

# 06

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## Business Performance

### Fiscal 2023 Results

(Millions of yen)	Fiscal 2022	Fiscal 2023	YOY changes
Net sales	482,547	508,400	+25,853 (+5.4%)
Operating income	54,739	62,328	+7,589 (+13.9%)
Operating margin	11.3%	12.3%	+1.0 points —
Net income attributable to owners of the parent company	39,462	55,461	+15,999 (+40.5%)
Net income ratio	8.2%	10.9%	+2.7 points —
Net income per share (Yen)	157.69	227.11	+69.42 (+44.0%)
ROE	14.0%	18.8%	+4.8 points —

TIS recorded higher sales and income on a consolidated basis for fiscal 2023, ended March 31, 2023, solidly reaching performance targets even after upward revisions and achieving major KPIs stated in the medium-term management plan a year ahead of schedule.

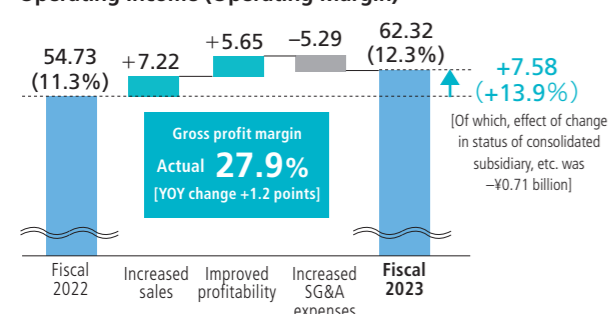
Net sales rose year on year, thanks to business expansion driven by accurate responses to clients' IT investment needs, including demand for digital transformation.

Operating income was also up year on year, paralleling higher net sales as well as the capacity to absorb an increase in selling, general and administrative expenses, primarily investments for future growth, namely, the cost of upfront investment to fuel progress in structural transformation, and better employee benefits. This enhanced capacity to absorb SG&A expenses reflects an improved gross profit margin, achieved by providing high-value-added services and progress on measures to boost productivity and quality. The operating margin grew as well.

Net income attributable to owners of the parent company grew year on year, owing to a significant increase in extraordinary income.

### Fiscal 2023: Operating Income Analysis, Increase/Decrease Reasons (YOY change) (Billions of yen)

#### Operating Income (Operating Margin)



Prior investment costs for promoting structural transformation:
Up ¥1.72 billion (YOY change)
(Cost of sales: +¥1.17 billion, SG&A expenses: +¥0.54 billion)
Software investment / Investment in human resources / Investment in R&D
Cost of investment in human resources (additional):
Up ¥5.15 billion (YOY change)
(Cost of sales : +¥2.83 billion, SG&A expenses : +¥2.32 billion)
Cost of office reform to promote new workstyles:
Down ¥0.95 billion (YOY change)
(Cost of sales : -¥0.34, SG&A expenses : -¥0.61 billion)

Changes in SG&A expenses
Effect of change in status of consolidated subsidiary, etc. +0.05
Office reform -0.61
Prior investment (includes enhanced employee benefits) +2.87
Lower operating costs, enhanced head office functions -0.20
Others (includes brand-related costs) +3.17
Total +5.29

### Highlights of Financial Position

(Millions of yen)	Fiscal 2022	Fiscal 2023	YOY changes
Total assets	476,642	462,320	-14,321
Total liabilities	173,649	153,094	-20,555
Interest-bearing debt	37,533	16,043	-21,489
(Interest-bearing debt ratio)	7.9%	3.5%	-4.4 points
Net assets	302,993	309,226	+6,233
Equity ratio	61.5%	64.2%	+2.7 points

#### Assets

- Current assets:** Current assets settled at ¥268,682 million, as of March 31, 2023, up ¥9,421 million from a year earlier. The primary components of this change were increases in notes and accounts receivable and contract assets, paralleling higher net sales, which offset a decrease in cash and deposits caused by repayment of long-term debt and purchase of treasury stock.
- Fixed assets:** Fixed assets amounted to ¥193,637 million, as of March 31, 2023, down ¥23,743 million from a year earlier, mainly due to a decrease in investment securities, following a reduction in strategic shareholdings.

#### Liabilities

- Current liabilities:** Current liabilities totaled ¥117,179 million, as of March 31, 2023, down ¥22,057 million from a year earlier, primarily owing to a decrease in short-term debt.
- Fixed liabilities:** Fixed liabilities amounted to ¥35,914 million, as of March 31, 2023, up ¥1,502 million a year earlier, largely due to an increase in long-term debt.

#### Net assets

- Retained earnings:** Retained earnings amounted to ¥247,263 million, up ¥44,006 million from a year earlier, due to the booking of net income attributable to owners of the parent company and payment of dividends from surplus.
- Additional paid-in capital:** Additional paid-in capital came to ¥40,470 million, down ¥24,490 million from a year earlier, owing to a decrease in the valuation difference on other investment securities paralleling a reduction in strategic shareholdings and a decrease paralleling cancellation of treasury stock.
- Treasury stock:** Treasury stock increased through share buyback activity, but after TIS canceled an amount equivalent to ¥24.5 billion as part of efforts to optimize capital structure, the value of treasury stock was ¥7,614 million, as of March 31, 2023, up ¥4,496 million year on year. Management cancelled this amount on February 28, 2023 as scheduled, having considered such factors as corporate policy and the need to eliminate concerns about future stock dilution.

### Fiscal 2024 Forecast

(Millions of yen)	Fiscal 2023	Fiscal 2024 (Estimates)	YOY changes
Net sales	508,400	530,000	+21,599 (+4.2%)
Operating income	62,328	63,500	+1,171 (+1.9%)
Operating margin	12.3%	12.0%	-0.3 points —
Net income attributable to owners of the parent company	55,461	42,000	-13,461 (-24.3%)
Net income ratio	10.9%	7.9%	-3.0 points —
Net income per share (Yen)	227.11	174.19	-52.92 (-23.3%)
ROE (ROE for fiscal 2024 is a calculated value.)	18.8%	13.7%	-5.1 points —

In its outlook for fiscal 2024, TIS anticipates higher sales and income, with net sales rising 4.2% over fiscal 2023, to ¥530 billion, and operating income edging up 1.9%, to ¥63.5 billion.

The operating margin has slipped 0.3 percentage point year on year, for fiscal 2023, reflecting such factors as higher investment in human resources to the tune of ¥5 billion, but management remains committed to robust upfront investment to underpin growth while striving for enhanced profitability.

Net income and return-on-equity were down year on year, owing to such factors as a reactionary drop in extraordinary income, but TIS will work hard to achieve levels that exceed targets set under the current medium-term management plan.

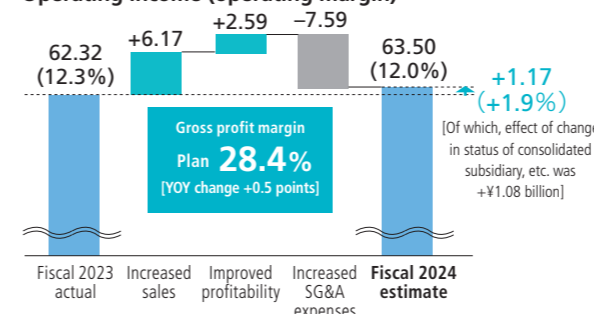
The TIS INTEC Group will strive as a cohesive collection of companies to realize TIS' goal of structural transformation and improve corporate value that fuels sustainable growth.

Note that the performance results of Nihon ICS, which TIS turned into a consolidated subsidiary in April 2024, are reflected in consolidated results from the second quarter of fiscal 2024. Management anticipates goodwill associated with Nihon ICS to be about ¥9.0 billion, amortized over 15 years, and client-related intangible assets to be about ¥22.0 billion, amortized over 20 years\*.

\*Certain components, such as purchase price allocation, have yet to be determined, and there is a possibility that amounts will change.

### Fiscal 2024: Operating Income Analysis, Increase/Decrease Reasons [Forecast] (Billions of yen)

#### Operating income (operating margin)



Anticipated prior investment costs for promoting structural transformation:
Up ¥1.47 billion (YOY change)
(Cost of sales: +¥1.00 billion, SG&A expenses: +¥0.47 billion)
Software investment / Investment in human resources / Investment in R&D
Anticipated cost of investment in human resources (additional):
Up ¥5.00 billion (YOY change)
(Cost of sales : +¥3.20 billion, SG&A expenses : +¥1.80 billion)

Changes in SG&A Expenses
Effect of change in status of consolidated subsidiary, etc. +2.36
Prior investment (excludes investment in human resources) +0.47
Prior investment (investment in human resources) +1.80
Others +2.94
Total +7.59

### Highlights of Cash Flows

(Millions of yen)	Fiscal 2022	Fiscal 2023	YOY changes
Net cash from operating activities	56,126	33,634	-22,492
Net cash from investing activities	-3,424	11,300	+14,725
Net cash from financing activities	-21,948	-64,573	-42,624
Free cash flows	52,702	44,935	-7,766
Cash and cash equivalents at the end of the term	113,820	94,306	-19,514

#### Cash flow from operating activities

- Cash increase:** Key positive cash flow effect was ¥15,700 million in depreciation, which is a non-cash expense item on the income statement, up from ¥616 million a year ago.
- Cash decrease:** Notable negative cash flow effects were ¥29,712 million in income taxes paid, up ¥15,349 million from a year ago; ¥18,792 million in receivables and contract assets, reflecting higher net sales, up ¥20,510 million from a year ago; and ¥18,313 million in gain on sales of investment securities, up ¥13,435 million from a year ago.

#### Cash flow from investing activities

- Cash increase:** Notably, ¥23,685 million in proceeds from sale and redemption of investment securities, mainly due to reduction of strategic shareholdings, up from ¥16,558 million a year ago.
- Cash decrease:** Primary decreases were outflow of ¥6,045 million for acquisitions of intangible assets, down ¥186 million from a year ago; and ¥4,337 million for acquisitions of property and equipment, down ¥4,710 million from a year ago.

#### Cash flow from financing activities

- Cash increase:** Mainly net increase of ¥10,399 million from short-term debt, up ¥9,078 million from a year ago.
- Cash decrease:** Largely ¥35,450 million to repay long-term debt, up ¥28,437 million from a year ago; ¥30,005 million to acquire treasury stock, up ¥25,171 million from a year ago; and ¥11,451 million to pay dividends, up ¥2,123 million from a year ago.

# Consolidated Financial Summary 1

TIS Inc., and consolidated subsidiaries  
Years ended March 31

(Millions of yen)

	Fiscal 2013	Fiscal 2014	Fiscal 2015	Fiscal 2016	Fiscal 2017	Fiscal 2018	Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2023
<b>Performance Status</b>											
Net sales	337,834	346,647	361,025	382,689	393,398	405,648	420,769	443,717	448,383	482,547	<b>508,400</b>
Cost of sales	276,935	283,881	294,927	312,153	317,440	321,286	325,985	337,820	334,671	353,699	<b>366,668</b>
Gross profit	60,899	62,766	66,097	70,535	75,958	84,362	94,784	105,896	113,712	128,848	<b>141,732</b>
Gross profit ratio (%)	18.0%	18.1%	18.3%	18.4%	19.3%	20.8%	22.5%	23.9%	25.4%	26.7%	<b>27.9%</b>
Selling, general and administrative expenses	42,727	43,255	44,976	46,099	48,938	51,618	56,740	61,057	67,963	74,108	<b>79,403</b>
Selling, general and administrative expenses ratio (%)	12.6%	12.5%	12.5%	12.0%	12.4%	12.7%	13.5%	13.8%	15.2%	15.4%	<b>15.6%</b>
Operating income	18,171	19,510	21,121	24,436	27,019	32,743	38,043	44,839	45,748	54,739	<b>62,328</b>
Operating margin (%)	5.4%	5.6%	5.9%	6.4%	6.9%	8.1%	9.0%	10.1%	10.2%	11.3%	<b>12.3%</b>
Recurring profit	17,440	18,971	21,251	24,521	27,092	32,795	38,603	46,070	39,257	55,710	<b>63,204</b>
Recurring profit ratio (%)	5.2%	5.5%	5.9%	6.4%	6.9%	8.1%	9.2%	10.4%	8.8%	11.5%	<b>12.4%</b>
Net income attributable to owners of the parent company	5,868	7,913	10,275	12,678	16,306	20,620	26,034	29,411	27,692	39,462	<b>55,461</b>
Net income ratio (%)	1.7%	2.3%	2.8%	3.3%	4.1%	5.1%	6.2%	6.6%	6.2%	8.2%	<b>10.9%</b>
<b>Financial Position</b>											
Current assets	138,219	143,519	140,450	166,666	152,162	162,064	176,231	181,543	229,965	259,261	<b>268,682</b>
Fixed assets	164,083	170,091	205,401	169,828	185,459	204,889	194,426	201,356	221,106	217,381	<b>193,637</b>
Software assets	11,769	12,928	13,252	15,428	16,056	16,866	19,177	22,887	27,797	26,486	<b>25,648</b>
Total assets	302,302	313,610	345,851	336,495	337,622	366,954	370,657	382,899	451,072	476,642	<b>462,320</b>
Current liabilities	91,063	72,790	77,666	91,508	78,676	81,310	91,126	88,479	100,915	139,236	<b>117,179</b>
Non-current liabilities	53,079	76,316	79,395	64,447	59,743	59,344	45,121	46,462	70,726	34,412	<b>35,914</b>
Total liabilities	144,143	149,107	157,062	155,955	138,420	140,655	136,248	134,942	171,642	173,649	<b>153,094</b>
Net assets	158,159	164,502	188,789	180,539	199,202	226,298	234,408	247,957	279,429	302,993	<b>309,226</b>
Total liabilities and net assets	302,302	313,610	345,851	336,495	337,622	366,954	370,657	382,899	451,072	476,642	<b>462,320</b>
Total interest-bearing debt	60,550	58,869	52,114	46,158	35,144	32,876	26,893	22,294	43,629	37,533	<b>16,043</b>
<b>Cash Flow Status</b>											
Cash flow from operating activities	21,515	25,770	22,938	25,496	18,952	36,386	37,558	38,569	33,345	56,126	<b>33,634</b>
Cash flow from investing activities	(14,391)	(5,334)	(17,744)	8,688	(23,488)	(14,202)	(1,213)	(26,437)	(17,522)	(3,424)	<b>11,300</b>
Cash flow from financing activities	(19,883)	(5,872)	(19,067)	(14,979)	(18,327)	(10,543)	(16,773)	(14,544)	12,484	(21,948)	<b>(64,573)</b>
Cash and cash equivalents at the end of the term	28,433	43,142	29,485	48,651	25,730	37,545	57,083	54,684	82,924	113,820	<b>94,306</b>
Free cash flow	7,124	20,436	5,194	34,184	(4,536)	22,184	36,345	12,132	15,823	52,702	<b>44,935</b>
<b>Others</b>											
Capital expenditures	12,287	12,544	16,873	14,210	15,159	16,907	13,334	16,702	25,085	13,783	<b>11,230</b>
Depreciation	12,920	12,454	12,809	11,952	11,801	12,572	12,783	12,020	13,318	15,083	<b>15,700</b>
Research and development expenses	1,002	853	1,097	1,086	1,178	996	1,003	1,702	1,789	2,784	<b>3,104</b>
Amortization of goodwill	1,741	1,166	1,052	339	326	289	289	171	312	497	<b>336</b>
Goodwill balance at the end of the term	1,914	830	2,021	1,393	1,332	1,118	503	355	2,550	1,556	<b>1,370</b>

Notes: 1. Software assets indicates the total sum of software and software in progress.

2. Total interest-bearing debt indicates the total sum of borrowed money and corporate bonds.

3. Free cash flows indicate the total sum of cash flows from operating activities and cash flows from investing activities.

4. From the first quarter of fiscal 2019, TIS applies "Partial Amendments to Accounting Standard for Tax Effect Accounting" (Accounting Standards Board of Japan, Statement No. 28, February 16, 2018). Figures for fiscal 2018 have been retrospectively restated in line with the aforementioned partial amendments.



## Consolidated Financial Summary 2

TIS Inc., and consolidated subsidiaries  
Years ended March 31

(Millions of yen)

	Fiscal 2013	Fiscal 2014	Fiscal 2015	Fiscal 2016	Fiscal 2017	Fiscal 2018	Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2023
<b>Order Status (Total)</b>											
Orders received during the term							427,210	439,748	452,284	495,291	<b>523,956</b>
Order backlog at year-end						122,067	132,935	133,121	147,214	161,453	<b>180,373</b>
<b>Order Status (Software development)</b>											
Orders received during the term	179,352	172,721	199,842	207,345	208,307	219,225	238,298	246,330	237,323	271,350	<b>282,739</b>
Order backlog at year-end	62,055	58,869	71,095	69,961	64,751	67,716	75,549	79,277	83,797	94,016	<b>103,282</b>
<b>Financial Indicators</b>											
Equity ratio (%)	49.8%	49.9%	53.3%	52.5%	57.8%	60.4%	62.0%	63.3%	60.0%	61.5%	<b>64.2%</b>
Net income to equity capital ratio (ROE) (%)	3.9%	5.1%	6.0%	7.0%	8.8%	9.9%	11.5%	12.5%	10.8%	14.0%	<b>18.8%</b>
Total asset turnover ratio	1.10	1.13	1.09	1.12	1.17	1.15	1.14	1.16	1.08	1.04	<b>1.08</b>
Financial leverage	2.08	2.01	1.93	1.89	1.81	1.69	1.63	1.58	1.63	1.65	<b>1.59</b>
Recurring profit to total assets ratio (ROA) (%)	5.7%	6.2%	6.4%	7.2%	8.0%	9.3%	10.5%	12.2%	9.4%	12.0%	<b>13.5%</b>
Interest-bearing debt ratio (%)	20.0%	18.8%	15.1%	13.7%	10.4%	9.0%	7.3%	5.8%	9.7%	7.9%	<b>3.5%</b>
Payout ratio (%)	31.4%	27.7%	25.6%	22.7%	19.0%	16.6%	22.8%	25.7%	31.9%	27.9%	<b>22.0%</b>
Total return ratio (%)	31.4%	27.7%	30.4%	35.3%	31.9%	30.5%	39.0%	39.8%	42.8%	39.3%	<b>76.0%</b>
<b>Per share data</b>											
Net income per share—basic (yen)*	66.86	90.16	117.40	145.22	189.02	241.44	307.83	350.35	110.51	157.69	<b>227.11</b>
Net income per share—diluted (yen)*	66.83	90.12	—	—	—	—	—	—	—	—	<b>—</b>
Annual dividends per share (yen)*	21.00	25.00	30.00	33.00	36.00	40.00	70.00	90.00	35.00	44.00	<b>50.00</b>
Net assets per share (yen)*	1,714.88	1,782.23	2,108.19	2,031.07	2,265.76	2,602.07	2,719.79	2,890.27	1,078.60	1,173.60	<b>1,227.44</b>
<b>Stock information</b>											
Stock price at fiscal year-end (yen)	1,243	1,694	2,193	2,664	2,832	4,210	5,240	5,361	2,641	2,877	<b>3,490</b>
Highest stock price during the term	1,328	1,854	2,257	3,085	2,959	4,410	6,040	7,320	2,670	3,630	<b>4,320</b>
Lowest stock price during the term	798	1,020	1,524	2,156	2,180	2,742	4,060	4,045	1,723	2,466	<b>2,693</b>
Price earning ratio (PER) (times)	18.6	18.8	18.7	18.3	15.0	17.4	17.0	15.3	23.9	18.2	<b>15.4</b>
Price book-value ratio (PBR) (times)	0.72	0.95	1.04	1.31	1.25	1.62	1.93	1.85	2.45	2.45	<b>2.84</b>
Aggregate market value (millions of yen)	109,121	148,714	192,521	233,870	248,618	369,592	460,014	470,637	695,553	722,589	<b>853,114</b>
Number of outstanding shares at fiscal year-end (thousands)	87,789	87,789	87,789	87,789	87,789	87,789	87,789	87,789	263,367	251,160	<b>244,445</b>
Number of treasury stock at fiscal year-end (thousands)	19	4	320	864	1,701	2,613	3,358	3,952	12,595	1,394	<b>2,446</b>
Average number of shares during the term (thousands)	87,771	87,774	87,522	87,305	86,268	85,406	84,574	83,948	250,574	250,246	<b>244,212</b>
<b>Sales by Client Sector</b>											
<b>Net sales</b>	337,834	346,647	361,025	382,689	393,398	405,648	420,769	443,717	448,383	482,547	<b>508,400</b>
Credit card	48,846	49,402	53,743	59,274	65,006	73,314	73,648	75,118	79,265	90,314	<b>97,494</b>
Banking	26,230	29,049	25,444	27,867	28,233	27,452	26,583	30,100	30,648	36,394	<b>39,313</b>
Insurance	23,836	25,269	24,972	26,339	25,356	26,262	27,279	29,274	30,140	31,520	<b>31,258</b>
Other finance	21,337	23,481	23,312	20,406	20,857	22,127	19,502	24,289	17,863	16,000	<b>15,075</b>
Assembly-based manufacturing	38,824	40,904	45,785	49,455	42,723	43,777	46,028	45,739	45,103	44,345	<b>45,002</b>
Processing-based manufacturing	38,468	33,843	34,960	35,061	36,953	38,366	38,081	38,998	42,424	53,368	<b>51,706</b>
Distribution	27,398	30,009	31,775	32,702	31,773	28,872	32,908	33,976	31,679	32,904	<b>33,951</b>
Services	73,425	72,666	77,535	79,601	89,607	93,258	103,531	112,722	118,517	132,094	<b>142,276</b>
Public institutions	28,225	30,393	29,891	36,603	37,002	35,923	34,863	36,286	33,649	32,075	<b>37,447</b>
Others	11,241	11,626	13,604	15,376	15,882	16,292	18,343	17,209	19,090	13,527	<b>14,874</b>

\*The Company executed a stock split, with each share of common stock split into three shares, effective April 1, 2020.

# Non-Financial Summary

TIS Inc., and consolidated subsidiaries  
Compilation period: April 1 to March 31 of each year or the base date

	Scope of data collection	Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2023
<b>Employee-related data</b> (Note 1)						
* Averages are calculated as simple combined averages or weighted averages.						
Number of employees	A	19,483	19,744	21,817	21,709	<b>21,946</b>
Number of employees	E	15,948	16,109	17,497	17,265	<b>16,998</b>
Number of male employees	E	11,529	11,560	12,342	12,142	<b>12,018</b>
Number of female employees	E	4,419	4,549	5,155	5,123	<b>4,980</b>
Percentage of female employees	E	27.7%	28.2%	29.5%	29.7%	<b>29.3%</b>
Number of non-Japanese employees	E	155	155	1,161	1,379	<b>1,430</b>
Average age	F	38.9	39.1	39.2	40.0	<b>40.1</b>
Average age of male employees	F	40.0	40.3	40.5	41.3	<b>41.4</b>
Average age of female employees	F	35.9	36.0	36.1	37.0	<b>36.8</b>
Average length of service (years)	F	12.9	12.8	13.3	14.2	<b>14.3</b>
Average length of service of male employees (years)	F	13.7	14.0	14.2	15.0	<b>15.2</b>
Average length of service of female employees (years)	F	10.8	11.0	11.2	12.2	<b>12.1</b>
Number of employees in management positions	F	3,443	3,609	3,782	3,836	<b>3,887</b>
Number of male employees in management positions	F	3,147	3,278	3,410	3,440	<b>3,465</b>
Number of female employees in management positions	F	296	331	372	396	<b>422</b>
Percentage of female employees in management positions	F	8.6%	9.2%	9.8%	10.3%	<b>10.9%</b>
Number of employees in management positions	B				4,454	<b>4,570</b>
Number of male employees in management positions	B				3,997	<b>4,067</b>
Number of female employees in management positions	B				457	<b>503</b>
Percentage of female employees in management positions	B				10.3%	<b>11.0%</b>
Percentage of employees with a disability (Note 2)	G	2.14%	2.28%	2.35%	2.40%	<b>2.30%</b>
Number of new graduate recruits	F	700	663	720	679	<b>679</b>
Percentage of new female graduate recruits	F	34.4%	32.4%	36.5%	39.0%	<b>35.2%</b>
Number of mid career hires	F	339	386	271	233	<b>236</b>
Percentage of female mid career hires	F	35.1%	29.0%	31.0%	30.5%	<b>26.7%</b>
Turnover rate	F	4.8%	5.0%	3.3%	3.7%	<b>3.9%</b>
Results of employee awareness surveys (Note 3)	F		38%	46%	51%	<b>52%</b>
Absenteeism (Note 4)	F				1.0%	<b>1.0%</b>
Average total working hours per month	F	166.4	162.6	162.9	164.0	<b>164.7</b>
Percentage of annual paid leave taken	F	73.0%	75.7%	66.3%	64.4%	<b>69.0%</b>
Percentage of male employees taking long term childcare leave	B					<b>43.4%</b>
Percentage of male employees taking short or long term childcare leave	B					<b>75.9%</b>
Spending on learning and research (millions of yen)	F	1,805	1,915	1,534	1,863	<b>2,059</b>
Number of days spent on learning and research per person per annum	F	8.1	10.8	11.2	13.3	<b>14.2</b>

## Scope of data collection

- A. TIS INTEC Group consolidated
- B. TIS and consolidate subsidiaries in Japan
- C. TIS, 23 consolidated subsidiaries in Japan, and 9 consolidate subsidiaries in overseas
- D. TIS, 12 consolidated subsidiaries in Japan, and 9 consolidate subsidiaries in overseas
- E. TIS, INTEC, AGREX, QUALICA, AJS, TIS Solution Link, TIS System Service, and MFEC (from fiscal 2021)
- F. TIS, INTEC, AGREX, QUALICA, AJS, TIS Solution Link, and TIS System Service
- G. TIS, TIS Solution Link, TIS System Service, TIS Business Service, and SorunPure
- H. TIS parent

	Scope of data collection	Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2023
<b>Environmental data</b>						
Scope 1 emissions (t-CO <sub>2</sub> )	D	885	745	760	513	<b>481</b>
Scope 2 emissions (t-CO <sub>2</sub> )	D	71,096	64,488	65,867	64,157	<b>53,076</b>
Scope 3 emissions (t-CO <sub>2</sub> )	C		428,977	441,687	418,761	<b>465,226</b>
Category 1 (purchased goods and services)	C		339,133	323,087	333,379	<b>386,392</b>
Category 2 (capital goods)	C		59,103	90,068	57,694	<b>48,317</b>
Category 3 (fuel-and energy-related activities)	C		10,165	10,106	10,269	<b>9,026</b>
Category 4 (upstream transport and delivery)	C		8,488	7,433	8,215	<b>11,392</b>
Category 5 (waste generated in operations)	C		1,162	361	703	<b>580</b>
Category 6 (business travel)	C		2,465	2,549	2,449	<b>2,752</b>
Category 7 (employee commuting)	C		8,461	8,083	6,052	<b>6,766</b>
Energy consumption (Electricity MWh)	D	149,523	143,383	141,620	139,560	<b>143,909</b>
Energy consumption (Heavy oil kL)	D	32	25	21	25	<b>27</b>
Energy consumption (Light oil kL)	D	10	0	0	0	<b>0</b>
Energy consumption (City gas, km <sup>3</sup> )	D	343	302	313	199	<b>188</b>
Energy consumption (LPG km <sup>3</sup> )	D				0	<b>0</b>
Energy consumption (kerosene KL)	D			1	0	<b>0</b>
Energy consumption (steam GJ)	D			1,301	19,116	<b>19,807</b>
Industrial waste (ton)	F		1,035	290	472	<b>188</b>
<b>Other non-financial data</b>						
Social contribution expenses (millions of yen)	A					<b>89</b>
Political contributions (10 thousands of yen)	B	0	0	0	27	<b>32</b>
Number of serious information security incidents	B				0	<b>0</b>
Number of employees receiving regular training on information security	B				18,542	<b>25,369</b>
Number of reports of leaks, etc. to supervisory authorities of the Personal Information Protection Law	B				0	<b>4</b>
Number of requests for disclosure of information related to personal information	B				1	<b>3</b>
Number of helpline calls: Calls received	H		7	8	13	<b>4</b>
Number of helpline calls: Cases investigated	H		7	8	12	<b>4</b>
Number of helpline calls: Case involving corrective action	H		4	4	8	<b>3</b>
Development loss rate	A	0.9%	0.6%	0.8%	0.7%	<b>0.1%</b>
Results of customer satisfaction surveys	H	68.2%	72.7%	69.0%	71.7%	<b>69.6%</b>
Number of directors (Note 5)	H	9	9	9	9	<b>9</b>
Number of female directors (Note 5)	H	1	1	1	1	<b>1</b>
Percentage of female directors (Note 5)	H	11.1%	11.1%	11.1%	11.1%	<b>11.1%</b>
Number of external directors (Note 5)	H	3	3	3	3	<b>3</b>
Percentage of external directors (Note 5)	H	33.3%	33.3%	33.3%	33.3%	<b>33.3%</b>

- Notes: 1. Figures for fiscal 2019, fiscal 2020, fiscal 2021, fiscal 2022 and fiscal 2023 are based respectively on April 1, 2019; April 1, 2020; April 1, 2021; March 31, 2022; and March 31, 2023.
2. Figures for fiscal 2019, fiscal 2020, fiscal 2021, fiscal 2022 and fiscal 2023 are based respectively on June 1, 2018; June 1, 2019; June 1, 2020; June 1, 2021, and June 1, 2022.
3. Percentage of employees who responded positively to the question, "Overall, the company is a good place to work".
4. Percentage of employees absent from work for more than 30 consecutive days due to injury or illness (at fiscal year-end).
5. Figures for fiscal 2019, fiscal 2020, fiscal 2021, fiscal 2022 and fiscal 2023 are based respectively on June 30, 2018; June 30, 2019; June 30, 2020; June 30, 2021, and June 30, 2022.

The above non-financial data is an excerpt from "ESG Data Book".  
Other non-financial data and scope of collection, details refer to "6. Nonfinancial data" of the "ESG Data Book".  
[https://www.tis.com/group/sustainability/esg\\_databook/index.html](https://www.tis.com/group/sustainability/esg_databook/index.html)

■ Corporate Profile

(As of March 31, 2023)

Company name	TIS Inc.
Founded	April 28, 1971
Established	April 1, 2008
Main business	Outsourcing services, software development, and solution services regarding investments in information technology. Management and business execution of group companies that carry on information and communication business
Head office	Sumitomo Fudosan Shinjuku Grand Tower, 17-1, Nishi-Shinjuku 8-chome, Shinjuku-ku, Tokyo, 160-0023, Japan Tel. +81-3-5337-7070 Fax +81-3-5337-7555
Paid-in capital	¥10 billion
Number of shares authorized	840,000,000 shares
Number of shares issued	244,445,411 shares
Number of shareholders	14,312
Stock listing	Tokyo Stock Exchange, Prime Market (Securities code: 3626)
Number of employees (consolidated)	21,946 (full-time employees)

■ TIS INTEC Group

(As of March 31, 2023)

TIS Inc., and 50 consolidated subsidiaries (domestic 24, overseas 26)

Main consolidated subsidiaries

TIS and main group companies	Shareholding ratio	Description of Business	Fiscal 2023, ended March 31, 2023 (Millions of yen, non-consolidated basis)	
			Net sales	Operating income (operating margin)
TIS Inc. (operating holding company)	—	Focuses on credit card companies but pursues business opportunities in a wide range of sectors, including services and manufacturing. Promote to expand payment business. Merged with pure holding company IT Holdings Corporation in July 2016 and became operating holding company. (Incorporated April 1971)	238,140	29,450 (12.4%)
INTEC Inc.	TIS 100%	Focuses on megabanks and life insurers, and assists with CRM for regional banks and offers a wide selection of services to regional public corporations, particularly in the Hokuriku region. (Established January 1964)	113,208	13,665 (12.1%)
AGREX INC.	TIS 100%	Leading company in BPO sector, with emphasis on insurance industry needs. Turned into a wholly owned subsidiary in March 2015, becoming core company for BPO business within the Group. (Established September 1965)	38,077	4,215 (11.1%)
QUALICA Inc.	TIS 80% Komatsu 20%	Formerly, information systems subsidiary of Komatsu. Focuses on assembly-based manufacturers, mainly those under the Komatsu Group umbrella, while expanding business with companies in the distribution and restaurant sectors. (Established November 1982)	22,623	2,542 (11.2%)
AJS Inc.	TIS 51% Asahi Kasei 49%	Formerly, information systems subsidiary of Asahi Kasei. Focuses on companies under the Asahi Kasei Group umbrella. (Established March 1987)	16,766	2,681 (16.0%)
MFEC Public Company Limited	TIS 49% (based on control criteria)	Thai-listed, leading provider of enterprise IT solutions, which has strength in banking, communication, and governments. 10 subsidiaries under the company. (Established March 1997)	20,849*	1,062* (5.1%)

Domestic subsidiaries

IUK Inc.	TIS Solution Link Inc.	Registration Network, Ltd.
INTEC Solution Power Inc.	TIS Chiyoda Systems Inc.	Nexway Co., Ltd.
ULTRA Inc.	TIS Tohoku Inc.	HOKKOKU INTEC SERVICE Inc.
KOUSHI INTEC Inc.	TIS Nagano Inc.	MicroMates Corp.
SKY INTEC INC.	TIS West Japan Inc.	Miotsukushi Analytics Inc.
SorunPure Inc.	TIS Total Service Inc.	
TIS System Service Inc.	TIS Hokkaido Inc.	

\* MFEC Group, consolidated basis (fiscal year ended December 31, 2022). Numerical values based on accounting standards in home country of Thailand using rate prevailing at end of fiscal year.

Overseas Subsidiaries

- China  
QUALICA (SHANGHAI) Inc.  
TISI (Shanghai) Co., Ltd.
- Thailand  
I AM Consulting Co., Ltd.  
(Six subsidiaries under the company)  
PromptNow Co., Ltd.  
TISI (Thailand) Co., Ltd.  
QUALICA (Thailand) Co., Ltd.
- Vietnam  
AGREX DNP Vietnam Co., Ltd.
- United States  
TIS Ventures, Inc.

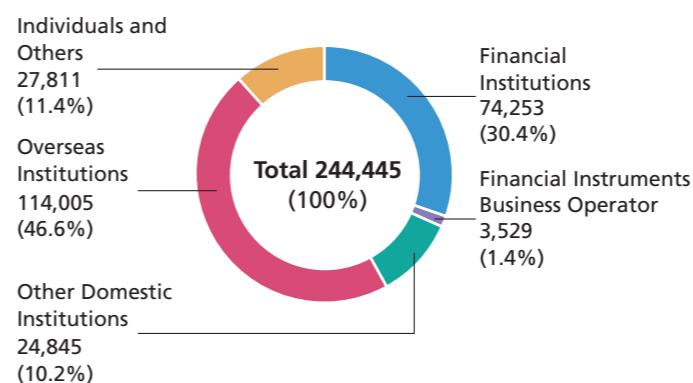
74 Equity Method Affiliates (domestic Five, overseas 69)

Main equity method affiliates

- China  
Shanghai CardInfoLink Data Service Co., Ltd. (CardInfoLink)  
(Voting rights ownership ratio 18.1%, 13 subsidiaries under the company)
- Indonesia  
PT Anabatic Technologies Tbk  
(Voting rights ownership ratio 37.3%, acquired convertible bonds with stock acquisition rights, 46 subsidiaries under the company)

■ Share Composition by Shareholder

(As of March 31, 2023; Thousands of Shares)

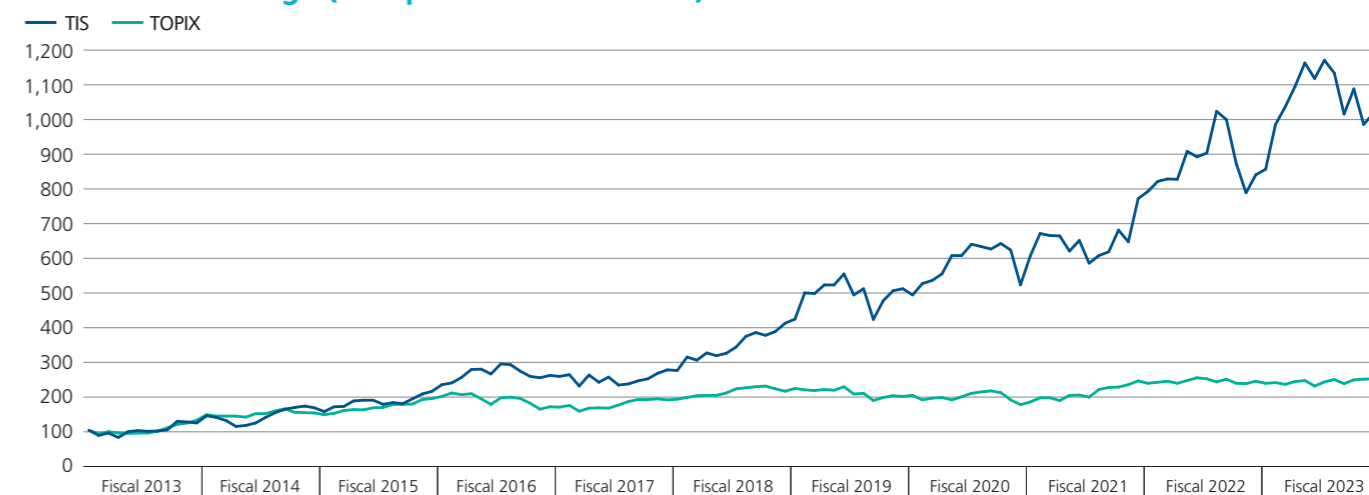


■ Rating

(At November 11, 2022)

Japan Credit Rating Agency, Ltd.	Long-term	A+/Stable
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■ Stock Price Range (Comparison with TOPIX)



Notes: 1. The TIS stock price and TOPIX (Tokyo Stock Exchange Price Index) are indexed at 100 based on the closing price of stock on April 30, 2012.  
2. The Company executed a stock split, with each share of common stock split into three shares, effective April 1, 2020. Figures before fiscal 2020 are presented assuming this stock split was conducted.



## Evaluations from External Parties

### Inclusion in SRI Indexes

TIS stock is included in socially responsible investment (SRI) indexes and SRI funds. The main evaluations are as follows.

FTSE4Good Index Series/FTSE Blossom Japan Index/  
FTSE Blossom Japan Sector Relative Index

S&P/JPX Carbon Efficient Index



MSCI Japan ESG Select Leaders

MSCI Japan Empowering Women Index (WIN)

SOMPO Sustainability Index



\*The inclusion of TIS Inc. in any MSCI INDEX, and the use of MSCI logos, trademarks, service marks or index names herein, do not constitute a sponsorship, endorsement or promotion of TIS Inc. by MSCI or any of its affiliates. The MSCI Indexes are the exclusive property of MSCI. MSCI and the MSCI index names and logos are trademarks or service marks of MSCI or its affiliates.

TIS' activities have also garnered notice, substantiated by validation under various environment, society and governance (ESG) evaluation programs at home and abroad.

CDP Climate change A -

DX Certification

Certified Health & Productivity Management Outstanding Organizations

Eruboshi (L-Star)



Platinum Kurumin Plus

Semi-Nadeshiko Brand

Diversity Management Selection 100

Tomonin



Nikkei Smart Work /Nikkei SDGs

Grand Prize in Good Career Company Award 2020

DC Excellent Company



Telework Pioneer

Psychological Safety AWARD 2023

PRIDE Index



### IR-Related Activities

TIS' robust IR activities have earned high marks, and this status is further complemented by TIS' inclusion in the following indexes.

Second Nikkei Integrated Report Award  
Second Place

Constituent stock in 28th annual selection (2022) of companies that consistently maintain high standard of disclosure



2022 Internet IR Commendation Award (Daiwa Investor Relations Co., Ltd.)  
Awarded for ten consecutive years since 2013.



Fiscal 2022 Homepage Quality Ranking Survey of All Listed Companies (Nikko Investor Relations Co., Ltd.)  
Received highest award as excellent website in comprehensive ranking for eight consecutive years since fiscal 2015.



Gomez IR Site Comprehensive Ranking 2022 (BroadBand Security, Inc.)  
Awarded for eight consecutive years since 2015 as an excellent company.

### Brand Profile

Brand activities launched in the second half of fiscal 2020 emphasized approaches to boost brand recognition through television commercials and other media formats. Our efforts have generated positive results. Going forward, we will strive to become a company—and by extension, a corporate group—that all stakeholders look to first, and we will implement strategies to boost our brand profile.

Knowledge of TV commercial (Among business people)  
TIS survey on February 2023  
**82%**

Group recognition (Among business people)  
TIS survey on February 2023  
**67%**  
(Up 48 percentage points after television commercial)

IT industry new graduate job seekers  
**2024 Company ranking by popularity**  
Overall: **No. 6**  
Independent: **No. 1**



### Endorsed Initiatives

TIS INTEC Group collaborates with initiatives to promote sustainability issues.

CDP Climate change

Science Based Targets initiative (SBTi)

TCFD (Task Force on Climate-related Financial Disclosures)



JCI (Japan Climate Initiative)

UNGC (United Nations Global Compact)

Keidanren (Japan Business Federation) "Charter of Corporate Behavior"



As a member company of Nippon Keidanren, TIS respects and practices the spirit of the Charter of Corporate Behavior to realize a sustainable society.