

TIS INTEC Group Value Creation

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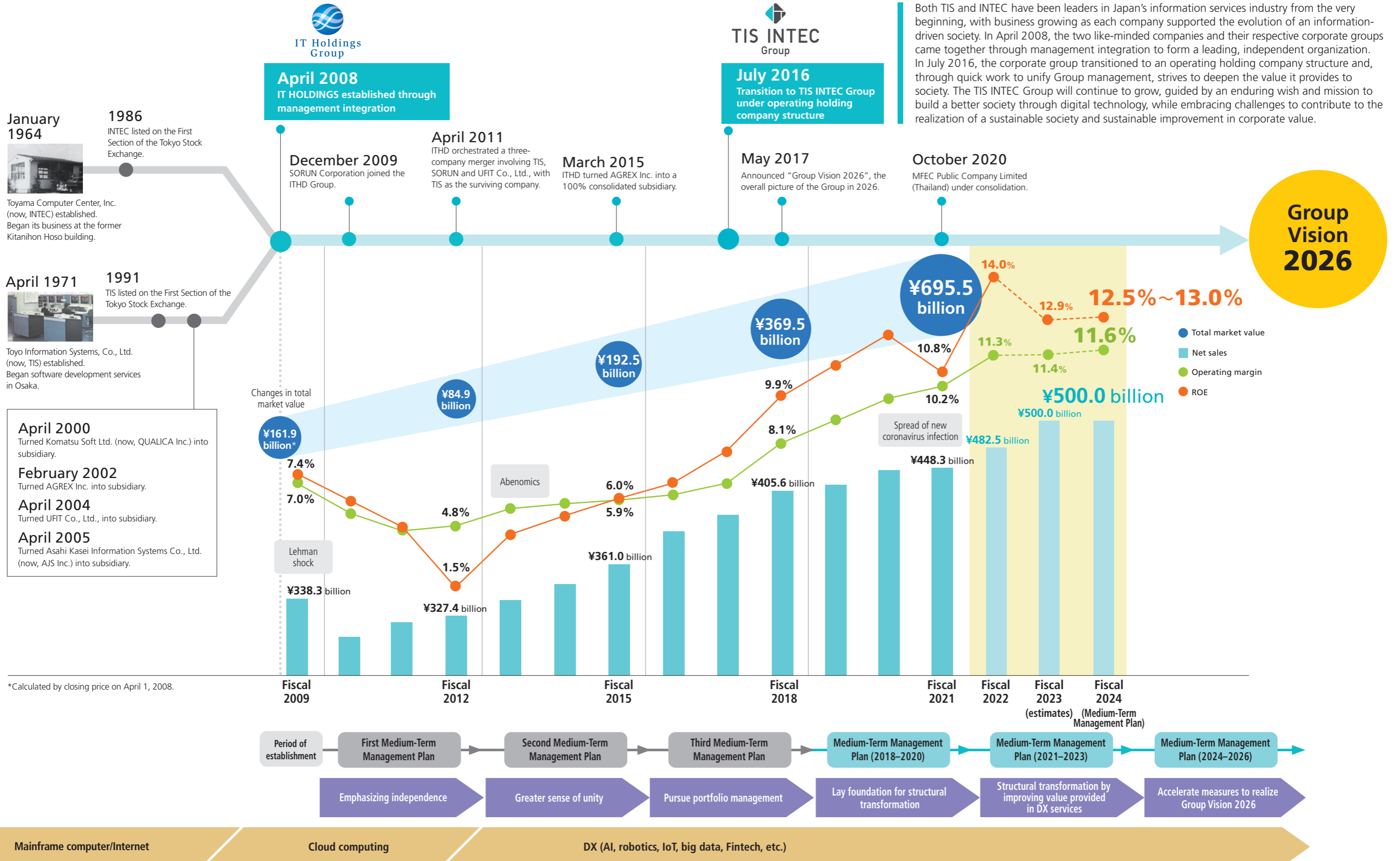
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Growth Trajectory

Using advanced technologies and know-how accumulated over many years, we seek to create a vibrant, new society and, working alongside our clients, exceed society's expectations and contribute to a happier world.



Value Creation Process

We will balance efforts to realize a sustainable society with efforts to achieve sustainable improvement in corporate value by leveraging unified Group management.

Management Philosophy	TIS INTEC Group Philosophy OUR PHILOSOPHY	Mission: To brightly color the future as a mover	P.2
Vision	Group Vision 2026 (2026 Corporate ideal) "Create Exciting Future"	Utilizing leading-edge technology and know-how to realize business innovation and market creation	P.30

Changes in the external environment

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Management Resources P.21

Financial Capital

Human Capital

Manufacturing Capital

Social & Related Capital

Natural Capital

Intellectual Capital

Materiality P.25

Create a society in which diverse human resources are engaged and thrive

Create a comfortable society through innovation and joint activities

Create a safe society through high-quality services

Enhance corporate governance and earn the trust of society

SUSTAINABLE DEVELOPMENT GOALS

Management strategies/asures for sustainable growth

Medium-Term Management Plan (2021–2023)

Be a Digital Mover 2023 P.32

TIS INTEC Group Business Activities
Providing optimum, one-stop support across client system lifecycles and all types of IT-related services

Offering Service Business P.55

BPM P.56

Financial IT Business P.57

Industrial IT Business P.58

Regional IT Solutions P.59

Platform that supports value creation of the Group

Environment

Contribute to decarbonized society and recycling society

P.81

Social

Sustainable improvement in stakeholder engagement

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Governance

Constantly strive for governance that promotes higher level of trust from society

P.61

Value provided to society

Make society's wishes come true through IT.

Economic value (Fiscal 2022)

Net sales ¥482.5 billion

Operating income ¥54.7 billion

ROE 14.0%

Social value

Shareholders and Investors

- Sustainable improvement in shareholder value and return to shareholders
- Highly transparent disclosure
- Engaging in constructive dialogue

Clients

- Provide the best services
- Plan/propose new application formats for IT
- Lead/support realization of vision and strategies

Business Partners

- Create new added-value
- Fair, transparent, open competition and appropriate business practices
- Responsible procurement

Employees

- Provide opportunities for growth and personal development
- Provide environment that is safe and comfortable
- Promote diversity

Community / Society

- Provide systems that support a high-level information society
- Living life feeling safe and secure
- Reduce environmental impact



Secure growth opportunities fueled by trust and fulfilling expectations

Improve value exchange through stakeholder engagement

Help solve social issues through use of digital technology

Sources of Value Creation and Competitive Advantage

The capital that the TIS INTEC Group has developed over the years is an indispensable element for sustainable corporate value growth and a source of value creation. We aim to create further value through the enhancement and effective utilization of this capital.

Management Capital	Inputs	Scope of Aggregation	Features	Initiatives to Maintain and Strengthen Capital
Financial Capital 	Net assets ¥302.9 billion Equity ratio 61.5% Credit rating A / Positive Investments in growth ¥100 billion (3 years)	A A A A	<ul style="list-style-type: none"> Stable financial base Strong profitability and capital efficiency 	Promoting structural transformation of business by strengthening investment / Promoting capital optimization / Reducing cross-shareholdings Please refer to “Executive Vice President’s Message 2 (Financial Investment Strategy)” on page 49.
Human Capital 	Number of employees (consolidated) 21,709 Percentage of female employees in management positions 10.3% Number of days spent on learning and research per person 13.3 days Results of employee awareness surveys* ¹ 51%	A C C C	<ul style="list-style-type: none"> Diverse human resources engaged as movers Sustainable engagement 	Strengthening Engagement / Promoting Diversity and Inclusion / Supporting Advancement of Diverse Human Resources / Health Management / Workstyle Reform / Strategic Inclusion in Training and Education Please refer to “With Employees” on page 85.
Manufacturing Capital 	Business sites throughout Japan About 160 sites Overseas sites centered in ASEAN 10 countries		<ul style="list-style-type: none"> Outsourcing sites based on business continuity 	Development of high-quality services that respond to environmental changes and client needs
Social & Related Capital 	Number of clients Approx. 15,000 companies Results of client satisfaction survey* ² 71.7% Number of business partners About 540 companies Results of business partner satisfaction survey* ³ 81% Linkage with startups (CVC investees) 43 companies	Domestic D D D D	<ul style="list-style-type: none"> Stable business promotion through a strong relationship of trust 	Strengthening customer relationships and satisfaction by capturing a wide range of customer requirements and leveraging them in development and service provision Please refer to “With Clients and Business Partners” on page 87.
Natural Capital 	Energy consumption (electricity) 139,560 MWh	B	<ul style="list-style-type: none"> High energy efficiency through environmentally friendly data centers 	Promotion of renewable energy use / data center consolidation Please refer to “For the Global Environment” on page 81.
Intellectual Capital 	Extensive service menu (aggregate number of solutions) About 500 Group awareness (among business people) 63% Original quality management system Trinity		<ul style="list-style-type: none"> Strong technological capability Abundant experience and know-how Dedication to improving quality, productivity, and technology 	Sharing of development know-how and technical issues / Tech Lead Team activities / Brand maintenance and enhancement

Figures are as of March 31, 2022.

*1 Percentage of respondents answering positively to the question “Overall, this company is a good place to work” in the employee awareness survey.

*2 Percentage of respondents who answered we were “an irreplaceable business partner” in the client satisfaction survey.

*3 Percentage of respondents who answered “satisfied with our business and relationship” in the business partner satisfaction survey.

Scope of data collection

A. TIS INTEC Group consolidated

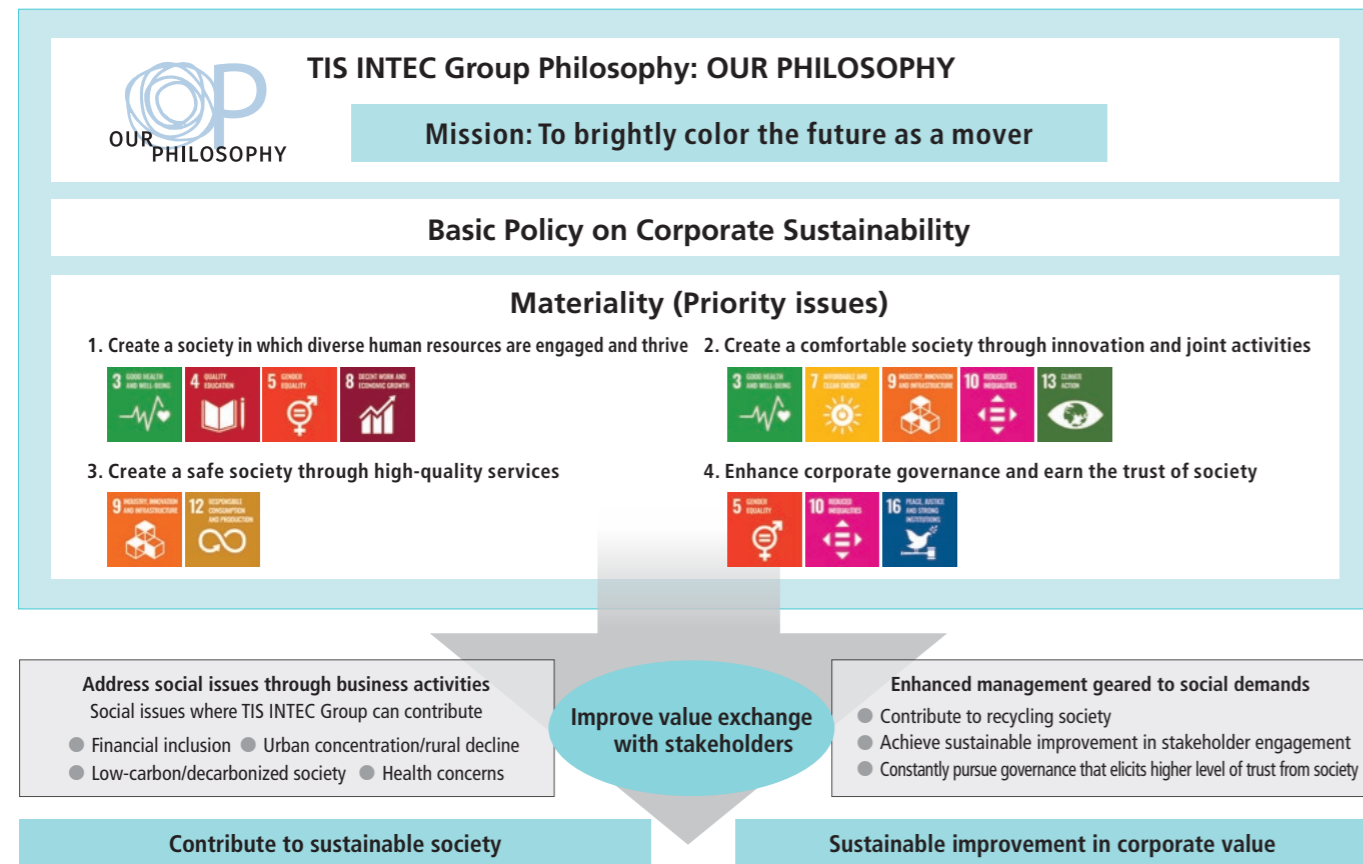
B. TIS, INTEC, AGREX, QUALICA, AJS, SorunPure, TIS System Service, TIS Solution Link, TIS Tohoku, TIS Total Service, TIS Nagano, TIS West Japan, and TIS Hokkaido

C. TIS, INTEC, AGREX, QUALICA, AJS, TIS System Service, and TIS Solution Link

D. TIS parent

Seeking to deepen sustainability management

TIS INTEC Group will reinforce its commitment to corporate social responsibility through its contribution to the sustainable development of society by resolving social issues through its business, and will further strengthen its corporate sustainability initiatives.



Changes in the Group's sustainability promotion activities



Endorsed Initiatives

The Group participates in various initiatives aimed at promoting sustainability.

Notably, the Group signed on to the U.N. Global Compact and was registered as a participant as of July 19, 2018.

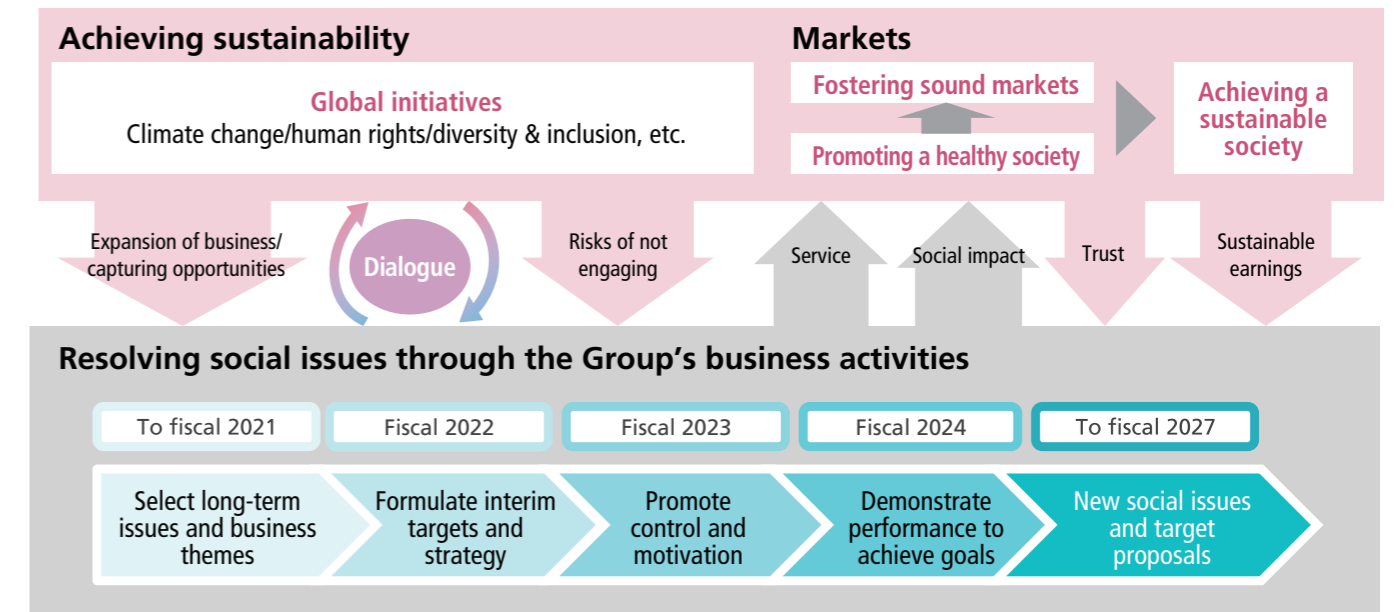
Acting in accordance with the 10 principles in the four areas of human rights, labor, the environment, and anti-corruption set forth in the Compact, we encourage every employee to get involved in fulfilling our corporate social responsibilities and promote activities that support sustainable social development.

Please visit the following page for details of other initiatives in which the Group collaborates:
<https://www.tis.com/group/sustainability/initiatives/>



Resolving social issues through business activities

We will expand our services to create both economic and social value based on business opportunities and risks from global initiatives to realize a sustainable society and enhance corporate sustainability.



Equipping Management to Address Social Needs

Our Group is taking various measures to better equip management to focus on ESG to efficiently manage both financial and non-financial capital and maximize earnings and the provision of value to society in a sustainable manner.

Perspectives currently in focus

Data-driven management

We have established a quantitative management system for non-financial information as well as financial capital to ensure that all capital held by the Group is efficiently linked to earnings. KPIs for non-financial indicators have been introduced into the Group's organizational assessments to strengthen the motivation to promote ESG.

Climate change

Recently, climate change has been having a profound impact on the business environment. As climate change mitigation and adaptation will change the way society needs to do business, our Group is promoting activities to enhance the sustainability of our business and society by analyzing and appropriately responding to the risks and opportunities for the Group.

Human capital

In our business model, we recognize human resources as our most important capital, and we are actively investing in talent to support each employee's new challenges to facilitate business innovation and market creation. We also began to build the capacity of our partner companies, starting with the expansion of health management activities.

Human rights

The Group is always conscious of whether its corporate activities are having a negative impact on its stakeholders, and aims to conduct corporate activities in such a way as to promote wellbeing among as many people as possible. To this end, we conduct human rights due diligence in line with the United Nations Guiding Principles on Business and Human Rights, envisage the impact of the Group's business activities on stakeholders, and endeavor to remedy any potentially negative impacts.

Contributions to local communities

We aim to create a society in which many people can enjoy the benefits of digital technology by helping those who do not have access to digital technology due to geographical or economic reasons or a lack of education.

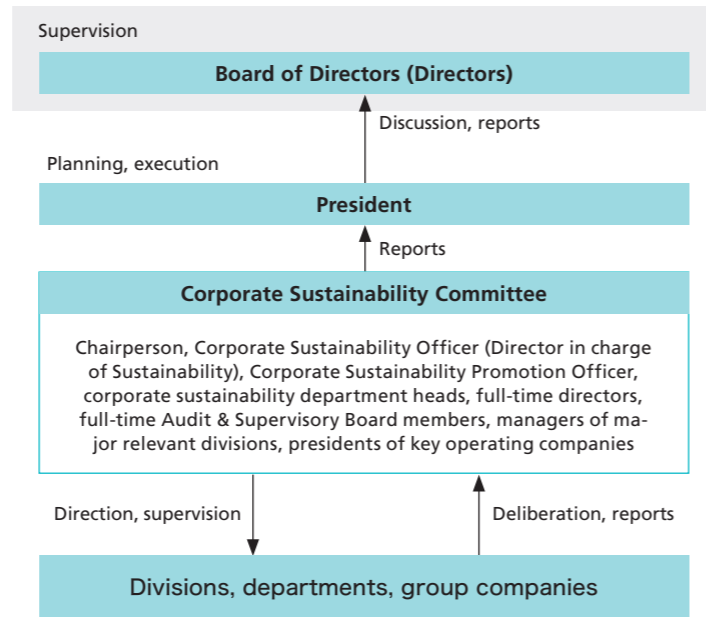
Materiality

Sustainability promotion system

We have established a management structure centered on the Corporate Sustainability Committee, which is chaired by the President, to promote corporate sustainability activities throughout the Group.

In the operation of the Committee, the Head of Corporate Sustainability is responsible for oversight of the Group's corporate sustainability activities, while the Head of Corporate Sustainability Promotion is responsible for their execution.

The Committee is responsible for planning and promoting the Group's sustainability activities and materiality (human resource management, stakeholder engagement, environmental conservation, human rights, quality management, corporate governance and related issues). The Corporate Communications Office was established to serve as the secretariat to ensure smooth operation.



Materiality (key issues) for the TIS INTEC Group

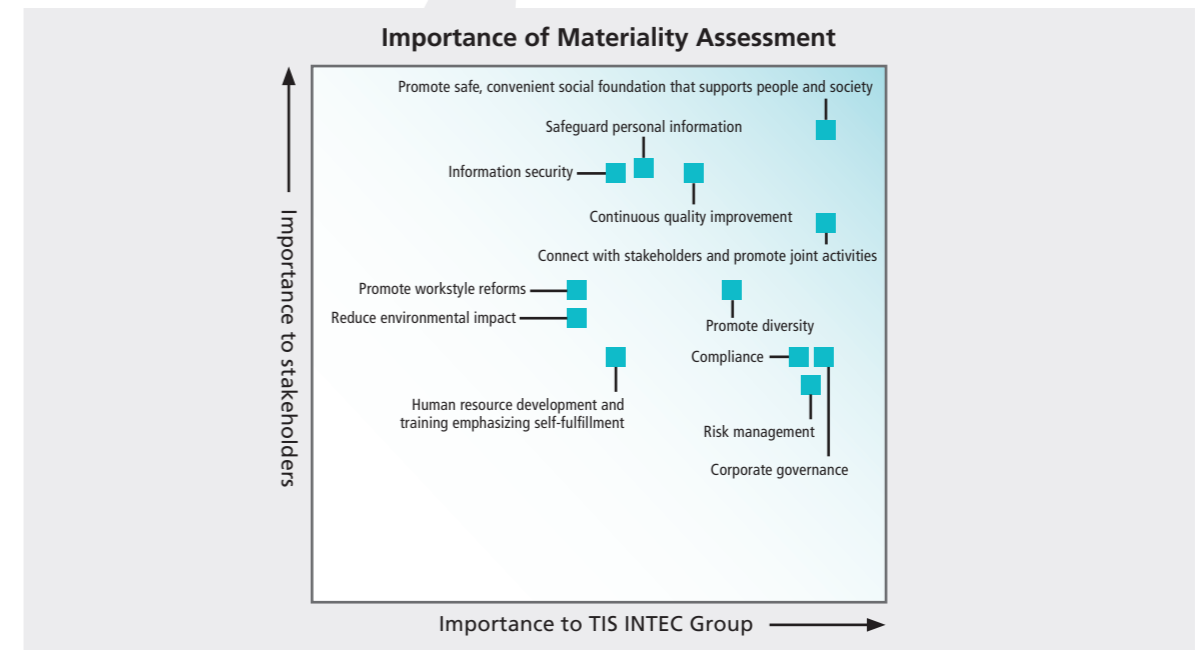
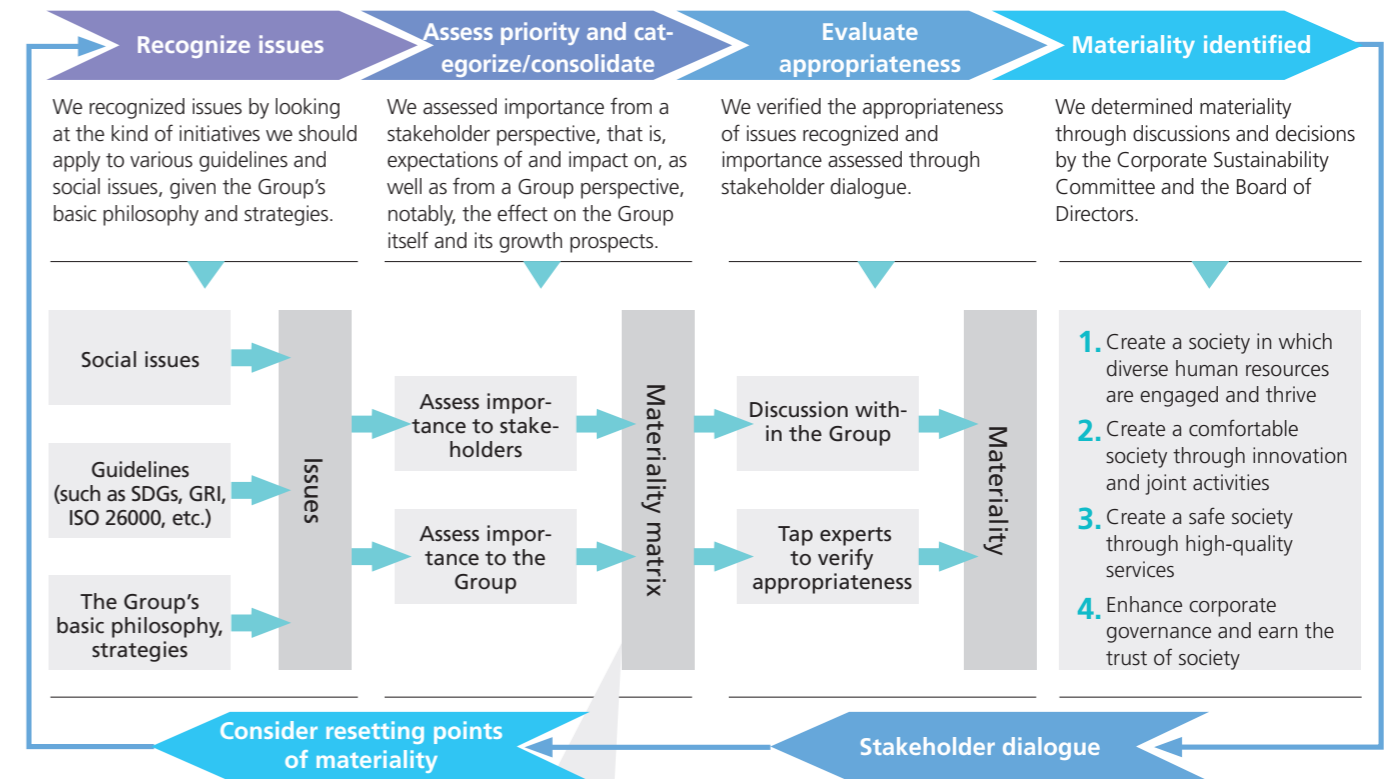
To strengthen measures for corporate sustainability, TIS identified materiality as a key issue for the Group in fiscal 2019, and clarified priority themes where efforts would be focused, considering stakeholders' expectations of us, our impact on society, and the Group's strength.

The Group will promote materiality measures and contribute to the solution of social issues and achievements of the related United Nations' Sustainable Development Goals (SDGs) through our corporate and business activities.

Materiality	References: Relationship with SDGs
<p>1. Create a society in which diverse human resources are engaged and thrive</p> <p>a. Promote diversity b. Promote workstyle reforms c. Human resource development and training emphasizing self-fulfillment</p>	
<p>2. Create a comfortable society through innovation and joint activities</p> <p>d. Promote safe, convenient social foundation that supports people and society e. Connect with stakeholders and promote joint activities f. Reduce environmental impact</p>	
<p>3. Create a safe society through high-quality services</p> <p>g. Continuous quality improvement h. Information security i. Safeguard personal information</p>	
<p>4. Enhance corporate governance and earn the trust of society</p> <p>j. Corporate governance k. Compliance l. Risk management</p>	

Please visit the following page for details of our activities related to materiality: <https://www.tis.com/group/sustainability/materiality/>

Identifying materiality



Sustainable Development Goals

These international goals, running from 2016 to 2030, are described in the 2030 Agenda for Sustainable Development, adopted at the U.N. Summit in September 2015. The agenda comprises 17 goals and 169 targets aimed at putting the world on a sustainable path and pledges that no one will be left behind. To achieve these objectives, companies are expected to participate as vital partners, contributing to the SDGs through their respective core businesses.



Stakeholder Dialogue

The Group considers dialogue with stakeholders to be an important opportunity, and holds regular meetings between external experts and its managers. In addition to communicating the Group's initiatives, we will reflect objective opinions and new insights received from different perspectives in our corporate activities, aiming to create a virtuous cycle that leads to higher quality initiatives.

■ Overview of stakeholder dialogue



Theme: Progress of Sustainability Initiatives

Date: Thursday, June 16, 2022

Attendees: [External experts] Arisa Kishigami (ESG specialist)

[TIS Inc.] Masakazu Kawamura, Executive Officer, Division Manager of Corporate Planning SBU/Corporate Sustainability Promotion Officer

Reiko Oka, Executive Officer, Deputy Division Manager of Corporate Planning SBU, and Department Manager, Corporate Planning Dept.

Profile of Ms. Kishigami

Ms. Kishigami joined FTSE Russell in 2007 and became Head of ESG for the Asia-Pacific region of FTSE Russell in 2015, where she promoted ESG-conscious corporate and investment behavior in the region. Since becoming independent in April 2019, she has engaged in activities aimed at establishing a virtuous circle between investment and business activities for a sustainable society.



In this dialogue, we explained our efforts to create social value and solve societal issues and how we have communicated them to the public, such as societal issue solution services being adopted as one of the KPIs in our Medium-term Management Plan (2021–2023), utilization of human resources, diversity, and provision of safe products. We received objective and frank comments from Ms. Kishigami.

This section introduces (a portion of) the contents related to the societal issue solution services, which was the focus of this dialogue.

* Please visit the following page to read the entire dialogue:

<https://www.tis.com/group/sustainability/stakeholder/dialogue2022/index.html>

Kishigami: Providing access to our financial system is a social issue. To increase the number of people with such access, the Group actively engages in IT-based projects to promote cashless operations. Despite many positive factors, there are also potentially negative and harmful effects, such as unintentional access by children through mobile phones and people becoming financially overextended due to weak financial literacy. I feel that perhaps you should enhance your disclosure of such risks from the consumer's perspective while also making efforts to increase financial literacy in general.

Kawamura: For example, we are making very strong efforts to prevent fraudulent payments. On the other hand, I realized

that we lacked the perspective of society as a whole, including negative factors that could impact users and consumers. I also felt the need to be attentive so that our services would not be used in unintended ways. Through this dialogue, I've learned the importance of disseminating information in a broad and deep way.

Oka: Another challenge is that the value of our services depends on the digital literacy of users, so the results are not equally beneficial. For example, those who are not good at managing passwords may abandon or risk losing our services. I felt the need to reevaluate areas that we have taken for granted.

■ In conclusion

Kawamura: We became convinced that we could improve the value of the Group significantly if we could enhance our entire social ecosystem. We also realized that there are always negative factors associated with positive change and confirmed the importance of efforts to mitigate such factors. We will continue using insights gained from this dialogue to enhance value exchange with various stakeholders and become a corporate group that is needed by society, while also fostering a happier society.