend the committee meeting and, if necessary, express opinions.

Year ended March 31, 2020 Management Committee: **37** meetings held **315** agenda items discussed (**179** items resolved and **136** items reported)

(Reference) Our Efforts on Group Management

To improve corporate value through unified group management, the Group focuses on improving performance by completing a PDCA (plan-do-check-act) cycle with reference to current key performance indicators (KPIs). TIS and Group companies evaluate their performance based on financial indicators, including shared Group KPIs and process indicators related to customers, internal processes, and learn and growth

initiatives. In addition, to ensure completion of the PDCA cycle, a Group Business Meeting is held on a quarterly basis to report on budgets and the progress of major activities at Group companies, and to discuss measures taken to address important issues. A Group President Meeting is also held on a monthly basis to share information on Groupwide issues and performance.

Summary of Results of Analysis and Evaluation of Effectiveness of Entire Board of Directors

Since fiscal 2016, ended March 31, 2016, the Company has evaluated the effectiveness of the Board of Directors each fiscal year. This process reveals issues and points for improvement and leads to initiatives that will raise the effectiveness of the Board of Directors to a higher level. For the fiscal 2020 evaluation, all directors and members of the Audit & Supervisory Board were given a questionnaire to be submitted anonymously. The questionnaire asked them to conduct a comprehensive self-evaluation and self-analysis of the composition and operation of the Board of Directors, and then the Board of Directors held discussions based on the results. The method and results of the evaluation, as well as future issues brought to light through this process and measures to address such issues are described below.

1. Method of evaluation

TIS distributed a questionnaire regarding the effectiveness of the Board of Directors to all directors and members of the Audit & Supervisory Board. The Company's Board of Directors used the responses to analyze and evaluate the effectiveness of the Board of Directors. Note that TIS conducted this evaluation based on advice and verification by an external attorney.

2. Results of analysis and evaluation of effectiveness of the Board of Directors

The Company's Board of Directors concluded, based on Company regulations, that sufficient effectiveness had been

achieved to appropriately supervise the approval of important management matters and business execution, such as the status of business activities and investments at the Company and Group companies. In addition, the Board of Directors concluded that the level of effectiveness continues to trend upward, reflecting improvement measures based on the results of effectiveness evaluations conducted in previous years.

However, the Company's Board of Directors acknowledged the importance of strengthening governance at each Group company through their respective boards of directors and improving the appropriateness of explanations for issues discussed at board meetings.

3. Future issues and associated responses, based on analysis and evaluation

In light of the analysis and evaluation previously mentioned, TIS will focus particular efforts on the following issues.

(1) Strengthening governance of the Group

The Board of Directors will hold a meeting to exchange opinions on governance of the Group to clarify issues to be improved and respond to them.

(2) Improving the appropriateness of explanations for each agenda item at the meeting

The Board of Directors will improve the appropriateness of explanations for agenda items at the meeting and focus on the issues to be discussed, so that the Board can contribute to management promptly.

Policy and Procedures for Election, Dismissal, and Nomination of Directors, etc.

In nominating candidates for directors, Audit & Supervisory Board members and executive officers, the Board of Directors will nominate persons with abundant experience, a high level of insight and advanced specialization based on the Company's election criteria that make them suitable as directors or Audit & Supervisory Board members in order to realize effective corporate governance and contribute to the sustainable growth of the Company as well as the enhancement of its medium- to long-term corporate value while also considering aspects of

diversity such as gender and internationality. For directors, the Board of Directors considers nominations based on the advice of the Nomination Committee, the majority of members of which are independent external directors.

If a situation arises where a management executive should be dismissed, the Board of Directors shall determine a dismissal proposal. However, the dismissal of a director shall be conducted in accordance with the Companies Act and other relevant provisions.

Fields of Members' Specialization

	Title	Name	Corporate Management	Industry Knowledge	International Experience	Finance & Accounting	Legal
Directors	Representative Director, Chairman and President	Toru Kuwano	●	●	●		
	Representative Director, Executive Vice President	Masahiko Adachi	●	●		●	
	Director, Executive Vice President	Yasushi Okamoto	●	●	●		
	Director, Executive Vice President	Josaku Yanai	●	●	●		
	Director	Takayuki Kitaoka	●	●			
	Director	Akira Shinkai	●	●			
	Director (External)	Koichi Sano	●			●	
	Director (External)	Fumio Tsuchiya	●	●	●		
	Director (External)	Naoko Mizukoshi		●	●		●
Audit & Supervisory Board members	Standing Audit & Supervisory Board Member	Tetsuya Asano	●			●	
	Standing Audit & Supervisory Board Member	Tatsufumi Matsuoka	●			●	
	Audit & Supervisory Board Member (External)	Sadahei Funakoshi		●	●		
	Audit & Supervisory Board Member (External)	Yukio Ono			●	●	
	Audit & Supervisory Board Member (External)	Akiko Yamakawa			●		●

Reason for Election of Directors and Audit & Supervisory Board Members

Directors



Toru Kuwano, Chairman and President

Date of Birth: May 3, 1952 Number of shares owned: 53,000 shares Term of office: seven years

Reason for Election

After assuming the office of President and Representative Director of the Group company, Mr. Kuwano was appointed as a Director of the Company in June 2013. Since June 2016, he has assumed the office of President and Representative Director of the Company. He has a wealth of experience and knowledge about the Company's and its Group's business, as well as in business administration.

He was appointed as a Director since he is expected to continue to promote the Medium-Term Management Plan (2018–2020) and fulfill the duties of significant decision-making for the Group as well as the administration and oversight of business management.



Masahiko Adachi, Representative Director, Executive Vice President

Date of Birth: May 9, 1956 Number of shares owned: 13,400 shares Term of office: two years

Reason for Election

Mr. Adachi has been in the office of Representative Director since June 2018 following his holding the office of Division Manager of the corporate department and the financial system department of a financial institution and the Company's Group company.

Based on these experiences, he was appointed as a Director since he is expected to continue to promote group governance as set out in the Medium-Term Management Plan (2018–2020), centered on the corporate function, and fulfill the duties of significant decision-making for the Group and oversight of business management.



Yasushi Okamoto, Director, Executive Vice President

Date of Birth: March 3, 1962 Number of shares owned: 16,152 shares Term of office: two years

Reason for Election

Mr. Okamoto has been serving as Senior Managing Executive Officer and Division Manager of the planning and development department of industrial systems since July 2016, and has been in the office of Director since June 2018, after having been engaged in corporate business in the corporate planning department of the Company for many years.

Based on these experiences, he was appointed as a Director since he is expected to continue to promote the Medium-Term Management Plan (2018–2020), and fulfill the duties of significant decision-making for the Group and oversight of business management.



Josaku Yanai, Director, Executive Vice President

Date of Birth: November 14, 1963 Number of shares owned: 16,900 shares Term of office: four years

Reason for Election

Mr. Yanai was mainly engaged in the corporate planning department of the Company and its group company for many years. He assumed the office of Executive Officer and Division Manager of the corporate planning division of the Company in April 2011. Since June 2016, he has been serving as a Director of the Company.

He has a wealth of experience and knowledge about the business of the Company and the Group, as well as in business administration. Based on these experiences, he was appointed as a Director since he is expected to continue to promote the Medium-Term Management Plan (2018–2020), and fulfill the duties of significant decision-making for the Group and the administration and oversight of business management as a Director.



Takayuki Kitaoka, Director

Date of Birth: December 14, 1960 Number of shares owned: 3,554 shares Term of office: two years

Reason for Election

Mr. Kitaoka was engaged in business related to IT infrastructure of INTEC Inc., the Company's major subsidiary, and served in management administration of the Group companies at the Company for three years since April 2012.

Furthermore, he assumed the office of President and Representative Director of INTEC Inc. in April 2018 and the office of Director of the Company in June 2018. He was appointed as a Director since he is expected to continue to promote the duties of INTEC Inc. assigned by the Medium-Term Management Plan (2018–2020) and to fulfill the duties of significant decision-making for the Group and the administration and oversight of business management, based on the above experiences and from the viewpoint of Group management.



Akira Shinkai, Director

Date of Birth: March 24, 1959 Number of shares owned: 5,100 shares Term of office: two years

Reason for Election

Mr. Shinkai was engaged in the business of new service planning and marketing and assumed the office of Director and Executive Vice President of INTEC Inc., the Company's major subsidiary, in April 2018, and the office of Director of the Company in June 2018.

Based on these experiences, he was appointed as a Director since he is expected to continue to promote the Medium-Term Management Plan (2018–2020), and fulfill the duties of significant decision-making for the Group and the administration and oversight of business management.

External Directors



Koichi Sano*, External Director

Date of Birth: August 30, 1948 Number of shares owned: 700 shares Term of office: four years

(Other Important Concurrent Positions)

External Director of Nippon Yakin Kogyo Co., Ltd.

Reason for Election

Mr. Sano worked mainly in the finance and accounting departments, and served as Executive Vice-President and Representative Director of Mitsui Chemicals, Inc., and has a wide range of experience and a wealth of expertise in corporate management. He was appointed as an External Director since his advice and suggestions from an independent perspective by utilizing these experiences and expertise in the Company's business will ensure that the decisions made by the Company's Board of Directors will be reasonable and appropriate, and he is expected to be a person who will contribute to the enforcement of the corporate governance of the Company.



Fumio Tsuchiya*, External Director

Date of Birth: May 10, 1948 Number of shares owned: — Term of office: three years

Reason for Election

Mr. Tsuchiya previously worked in an important position in overseas offices and the Corporate Planning Department of Japan Airlines Co., Ltd. After having assumed the office of Director of Japan Airlines in June 2004, he served as Managing Director and was thereafter appointed as President & CEO of JALCard, Inc., in June 2007, which is a group company of Japan Airlines. He has a wide range of experience and a wealth of expertise in corporate management.

He was appointed as an External Director since his advice and suggestions from an independent perspective by utilizing these experiences and expertise in the Company's business will ensure that the decisions made by the Company's Board of Directors will be reasonable and appropriate, and he is expected to be a person who will contribute to the enforcement of the corporate governance of the Company.



Naoko Mizukoshi* (Partner of Leftright Law & IP), External Director

Date of Birth: September 23, 1967 Number of shares owned: 200 shares Term of office: two years

Reason for Election

Ms. Mizukoshi is a qualified lawyer and has a wealth of professional knowledge of, and experiences in, intellectual property, ICT and international transactions.

Her advice and suggestions from an independent perspective will ensure that the decisions made by the Company's Board of Directors will be reasonable and appropriate by utilizing these experiences and expertise in the Company's business, and she is expected to be a person who will contribute to the enforcement of the corporate governance of the Company.

She has not participated in corporate management but has expertise in corporate legal work. Therefore, she was appointed as an External Director since she could discharge duly the duties of External Director.

Audit & Supervisory Board Members



Tetsuya Asano, Standing Audit & Supervisory Board Member

Date of Birth: October 22, 1960 Number of shares owned: 1,300 shares
Term of office: — (assumed office in June 2020)

Reason for Election

Mr. Asano has a wealth of expertise in finance and accounting as well as in corporate management, accumulated through many years of experience of working at financial institutions and managing companies. He was appointed as an Audit & Supervisory Board Member, as he is expected to discharge audit and supervisory duties regarding the execution of duties of the Company's directors in a fair and appropriate manner.



Tatsufumi Matsuoka, Standing Audit & Supervisory Board Member

Date of Birth: December 2, 1957 Number of shares owned: 3,200 shares Term of office: one year

Reason for Election

Mr. Matsuoka has a wealth of expertise in finance and accounting as well as corporate management based on experience accumulated through his service at financial institutions and management of companies over many years.

He was appointed as an Audit & Supervisory Board Member as he is expected to discharge audit and supervisory duties regarding the execution of duties of the Company's directors in a fair and appropriate manner.

External Audit & Supervisory Board Members



Sadahei Funakoshi*, External Audit & Supervisory Board Member

Date of Birth: August 15, 1954 Number of shares owned: 200 shares Term of office: four years

Reason for Election

Mr. Funakoshi has a wealth of experience and knowledge in corporate management, with his experience in the management of investment and loan, credit and administrative departments of Mitsubishi Corporation, as well as his service as an auditor at IT companies. He was appointed as an External Audit & Supervisory Board Member in expectation of obtaining his overall management advisory and management oversight on execution of duties from an external perspective.



Yukio Ono* (President of Accounting Offices of Yukio Ono),
External Audit & Supervisory Board Member
Date of Birth: January 1, 1950 Number of shares owned: —
Term of office: — (assumed office in June 2020)

Reason for Election

Mr. Ono is a certified public accountant and is qualified to help strengthen the Group's auditing system by virtue of his expertise in finance, accounting, and other fields, as well as his long experience in corporate auditing.

Although he has not participated in corporate management, he was appointed as an External Audit & Supervisory Board Member based on the judgment that he would be able to perform his duties appropriately for the abovementioned reasons.

I will use my experience as a certified public accountant to contribute to the enhancement of our Group's corporate value.

Due to the rapid development of digital technology, society and the economy have undergone great changes, and the Fourth Industrial Revolution—at the core of which AI and IoT are embedded—is currently underway. All industrial revolutions have included groundbreaking inventions and innovations. In this context, our Group's business of utilizing digital technology is the driving force that will usher in a new era. In addition, as with infections in the past, the COVID-19 pandemic is transforming society.

At the same time, modern companies contribute to society and grow through organic relationships with stakeholders such as customers, shareholders and investors, and employees as well as local communities and society at large. Our Group can ensure sustainable growth by procuring capital, investing, and achieving results while maintaining these organic relationships.

Under these circumstances, our Group's business of utilizing digital technology is the driving force that will usher in a new era. To assist the Group in contributing to society as a digital technology mover under OUR PHILOSOPHY, I would like to use my experience in accounting and auditing to contribute to the sustainable improvement of corporate value through the further strengthening of governance in our Group.



Akiko Yamakawa* (Partner of Vanguard Lawyers Tokyo),
External Audit & Supervisory Board Member
Date of Birth: April 5, 1973 Number of shares owned: —
Term of office: — (assumed office in June 2020)

Reason for Election

After registering as an attorney, Ms. Yamakawa joined a foreign law firm and was responsible for legal affairs at global companies. She is expected to be someone who can appropriately supervise and monitor the lawful execution of the Company's global business.

Although she has not participated in corporate management, she was appointed as an External Audit & Supervisory Board Member based on the judgment that she would be able to perform her duties appropriately for the abovementioned reasons.

I will utilize my experience as a lawyer to contribute to business growth through appropriate risk management.

In its medium-term management plan, the Company identifies its corporate targets as becoming a "Company where diverse employees who are reliable, proud, and adopt a unified approach work enthusiastically" and becoming "a top-class IT group in the ASEAN region" in addition to the attainment of management goals and the pursuit of structural transformation. Because the greatest asset of a company is its people, it cannot grow without an appropriate and advanced human resource system. At the same time, overseas expansion is essential to survive in a globalized world. However, risks are inherent in both human resources and overseas expansion, and appropriate risk management—that is, "avoid risks that should be avoided and take risks that should be taken"—is extremely important for dynamic and proactive business development. As an attorney, I have provided advice mainly on labor relations, dispute resolution, and crisis management to a variety of companies with global operations. Drawing on this experience, I intend to use my role as an external auditor to help the Company achieve business development while complying with the laws and regulations of each country in which it operates and appropriately managing risks.

* Designated as an Independent Director/Auditor as specified by the Tokyo Stock Exchange in Japan.

Notes: 1. As of July 1, 2020.

2. As of July 1, 2016, the Company (previous name, IT Holdings Corporation) changed its name to TIS Inc. due to the absorption-type merger with the previous TIS Inc. (an absorbed company), wholly-owned subsidiary of the IT Holdings Corporation (a surviving company).

Training Policy for Directors and Audit & Supervisory Board Members

For directors and auditors, including external directors and external auditors, the Company will arrange and support the cost of training opportunities that are appropriate. The objective of such training is to provide an opportunity to acquire necessary knowledge regarding the Group's businesses,

financial affairs and organization and to understand the duties and responsibilities required of directors and Audit & Supervisory Board members when assuming office, as well as to continuously develop these attributes during the term of office.

Primary Activities of External Directors and External Auditors (Year Ended March 31, 2020)

Attendance at Board of Directors meetings

	Name	Attendance rate	Primary activities
External Directors	Koichi Sano	100%	Attended all 17 meetings of the Board of Directors held in fiscal 2020
	Fumio Tsuchiya	100%	Attended all 17 meetings of the Board of Directors held in fiscal 2020
	Naoko Mizukoshi	100%	Attended all 17 meetings of the Board of Directors held in fiscal 2020
External Audit & Supervisory Board members	Taigi Ito*	94.1%	Attended 16 of 17 meetings of the Board of Directors held in fiscal 2020
	Muneaki Ueda*	88.2%	Attended 15 of 17 meetings of the Board of Directors held in fiscal 2020
	Sadahei Funakoshi	100%	Attended all 17 meetings of the Board of Directors held in fiscal 2020

Attendance at Audit & Supervisory Board meetings

	Name	Attendance rate	Primary activities
External Audit & Supervisory Board members	Taigi Ito*	92.3%	Attended 12 of 13 meetings of the Audit & Supervisory Board held in fiscal 2020
	Muneaki Ueda*	100%	Attended all 13 meetings of the Audit & Supervisory Board held in fiscal 2020
	Sadahei Funakoshi	100%	Attended all 13 meetings of the Audit & Supervisory Board held in fiscal 2020

* Taigi Ito and Muneaki Ueda retired due to expiration of term at the conclusion of the 12th Annual General Meeting of Shareholders on June 24, 2020.

Summary of Content of Liability Agreements

In accordance with Article 427, Paragraph 1, of the Companies Act, each of the external directors and the external Audit & Supervisory Board members enters into an agreement with the Company that limits legal responsibility for liability compensation as set forth under Article 423,

Paragraph 1, of the same law.
The limit of liability compensation, based on these agreements, is an amount provided as Minimum Liability Amount in Article 425, Paragraph 1, of the same law.

Outline of Policy on Officers' Remuneration

(1) Determination of compensation

The Company has established the Compensation Committee, comprising mainly independent external directors, as an advisory body to the Board of Directors to ensure objectivity and transparency in the process for determining compensation and to strengthen the corporate governance structure.

The basic policy on officers' compensation is to provide greater incentive to improve business results through a system of compensation linked to measures of Company performance, and such amounts are determined through a decision by the Board of Directors, based on discussion with and suggestions by the Compensation Committee.

(2) Structure of officers' compensation

As shown below, compensation to Company directors consists of a basic component, a performance-linked component and performance-linked stock incentive. When measures of Company performance are achieved to the maximum degree, compensation will comprise the basic component, the performance-linked component and the performance-linked stock incentive in a ratio of 7:2:1.

Base component 68%	Performance-linked component 21%	Performance-linked stock incentive 11%
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*TIS introduced this performance-linked stock compensation system in fiscal 2019 for directors, executive officers and executive fellows (excluding external directors, nonexecutive directors and residents outside Japan) with the objective of making eligible directors more aware of their contribution to enhanced business performance and improved corporate value over the medium to long term and to align their interests with those of shareholders.

(3) Structure of compensation for External Directors and Audit & Supervisory Board members

Compensation paid to external directors is limited to basic compensation only, with no performance-linked component.

Compensation for Audit & Supervisory Board members is decided through discussion by corporate auditors. From the perspective of maintaining a high degree of independence, compensation is not linked to business performance and consists solely of basic compensation.

(4) Other

To boost medium- to long-term business performance, directors (excluding outside directors) are asked to contribute a certain portion of their basic compensation toward the purchase of treasury stock through the Company's share ownership plan for directors and officers, and they are expected to retain such stock in full for the duration of their time in office so that the acquired stock shares value with all shareholders.

● Process for determining executive compensation

- Attainment of business plans formulated at the beginning of the fiscal year in accordance with the mid-term management plan is confirmed by the Performance Evaluation Committee.
- The President and Representative Director evaluates the directors and Audit & Supervisory Board members at the meeting of the Performance Evaluation Committee referred to in a. above.
- The Compensation Committee meets to consult on the results of the evaluation in b. above and amounts of compensation based on the results of evaluation.
- The Board of Directors votes on whether to approve the amounts of executive compensation considered by the Compensation Committee in c. above.

Performance-linked stock compensation is calculated in accordance with the Stock Issuance Regulations. The Board of Directors and the Compensation Committee have no room for discretion.

● Basic compensation

Basic compensation is paid according to the size of the role and scope of responsibilities of each position.

● Performance-linked compensation

Performance-linked compensation is determined by the degree to which measures of corporate performance have been achieved, on the basis of the management plan for each fiscal year, and shall fall within a performance evaluation coefficient of between 0% and 30% of basic compensation for each position.

The performance evaluation coefficient consists of organizational performance component and individual performance component in a ratio of 3:7. Organizational performance and individual performance are each evaluated on a five-point scale to determine the amount of performance-linked compensation.

		Individual Performance Evaluation				
		A	B	C	D	E
Organizational Performance Evaluation	A					
	B					
	C					
	D					
	E					

Distribution composition (image)

In fiscal 2020, performance-linked compensation was determined by applying a 30% performance evaluation coefficient based on the level of attainment of targets in the previous fiscal year including Consolidated Sales, Consolidated Operating Income, and Consolidated ROE.

Performance indicators	Fiscal 2020, ended March 2020		Fiscal 2019, ended March 2019
	Estimates	Actual	Actual
Consolidated Sales	¥436,000 million	¥443,717 million	¥420,769 million
Consolidated Operating Income	¥42,000 million	¥44,839 million	¥38,043 million
Consolidated ROE	12.1%	12.5%	11.5%

● Performance-linked stock incentive

For the performance-linked stock incentive, the Board of Directors established the Stock Delivery Regulations when the performance-linked stock incentive plan was introduced. Points are granted to directors on a scale between 0% and 15% of basic compensation set for each position according to the level of achievement made toward reaching performance targets stated in the management plan and as provided for in the Regulations. The number of shares delivered will correspond to the number of points accumulated.

For corporate performance indicators, Consolidated Operating Income, Consolidated ROE, and Service Business Sales were adopted as financial indicators to encourage pursuit of business growth, and employee satisfaction was adopted as a nonfinancial indicator to encourage pursuit of higher job satisfaction among employees, and to ensure attainment of enhanced corporate value as expected by the shareholders.

In fiscal 2020, the amount of performance-linked stock compensation was determined by applying a performance-linked coefficient of 150% because actual results exceeded estimates (100% performance-linked coefficient when attained) by a wide margin.

Performance indicators	Fiscal 2020, ended March 2020	
	Estimates	Actual
Consolidated Operating Income	¥42,000 million	¥44,839 million
Consolidated ROE	12.1%	12.5%
Service Business Sales	¥40,941 million	¥42,091 million ¹
Employee Satisfaction	45.0%	46.0% ²

Notes: 1. Predefined as a target in the Stock Issuance Regulations based on operations selected for their contribution to the structural transformation of the Company on a non-consolidated basis. They do not represent service business sales on a consolidated basis.

2. Determined by a questionnaire survey conducted by an outside organization. Satisfaction is scored based on the proportions of employees who answered "often applies (4)" or higher regarding "trust."

● Outline of performance-linked stock compensation system

An Executive Compensation BIP Trust (hereafter, "BIP Trust scheme") was introduced as a performance-linked stock compensation system by resolution of the 10th General Meeting of Shareholders held on June 26, 2018. Those eligible for benefits are directors (excluding external directors and non-executive directors), executive officers with portfolios, executive officers, and executive fellows (hereafter, "Directors, etc.").

a. Organization of the BIP Trust scheme

On introducing the BIP Trust scheme, the Company established the Stock Delivery Regulations for Executive Compensation BIP Trust (Stock Delivery Regulations), under which TIS entrusts a nominated trust bank with money (not exceeding ¥500 million), and the trust bank acquires TIS shares with the entrusted money.

The scheme grants points to Directors, etc., in accordance with the Stock Issuance Regulations. The number of shares to be delivered will correspond to the number of points accumulated, which is calculated by the formula below.

Calculation Formula

The number of TIS shares to be delivered (points*) = Base amount × Performance fluctuation coefficient ÷ Acquisition cost per unit

* Decimals rounded down

b. Total number of shares to be granted to Directors, etc.: 183,900 shares in one financial year (upper limit)

Note: The Company executed a stock split, with each share of common stock split into three shares, effective April 1, 2020. Accordingly, the upper limit on the number of shares delivered through the trust represents the post-stock-split number of shares.

c. Scope of individuals able to receive beneficiary rights and other rights under the BIP Trust scheme:

Individuals who have retired from being a Director, etc., and meet the beneficiary conditions specified in the Stock Issuance Regulations.

Remuneration for Directors and Audit & Supervisory Board Members (Year Ended March 31, 2020)

(Millions of yen)	Recipients (Persons)	Remuneration	Remuneration by type		
			Basic remuneration	Performance-linked remuneration	Performance-linked stock compensation
Directors (External Directors)	9 (3)	287 (31)	214 (31)	47 (—)	25 (—)
Audit & Supervisory Board members (External Auditors)	6 (3)	67 (25)	67 (25)	— (—)	— (—)
Total (External Directors and External Auditors)	15 (6)	354 (57)	281 (56)	47 (—)	25 (—)

Notes: 1. For the fiscal year ended March 31, 2020, compensation for directors does not include the employee portion for directors who serve concurrently as employees. The Company has not introduced a retirement benefit system for directors, and does not pay any directors' bonuses.
 2. As of March 31, 2020, the Company has nine directors, including three external directors, and five Audit & Supervisory Board members, including three external auditors. The discrepancy in Audit & Supervisory Board members between this number and the number of recipients above is attributable to the inclusion of one member who retired at the conclusion of the 11th Annual General Meeting of Shareholders on June 25, 2019.
 3. Limits on compensation (basic compensation and performance-linked compensation) for directors and members of the Audit & Supervisory Board were approved at the First Annual General Meeting of Shareholders on June 25, 2009, with the limit on compensation for directors set at ¥400 million per year (of which, external directors receive no more than ¥50 million) and that for members of the Audit & Supervisory Board set at ¥85 million.
 4. The performance-linked stock incentive is booked as an expense for four directors (excluding external directors and non-full-time directors) in the current business year.
 Note that this performance-linked stock incentive was approved by shareholders at the 10th Annual General Meeting of Shareholders on June 26, 2018, wherein the upper limit on the number of shares is 183,900* per fiscal year, to be delivered through a trust into which the Company contributes up to ¥500 million in each specified period (three fiscal years) for eligible directors (excluding external directors, non-full-time directors), executive officers and executive fellows.
 * The Company executed a stock split, with each share of common stock split into three shares, effective April 1, 2020. Accordingly, the upper limit on the number of shares represents the post-stock split number of shares.

Total remuneration amounts and other information about officers who received remuneration in an amount of ¥100 million or more on a consolidated basis is as follows.

Name	Remuneration (Millions of yen)	Type of officer	Type of company	Remuneration by type (Millions of yen)		
				Basic remuneration	Performance-linked remuneration	Performance-linked stock compensation
Toru Kuwano	100	Director	Submitting company	73	15	11

Nomination Committee and Compensation Committee

The Nomination Committee and the Compensation Committee were established as advisory bodies to the Board of Directors to ensure objectivity and transparency in decision-making processes pursuant to appointment of directors and associated compensation and to strengthen the corporate governance structure.

	Nomination Committee	Compensation Committee
Composition of members	All committee members: 4 (internal Directors: 1, external Directors: 3) Chairman: President and Representative Director of TIS	
Role of committee members	Provide advice for selecting candidates to the position of director and matters related to the appointment of such individuals	Provide advice on matters related to decisions on compensation for directors
Status of activities by committees (Fiscal 2020)	<ul style="list-style-type: none"> Held six times in fiscal 2020 with 100% attendance of all the members Provided advice on the appointment and retirement of key individuals, including directors, and presented proposals on changes to director composition, based on discussions by Committee members Gave advice on future approaches for a succession plan based on the current status shared by the members 	<ul style="list-style-type: none"> Held twice in fiscal 2020 with 100% attendance of all the members Discussed the appropriateness of the Company's compensation package through a comparative analysis of director compensation amounts at other companies and at TIS, based on the findings of a research company, as well as the appropriateness of the calculation method used to determine performance-linked compensation Made proposals to the Board of Directors on director compensation, based on the results of discussion by the Committee
Remarks	To provide sufficient information for members to facilitate smooth proceedings, the committees are chaired by Chairman and President, an internal director. To promote higher effectiveness of the Committee, the Company encourages forthright discussions among the members.	

Constructive Dialogue with Shareholders

TIS will engage in constructive dialogue with shareholders based on the IR Policy in order to contribute to the Company's sustainable growth and the enhancement of its medium- to long-term corporate value. In addition, the Company will strive to develop a system to promote constructive dialogue with shareholders. The director of the IR Department will supervise the dialogue with shareholders, consider response methods with the President and Representative Director, executive officers in charge, and the IR Department, and will respond appropriately. The IR Department will share information and exchange opinions in a timely manner based on the respective specialist standpoints of relevant departments and will support dialogue with shareholders through organic collaboration.

In relation to shareholders, TIS will strive to broaden the means of dialogue such as through individual face-to-face

interviews as well as telephone interviews, and holding business results briefings and small meetings. Furthermore, in addition to active information disclosure, which will be the premise for dialogue, the Company will strive to expand the contents of the Integrated Report, which will be positioned as an effective tool for dialogue.

TIS will share opinions put forward in constructive dialogue with capital market participants such as shareholders, investors and securities analysts within the Company through reports and briefings to the Board of Directors, and use them in reviewing the Company's management strategy, and for other purposes.

In the case of dialogue with shareholders, TIS will pay attention to the fairness of information disclosure and manage internal information appropriately in accordance with the Rules for Prevention of Insider Trading.

Strategically Held Shares

1. Policy and viewpoint regarding reduction of strategically held shares

TIS and other companies under the Group umbrella hold shares in other companies only when management believes this is necessary for such purposes as establishing long-term, stable relationships with customers and promoting business that will contribute to the sustainable growth and higher medium- to long term corporate value of the Company and the Group.

Each year, the Board of Directors reviews the relevance of cross-shareholdings. It is corporate policy for any cross-shareholding that the Board of Directors deems to be of diminished significance for the cross-shareholding to be sold at the earliest possible opportunity.

To determine relevance, TIS uses business-related revenue if the issuing company is a customer of a Group company or annual transaction amount if the issuing company is a strategic partner to calculate a percentage on a balance sheet basis, and management will consider selling any issue with a ratio that falls below a benchmark set by the Company.

For cross-shareholdings with diminished significance, as identified through the aforementioned method, TIS moves to reduce cross-shareholdings in accordance with this basic policy.

2. Policy on exercising voting rights relating to strategically held shares

TIS appropriately exercises voting rights for the listed shares in its possession after comprehensively determining whether such action will contribute to the sustainable corporate growth and higher medium- to long-term corporate value of the TIS INTEC Group and investee company, taking into consideration policy advice from proxy advisory firms.

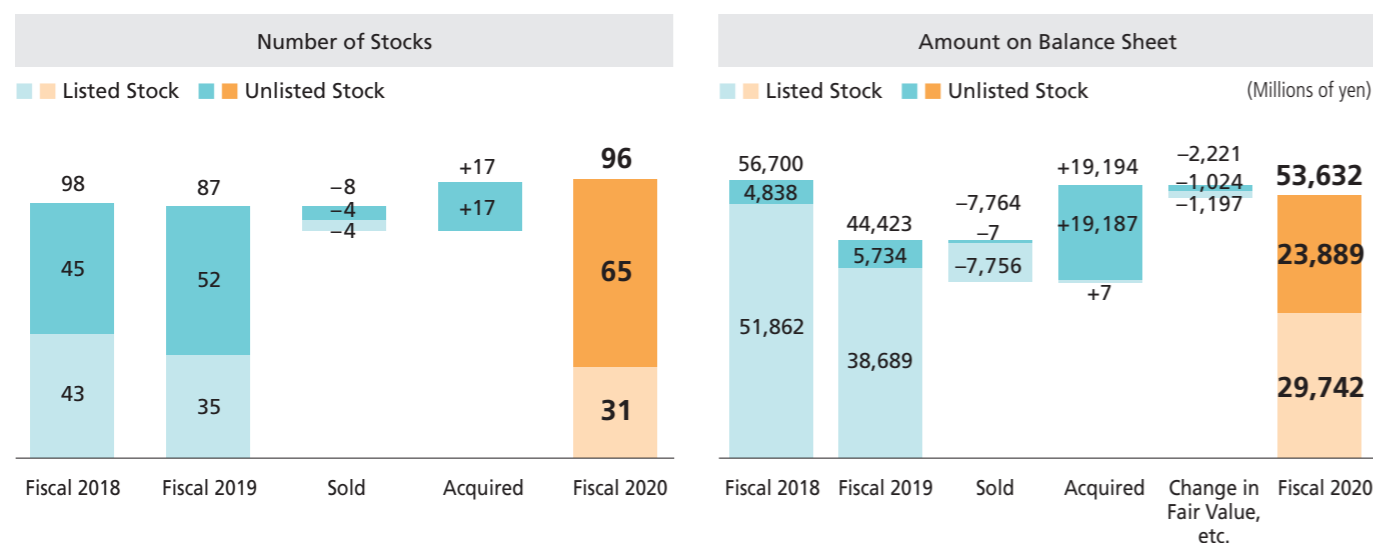
3. Relationships with strategic shareholders

If strategic shareholders of TIS indicate an intention regarding the sale of TIS shares, we will respond appropriately without preventing such a sale. Moreover, we will not conduct transactions that lack economic rationality with strategic shareholders.

Numbers of stocks held by the Company for purposes other than portfolio investment and total amounts recorded in the balance sheet are as follows.

	Fiscal 2019, ended March 2019	Fiscal 2020, ended March 2020
Number of stocks	87 stocks	96 stocks
Total amount on balance sheet	¥44,423 million	¥53,632 million

According to the policy on strategically held shares, TIS sold entire holdings of eight stocks and partial holdings of one stock for the year ended March 31, 2020, steadily reducing the amount of previously held cross-shareholdings. On the other hand, as part of its growth strategy, TIS actively makes investments in startups with the objective of developing strategic partnerships to facilitate open innovation, and forms capital and business alliances with leading foreign companies. In fiscal 2020, 17 unlisted stocks were newly acquired, including an issue of Grab Holdings Inc. (approximately ¥16.5 billion).



Messages from Our External Directors

We will utilize the experience and knowledge of external directors to enhance the corporate value of the TIS INTEC Group.

We received the following messages from our external directors regarding future themes, expectations, and issues of the Group as it undergoes structural transformation.



Koichi Sano, External Director

Strengthening sustainability through ESG management

In the fiscal year ended March 2020, the Board of Directors passed a total of 17 resolutions (excluding statutory matters, etc.) and these covered almost all major areas evenly, such as investment and financing for growth strategies, corporate governance and sustainability, and finance and balance sheet control, as well as discussing current management issues.

Furthermore, the number of affiliated companies increased approximately 150%, to 122, after the transition to an operating holding company.

The Board of Directors, whose effectiveness has been improving year by year, recognizes the important themes of promoting growth strategies that emphasize investment returns and building a solid financial base, risk management related to the expansion of overseas Group companies, and strengthening corporate governance. I focus on making sure the Group pays close attention to the relationship between the overall strategy and the business portfolio, the differentiation strategy, the validity of feasibility studies and assumptions, and the appropriateness of post-merger integration of investment projects. In light of this, I will advocate for prudent yet bold decision-making and monitoring of business execution from an independent and objective perspective, while contributing to proactive and protective governance in response to management issues, thereby enhancing corporate value.

Opportunities to contribute to solutions to social issues and emerging needs through business activities are increasing. With TIS' status as a public entity, environmental, social and corporate governance (ESG) management aims to balance and improve economic value and social value by giving consideration to the concerns of a wide range of stakeholders. ESG management (E for Economy) aims also to increase corporate value and thereby enhance sustainability through portfolio management, and I want to participate by imparting a sense of priority and speed. In the pursuit of sustainability, I will emphasize the process of developing strategies from our long-span, deductive value-creating corporate image. I will also focus on human resource strategies that support this process and on strengthening our ability to respond flexibly to continuous change.



Fumio Tsuchiya, External Director

"Open and flexible thinking" and "healthy skepticism" will lead to the achievement of structural transformation

One of the main pillars of the Company's medium-term management plan is "structural transformation". In addition to the build-to-order business—in which IT systems are built in response to customer requests—the Company is focusing on expanding into the proposal-driven business, which anticipates customer requests. The Company is also actively expanding its business in overseas markets, primarily through capital tie-ups with leading IT companies in the ASEAN region, and the results of these initiatives have been steadily reflected in its performance in recent years. To promote such structural transformation, I believe it is essential to move beyond conventional methods and encourage "open and flexible thinking" to tackle challenges aggressively.

On the other hand, in new business domains such as overseas operations operating under different laws and business practices, it is important to recognize and address the inherent risks. In the process of expanding our business, various risks are sometimes encountered for which there is little accumulated experience. When this occurs, I believe that it is necessary to have a "healthy skepticism" backed by calm judgment in order to conduct appropriate risk assessment. I also feel it is important to strike a balance between vigorously promoting business and taking a step back to judge the situation calmly. Using this as the basis of decisions by external directors, I intend to do what I can to contribute to promoting structural transformation.



Naoko Mizukoshi, External Director (Partner of Leffright Law & IP)

Enhancing corporate governance to support steady transformation and sustainable growth

The Board of Directors is charged with focusing on important issues that are essential for disciplined and sustainable growth. Deliberations are not limited directly to the matter at hand, but include discussions on the purpose, background, impact, and root cause of issues under consideration. The agenda items for discussion increasingly include such topics as investments to capture innovation, stock acquisitions to expand the business base in ASEAN, and strategic alliances. Human resource development, organizational diversity, and the prevention of impropriety and adverse events continue to be important, and we prepare for substantive deliberations at the Board of Directors after holding prior briefings.

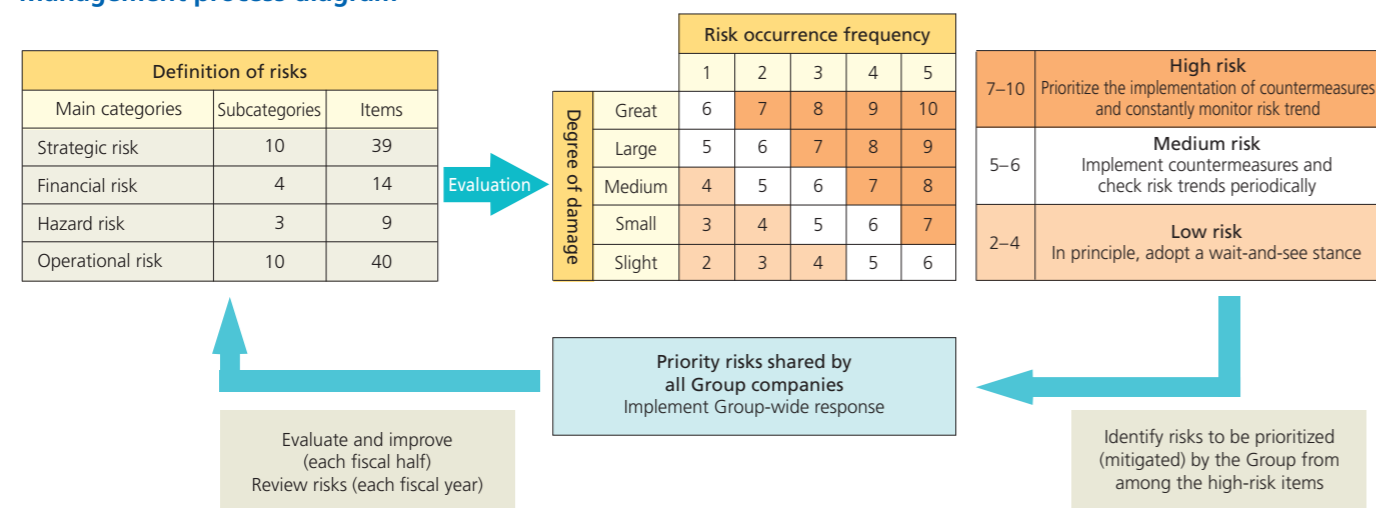
As an external director, I participate in discussions to assess the social significance, competitive advantage, efficiency, and feasibility of proposals from the perspective of stakeholders, including shareholders. In particular, in our overseas business, while systems and practices differ from country to country, I believe that we need to further enhance our corporate governance in order to deepen relationships of trust with our business partners in ASEAN and grow together with the aim of providing high-quality services and resolving social issues. In addition, now that we are coping with the impact of COVID-19, I believe it is necessary to ensure the health of our workforce, while making dynamic decisions in the execution of business and considering the environment. I will strive to contribute to the Group's growth and fulfill my responsibilities while responding to changes in the operating environment.

The Group defines "risk" as "any factor that may hinder the achievement of the management philosophy, goals, and strategies of the Company and the Group by causing economic loss; the interruption, stagnation, or suspension of business operations; and/or damage to the Company's credit or brand image".

The Company has established rules for risk management to ensure an accurate understanding of the risks facing the Group and prevent losses from occurring. In accordance with these rules, we have appointed an executive to oversee risk management of the entire Group, and a risk management department has been established to administer a risk management system. In addition, we have established a risk management policy for the entire Group and regularly check the implementation status of measures to control risk. When a Group company becomes exposed to a serious risk, a task force is set up and appropriate measures are taken to minimize damage.

As for the development of the risk management system, based on our basic policy and various rules governing internal control systems, we are implementing specific measures for the maintenance and improvement of the internal control of the entire Group, monitoring the development and operational status of the internal control system, deliberating at the Group Internal Control Committee, and developing a process to report the results of these deliberations to the Board of Directors. The Group Internal Control Committee examines the risks faced by the Group twice a year, corroborating issues related to those risks and evaluating the status of reform measures. Based on its reports to the Board of Directors, initiatives will be implemented to further strengthen and improve the Groupwide internal control system.

Management process diagram



Strategic risk

Risk items	Overview of risk	Main countermeasures
Human resources	High-quality human resources are not secured and developed according to plan.	<ul style="list-style-type: none"> With the aim of enhancing workstyle reform and employee motivation, strive to secure talented human resources by providing a corporate culture, HR systems, and an office environment in which a diverse group of people can thrive. Focus on human resource training by providing support for acquiring certifications, systemizing training programs, and creating plans and targets for the number of training days.
Innovation of production technology	Loss of competitive advantage and inability to provide the high-quality services that our customers have come to expect because we fail to take appropriate measures, or let our technologies and knowhow become obsolete.	<ul style="list-style-type: none"> Constantly conduct research into information technologies as well as production and development technologies. Select from a broad technology portfolio the core technologies that will enable us to sustain and improve our development competitiveness, advance R&D and deploy the results. Constantly carry out enhancement and innovation activities.
Intensification of price competition	Price competition may intensify, resulting in greater-than-expected price competition.	<ul style="list-style-type: none"> Constantly analyze the business environment to better grasp customer needs, offer higher value-added services and take other measures to differentiate from competitors. Improve productivity by curtailing unprofitable projects and engaging in enhancement and innovation activities.
Investment	Unanticipated changes in the business environment result in investments failing to yield the expected result or return, or make assets obsolete.	<ul style="list-style-type: none"> All investment decisions are made after thorough examination of business plans by either the Board of Directors, the CVC Investment Committee, or the Investment Committee, depending on the investment project. Progress of each business plan is periodically confirmed after an investment has been made. Keep abreast of such progress by dispatching directors to larger capital investment partners.
Overseas business	Overseas business may be impacted by various factors, including global economic and foreign exchange trends, legal regulations on investment and competition, local business practices, and labor-management relations. One of these factors may manifest itself in an unanticipated manner.	<ul style="list-style-type: none"> Improve the management structure by ensuring coordination between overseas Group companies and business sites and corporate management in Japan to maintain an accurate understanding of local conditions and consult on ways to implement rapid countermeasures.

Financial risk

Risk items	Overview of risk	Main countermeasures
Owned securities	Sharp fluctuations in the market prices of marketable securities or deterioration in management conditions of issuing entities requires the posting of accounting losses or other similar measures.	<ul style="list-style-type: none"> Thoroughly examine issuers' financial condition, business results trends, credit ratings, and other relevant indicators. Regularly review the suitability of our securities holdings and divest as soon as possible if continued holding is deemed risky.

Hazard risk

Risk items	Overview of risk	Main countermeasures
Pandemics (the global spread of communicable diseases)	A sharp constriction of the productive activities of our employees and those of our business partners.	<ul style="list-style-type: none"> Keep abreast of the responses of the World Health Organization (WHO), the Japanese government, and other relevant authorities. Take action to improve hygiene at our offices, data centers and other work sites, based on the Group's business continuity plan, and refrain from sending employees to work in areas heavily stricken by infection. Establish a work environment that facilitates working from home.
Natural disasters	A large natural disaster results in an extended power outage that interrupts the smooth operation of data centers.	<ul style="list-style-type: none"> Make preparations to facilitate our data centers' response to all manner of disasters. Close older data centers and focus on the development of state-of-the-art data centers equipped with seismic-isolation structures, robust disaster-mitigation equipment, emergency power generators, fuel storage equipment, and highly reliable electric power equipment, and negotiate contracts for prioritized power supply.

Operational risk

Risk items	Overview of risk	Main countermeasures
System development	As systems development is growing more sophisticated and complex and turnaround times are shortening, extra work may be required in order to achieve the planned level of quality or complete the project during the development period, leading to considerably higher-than-expected costs and customer claims for damages.	<ul style="list-style-type: none"> Use our proprietary Trinity quality management system based on the ISO 9001 standard to continually enhance quality management and raise productivity by using dedicated workgroups to thoroughly screen business proposals and review projects at each stage of development. Through the Group Quality Executive Meeting, improve quality and promote production innovation throughout the Group while also enhancing management and technological capabilities by strengthening training programs for each employee position.
	Tasks outsourced to business partners do not meet expectations for productivity or quality and smooth project management is not realized.	<ul style="list-style-type: none"> Seek to secure superior business partners in Japan and overseas. That effort includes regular meetings with our partners so that we fully understand their situation and capabilities, and are able to build strong relationships.
System operation	System problems arise due to human error or equipment malfunctions during system operation and the Group is unable to provide services at the level agreed upon with the client.	<ul style="list-style-type: none"> Develop a systems maintenance/operation framework based on ITIL (Information Technology Infrastructure Library) practices and improve system operation quality using this framework. Establish and strengthen measures for early detection and confirmation of system failures and measures to reduce and prevent the occurrence of failures.
Information security	Confidential information is leaked or manipulated due to a computer virus, unauthorized access, or other reason leading to claims for damages from client companies and to a loss of trust in the Group's services.	<ul style="list-style-type: none"> Establish and operate an information security management system based on our Information Security Policy that seeks to ensure appropriate information management. Raise employee awareness through education and training programs. Apply the Group's information security promotion guidelines to evaluate the status of information security management across the entire Group, and promote continuous improvement in information security. When an information security breach does occur, take responsibility and establish an investigative committee to look into the cause, implement countermeasures, and prevent recurrence. <p>To protect personal information</p> <ul style="list-style-type: none"> Establish an information management system based on Japan's Personal Information Protection Act and establish regulations on the handling of information about specific individuals. Conduct education and training programs for employees to raise awareness of the importance of protecting personal information. <p>*TIS and other Group companies have obtained Information Security Management System (ISMS) certification and the JIPDEC PrivacyMark.</p>
Legal systems, compliance	A law or regulation is contravened, or a new law or regulation is introduced.	<ul style="list-style-type: none"> Establish a compliance structure based on our Basic Direction on corporate social responsibility (CSR) and Group Compliance Declaration and endeavor to conduct our business activities fairly and in compliance with all laws. In accordance with the Group's compliance regulations, discuss important compliance issues for the entire Group, decide measures to prevent recurrence, and ensure the adoption throughout the Group by monitoring the status of the implementation of these measures. <p>Regulations on contracted work and temporary staffing</p> <ul style="list-style-type: none"> Work on a dedicated risk management system as Group priority because of the transactional nature of the IT services industry. Create Group guidelines and independent inspection checklists that will contribute to the appropriate operation of the system. To prevent illegal activities and detect and correct them at an early stage, introduce a whistle-blowing system and establish a reporting and consultation desk. Raise awareness of legal compliance throughout the Group.
Intellectual property rights	The Group is accused of infringing another company's intellectual property rights and presented with an injunction to cease use of the intellectual property concerned and a claim for damages.	<ul style="list-style-type: none"> Strengthen our framework for intellectual property rights. Conduct education and training programs to raise employees' awareness. <p>*The Company regards its own intellectual property as an important management resource and takes all necessary means to protect it.</p>

Important notice

INTEC Inc., a consolidated subsidiary of the Company, is currently in litigation with Mitsubishi Shokuhin Co., Ltd., which filed a claim for compensation in connection with services including systems development provided by INTEC Inc. (Amount of compensation demanded: ¥12,703 million; date the complaint was received: December 17, 2018).

Aiming to be a "trusted top brand that epitomizes quality"

The TIS INTEC Group strongly recognizes the role that information systems play as social infrastructure. For this reason, we work continuously to improve our quality, productivity, and technical capabilities.

By always providing high-value-added services while responding flexibly to diversifying business formats, solutions, development techniques, and technologies, we aim to entrench TIS INTEC as a "trusted top brand that epitomizes quality" and realize the mission set forth in OUR PHILOSOPHY.

TIS Quality Policy (from TIS "Quality Control Rules")

- Strive to improve stakeholder satisfaction, provide original and attractive services, and create abundant value.
- Provide optimal services to earn the trust of customers.
- Provide high-quality services through continuous business transformation with technology as the core.
- Use standard repetition and ingenuity to promote improvement activities aimed at enhancing quality, productivity, technical capabilities, and competitiveness.

Trinity: Original quality management system based on ISO 9001

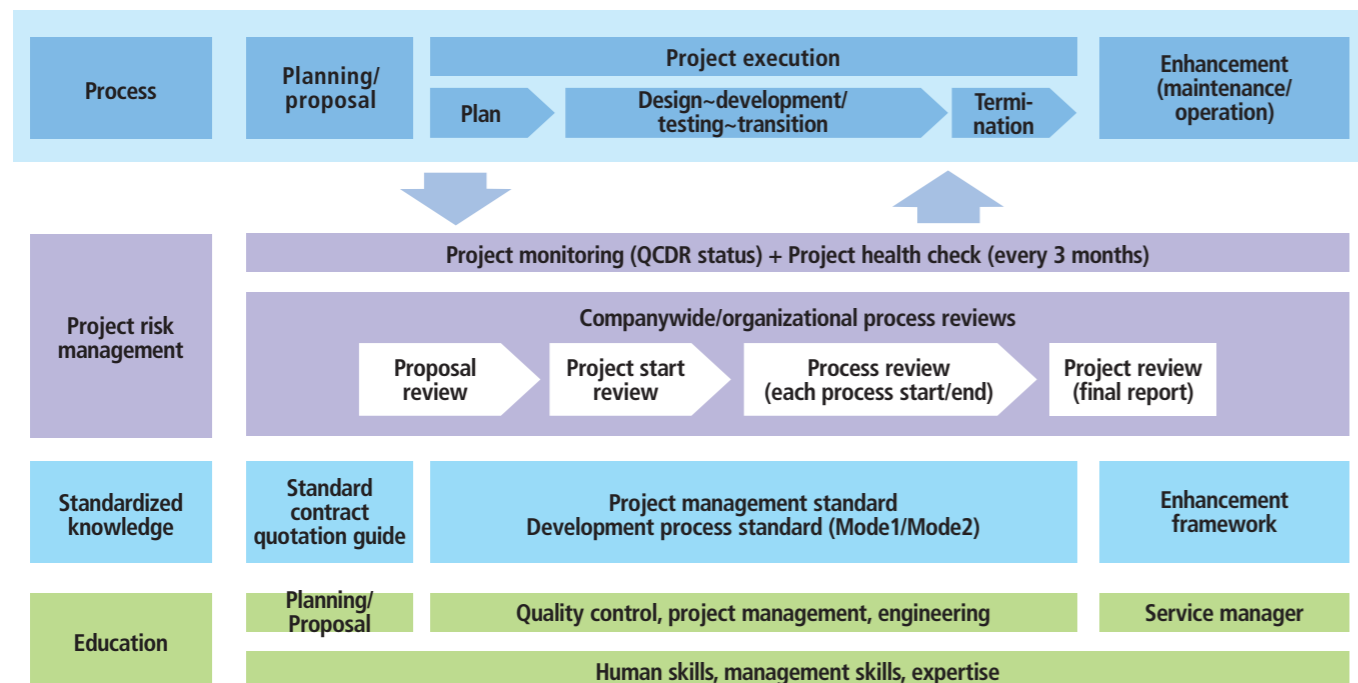


We strive to provide customers with optimal services based on our policies of "emphasizing proficiency through on-site standardization and its repeated use" and "promoting improvement by minimizing essential implementation items and making use of onsite ingenuity." At development sites, we add ingenuity to suit each business model while applying project management and engineering processes, techniques, and tools.

We are expanding the scope of coverage to include not only scratch development but also a wide variety of business formats.

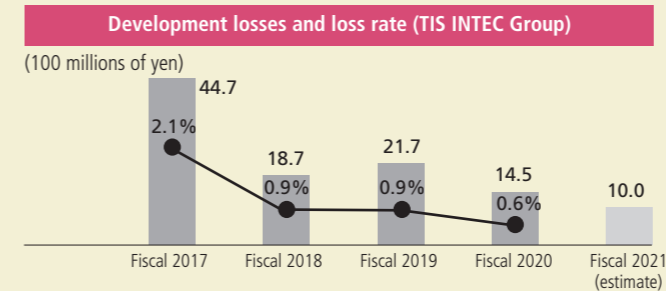
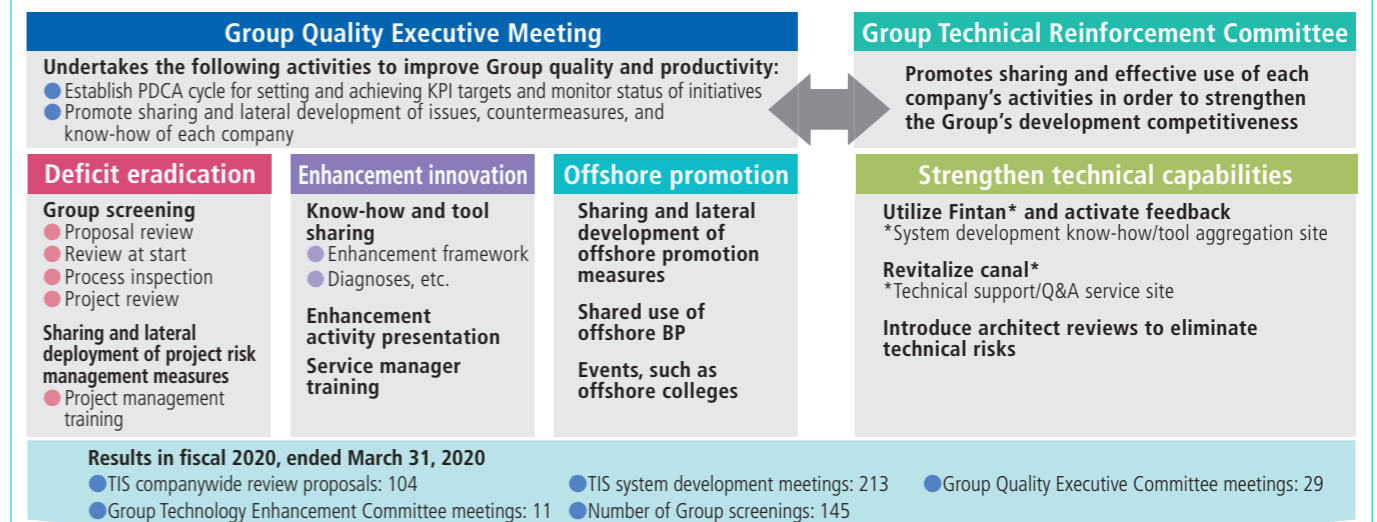
* Trinity means the "three elements of quality, productivity, and technological capabilities" and also incorporates the notion of "customers, TIS, and partners" working together to improve those elements.

* For more details:
<http://www.tis.com/group/csr/report/social/quality/>

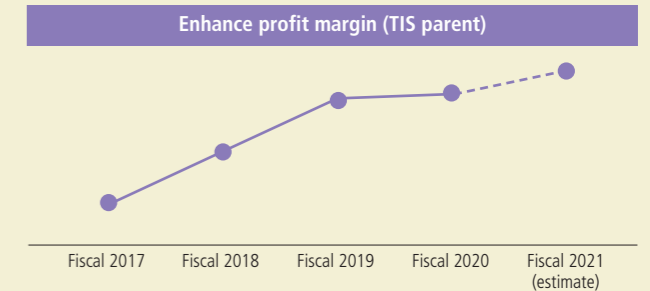


Activities aimed at improving standards of entire Group

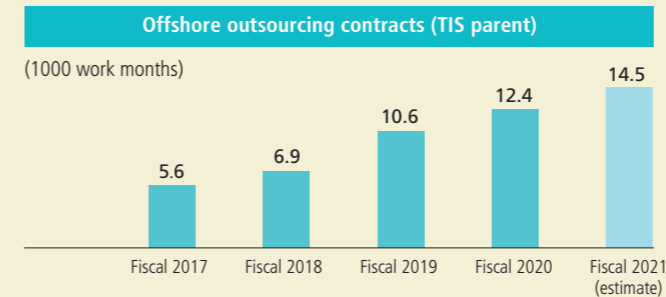
The TIS System Development & Quality Management Innovation SBU and the Technology & Innovation SBU are spearheading the following activities aimed at improving the quality, productivity, and technical capabilities of the entire Group and harnessing Group synergies.



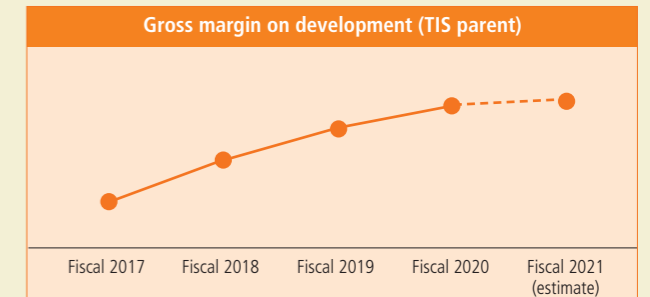
Continue implementing measures to eliminate losses and strengthen Group governance to prevent and control unprofitable projects → Improve profitability by reducing development loss rates



Constantly improve profitability through companywide innovation and Group resource redeployment



Initiative 1: Use fewer contractors, especially major project participants (four major companies)
Initiative 2: Promote lab utilization for maintenance and enhancement work
▶ Triple outsourcing contracts in four years. Achieve more than 10,000 work months.



Improved gross profit margin as a result of various measures



Ikuo Shimizu
Executive Officer,
in charge of System
Development & Quality
Management Innovation SBU,
General Manager, System
Development & Quality
Management Innovation SBU,
TIS Inc.

The gross margin on development sales has improved significantly, and we will continue our efforts to prepare for the new normal.

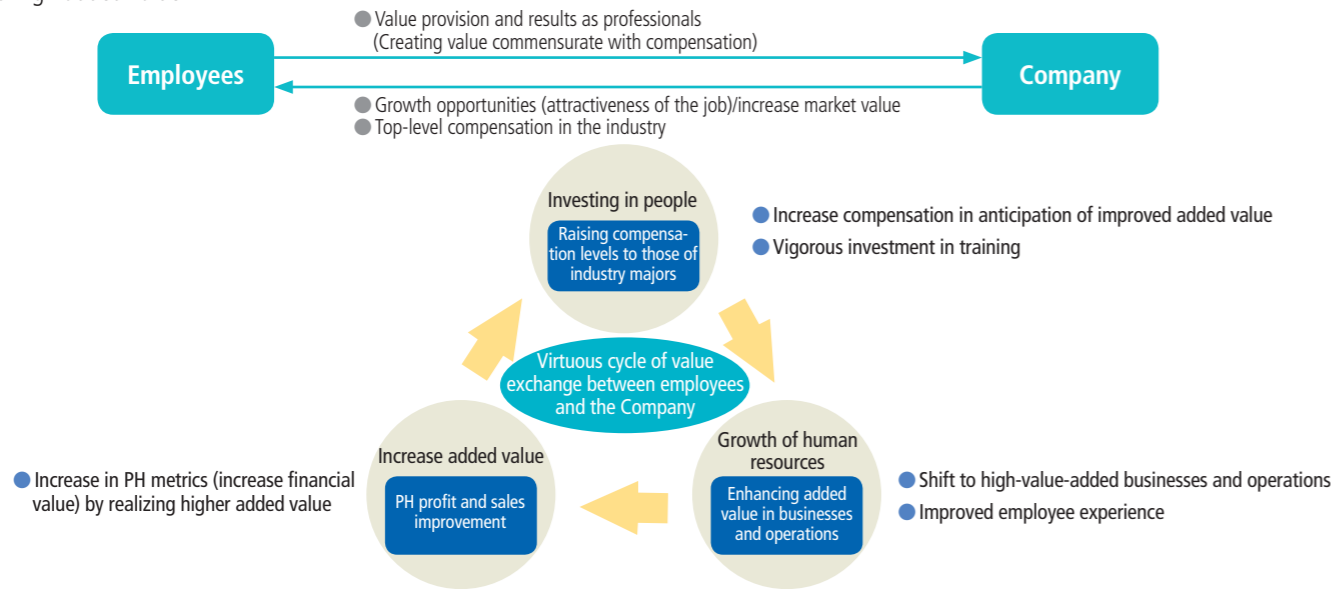
The gross profit margin on development sales has improved significantly in recent years as a result of the steady implementation of various measures to eliminate losses, enhance innovation, and promote offshore activities. This improvement in business profitability is reflected not only in the Company's results but also in those of the Group as a whole, as our transition into a business holding company structure accelerated innovation and strengthened systems to promote efficiency at Group companies.

Although the business environment is highly uncertain due to the COVID-19 pandemic, we will continue to rely on our Trinity quality management system, testing the true value of this monitoring process. Trinity was developed as a quality management system that prioritizes the realization of customer requirements in a traditional systems integration sense. However, in the service provision business, which our Group is focusing on, we need to set our own service quality standards as well as respond to market demands and social imperatives. We will continue to develop Trinity in line with these business parameters.

Communication with Employees

Continuous enhancement of value exchanges between employees and the Company

We will continue to enhance the exchange of value between employees and the Company through a virtuous cycle of investment, growth, and high added value.

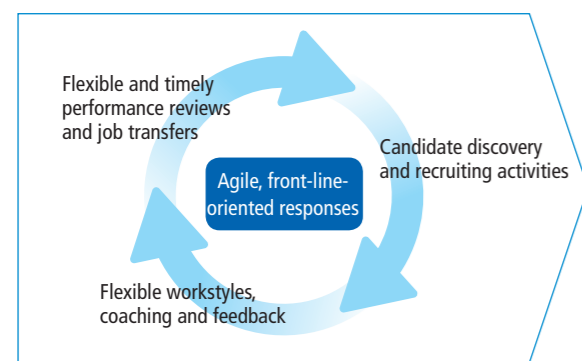


Timely utilization of human resources at the front lines

We are working to strengthen our human resources management in order to increase added value through performance development initiatives targeted at every employee. We promote management aimed at achieving business goals while at the same time boosting the skills and motivation of employees.

Pursuit of performance development that promotes employee engagement and self-directed growth, shifting from a corporate culture of micromanagement to one that supports employees' professional development.

Performance development – a virtuous cycle



Key points

- Revitalize communication Strengthen management capabilities**
 - Enhance 1-on-1 interactions (Training and development)
 - Entrench peer bonuses
 - 360-degree feedback (expansion of scope)
 - Coaching (Boss Style)
- Flexible workstyles**
 - Increase flexibility in work schedules and locations
 - Encourage new workstyles with an eye on the post-COVID-19 era
- Systems and programs that are responsive to business needs**
 - Strengthen the workforce through human resource development
 - Introduce a new HR system
 - Introduce the HR Business Partner system



Kyoko Takayanagi
Executive Officer, Department Manager of Human Resources Department,
Deputy Division Manager of Human Resources SBU, TIS Inc.

We will continue to evolve our system with an easy-to-understand message that is friendly to our employees.

When I was appointed to the Human Resources SBU in April 2019, the TIS workstyle was based on the "Human Resources SBU Manifesto" and to a certain extent had been set in stone. As a first step, we prioritized the devolution of workstyles to individual workplaces and employees. To assist each employee to understand and put into effect human resource initiatives, we zealously conducted training programs for all executives and consulted with junior employees, and have instituted a number of measures aimed at providing know-how and raising employee awareness of the need for self-realization (for example, employing 1-on-1 and 360-degree feedback). As a result, I feel that the understanding of employees has steadily improved over the past year. More than anything else, it was a year in

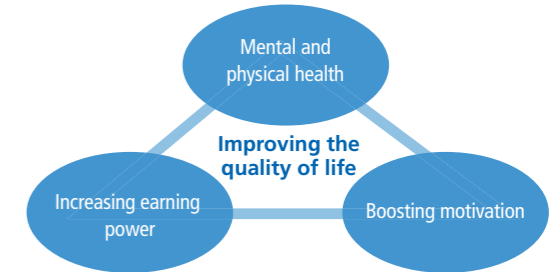
Diversity and Inclusion Policy

In fiscal 2020, ended March 31, 2020, the TIS INTEC Group introduced its Diversity and Inclusion Policy and Health Management Policy as initiatives designed to improve the caliber of people and the performance of Group companies, and to solidify a corporate culture based on OUR PHILOSOPHY.

The TIS INTEC Group values diverse human resources and encourages staff members to demonstrate their individuality by freely expressing their opinions. We will continue to promote diversity and inclusion through human resource engagement activities, proactive health management and workstyle reform. Our aim is to motivate the workforce and continue to foster flexible, continuous change and untapped value.

Health Management Initiatives

To lead an enriching and happy life is important for each and every employee, and will lead them to work more enthusiastically and productively. In accordance with the Group's health management policy, TIS is promoting activities specifically targeting improvement in the quality of employees' lives.



- Improving health literacy**
 - We continue to provide employees with information and educational opportunities so that they can be more informed about and engaged with their health.
 - We encourage open communication to create a cohesive organization, and a comfortable and secure workplace.
- Collaborative health initiatives**
- Health management**
 - We have collaborated with the Health Insurance Association to raise employee awareness of health issues and implement health promotion measures.
 - We provide opportunities for health checkups, comprehensive medical examinations, and stress checks, and achieved a 100% checkup rate. Health consultation and counseling services have also been established.
- Support for a healthy work-life balance**
- Work-interval system**
 - We established a system to help balance work with childcare as well as other caregiving and medical treatment, with provision of consultation services and practical support.
- Enhancement of benefit programs**
 - We have stipulated an 11-hour gap between work shifts to prevent burnout as well as to improve concentration and performance.
 - We offer welfare services that employees can use to promote their well-being and a long-term disability (LTD) program (income compensation insurance).

Advancement of diverse talent

In order for the human resources who will drive structural change to be true to themselves, it is essential to create an organizational culture that respects and embraces difference, such as in values and living circumstances, as well as age and sexual orientation. For women and senior citizens in particular, on whom there may be high social demands, we strive to develop systems and environments that make it easier for them to fulfil their potential. We also foster a culture in which differences are embraced through workshops aimed at developing people's abilities and careers.

- Contributions of the senior generation**
 - In addition to the abolition of the retirement age for company posts, we have introduced an optional retirement system for employees up to age 65. We are also promoting age-specific career education to help employees visualize their future careers.
 - In fiscal 2021, ending March 31, 2021, we introduced the "Elder Employee System" which enables the re-employment of retired employees until the age of 70.
- Employment of people with a disability**
- Women's empowerment**
 - Through SorunPure, a specially recognized subsidiary, we employ many people with disabilities and create a rewarding work environment for them.
 - We are working to create an environment in which women can play an even more active role in the Group through career support aimed at promoting female managers and directors, the formation of promotion guidelines, and the establishment of a women's network.
 - We provide guidance and consultations to prepare women for life events and to promote career development after women return from maternity leave.
- Support for LGBTI+**
 - We have established a system that ensures equality of treatment of employees with nontypical gender identity or sexual orientation, and introduced measures to prevent harassment

which I felt the joy as Department Manager of being able to see employees actively utilize our programs and work energetically.

At the start of fiscal 2021, we were forced to focus on working at home due to the COVID-19 situation, and we questioned the results of the measures we had taken so far. We are confident that the current TIS environment and systems are advanced enough to be as close as possible to the new ways of working that we are aiming for in the COVID-19 era, and this has given us great confidence. We are now in a position to significantly change employees' sense of values and further evolve our programs to help each employee achieve self-realization. At the same time, we will continue to provide easy-to-understand messages tailored to the needs of our employees.

Major Group Companies' Initiatives to Promote Female Employees (Five Major Companies)

*Excerpted from action plans for "the promotion of female participation and career advancement" published by each company.

Company name	Plan duration	Goals during the plan period	Outline of measures
TIS Inc.	Four years (April 2020 to March 2024)	<ul style="list-style-type: none"> Percentage of female directors: 9.0% Percentage of female employees in management positions: 12.8% No workers who work an average of 60 hours or more of overtime per month over a fiscal year, including those in managerial positions 	<ol style="list-style-type: none"> Guidelines for the promotion of women will be set in the "pipeline management process" for the development of senior management, and female candidates will be targeted for development <ul style="list-style-type: none"> Assess candidate status and confirm future development policies Selection of candidates and formulation of development plan for each organization Guidelines will be established for promoting female employees and measures will be taken to raise awareness of opportunities among candidates Ascertain the status of the average overtime hours of workers, including managers, and provide guidance on corrective measures if necessary <ul style="list-style-type: none"> Monthly provision of actual values by department, strengthening of acquisition of objective records, monitoring by personnel and guidance for improvement Dissemination of workstyle reform-related program and fostering a corporate culture (continuation of current measures)
INTEC Inc.	Five years (April 2016 to March 2021)	<ul style="list-style-type: none"> Percentage of female employees in management positions: 7% or higher 	<ol style="list-style-type: none"> Hold exchanges across departments Conduct interviews with employees before and after returning to work following maternity leave Establishment of medium- and long-term career goals for young female employees
AGREX INC.	Three years (April 2019 to March 2022)	<ul style="list-style-type: none"> Create a system to promote more women to managerial positions, aiming to increase the percentage of women in managerial positions to at least 25% 	<ol style="list-style-type: none"> We will further promote reform of workstyles in order to create an environment in which employees with time restrictions can play an active role and to change the mindset of both employees and managers Promote measures to support the career development of female employees
QUALICA Inc.	Five years (April 2016 to March 2021)	<ul style="list-style-type: none"> Percentage of female employees among new graduate hires: 30% or higher Percentage of female employees: 20% or higher Percentage of female employees in management positions: 8.5% (15) or higher 	<ol style="list-style-type: none"> In order to increase the number of female applicants, the company will strengthen information dissemination for female students through its own website and recruitment websites Support career advancement for female employees and the creation of networks among female employees Create an environment in which women can work stress-free and play more active roles in the company, and conduct human resource management training
AJS Inc.	Five years (April 2016 to March 2021)	<ul style="list-style-type: none"> Facilitate female employees' promotion to managerial positions 10% increase in the number of candidates for managerial positions versus fiscal 2016 	<ol style="list-style-type: none"> Launch women's career development project Implement various programs to raise awareness of women's participation in the workplace Encourage employees to participate in training on requirements for promotion

Programs to achieve flexible workstyles

By increasing employees' options regarding working hours and location, we will maximize performance, improve the quality and speed of results, and reduce overheads. At the same time, we will foster opportunities for self-awareness and autonomy by allowing employees to control the pace of work and coordinate on and off time according to their own needs and initiative.

The various systems of workstyle reform have been rapidly implemented under COVID-19 conditions.

Moving forward, we will continue to provide flexible options that will contribute not only to the realization of work-life balance for individuals, but also to the growth of each individual and the development of our business.

<ul style="list-style-type: none"> ■ Flextime working system 	<ul style="list-style-type: none"> ● In principle, all employees can use flextime without core time. Employees who work for two hours are deemed to have worked for one day.
<ul style="list-style-type: none"> ■ Teleworker system 	<ul style="list-style-type: none"> ● We encourage telework (in a secure environment) at satellite offices, shared offices, and at home. ● Employees can apply to work as a teleworker who does not come to the office.
<ul style="list-style-type: none"> ■ Discretionary work program 	<ul style="list-style-type: none"> ● We have adopted a system in which employees have the discretion to perform their jobs in a self-directed manner in departments responsible for research, consulting (strategy and IT), new business creation, etc.
<ul style="list-style-type: none"> ■ Work smart allowance 	<ul style="list-style-type: none"> ● We have introduced a "deemed overtime allowance" to enhance employees' value-added through the more effective use of time.
<ul style="list-style-type: none"> ■ Taking time off 	<ul style="list-style-type: none"> ● The Group has set targets for the use of annual leave to promote the use of such leave. Refresh leave to encourage the taking of consecutive days off ● We have our original programs, such as volunteer leave with pay and backup leave for unexpected needs.

Communication with Clients and Business Partners

Becoming an Irreplaceable Partner for Our Customers

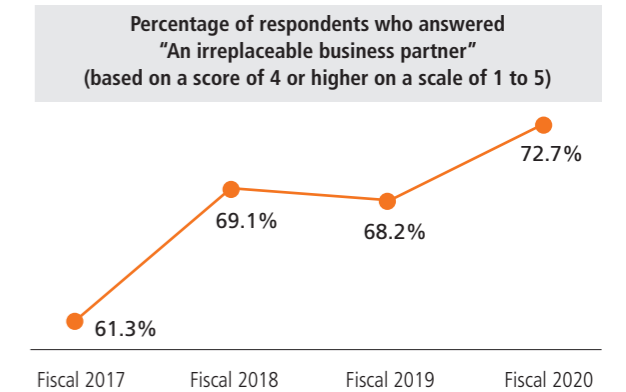
TIS INTEC Group Business Summit 2019 – Exciting Future

In July 2019, the TIS INTEC Group held the TIS INTEC Group Business Summit 2019 – Exciting Future in Tokyo. A total of 1,238 clients attended the event, where we presented our Group's advanced technologies and various initiatives through sessions and exhibitions. (We have decided not to hold the event in fiscal 2021 in light of the COVID-19 situation.)



Implementation of Customer Satisfaction Survey

TIS Inc. conducts an annual Customer Satisfaction Survey for customers with whom it does business on an ongoing basis to gauge our performance from the customer's perspective. In fiscal 2020 we received high marks for our activities aimed at realizing our vision of becoming "A business partner contributing to our customers' business expansion." In the survey, 72.7% of customers answered that we were "An irreplaceable business partner" based on a score of 4 or higher on a scale of 1 to 5. Yet there is still room for improvement, as shown responses to the question on "Proactive proposals, information provision, etc.", and we are working to improve this aspect of our service provision companywide. We will continue to solicit feedback and listen to our customers to further improve our contribution as a business partner.



Strengthening Relationships with a Wide Range of Partners

Convening TIS Business Partner Socials

TIS holds TIS Business Partner Socials in Tokyo, Osaka, and Nagoya every year to thank its business partners for their ongoing patronage. More than 100 major business partners regularly participate in these events. We also use these events to introduce TIS's management policies, share the direction that TIS is heading in, and express our expectations of our business partners in order to strengthen our relationships with them.

* In 2020, in view of the spread of COVID-19, social gatherings were cancelled and instead letters and commemorative gifts were presented to business partners.



Base for the Promotion of Open Innovation Established

Established in September 2016, bit & innovation is a communication space that brings together the resources of startups, operating companies and TIS INTEC Group companies to create new businesses through open innovation. This initiative enables us to facilitate collaboration across corporate boundaries.

<http://bit-innovation.tis.co.jp/>

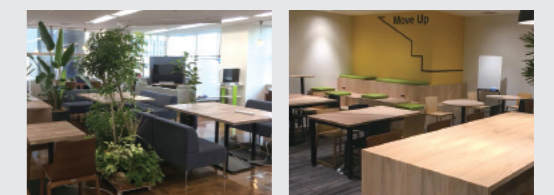
Location: Nishi-Shinjuku, Tokyo

Number of members (as of July 2020): about 300 companies* and 950 individuals

*Total of both startup and operating companies

Application

- Co-working
- Meetings
- Program acceleration site
- Holding various events such as pitches and ideathons



Disclosure of sustainable procurement policies

The TIS INTEC Group believes that in order to fulfill its social responsibilities, it is important to collaborate with stakeholders to implement measures throughout the entire supply chain. Accordingly, the Group discloses its sustainable procurement policies. For more information, visit the following link: http://www.tis.com/group/csr/report/governance/procurement_policies/.

Fast, fair and impartial information disclosure, and dialogue with shareholders

We provide performance results and the latest news on our business activities through events, such as information meetings, the production of pamphlets, and engage in constructive dialogue with shareholders and investors for the Company's sustainable growth.

IR Events in Fiscal 2020	Frequency	Contents
Results briefings for analysts and institutional investors	4 times	Quarterly briefings
Business briefings for analysts and institutional investors	Once	Held a meeting regarding payment business
Small meetings for analysts and institutional investors	245 times	Provide IR-oriented information for analysts and institutional investors. Of these meetings, 81 were for overseas investors. Total coverage: 291 companies (395 people)
Small meetings	Once	President held one meeting with sell-side analysts
Overseas roadshows	3 times	President, director responsible for overseas IR and other members of senior management met with shareholders and investors in Europe, United States, and Asia
IR conferences for individual investors	Once	Held a conference in Tokyo (334 participated people)
Production of materials for individual investors	2 times	Issued "Business Report"

Initiatives to revitalize General Meetings of Shareholders and facilitate the exercise of voting rights

	Contents
Early dispatch of notice of General Meetings of Shareholders	Based on our policy of sending the notice at least three weeks before the General Meeting of Shareholders, we sent the notice of convocation for the 12th Annual General Meeting of Shareholders scheduled for June 24, 2020, on June 2, 2020.
Setting dates for the General Meeting of Shareholders that avoid clashes with other such meetings	The date has been set so as to make it easier for more shareholders to attend the General Meeting of Shareholders. The latest General Meeting of Shareholders was held on June 24, 2020.
Voting by electronic means	We have adopted an electronic voting system that allows voting rights to be exercised via the Internet and other means (PC, smartphone or cell phone).
Participation in electronic voting platforms and other initiatives to improve the environment for institutional investors to exercise voting rights	We participate in the voting platform for institutional investors operated by Investor Communications Japan (ICJ, Inc.).
Provision of Notice of Convocation (summary) in English	A Notice of Convocation of the General Meeting of Shareholders (in Japanese and English) is posted on the corporate website.
Other	The Notice of Convocation is disclosed prior to distribution on the corporate website. Based on our policy of disclosing the convocation notice about one month prior to the date of the General Meeting of Shareholders, we disclosed the convocation notice of the latest General Meeting of Shareholders on May 20, 2020.

IR Policy

Purpose of IR Activities

As part of its pursuit of fair and transparent management, the Company engages in investor relations activities in order to fulfill its accountability obligations to not only the shareholders who entrust management to it, but also to investors, securities analysts, and capital market participants in general. By engaging in proper disclosure and constructive dialogue through its investor relations activities, the Company also aims to promote understanding of the Group, develop long-term trusting relationships, and earn fair valuations of its corporate value.

Basic Policy on IR Activities

Recognizing that investor relations activities are an important element of its management activities, the Company is committed to fulfilling its accountability obligations to shareholders, investors, securities analysts, and other capital market participants and to building trusting relationships based on full communication achieved through ongoing conscientious and positive engagement in investor relations activities.

To promote understanding of the Group, the Company will endeavor to disclose and explain its management policies, details of its business operations, business strategies, earnings performance, finances, and other corporate information in a timely, fair, accurate, and clear manner by participating in interviews and responding to inquiries pertaining to investor relations, holding earnings briefings and small meetings, and engaging in other such activities. Opinions and other feedback on the Group obtained through constructive dialogue will be shared within the Company through reports to the Board of Directors and similar channels, and will be used for purposes such as reviewing the Company's management strategies.

Basic Policy on Disclosure

1. Disclosure Standards

To ensure transparency by promoting information disclosure, the Company discloses material information that could influence investment decisions, including information disclosed in conformance with the Securities Listing Regulations of the Tokyo Stock Exchange and the Financial Instruments and Exchange Act (meaning information on decisions made by the Company, occurrences of material facts, and business results and similar information; the same applies hereinafter). In addition to the above, the Company also discloses, to the maximum extent possible, information judged useful for furthering understanding of the Company and the Group.

2. Information Disclosure System

The Company has developed a communications structure linking divisions and member companies of the Group, and it has established a structure for disclosing material information that could influence investment decisions, including information disclosed in conformance with the securities listing regulations of the Tokyo Stock Exchange and the Financial Instruments and Exchange Law, in a fair and timely manner. The Company is committed to rigorous information management and preventing insider trading.

* Please see the Company's web site regarding "3. Methods of Disclosure", "4. Spokespersons for Investor Relations Activities", "5. Yet-to-Be-Released Material Information", "6. Quiet Period", "7. Response to Rumors, etc.", "8. Earnings Forecasts, etc. by Third Parties", "9. Framework for Disclosing Information on Company Website" of Basic Policy on Disclosure.

<http://www.tis.com/ir/other/policy/>

*Please visit the following page for details of our Group activities. <http://www.tis.com/group/csr/report/social/community/>

Our Group engages in multifaceted initiatives in cooperation with local communities and society at large under the themes of social welfare, environmental conservation, sports, arts and culture, contribution to local communities, and fostering the next generation.

Major Activities

Smile Kids Camp—Supporting Seriously Ill and Disabled Children and Their Families

This itinerant event for children with serious illnesses or disabilities and their families is planned and undertaken by a committee of volunteers. Employees from TIS INTEC Group companies volunteer their time to staff the event, providing a valuable opportunity to witness the real difference made by CSR and volunteer activities.



Taking Part in Asahi no Mori Forest Conservation Project

From 2010, AJS has been supporting the Asahi no Mori forest conservation project in the northern part of Miyazaki Prefecture spearheaded by Asahi Kasei Corporation. The aims are to prevent global warming, protect the natural environment and also contribute to the prefecture where the company's office is located.



Performances by Friends of Music Society

TIS INTEC Group Gakuyukai (Friends of Music Society) is a registered ensemble mainly comprising employees of the TIS INTEC Group and family members. It performs lunchtime concerts in the Tokyo head office building and at local recital halls.



Fostering the Next Generation

- Internships for college students
We offer internships to help university students with career planning and as an opportunity to gain work experience. To date, the program has provided opportunities to more than 1,000 students.
- Corporate training for teachers
This is a program where teachers receive training at private companies during their summer vacation. TIS has participated in a program run by Keizai Koho Center, an organization affiliated with the Japan Business Federation (Keidanren), and has welcomed more than 70 teachers since 2010.
- Linkages with Universities (Student Development)
At Keio University, we fund an endowed course entitled "Overview of Entrepreneurship" in which case studies of entrepreneurs and companies, lectures on laws related to the creation of new business, and simulated business creation experiences are provided to nurture entrepreneurial talent. We also offer courses to support students' career development at Ritsumeikan University, Aichi Prefectural University and Doshisha University, among others.

Signatory to the UN Global Compact

TIS—and by extension, the TIS INTEC Group—signed on to the U.N. Global Compact and was registered as a participant as of July 19, 2018. Through strategies and actions in line with 10 principles encompassing four categories—human rights, labor, environment and anti-corruption—we encourage every employee to get involved in fulfilling our corporate social responsibilities and promote activities that support sustainable social development.



Initiatives to Reduce Environmental Impact

Our Group recognizes that environmental issues have become important for all humankind and is actively involved in environmental protection through its business activities. Against a backdrop of growing international concern for the environment in recent years, in fiscal 2020 we formulated an environmental vision and policy and established an environmental promotion system.



Creating a Vibrant, Environmentally Conscious Society

Our vision for a bright future cannot be realized without enriching the global environment in which we live. Yet the current global environmental issues are now so complex and serious that they require a global approach. The TIS INTEC Group has been adopting business practices that are appropriate for this new era, taking into consideration initiatives such as the UN's Sustainable Development Goals (SDGs), the Task Force on Climate-Related Financial Disclosures, the Carbon Disclosure Project, Science-Based Targets, and RE100 (a global corporate renewable energy initiative bringing together hundreds of large businesses committed to 100% renewable electricity). In 2019, we completely overhauled our promotion structure. We have also launched initiatives to integrate environmental measures with business activities in recognition that medium- to long-term perspectives and strategic activities are essential to solving global environmental issues. During the next medium-term management plan, we will prioritize businesses that use our Group's digital technologies to help improve the energy efficiency of society as a whole, and make stringent efforts to reduce greenhouse gas emissions in our Group's business activities. We will continue to advance our Group's initiatives by disclosing information on our progress as compared with global standards.

Tsuneyoshi Ito
 Executive Officer,
 Division Manager of
 Corporate Management SBU,
 TIS Inc.

Environmental Vision

Through our corporate activities and the provision of new services, we aim to be a company that infuses the global environment of the future with vibrant colors.

Environmental Declaration

We recognize that addressing global environmental issues is one of our most important priorities as a responsible member of society. In order to realize the mission of OUR PHILOSOPHY, we formulated our Environmental Vision to reflect our long-term environmental goals. To achieve this vision, we established a set of Environmental Action Guidelines. Through our various corporate activities, all of our executives and employees will strive to reduce their environmental impact and foster protection of the global environment.

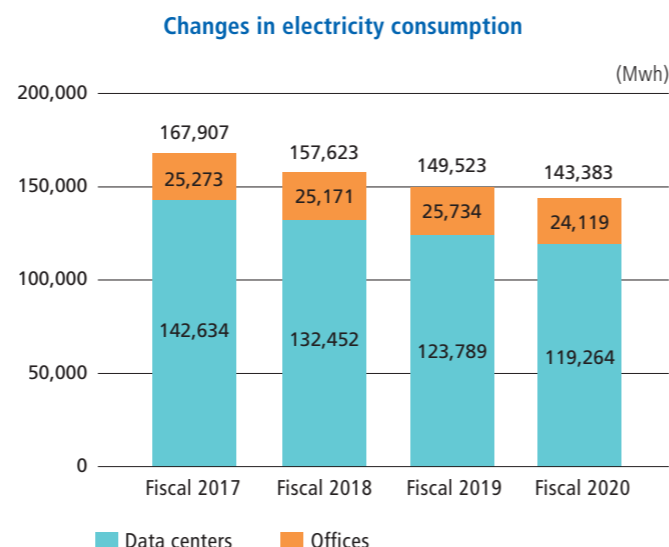
Environmental Action Guidelines

1. Contribute to environmental conservation through business activities
2. Reduce environmental impact through the value chain
3. Comply with environmental laws and regulations and management initiatives
4. Pursue initiatives aimed at sustained improvement
5. Promote awareness and full participation
6. Disclose information to engender trust from society

Based on these Action Guidelines, we have acquired ISO 14001 certification, an international standard for environmental management, at our offices and data centers. We are promoting continuous improvements based on ISO 14001 standards and are working to establish an environmental management structure for the entire Group.

Energy conservation initiatives

At our data centers and offices, which account for the bulk of our corporate activities, we are promoting initiatives that take the global environment into consideration, such as measures to conserve energy and reduce greenhouse gases. We are integrating and concentrating our data centers into high-spec, environmentally friendly data centers with high energy efficiency, employing measures such as outdoor air for cooling and rainwater utilization as well as use of renewable energy (geothermal power utilization, solar power etc.).



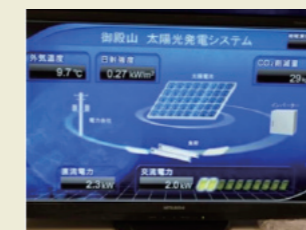
The TIS INTEC Group is taking an environment-conscious approach at offices and data centers, which form the bedrock of corporate activities, by introducing measures to save energy and cut greenhouse gas emissions.

Examples of Environment-Friendly Activities at Data Centers

- Outdoor air for cooling
- Use of geothermal energy
- Use of rainwater
- Use of well water
- Lighting equipment run on solar power
- Green power procurement
- Natural lighting
- LED lighting
- Optimized lighting with motion sensors and ambient light sensors
- Highly efficient equipment
- Rooftop greenery
- Landscaping
- External appearance harmonizing with the local surroundings
- Noise-damping, heat-insulating sashes



Natural light (solar tracking equipment)



Solar power generation monitor



Rooftop greenery

Examples of Environmentally Conscious Activities at Offices

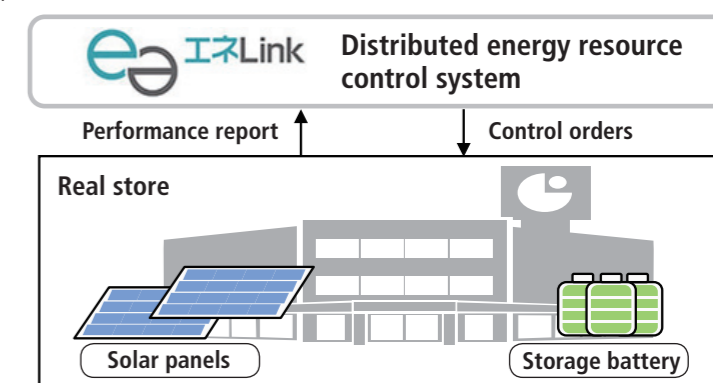
- Cool Biz
- Going paperless (monitors set up in meeting rooms)
- Recycling PCs
- Confidential documents being solution-treated by a provider
- Garbage being sorted for appropriate and in disposal
- Participating in eco-cap movements
- Partnering in Table for Two program
- Turning off lights in work areas during lunch hour and unused and absence areas
- Reducing use of lighting
- Employing more environmentally friendly air conditioner settings
- Stopping running air barrier fans
- Switching power off on machines, such as copiers and shredders, during periods of non-use
- Turning off heating in washrooms, and disabling hot water setting
- Banning vehicle idling
- Ensuring water taps are closed
- Encouraging use of stairs instead of elevators
- Ending superfluous wrapping
- Encouraging employees to use personal thermos bottles and reusable shopping bags
- Encouraging employees to take vacation during summer

Case study: Start of joint proof-of-concept experiments at stores for distributed energy resource generation

Since February 2020, in cooperation with Kansai Electric Power Co., Inc., TIS has been conducting a series of proof-of-concept experiments at stores to employ distributed energy resources (DER) – small-scale electricity generation and use at source. These facilities will use solar panels to harness a renewable energy source and batteries for energy storage. Solar power generation doesn't emit CO₂, but the amount of power generated by solar panels depends on the weather. By installing storage batteries together with solar panels, excess power can be stored when there is a large amount of power generation and used as needed. This project aims to demonstrate the value of distributed energy resources and maximize the efficiency of energy management, in the process contributing directly to a low-carbon society as well as to business continuity planning (BCP).



Overview of proof of concept experiments for distributed energy resource control



*Please visit the following page for details (Japanese only).
https://www.tis.co.jp/news/2019/tis_news/20200219_1.html