



TIS INTEC Group Business Briefing (Sustainability Management)

December 1, 2021

TIS Inc.

TIS INTEC Group Sustainability Management

Efforts in social issue solution services

Theme 1: Financial inclusion

Theme 2: Health concerns

Theme 3: Urban concentration/rural decline

Theme 4: Low-carbon/decarbonized society

- All statements described in these materials are based on information available to management regarding the TIS INTEC Group—that is, TIS and the subsidiaries under its umbrella—as of the presentation date and certain assumptions deemed reasonable at this time. No intent is implied of promise by the Company to achieve such forward-looking statements. Indeed, various factors may cause future results to be substantially different from the assumptions presented in these materials.



1. TIS INTEC Group Sustainability Management

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

After joining Toyo Information Systems, Co., Ltd. (now, TIS Inc.), Ms. Oka gained experience as system engineer and project manager in industry-based business division. In 2016, she assumed position as Department Manager of development department in distribution services-based business division. In April 2019, transferred to Corporate Planning SBU and, as Deputy Department Manager of Corporate Planning Department, primarily responsible for drafting medium-term management plans. Then in October 2019, concurrently carried out the duties of Section Manager of the Corporate Sustainability Promotion Office. In April 2021, appointed to position of Executive Officer, Deputy Division Manager of the Corporate Planning SBU and Department Manager of Corporate Planning Department. Concurrently, Section Manager of Executives' Secretaries Office.



2. Efforts in social issue solution services Theme 1: Financial inclusion

Isao Otokita, TIS Inc.
Executive Officer, General Manager of Digital Transformation Sales & Planning Unit, Digital Transformation Business Unit



3. Efforts in social issue solution services Theme 2: Health concerns

Hiroto Ito, TIS Inc.
Executive Officer, General Manager of Healthcare Services Unit, Digital Transformation Business Unit



4. Efforts in social issue solution services Theme 3: Urban concentration/rural decline

Shoichiro Taniguchi, INTEC Inc.
Managing Executive Officer, Division Director of Regional Government Systems Division



5. Efforts in social issue solution services Theme 4: Low-carbon/decarbonized society

Kenichiro Taniguchi, TIS Inc.
Senior Expert of Energy & Infrastructure Division, Industries & Public Solutions SBU

TIS INTEC Group Sustainability Management

Efforts in social issue solution services

Theme 1: Financial inclusion

Theme 2: Health concerns

Theme 3: Urban concentration/rural decline

Theme 4: Low-carbon/decarbonized society



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

OUR PHILOSOPHY (TIS INTEC Group Philosophy)

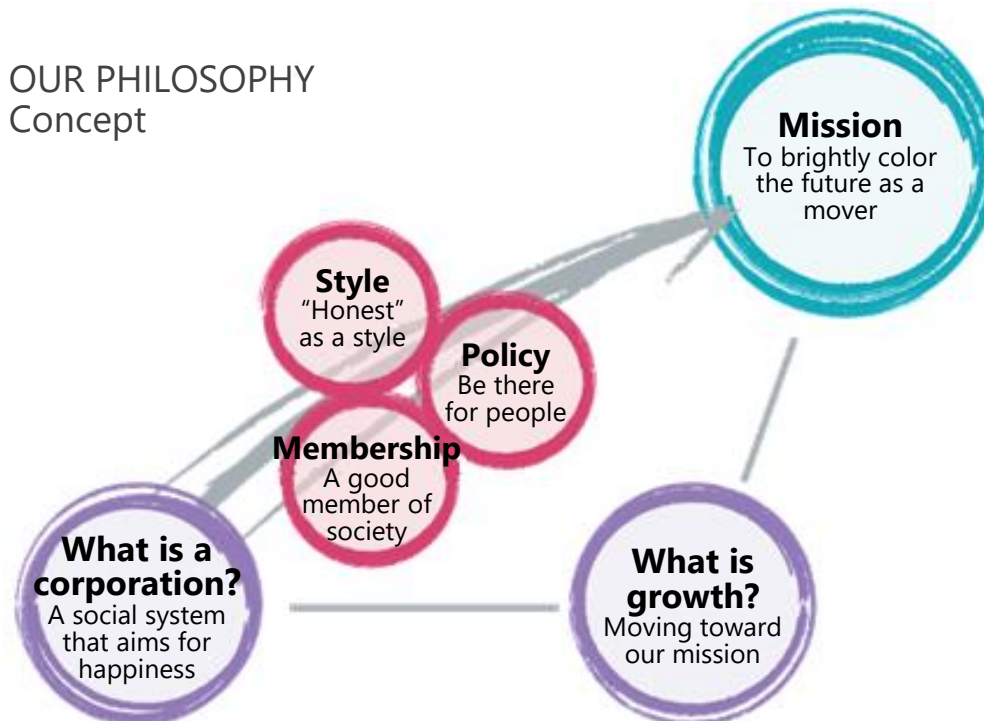


OUR PHILOSOPHY represents a sense of value shared throughout the TIS INTEC Group. OUR PHILOSOPHY broadly clarifies Group management, corporate activities and vital concepts and ideals for members of the Group, including directors and employees. The TIS INTEC Group's entire business revolves around OUR PHILOSOPHY. The Group pursues this mission as a social role to fill the future — still essentially a blank canvas — with vibrant colors as a mover using digital technology.

Mission (TIS INTEC Group's social role)

**To fill the future - still essentially a blank canvas -
with vibrant colors as a mover using digital technology**

OUR PHILOSOPHY
Concept



- Guided by OUR PHILOSOPHY, we are working to improve value exchange with stakeholders by providing solutions to address social issues through business activities and enhancing management practices geared to social demands.
⇒ We aim to balance contribution to a sustainable society with sustainable improvement in corporate value.



TIS INTEC Group Philosophy: OUR PHILOSOPHY

Mission: To brightly color the future as a mover

Basic Policy on Corporate Sustainability

Materiality (Priority issues)

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



3. Create a safe society through high-quality services



2. Create a comfortable society through innovation and joint activities



4. Enhance corporate governance and earn the trust of society



Address social issues through business activities

Social issues where TIS INTEC Group can contribute

- Financial inclusion
- Urban concentration/rural decline
- Low-carbon/ decarbonized society
- Health concerns

A

Improve value exchange with stakeholders

Enhanced management geared to social demands

- Contribute to recycling society
- Achieve sustainable improvement in stakeholder engagement
- Constantly pursue governance that elicits higher level of trust from society

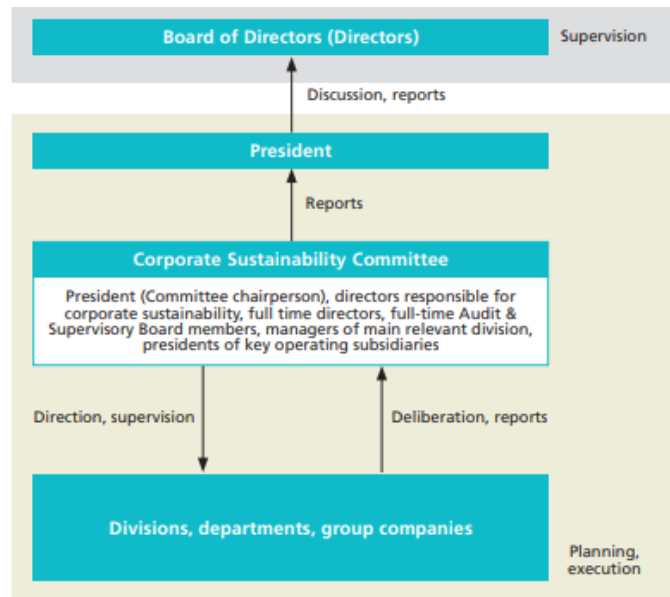
B

Contribute to sustainable society

Sustainable improvement in corporate value

Sustainability Promotion Activities Structure and Changes

• Through OUR PHILOSOPHY, we tackle issues straight on at the management level and take a strong stand on sustainability promotion activities. The groundwork is complete, and going forward, we will strive to enhance our programs even further.



Corporate Sustainability Committee

The Committee is in charge of the entire TIS INTEC Group’s corporate sustainability activity promotion. Dedicated structure regarding sustainability (Corporate Sustainability Promotion Office) was established as committee secretariat for smooth operation.

[Responsibilities]

- Tis INTEC Group’s corporate sustainability planning and execution.
- Materiality promotion (human resource management, stakeholder engagement, environment preservation, human rights, quality control, corporate governance, etc.)
- Holding committee meeting: more than two times/year

As we work to extend activities from the Corporate Sustainability Committee to Group companies, we have implemented a liaison structure for Group corporate sustainability officers to convene as needed, with participation by individuals responsible for sustainability at key Group companies, and strive to raise the effectiveness of sustainability measures.

2018–2020: Laying solid foundations

Building a platform

- Studying the value creation process
- Setting materiality
- Organizing policies & regulations

2021–2023: Growth

Expansion to the Group value chain

- Fostering the means to resolve social issues
- Strengthening co-creation with Group companies
- Strengthening co-creation with the supply chain

2024– : Further development

Establishing a presence as a sustainability leader

- Creating businesses that balance economic and social value

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

- a. Promote diversity
- b. Promote workstyle reforms
- c. Human resource development and training emphasizing self-fulfillment

3. Create a safe society through high-quality services

- g. Continuous quality improvement
- h. Information security
- i. Safeguard personal information

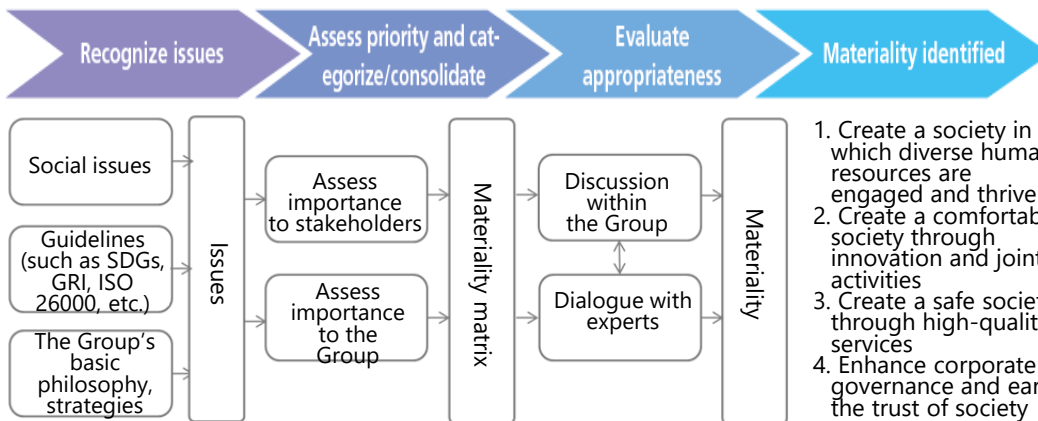
2. Create a comfortable society through innovation and joint activities

- d. Promote safe, convenient social foundation that supports people and society
- e. Connect with stakeholders and promote joint activities
- f. Reduce environmental impact

4. Enhance corporate governance and earn the trust of society

- j. Corporate governance
- k. Compliance
- l. Risk management

<Identifying Materiality>



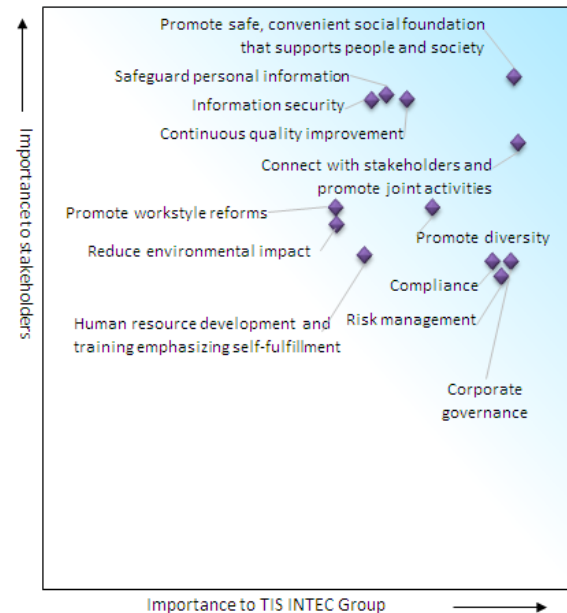
We recognized issues by looking at the kind of initiatives we should apply to various guidelines and social issues, given the Group's basic philosophy and strategies.

We assessed importance from a stakeholder perspective, that is, expectations of and impact on, as well as from a Group perspective, notably, the effect on the Group itself and its growth prospects.

We verified the appropriateness of issues recognized and importance assessed through stakeholder dialogue.

We determined materiality through discussions and decisions by the Corporate Sustainability Committee and the Board of Directors.

<Importance of Materiality Assessment>



A) Solutions to Social Issues Through Business Activities

Seek to offer solutions to social issues through business

- Push ahead on structural transformation while providing IT services for customers across wide range of industries.
- As part of push to concentrate business activities in strategic domains, we will leverage service-style business using inherent strengths as a growth engine.

This presentation focuses on IOS that provide solutions to social issues (=social issue solution service)

Solution to Social Issues Through IOS/BFS/FCB Business Models

Group Vision 2026 "Create Exciting Future"

Utilize advanced technologies and know-how to realize business innovation and market creation

Solving social issues directly through Group businesses

IOS/BFS/FCB

Solving social issues through clients' businesses

SPB

Contribute through system integration to solve social issues clients seek to address (SPB)

Promoting cashless settlement in Japan
Branded debit card-related
Service provision/system development results

Domestic market share
About **80%**

Supporting safe and secure, daily credit card settlement
Credit cards
Core system development results

Domestic market share
About **50%**

Aiding new entrants to the deregulated power market
EneLink
Usage

Share of switchers in Japan
About **40%**

Contributing to stable insurance system platform creation
For Federation of National Health Insurance Associations
Track record in system implementation/operation/maintenance

12 of **47** prefectures

Strategic domain: Four business areas that will form core operations of the Group by 2026 as outlined in Group Vision 2026 (Details are on page 55)

A) Solutions to Social Issues Through Business Activities

Identify social issues where TIS INTEC Group can contribute to solutions

- Sustainability Project Team identified four social issues from more than 160 social issues and business themes that the Group will ultimately focus efforts.
 - ⇒ Defined **social issue solution services** under Medium-Term Management Plan (2021–2023). Will apply to KPI as well.

Process to identify social issues where Group can contribute → Solutions to social issues through business activities →

(Examples of social issues pinpointed by Sustainability Project Team)

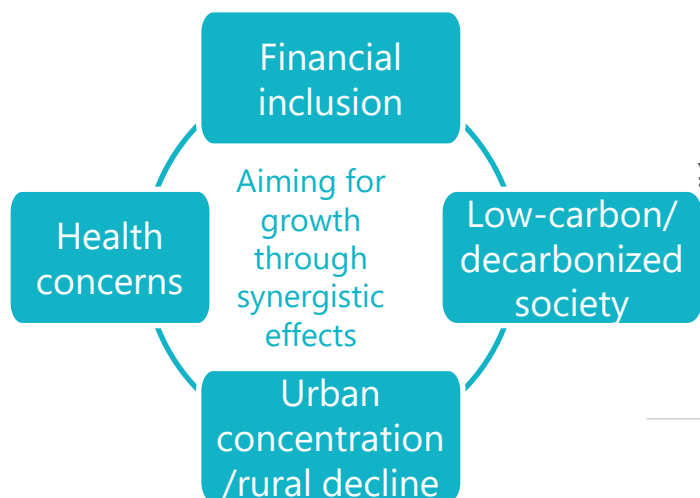


Financial inclusion	Businesses that support next-generation cashless society, especially payment services, which is a strength of TIS INTEC Group.
Health issues	Healthcare platform business to promote longer life in good health through use of various health information
Urban concentration/rural decline	Businesses that support and promote the shift toward digital transformation of local life infrastructure, designed to energize sustainable local communities and make the daily routine more convenient
Low-carbon/decarbonized society	Businesses that support and promote shift to digital transformation in energy supply chain, designed to contribute to carbon neutral status

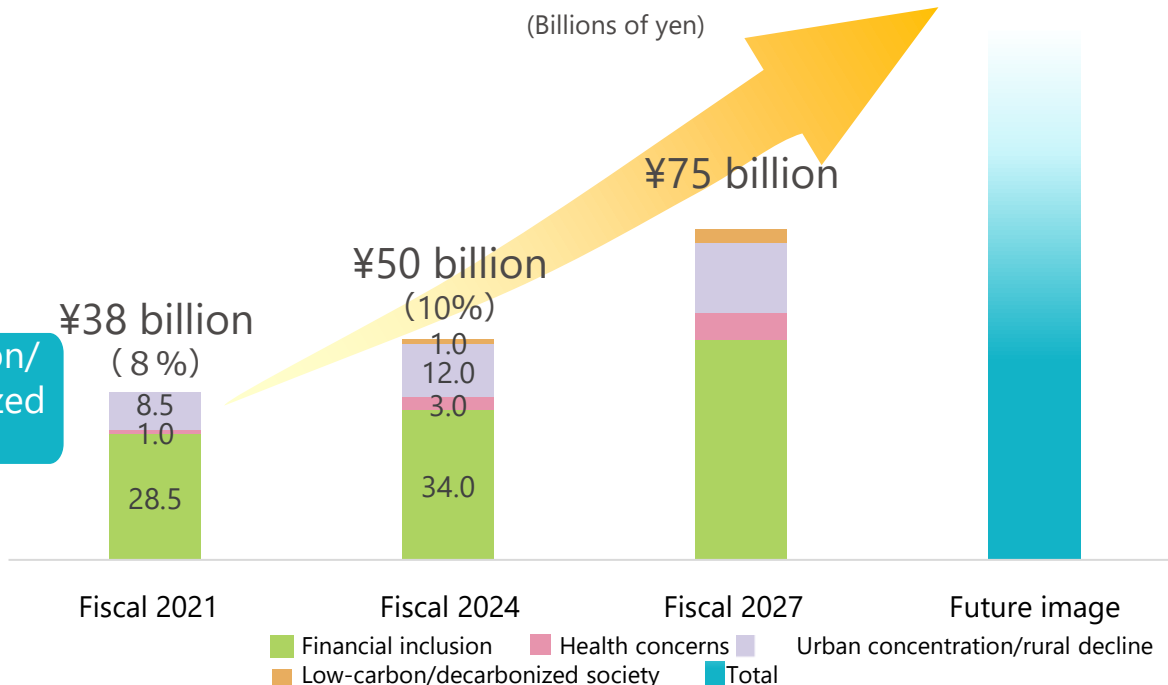
A) Solutions to Social Issues Through Business Activities

Financial Targets of social issue solution service

Main services		Net Sales (Fiscal 2021 → Fiscal 2024)
Payment	<ul style="list-style-type: none"> • Launch CreditSaaS and turn into highly profitable service as quickly as possible • Expand scope of business in frontline areas and new domain services 	¥28.5 billion → ¥34 billion
Social issue solution services *1	<ul style="list-style-type: none"> • Promote medium- to long-term growth strategies for social issue solution services. <p>*1 Social issue solution services that directly address financial inclusion, health issues, low-carbon/de-carbonization and urban concentration/rural decline</p>	¥38.0 billion → ¥50 billion



<Anticipate Growth in Net Sales>



B) Enhanced Management Geared to Demands of Society

Efforts to address ESG issues

- Constantly engaging in approaches to address ESG issues, which underpin efforts to create value. Dealing with issues of climate change and human rights while seeking to enhance governance on a groupwide basis to push reliability even higher.

Environment

Contribute to decarbonized society and recycling society

- Set fiscal 2031 target for greenhouse gas emissions
Group target: 27.5% lower than level recorded in fiscal 2020
Obtain third-party verification for both Scope 1 and 2
- Obtain SBT certificate (June 2021)
- Working on response to support TCFD, with some information disclosure achieved already

- Analyze risks and opportunities related to climate change in line with TCFD framework and promote greater disclosure
- Reduce greenhouse gas emissions and obtain third-party verification for Scope 3
- Pinpoint level of water consumption and waste, and work to reduce amounts

Social

Sustainable improvement in stakeholder engagement

- Established TIS INTEC Group Human Rights Policy (May 2021)
- Introduced human rights due diligence in compliance with UN Guiding Principles on Business and Human Rights (June 2021)
- Expand scope of health management to include business partners
Submitted Declaration of Partnership Building through government's portal site

- Put more effort into promoting disclosure of latent human rights risks we identify through human rights due diligence as well as other identified human rights issues.
- Promote health support measures for business partners

Governance

Constantly pursue level of governance that elicits greater trust from society

- Consider TIS direction on review of market classification → Chose Prime Market
- Promote standardized response to risk of violating laws by formulating global rules common groupwide regarding protection of personal information

- Enhance management and governance practices in line with amended Corporate Governance Code and disclose information
Disclose information on efforts to maintain diversity in core human resources and policies and concepts related to sustainability, intellectual assets and other governance factors
- Begin drafting global tax policy and internal rules

Reference: Status of Initiatives to Address Climate Change and Human Rights Issues

Initiatives to address climate change

■ Environmental targets for climate change in the medium and long term

With the aim of becoming carbon neutral in 2050, the Group aims to reduce GHG emissions in fiscal 2031 by 27.5% compared to fiscal 2020, based on the reduction target (WB2C scenario) in line with the 2°C target of the Paris Agreement. This reduction target satisfies the SBT (Science Based Target) requirement and has been certified as such.



Group GHG emission reduction target for fiscal 2031

Scope 1+2 : 27.5% reduction versus fiscal 2020
 Scope 3 : 27.5% reduction versus fiscal 2020

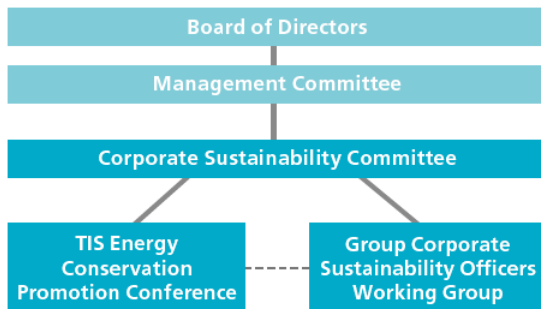
■ Information disclosure in line with TCFD recommendations

On June 4, 2021, the Group endorsed the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD).



■ Governance

The Group regularly deliberates on policies and responses to environmental risks and opportunities, including climate change, under the structure described on the right.



Initiatives to Address Human Rights Issues

■ Announced TIS INTEC Group Human Rights Policy

The TIS INTEC Group will pinpoint negative aspects of change that affect society and work to remedy the situation.

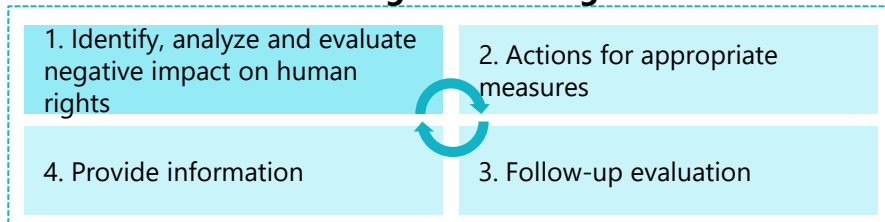
In May 2020, TIS drafted the TIS INTEC Group Human Rights Policy, in line with the UN's Guiding Principles on Business and Human Rights, and announced this policy publicly.

(https://www.tis.com/group/sustainability/social/human_rights/)

■ Introduce human rights due diligence

The TIS INTEC Group evaluated human rights risk, in line with established human rights policy, to identify risks at an early stage through human rights due diligence. (Figure 1)

Human Rights Due Diligence



Going forward, progress on initiatives to address human rights issues will be updated in our integrated report and on the corporate website. In addition, we will contribute to the happiness of people and support a sustainable society of the future through broad dialogue with stakeholders.

- With an accurate understanding of the demands of society and issues requiring solutions, we will promote solutions to social issues through business activities and strive to contribute to a sustainable society while achieving continuous improvement in corporate value.



TIS INTEC Group Philosophy: OUR PHILOSOPHY

Mission: To brightly color the future as a mover



Contribute to sustainable society

Sustainable improvement in corporate value

Requirements from various stakeholder groups, from markets to initiatives and investors, to build society of the future

WE SUPPORT

Including
 Guiding Principles on Business and Human Rights
 Principles for Responsible Investment
 Stewardship Code
 Corporate Governance Code



Services that will address solutions to four social issues are described on the following pages and focus on

- 1) the kind of services provided and underlying guiding vision
- 2) the kind of society that these services will bring about
- 3) specific ideas on potential business and representative examples

TIS INTEC Group Sustainability Management

Efforts in social issue solution services

Theme 1: Financial inclusion

Theme 2: Health concerns

Theme 3: Urban concentration/rural decline

Theme 4: Low-carbon/decarbonized society



Convenient and smart cashless payments that eliminate the hassle of paying with coins and bills. We will realize smooth, safe and secure payment environments using leading-edge technologies, including facial recognition.

Isao Otokita, TIS Inc.
Executive Officer, General Manager of Digital
Transformation Sales & Planning Unit,
Digital Transformation Business Unit

Efforts in social issue solution services—Theme 1: Financial inclusion

Direction of Efforts Related to Service-Style Payment Business

Excerpt from handout on Business Information Meeting (Payment Services) in December 2019



Utilizing accumulated strengths, we will leverage service-style businesses as an industry frontrunner.
 ⇒ We are moving steadily forward, along our initial trajectory, toward a net sales goal of ¥50 billion by fiscal 2027.

Going Forward: Provide services built on accumulated strengths to clients in diverse industries

Service offering **SI + Services**

Quality

Stable quality needed for core credit card systems

Expertise in payment services

High-level knowledge and expertise related to payment services

GRIT

Guts Resilience Initiative Tenacity

Management and development capabilities to see large-scale projects through

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TIS' Focus on Payment Processing

Anticipated market scale in 2025

Users (payers)	Functions for users		Functions for merchants			Merchants (recipients)
	Front functions	Core functions	Core functions	Front functions	Front functions	
	Multi-financing services	Issuing/ Card finance	Acquiring	Payment agency	Retail support services	
	¥2,600 billion		¥330 billion			

Offering systems/platforms to support the above functions

TIS emphasis			
Wallet platform	Issuing processing	Acquiring processing	Stores/EC support Platform
¥10 billion	¥250 billion	¥40 billion	¥10 billion

Payment service network: ¥330 billion

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New Two Approaches

Society 5.0 → **Beyond Payment**

ソサエティ

Super City

MaaS

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Two Directions

Support providers who bring about new society and grow with them

Processing

With exponential power of its payment solution, TIS itself will help solve social issues

Beyond Payment

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Core market for issuers comprises 70% of total Seek 80% of credit core market

Core area Front area

Core market for issuers valued at ¥62 billion TIS seeks to capture 70% share

Market	Value	Market Share
Credit core market (CreditCube+, etc.)	¥35 billion	70%
Credit core market	¥43 billion	80%
Prepaid core market	¥5 billion	
Debit core market	¥4 billion	
Merchant processing	¥2.5 billion	

Emerging platformer market ¥90 billion (Order revenue (billions of yen) Fiscal 2026 ending March 31, 2026)

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Society 5.0-Toward Realization — Beyond Payment

ソサエティ

New society "Society 5.0"

High-level fusion of physical and digital worlds

People-oriented society balancing economic development with solutions to social issues

To make Society 5.0 a reality Take on the challenge of building a presence in other areas beyond payment services

Beyond Payment

Source: Cabinet Office, Government of Japan https://www8.cao.go.jp/istp/english/society5_0/index.html

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Efforts in social issue solution services—Theme 1: Financial inclusion Progress Update for First Half of Fiscal 2022

Excerpt from handout on
Financial Results for the First
Two Quarters of the Fiscal
Year Ending March 31, 2022



Positive shift in cashless payments fueling greater demand for non-contact and e-commerce settlement options and steadily expanding scale of service-style businesses.
⇒Favorable progress toward target of ¥32.5 billion in net sales by fiscal 2022

■ Progress update for first half of fiscal 2022

Core areas (CreditSaaS, DebitSaaS, PrepaidSaaS)

CreditSaaS: Project moving steadily ahead with planned launch for first user in first half of fiscal 2023
Sales activities to attract second user and more interest continue

DebitSaaS: Following on with sustained push to attract regional banks

PrepaidSaaS: Active inquiries on use of prepaid digital accounts

Front area (Wallet)

Applied to wena, Sony's wearable device (smartwatch) and already launched

Beyond Payment

MaaS in steadily wider use in Okinawa and Sapporo

Super city concept continues to expand scale of verification tests in proposed site of Aizuwakamatsu

Began new digital currency initiative

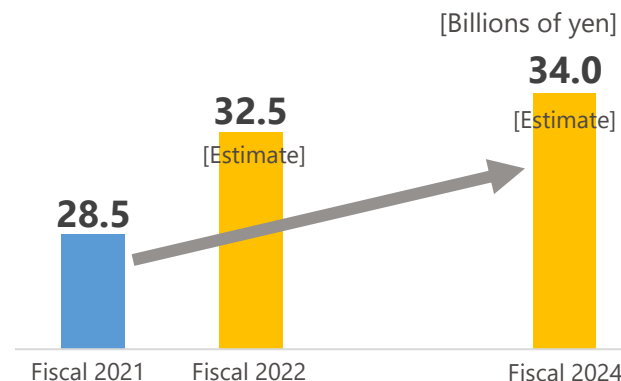


Market Share (Fiscal 2024)

Core area		Front area
Credit core market	Prepaid core market	Front market for issuers
<div style="border: 2px solid #00A0C0; padding: 10px; text-align: center;"> CreditSaaS ¥20.0 billion </div>	PrepaidSaaS ¥2.5 billion	Merchant/QR/Wallet ¥5.5 billion
	DebitSaaS ¥3.5 billion	
	Debit core market	Front market for merchant

New domain creation/common ground ¥2.5 billion

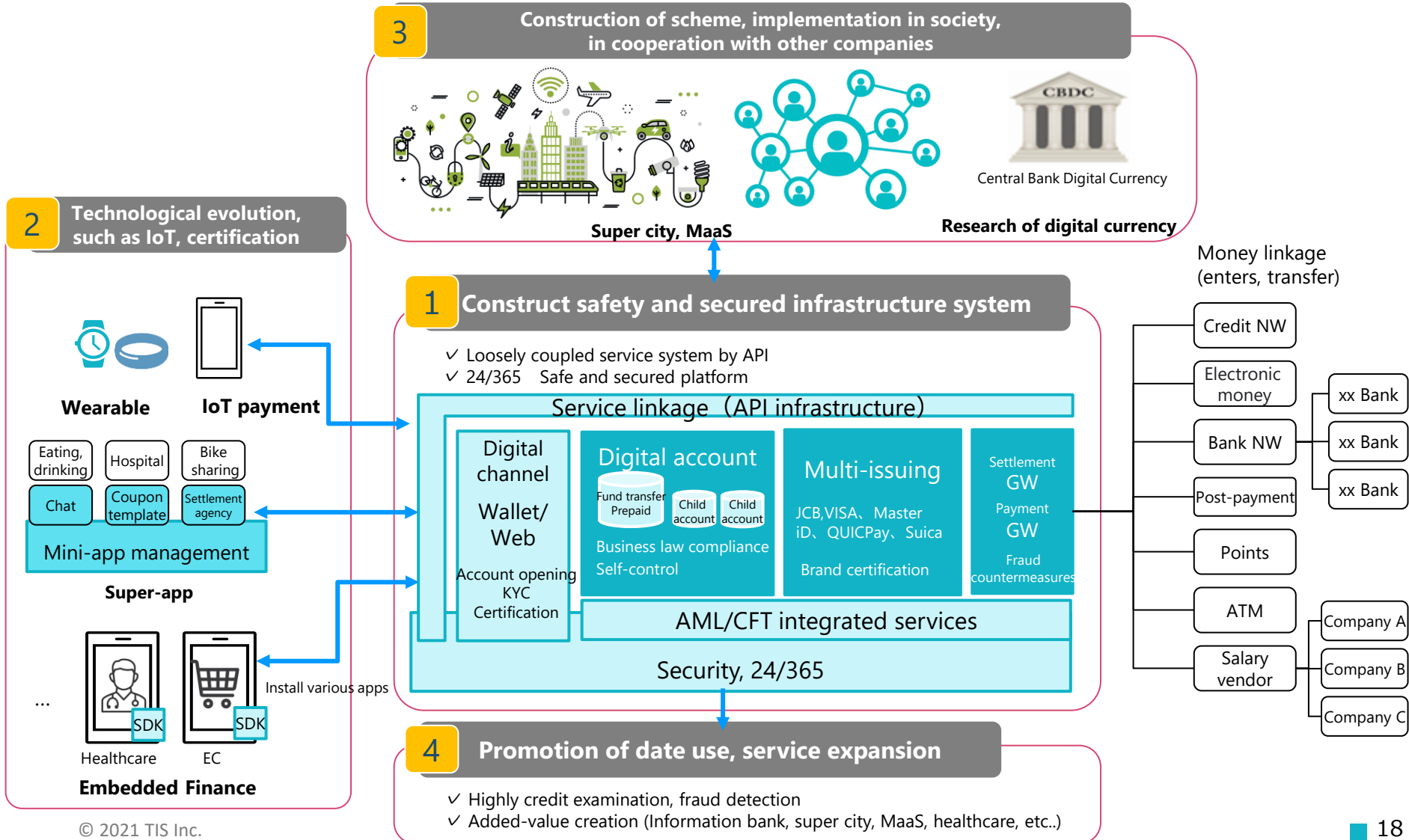
Payment-related Net Sales under Service IT Business



Efforts in social issue solution services—Theme 1: Financial inclusion

Overall Picture of Areas and Businesses of Involvement

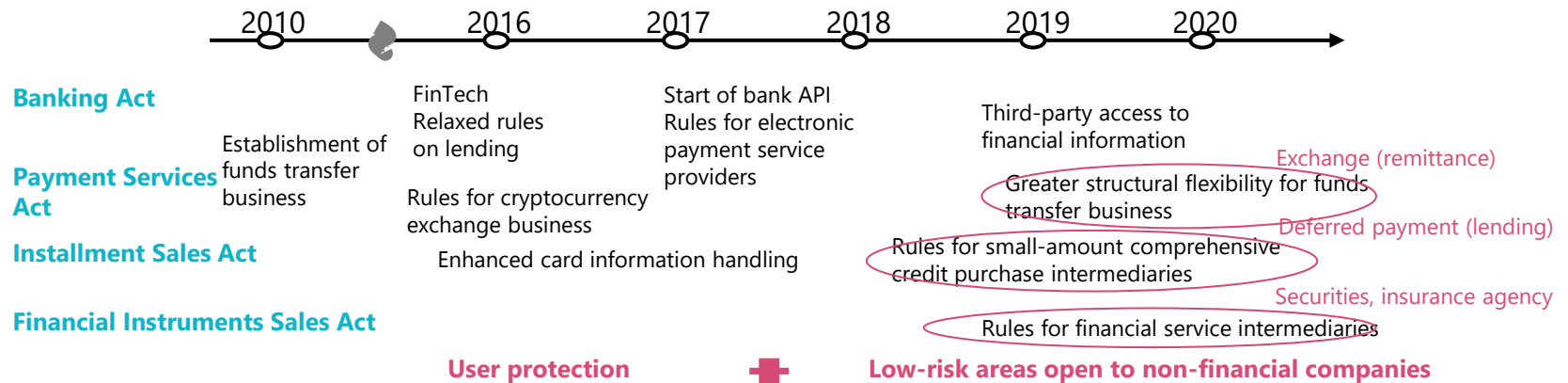
- Strengthen both loosely coupled **FinTech services** and **RegTech (regulation technology)** services for security and anti-money-laundering (AML).
- Promote payment function embedding for wearable devices and super-apps and service implementation on social issue solution theme.



Efforts in social issue solution services—Theme 1: Financial inclusion

Overall Picture of Areas and Businesses of Involvement

- Progress in relaxation of various laws making it easier for companies other than financial services providers to enter market



- Heightened momentum to introduce digital accounts for providers of non-financial services

Low-risk license

P: Deregulation

E: Changing flow of money

S: Digital society

Significant drop in financial IT costs

T: Smartphones, spread of API

Participation in financing business

Own services and **end-to-end user experience (UX)**

Utilize data to boost customer loyalty

Seamlessly incorporate financial and payment services into experience of customers using company's own services so that payment experience is as imperceptible as possible

Services + financial/payment services leads to high customer lifetime value
Capture data from other companies' services linked to account (networked)

Turn financial and payment services into **pillar of revenue**

Issuer fees, financing fees, insurance/investment trust sales fees
Reduce settlement costs within own business sphere with corporate account

Efforts in social issue solution services—Theme 1: Financial inclusion

Overall Picture of Areas and Businesses of Involvement

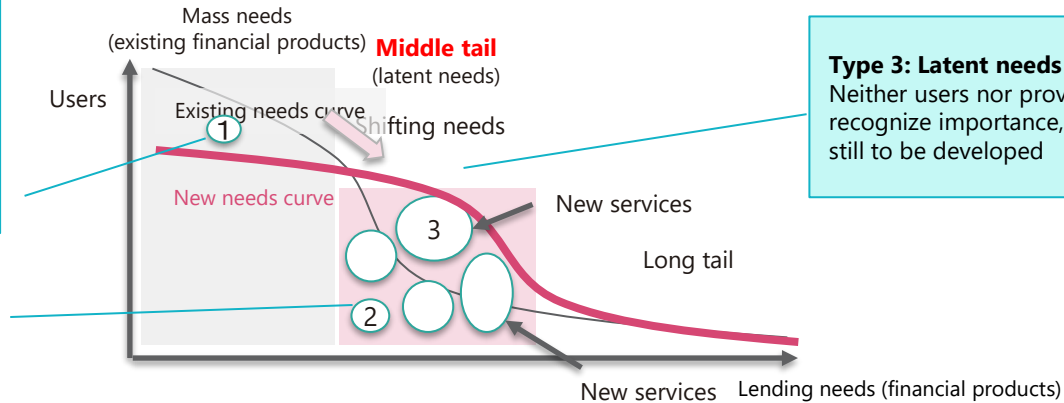
- Seeing acceleration in diversification and fragmentation of needs in markets where uniform financial services had prevailed as digitization makes further inroads.

Type 1: Dissatisfaction needs

Needs emerging because companies are unhappy with shift to one-size-fits-all products and jumping ship—abandoning those products—or transitioning to products that acknowledge dissatisfaction with existing products.

Type 2: Recognized needs

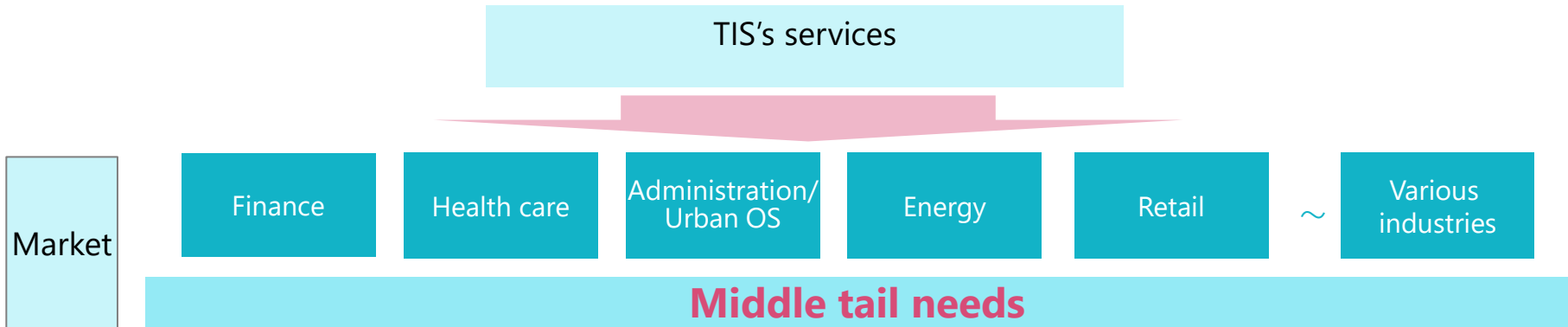
Needs, while recognized, are not met for some reason, such as cost vs. effect, and products have thus not been provided.



Type 3: Latent needs

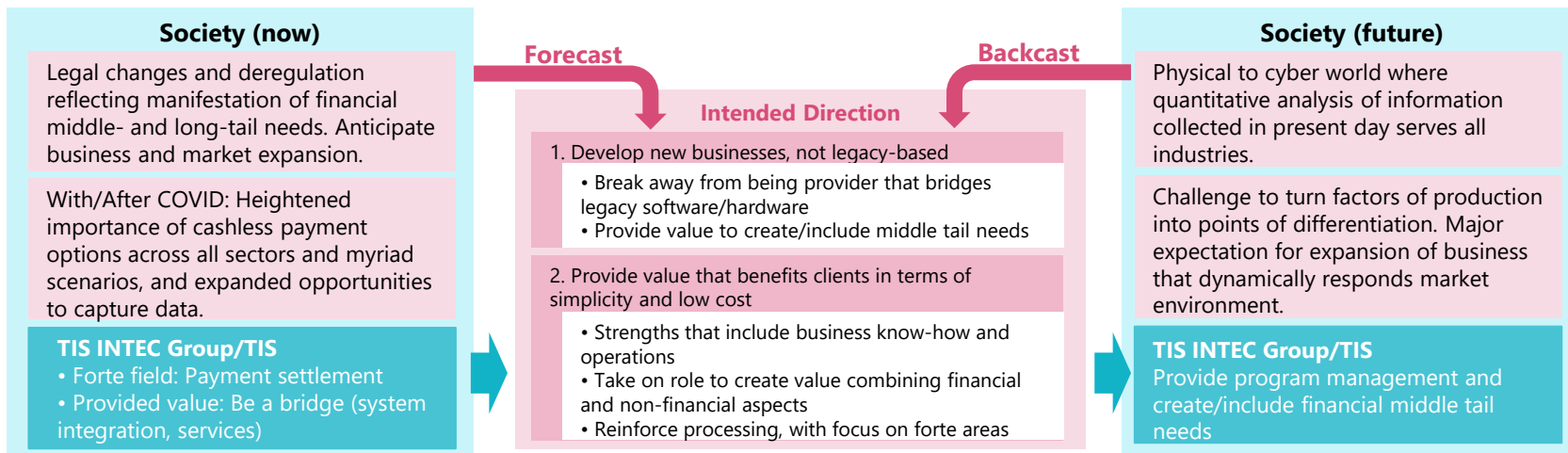
Neither users nor providers recognize importance, with needs still to be developed

- TIS will develop **services that provide an unbundling function** matched to various needs.
- Using technology such as API to link functions to functions, and combining vital features, we will enable development of businesses that **bring together multiple companies, not just ourselves.**

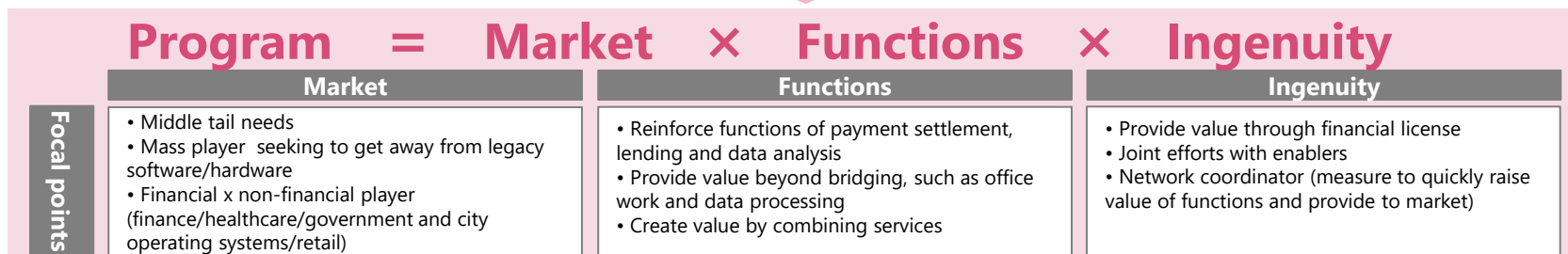


Strengths (Competitive Superiority), Strategies for Achievement of Targets

- Provide value—program—to market and accelerate growth toward numerical targets



Program combines common perspectives on direction that must be taken to go forward.



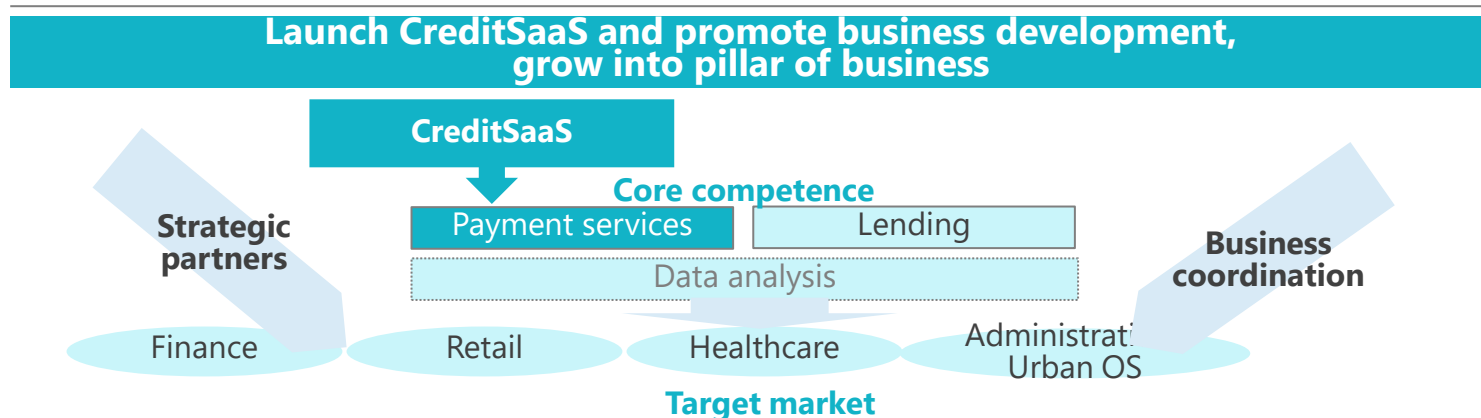
Other: Common perspectives

1. Program is conditioned upon having strong functions. **Service and processing functions will constantly be enhanced.**
2. Program and key areas represent aims and goals. There are no limitations on the targets we will pursue. Business principle **to raise profitability and vigorously engage in activities that can contribute to society** is unchanged.
3. Goal is inclusion in middle tail, not niche position. Will **aim to fully cover new needs.**

Efforts in social issue solution services—Theme 1: Financial inclusion

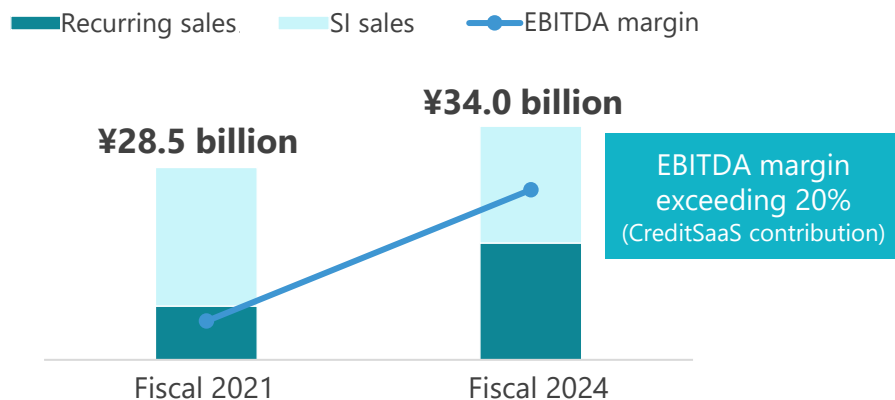
Desired Status in Medium to Long Term and Numerical Targets

- Will use CreditSaaS as leverage, anticipating new domain expansion on way to ¥34 billion in sales during Medium-Term Management Plan.



Anticipated Business Growth

Business Structure



Market Share (Fiscal 2024)

Core area		Front area
Credit core market CreditSaaS ¥20.0 billion	Prepaid core market	Front market for issuers
	PrepaidSaaS ¥2.5 billion	Merchant/QR/Wallet ¥5.5 billion
	DebitSaaS ¥3.5 billion	
Debit core market	Front market for merchant	

New domain creation/common ground ¥2.5 billion

Fast install of Suica payment function on Sony's wena 3 smartwatch

Sony planned for the Suica payment function to be installed into its third-generation wena smartwatch. In developing an app to initially set up Suica on wena from a smartphone and load e-money, Sony used TIS' Digital Wallet Service. App development was significantly shortened by batching several mechanisms to make the wearable device compatible with Suica.

wena 3



wena 3 wrist view



wena watch band is available in three types (metal, leather or rubber) to match watch head (photo: metal option)

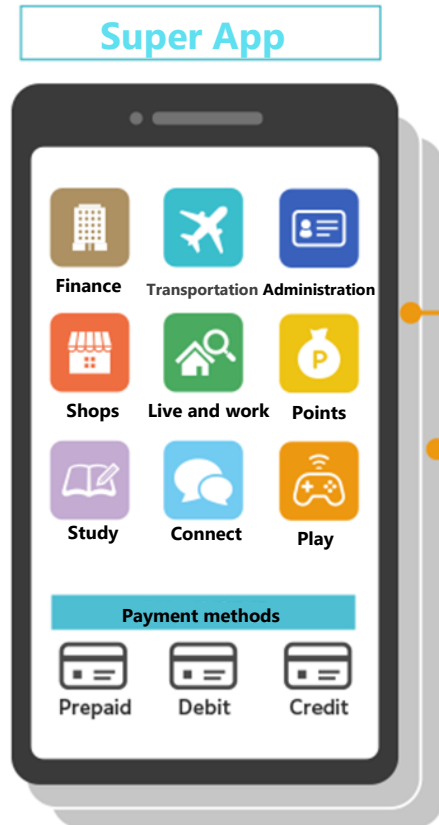
Source: TIS website "Case study: Sony"
https://www.tis.jp/casestudy/casestudy_126.html, 2021/11/30 (in Japanese)

New Provided Value Hinging on Super App

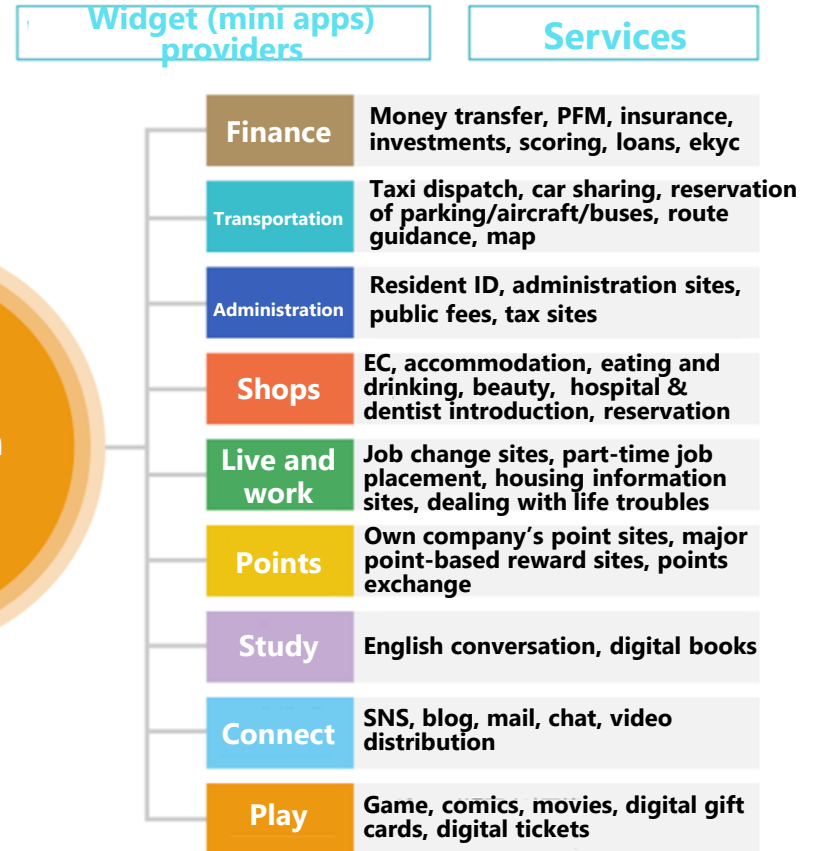
Using a widget distribution platform, which manages and distributes widgets (mini-apps), it is possible to link external services to payment platformers.

This allows end-users to access a super app that brings various external services and wallet/digital account functions into a single app.

◆ Provided by payment platformers



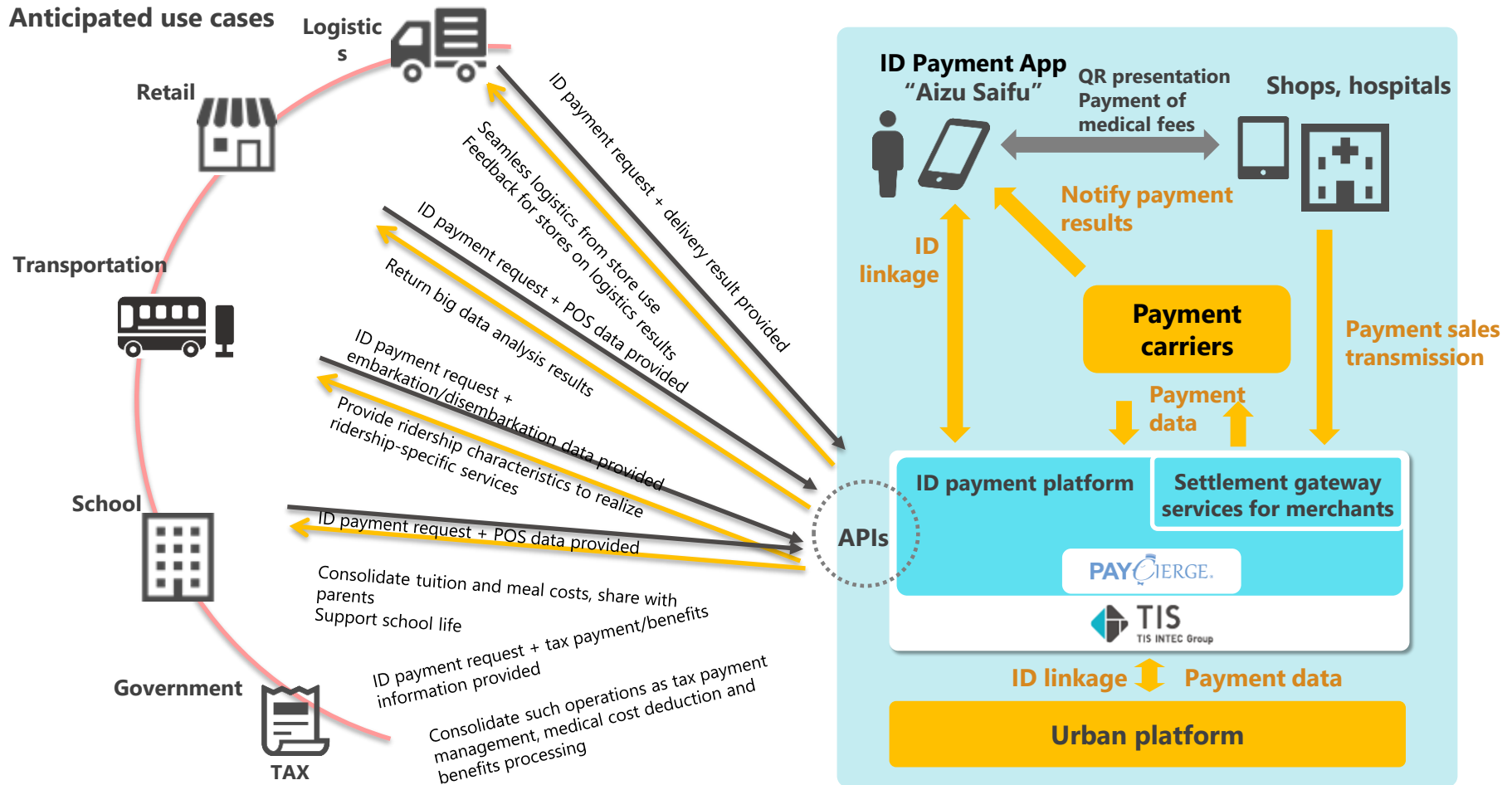
◆ Supports digitalization of shops and local government services through Widget (mini) providers



Current Efforts that Will Form Business Core—New domain: ID payment

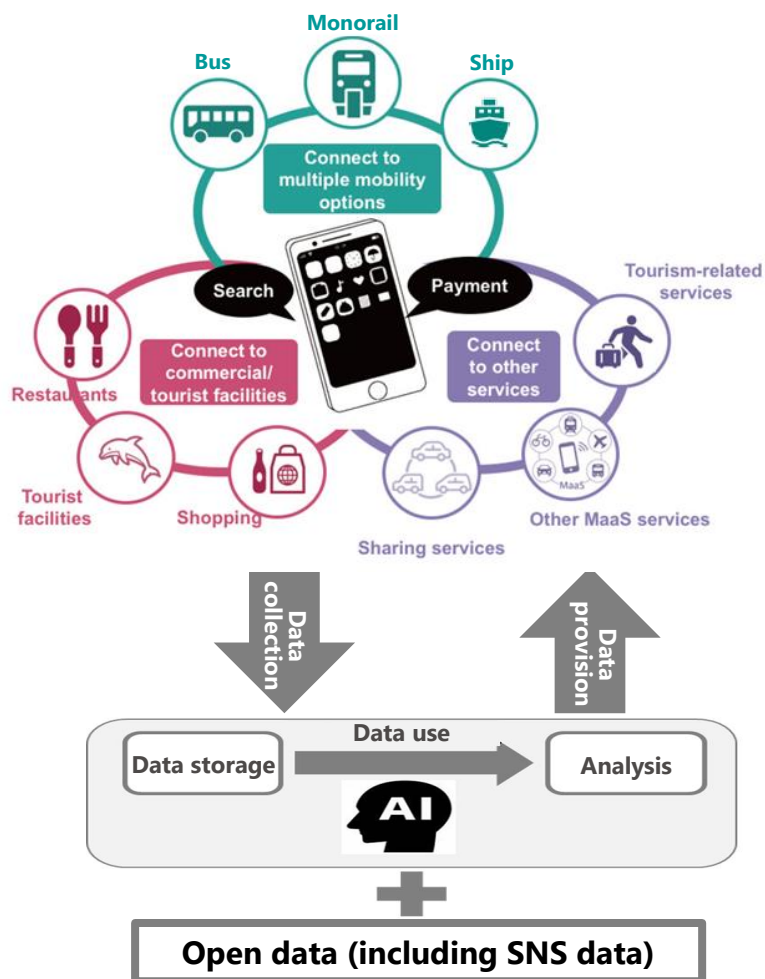
—ID Payment App + ID Payment Platform—

In the future, connect with various types of businesses and promote return of payment data to communities.



Okinawa MaaS, underpinned by diversity in participating businesses, seeks to address issues by linking multiple mobility modes, searches, payment and other services and utilize the data in more ways.

Image of MaaS in Okinawa



Participating companies

24 transportation companies, 7 local governments, and additionally 24 companies participated in the Okinawa MaaS project ※As of October, 2021

<Transportation companies>

(Main island)

- Okinawa Urban Monorail
- Yanbaru Express Bus
- Karry Kanko Bus
- Okito Kotsu

(Remote islands around main island)

- Ieson Ferry
- Iejima Kanko Bus
- Zamami-son Ferry/Bus

(Sakishima islands)

- Azuma Unyu
- Aneikanko
- Yeyama-Kanko-Ferry
- Iriomotejima Kotsu
- Miyako Kyoei Bus
- Chuo Kotsu
- Five Ishigakijima Taxi companies

<Local governments>

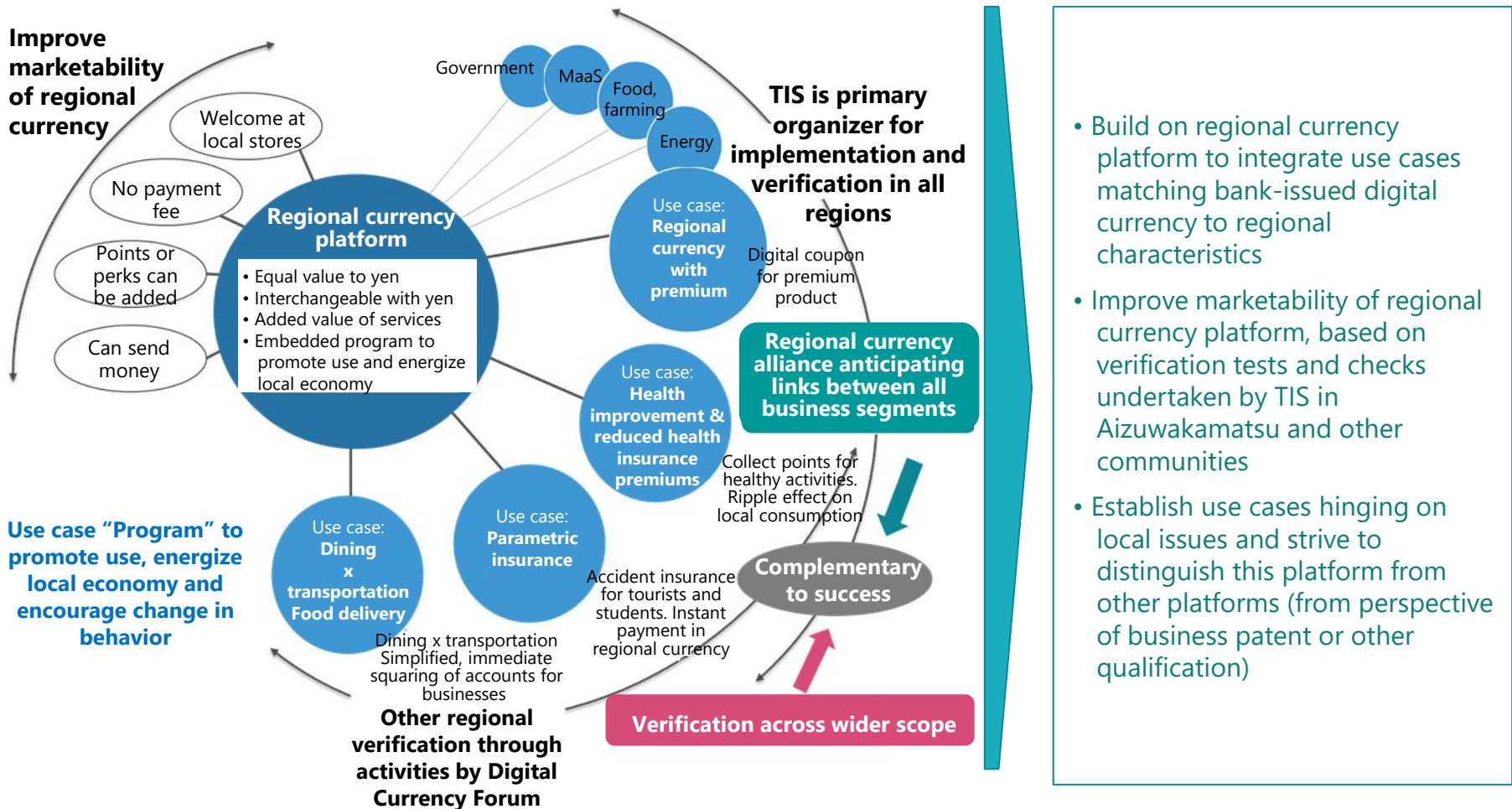
- Urasoe-shi
- Miyakojima-shi
- Ie-son
- Nakijin-son
- Ishigaki-shi
- Taketomi-cho
- Zamami-son

<Other than transportation>

- 【Sightseeing / food / commercial facilities】
- Urasoe Art Museum
 - Yodore-kan
 - Okinawa Churaumi Aquarium
 - Nakijin Castle Ruins
 - Kouri Ocean Tower
 - Nago Pineapple Park
 - Taketomijima Regional Foundation
 - Shurijo Castle Park
 - Sam's Restaurant Group
 - Himeyuri Kaikan
 - Okinawa Fruits Land
 - Ajisai Ishigakijim, etc.

Current Efforts that Will Form Business Core—New domain: Digital currency

Apply regional currency platform using two-tier digital currency platform defined by Digital Currency Forum. Through independent activities of regional currency working group and verification trials in Aizuwakamatsu and other communities, will improve marketability of regional currency platform for use everywhere (expect 100 cities to be involved by fiscal 2026)



Current Efforts that Will Form Business Core—New domain: Digital currency

Build on regional currency platform, using “big city convenience” and “regional comfort” as use cases, based on the government’s digital garden city state concept. Seek to provide structure to enhance local industry and promote continuous regional development through digital currency and digital payments.

Regional Issues

Declining population

- Structure to enhance regional sustainability
- Cooperation through community revitalization
- Create cities comfortable to live in

Employment and income stabilization

- Create jobs
- Energize local industry
- Boost profitability at stores

Stalled progress on cashless transactions

- Store profitability squeezed by burden of fees on payment transactions
- Worsening cash flow for small and mid-sized businesses due to delay in deposit cycle



Regional currency: Revitalize local economy through regional currency

Create incentives for using regional currency. Make people want to use the currency.
Regional currency = Programmable money



Core: Currency function

Regional Keynote: Create structure for self-help and mutual assistance as complementary function of regional currency

Issue regional points based on citizen participation in such pursuits as volunteering, health maintenance and disaster-prevention activities



Add-on: Function to promote use

TIS INTEC Group Sustainability Management

Efforts in social issue solution services

Theme 1: Financial inclusion

Theme 2: Health concerns

Theme 3: Urban concentration/rural decline

Theme 4: Low-carbon/decarbonized society

2.



Health concerns

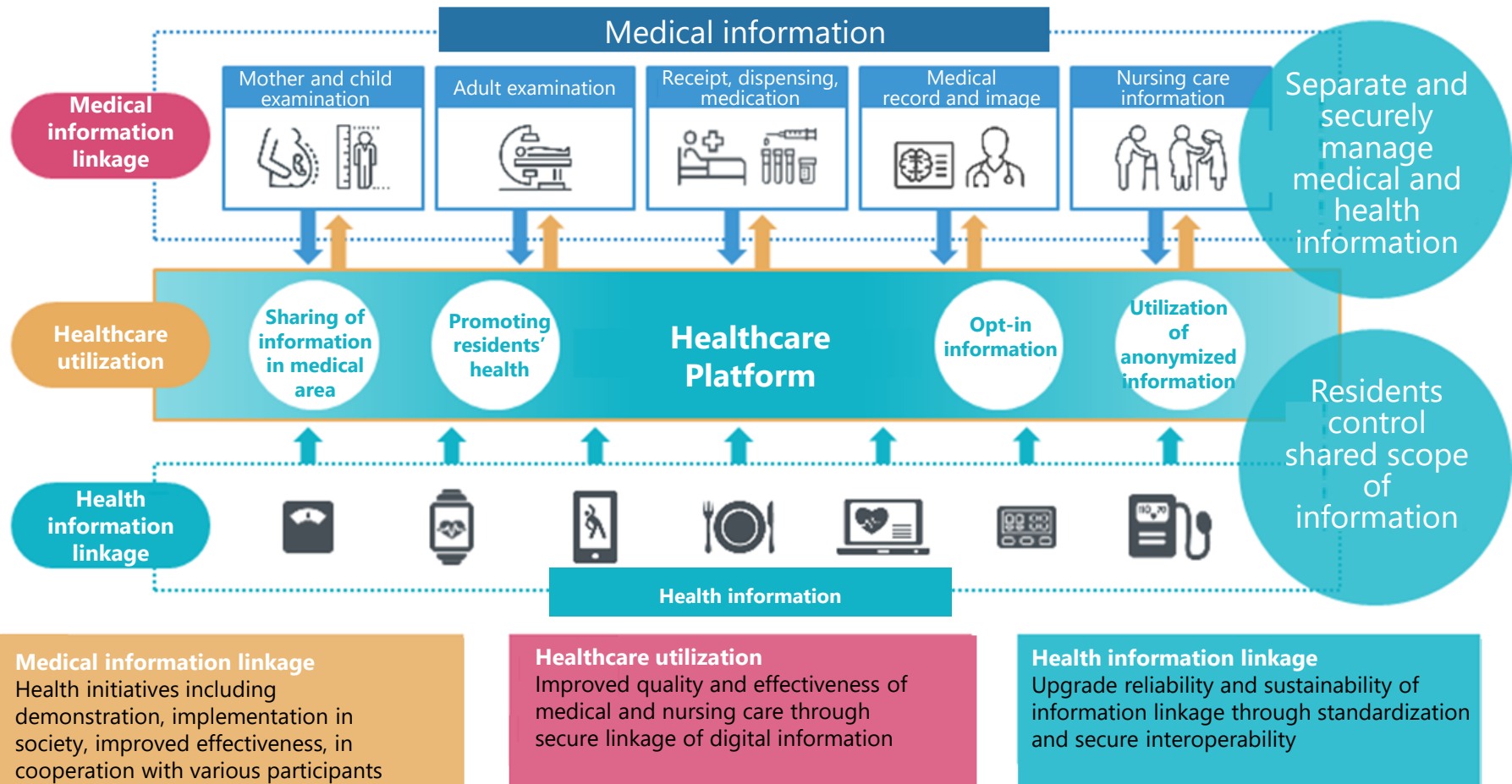
Smart health management integrating health information, including exercise records, photo data of meals, and health check results. We will realize a dynamic society through healthcare platforms.

Hiroto Ito, TIS Inc.
Executive Officer, General Manager of
Healthcare Services Unit, Digital
Transformation Business Unit

Efforts in social issue solution services—Theme 2: Health concerns

Overall Picture of Areas and Businesses of Involvement

Realize **well-being** of society by encouraging **use of data**, hinging on healthcare platform

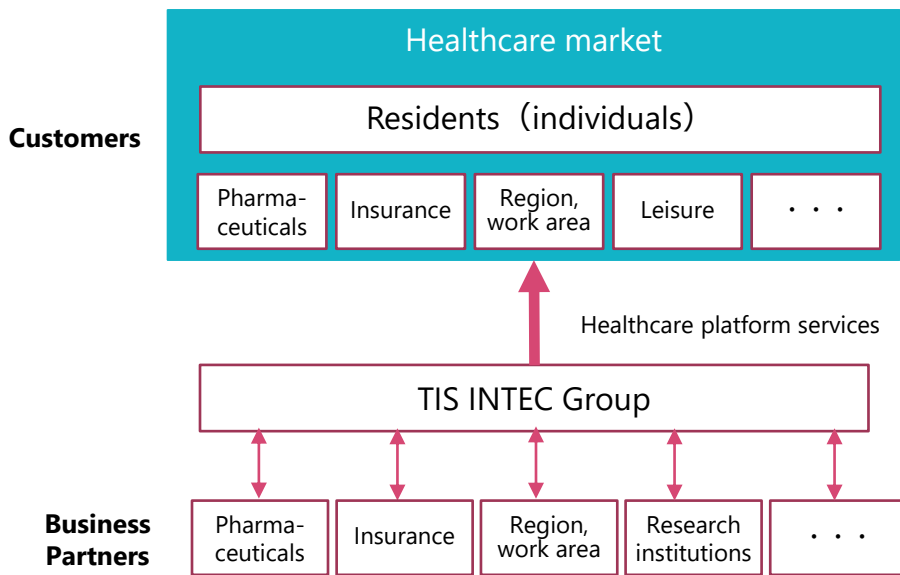


Efforts in social issue solution services—Theme 2: Health concerns

Desired Status in Medium to Long Term and Numerical Targets

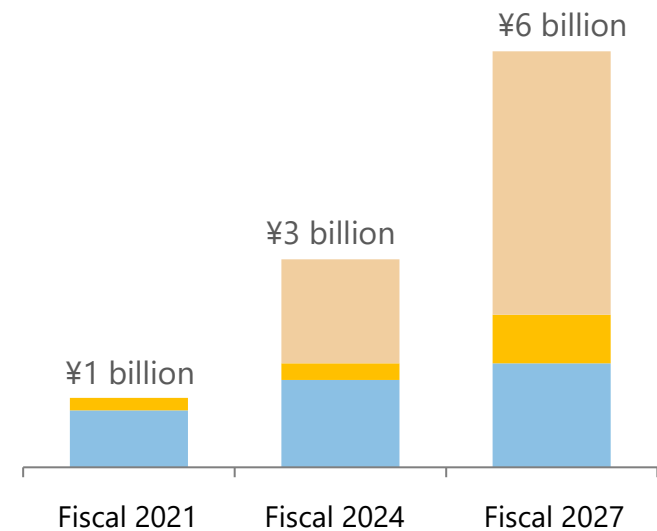
Healthcare Passport usage expanding with sales heading toward target of ¥6 billion by fiscal 2027.

Targeted future image



Drawing on resources of TIS INTEC Group and external partners, provide services to healthcare market with residents as end user in mind.

Growth image

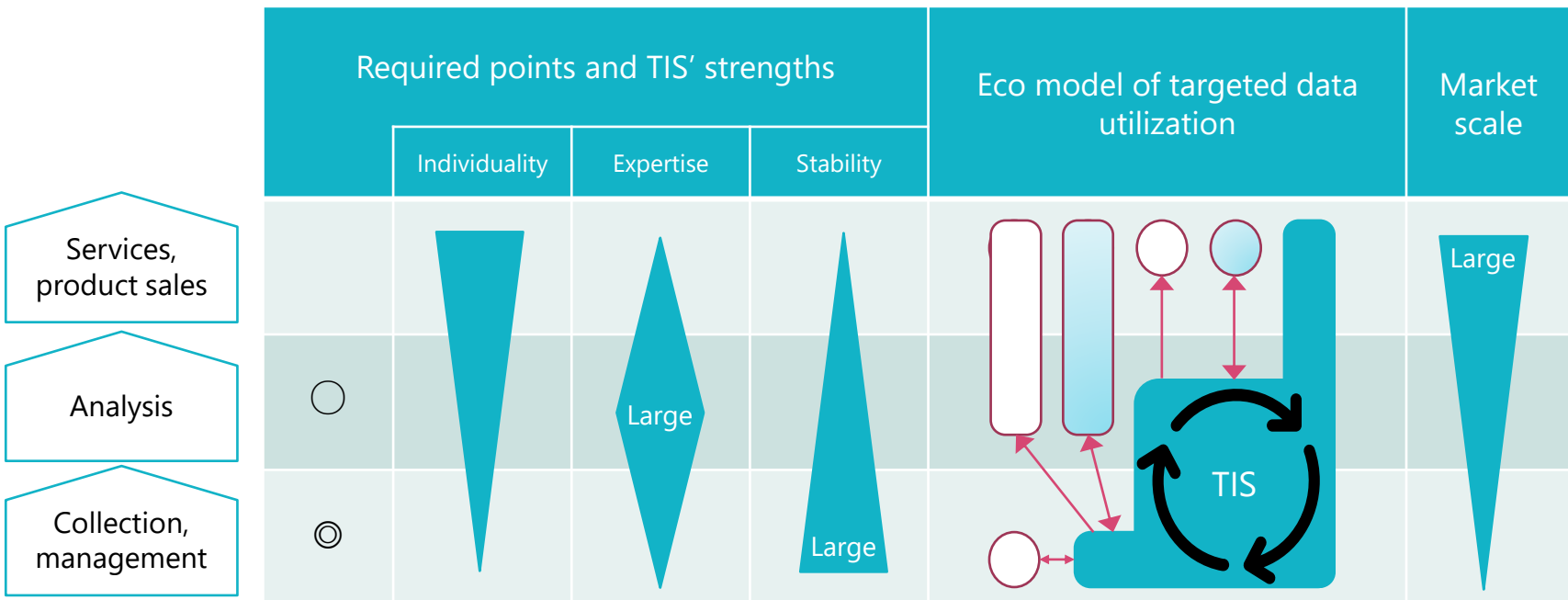


- New healthcare platform services
- Healthcare passport
- Medical Drive

Strengths (Competitive Superiority), Strategies for Achievement of Targets

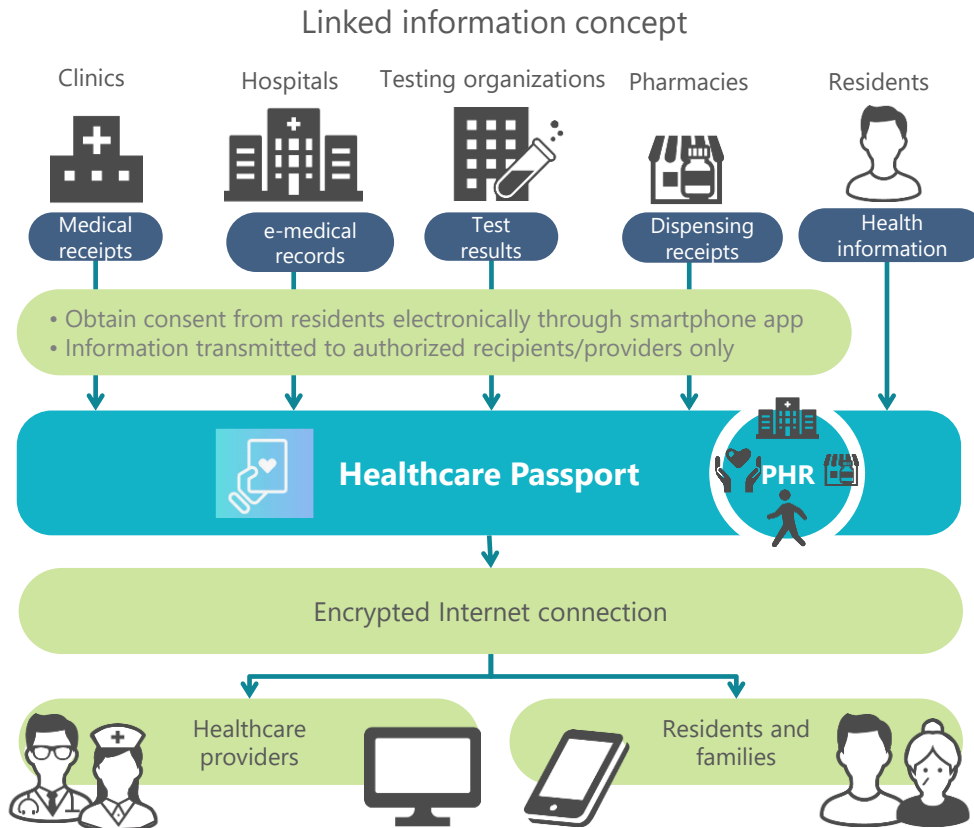
Develop services from safe/secure data management and analytical insights

- Leveraging platform data involves collection/management, analysis and use (services) of captured data.
- We will draw on strengths in **technology that underpin safe and secure collection and management of data as well as inherent know-how and analytical insights accumulated in pharmaceutical fields**, and apply this expertise to the **development of services**. This will lead to bigger revenue opportunities.



Healthcare Passport supports coordinated regional medical care / health information collection

- Realize information sharing vital to coordinated regional medical care, with lower costs and reduced administrative burden, and promote widespread and continuous use of platform (two-way personal health records (PHR) platform that shares information not only with medical institutions but with residents as well)



1 Start small, with potential for gradual expansion
 Begin coordination of data under limited scope matched to actual, region-specific circumstances to lower costs and reduce administrative burden, and then, after confirming the value of platform usage, expand scope.

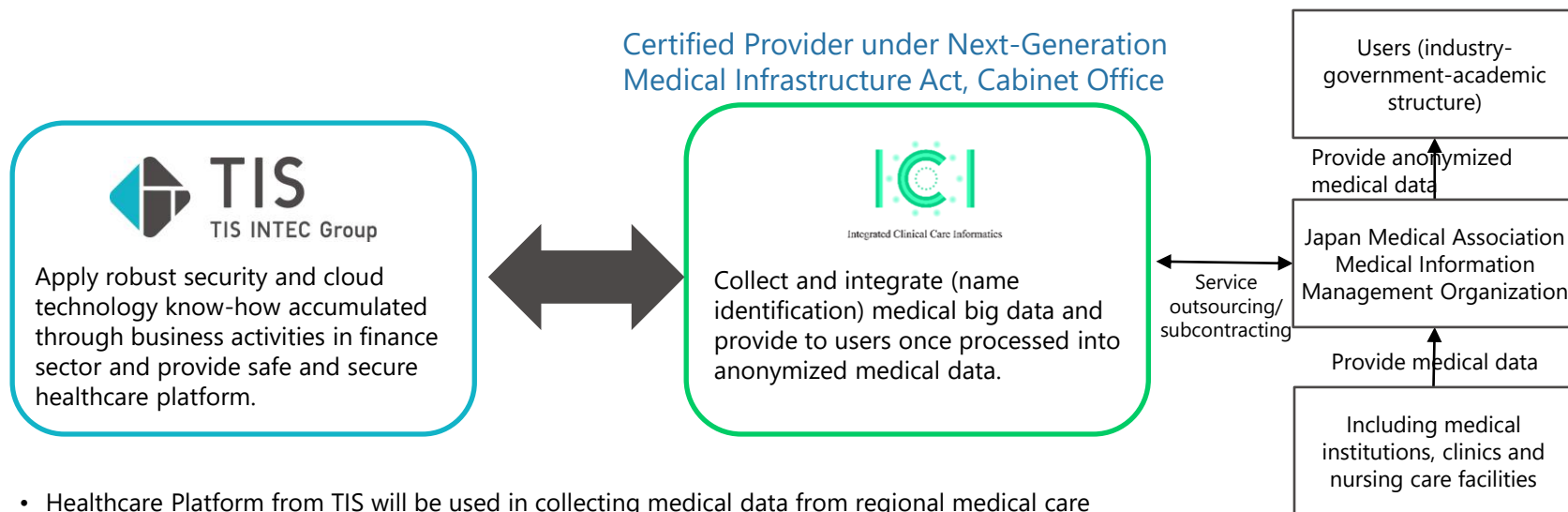
2 Significant decrease in operational burden
 Because residents give consent electronically, allowing their medical institution to share information with other authorized facilities, they do not sign a paper consent form, and medical institutions are thus freed from the burden of managing and submitting documents.

3 Realizing lower costs through service usage type
 Huge reduction in costs, from implementation to maintenance, because of access to cloud-facilitated service-usage type platforms. Implementation possible even in small medical care zones. Also possible to realize connections among medical care zones with relative ease.

Efforts in social issue solution services—Theme 2: Health concerns

Current Efforts that Will Form Business Core

- Formed business alliance with ICI, which has considerable track record in support of regional medical care cooperative, in area of health and medical care information services. ICI is one of two certified providers under Japan's Next-Generation Medical Infrastructure Act. ⇒ Promote structure for environment that facilitates use of health and medical care information.

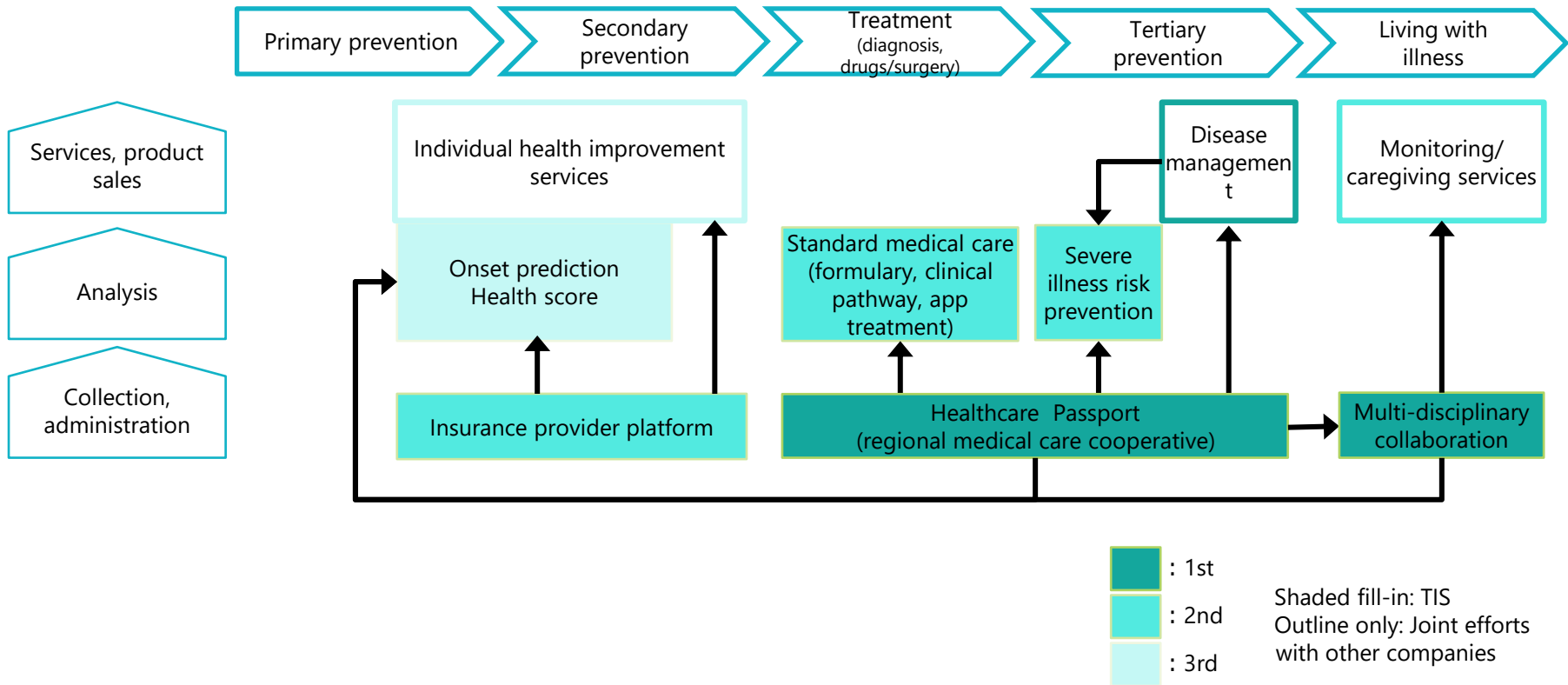


- Healthcare Platform from TIS will be used in collecting medical data from regional medical care cooperative. Will improve convenience for residents and medical service providers.
- Alliance will facilitate safe and secure collection of addition health and medical care information and help in various ways, such as providing health and medical care services fine-tuned to individual residents, catching illnesses at an early stage, delivering more effective treatment methods and creating new drugs.

Our goal is to enable residents to lead healthy lives and to create a society in which people live long and in good health through the effective use of health and medical care information.

Expand services with Healthcare Passport as starting point

- Use Healthcare Passport to obtain medical care data and secure resident points of contact
- Prepare intellectual property and services vital for use of collected information
- Promote movement toward capturing pre-symptomatic medical data (from health checks) and secure resident points of contact



TIS INTEC Group Sustainability Management

Efforts in social issue solution services

Theme 1: Financial inclusion

Theme 2: Health concerns

Theme 3: Urban concentration/rural decline

Theme 4: Low-carbon/decarbonized society



We will leverage ICT to realize a strong, sustainable society, and safe and comfortable lifestyles in response to the social issues faced by local communities, such as the decline in the working population.

Shoichiro Taniguchi, INTEC Inc.
Managing Executive Officer, Division
Director of Regional Government
Systems Division

Efforts in social issue solution services—Theme 3: Urban concentration/rural decline

Overall Picture of Areas and Businesses of Involvement

- Extending business presence, with emphasis on three sectors: government (central and local government), health (National Health Insurance) and agriculture (farm management/insurance). Going forward, emphasis will be on responding to shift toward digital transformation (DX) in each sector.

Government (central and local government)

Mainly focused on CIVION-7th, a comprehensive administrative information system for local governments conforming to the “local government cloud” initiative driven by the Ministry of Internal Affairs and Communications. In addition, broadly promoting DX in ICT infrastructure, educational systems and local information systems.

⇒ **Track record: Have implemented solutions for 400 organizations nationwide**

Health (National Health Insurance)

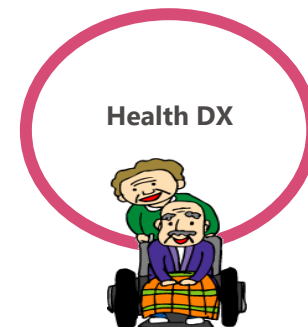
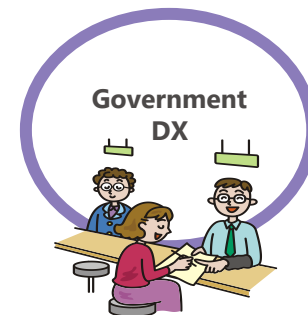
Promoting system integration, especially in in the National Health Insurance sector, and also offering proprietary solutions, such as Well-LINK, a medical cost analysis solution.

⇒ **In services for National Health Insurance Organization, we hold No.1 share in each prefecture.**

Agriculture (farm management/ insurance)

Long-delayed ICT investment in agriculture sector now expanding, with demand particularly noticeable for system integration in farm management and insurance sectors. Also promoting proprietary solutions.

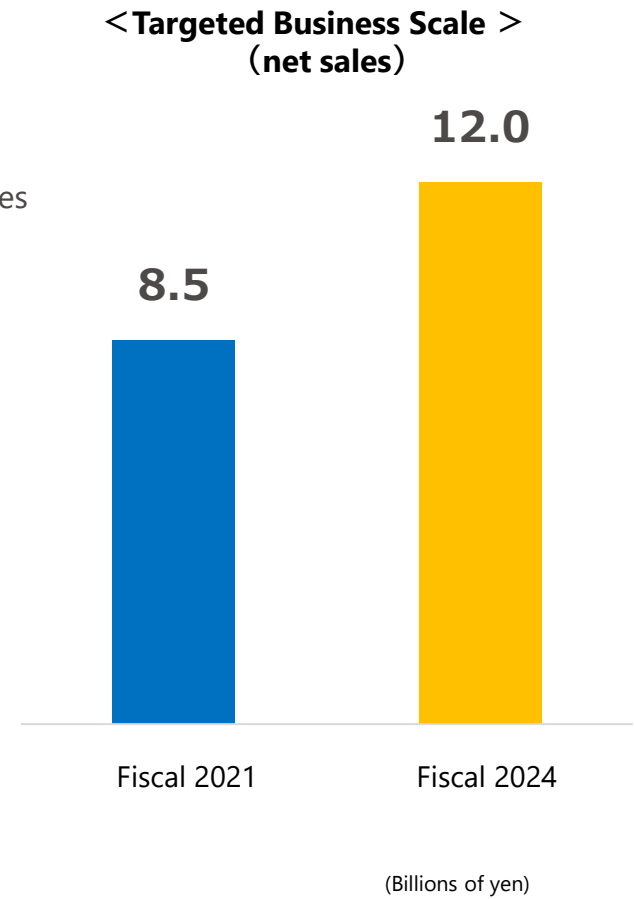
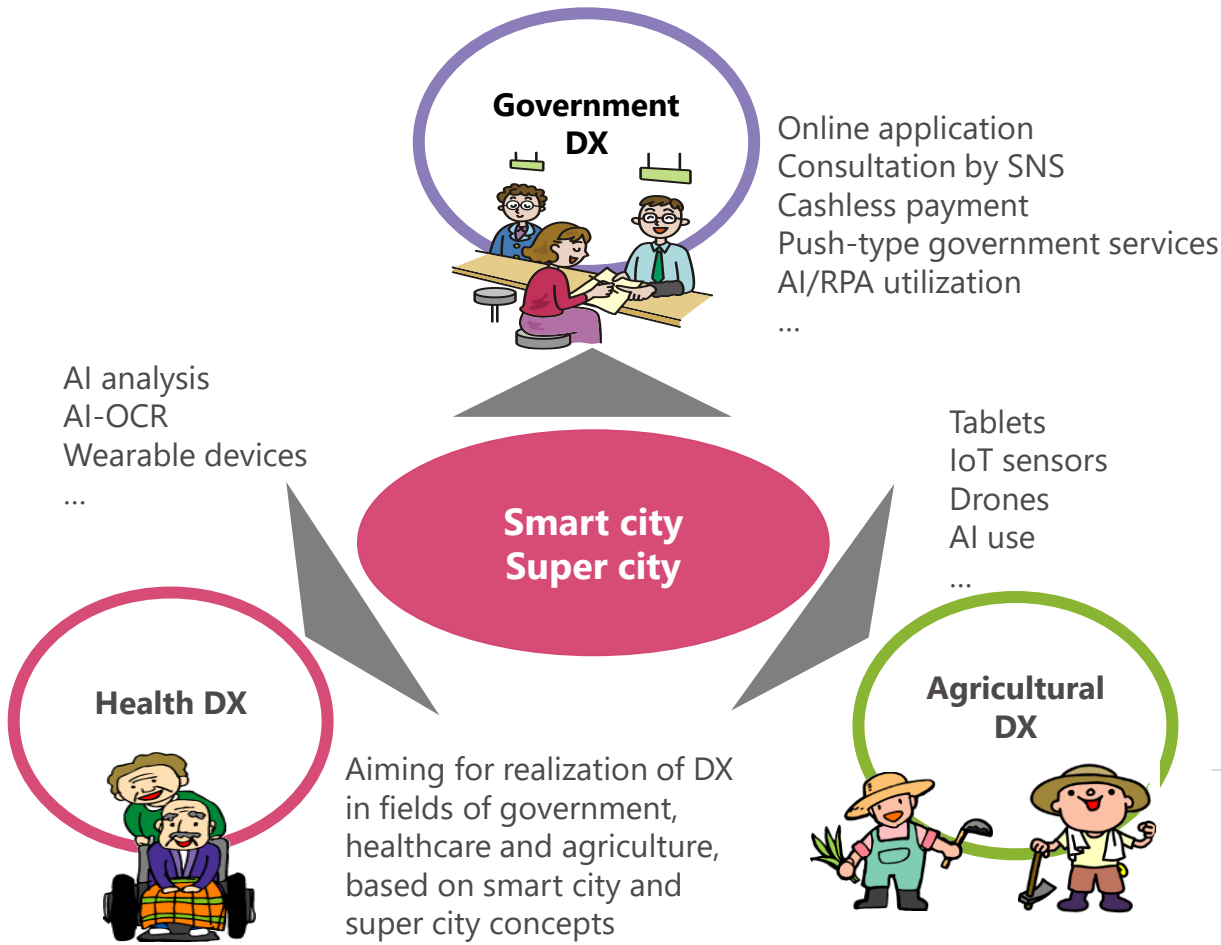
⇒ **No.1 share in agriculture sector. Local agriculture shared information system in use at more than 650 organizations nationwide.**



Efforts in social issue solution services—Theme 3: Urban concentration/rural decline

Desired Status in Medium to Long Term and Numerical Targets

- Leverage DX solutions and strengthen Smart City and Super City proposals.
 ⇒ We aim to create conditions that enable whole communities, primarily local citizens, to optimize data distribution and usage by organizing and integrating data through ICT, and also enable fast and accurate responses to local issues that these communities face.



Strengths (Competitive Superiority), Strategies for Achievement of Targets

- Promote expansion in systems of record (SoR) and systems of engagement (SoE) sectors, underpinned by strengths of deep reservoir of know-how and proven results acquired over many years in executing locally-rooted ICT solutions, beginning with responses for local government, as well as accumulation of technologies for tackling rural issues and applying to ICT solutions.

SoR sector

Strengths: Diverse approaches to address needs of clients locally and nationally. Currently reinforcing human resources training for cloud technicians (local government cloud as well as public cloud).



Amid shift toward standardized systems and the cloud to achieve efficient system upgrades under digital agency guidance (large-scale update at national level), we will take on vital role in building standard system and cementing position as a frontrunner in local development of standard system.

SoE sector

Strengths: Accumulation of technology for tackling local issues and developing ICT solutions. Will reinforce training for agile development technicians and hone marketing capabilities in new areas.



Demand for online completion of procedures and need to address local issues, due to Smart City shift, rapidly becoming more evident. Against this backdrop, we aim to expand business nationwide at the earliest time possible.

Efforts in social issue solution services—Theme 3: Urban concentration/rural decline

Current Efforts that Will Form Business Core—Government DX, Health DX

- Solid track record in Toyama Prefecture in building local government cloud (cloud utilization ratio No.1 in Japan).
- For special cash payment BPO and COVID-19 vaccine booking system, expedient services garnered high praise. System that will flexibly address third dose is gradually being installed (example of agile development)

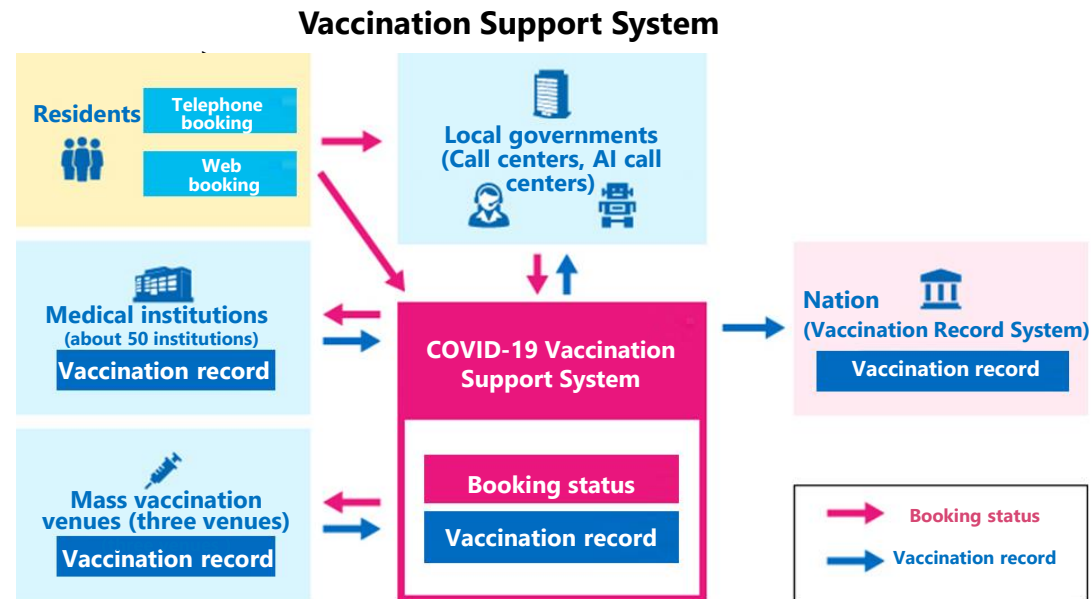
■ Features of Vaccination System

Booking functions

- Various booking methods
 - Website (computer, smartphone) booking
 - Booking through AI call center using interactive voice response
 - Booking through operator-staffed call center
- Centralized, staffed booking reception desk (local governments, medical institutions)
- Simple user interface with excellent operability
- Elastic scalability
 - Uses public cloud and can respond flexibly, such as adjusting the number of servers to match number of site hits.

Results registration/reporting function

Local governments consolidate information, such as status of residents' vaccination reservation status and record of vaccination at medical institutions, and link data seamlessly to national system (vaccination recording system). Enables ideal vaccine distribution planning.

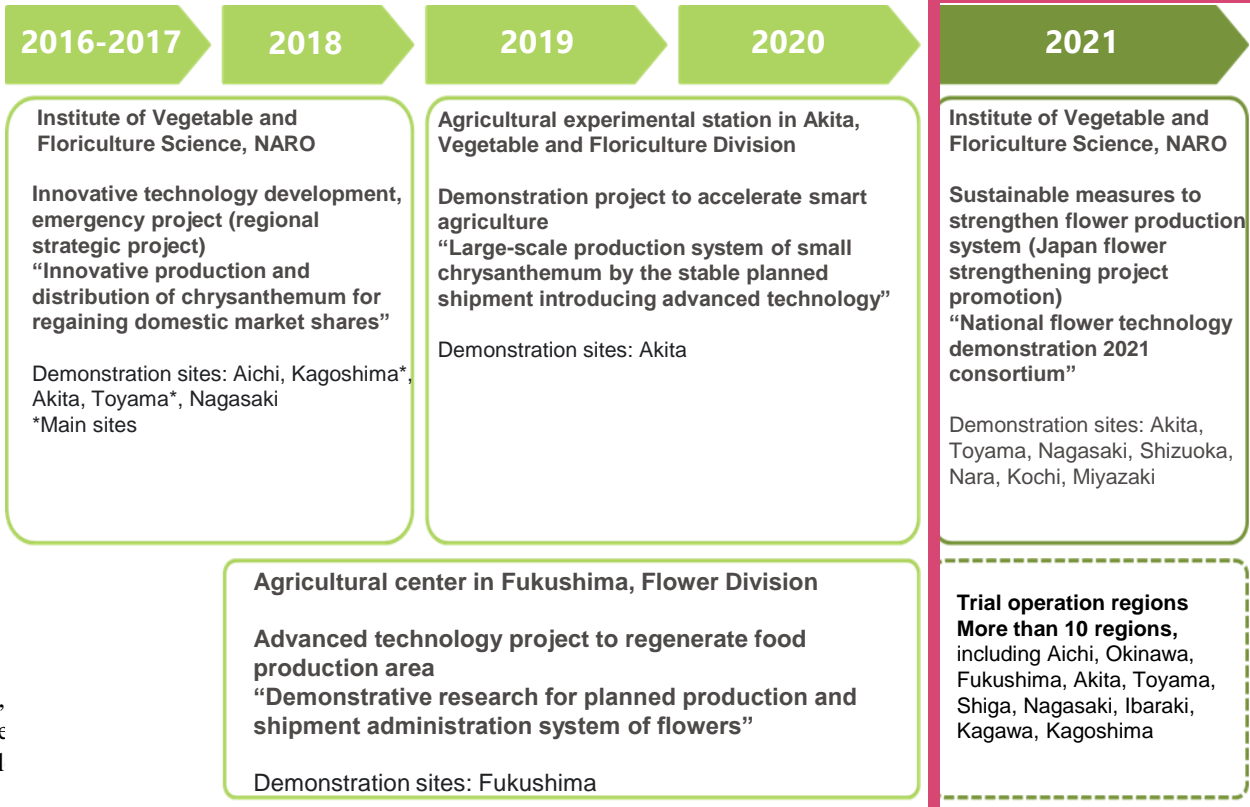


Efforts in social issue solution services—Theme 3: Urban concentration/rural decline

Reference: Flower Industry Planned Production/Shipment Forecast

Demonstration Project—Agriculture DX

- Currently involved in flower industry’s efforts to establish a stable supply structure in Japan and measures to hone sharper international competitiveness in areas of production underpinned by this structure.
- Build and operate system to consolidate and share information, such as production and estimated shipments, and to contribute to stable supply in areas of production using this information. Currently, trial operation in progress based on demonstration results at more than 10 locations nationwide.



Newspaper articles on enhanced agricultural efficiency using INTEC system

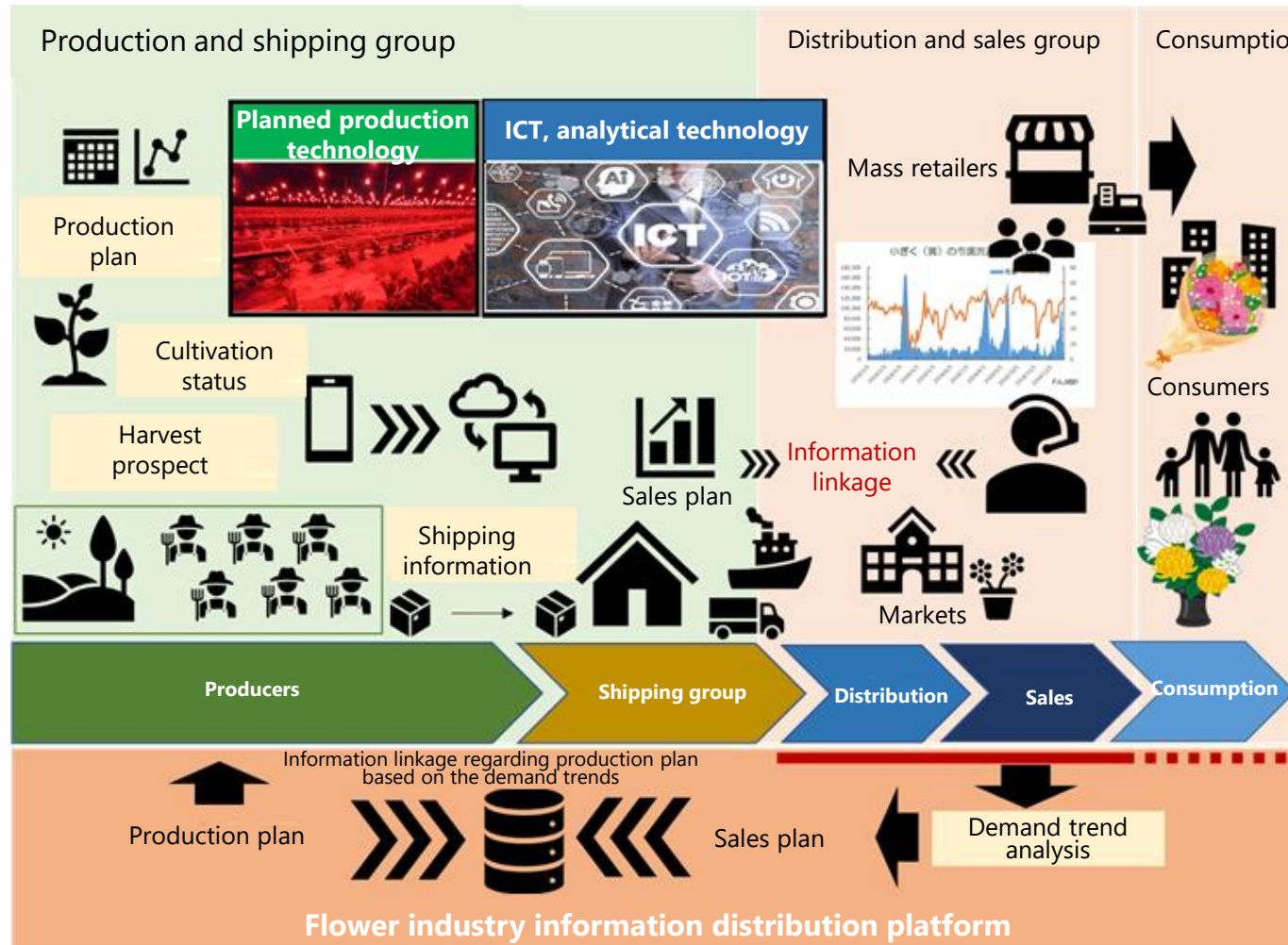
Seeking effective use of ICT, such as tablet-entry of data, flower fields even now, but going forward, will promote € with view toward use of AI, blockchain and other technol

*NARO: The National Agriculture and Food Research Organization

Efforts in social issue solution services—Theme 3: Urban concentration/rural decline

Reference: Flower Industry Information Distribution Platform Concept—Agriculture DX

Drawing on previous activities and connections, we will **promote initiatives to realize the concept of a flower industry information distribution platform, designed to boost overall supply chain efficiency within the industry.** In the future, we aim to apply this concept to all agricultural products.

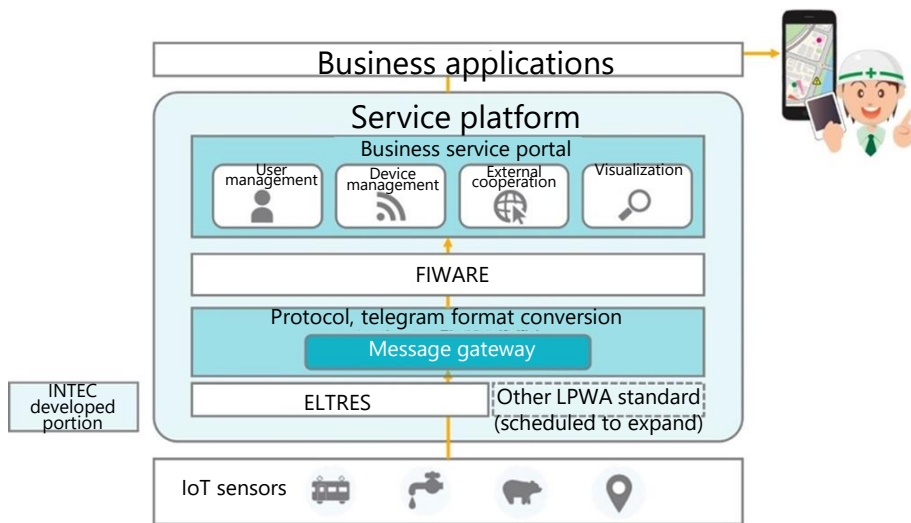


Efforts in social issue solution services—Theme 3: Urban concentration/rural decline

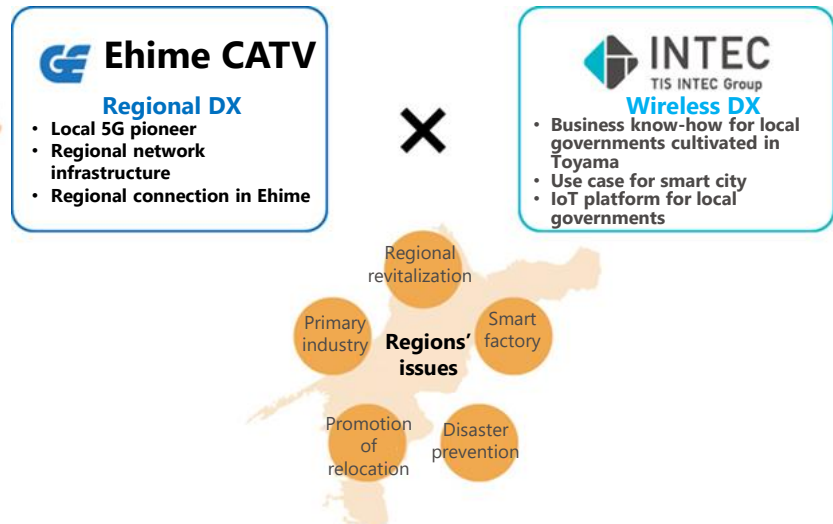
Current Efforts that Will Form Business Core—Smart City

- Service start for IoT Platform conforming to city OS.
- In addition to solution already showing results for several years in child-minding business, we are accumulating verification data on various social issues, such as river monitoring and wildlife damage prevention, using IoT Platform.

Concept chart of IoT Platform for local governments



Collaboration with Ehime CATV for smart city combining L5G



- Will apply ELTRES, an LPWA network, that provides Sony Network Solutions, to turn platform into a business as quickly as possible. This will expedite the creation of an IoT environment and enable use nationally, with no area limitations. ELTRES is applied at Toyama head office.

Efforts in social issue solution services—Theme 3: Urban concentration/rural decline

Reference: IoT Platform Use Case—Smart City

1. Namerikawa, Toyama Prefecture

River water-level monitoring



Developed low-cost ultrasonic water level sensor appropriate for the Hokuriku climate and then verified and improved on accuracy for commercialization. Going forward, will draw parallels between river information compiled by national agency and rainfall data to pinpoint conditions.

- Equipment used: **IPEC**-made ultrasonic water level meter using solar panel power supply

3. Kamiichi, Toyama Prefecture

Nuisance wildlife box trap monitoring



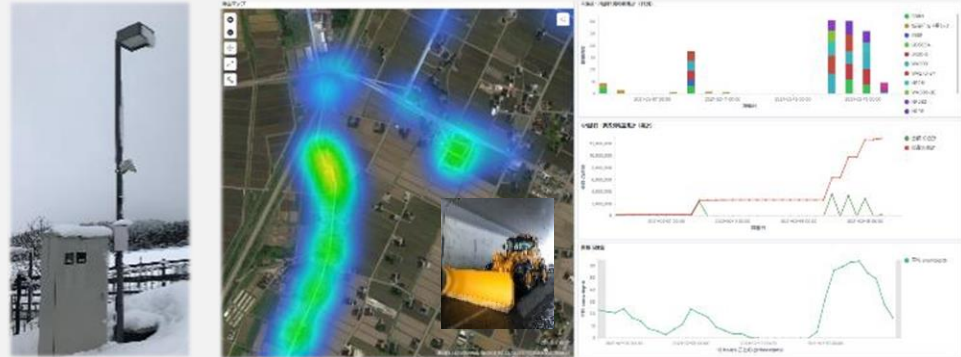
Knows if box trap is open or closed and perceives results detected by pyroelectric infrared sensor.

Email sent if box trap status changes, providing at-a-glance condition of box trap.

- Equipment used: **Hokuriku Electric Industry**-made box trap detector

2. Nanto, Toyama Prefecture

Visualizing snow-removal operations



Sensing unit attached to snow removal vehicle provides positioning information and helps visualize operating time (outsourcing costs). Snow accumulation sensor collects information on depth of fallen snow and helps equipment operators figure out how snow removal vehicles are operating, given snow depth.

- Equipment used: Sensing unit and **CHRONOX**-made snow meter system

Public system for residents



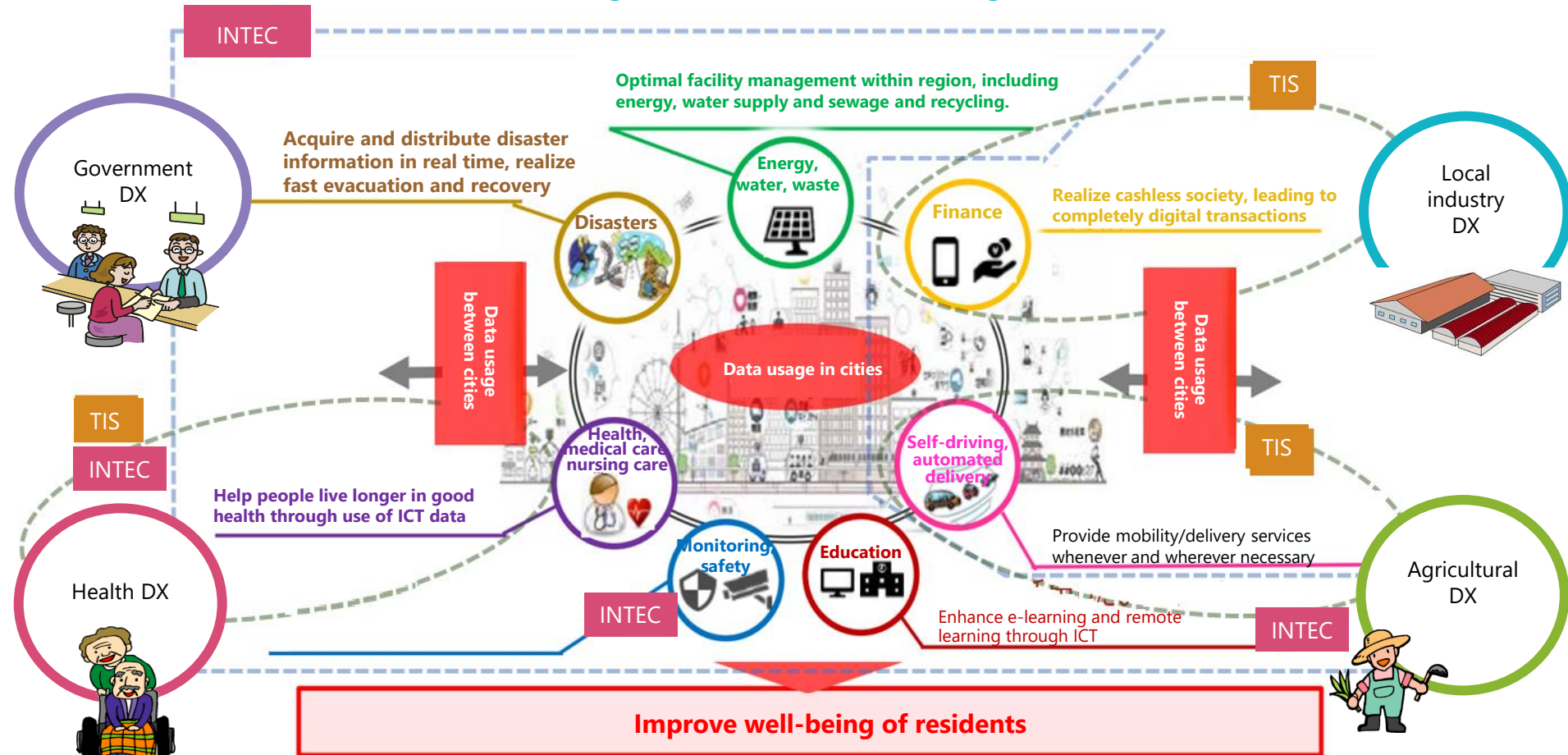
Build information distribution portal site for residents and disclose various administrative data, such as river water level, depth of snow accumulation and visualization of garbage collection. Promote site from two perspectives: greater convenience from residents' standpoint and greater administrative efficiency for operators.

Efforts in social issue solution services—Theme 3: Urban concentration/rural decline

Direction of Development Going Forward

- Expectations for smart cities are diverse, going beyond IoT to cashless transactions, healthcare, mobility, robotics and more, so we will concentrate on linking information throughout the Group, demonstrate synergy and provide total services to meet evolving requirements.

Image of Sustainable Cities and Regions



TIS INTEC Group Sustainability Management

Efforts in social issue solution services

Theme 1: Financial inclusion

Theme 2: Health concerns

Theme 3: Urban concentration/rural decline

Theme 4: Low-carbon/decarbonized society



Livable communities for all through the use of power generation systems and the application of power data. The focus will be on smart, local production/local consumption of green energy: generated in the area and used efficiently in the same area.

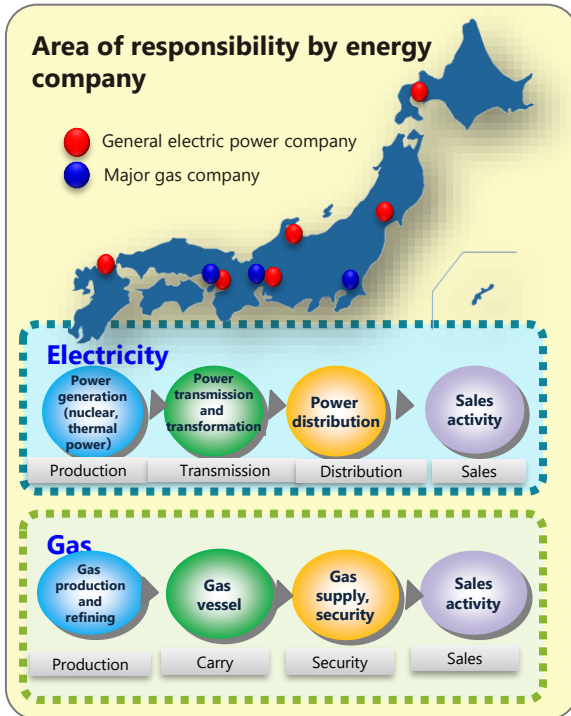
Kenichiro Taniguchi, TIS Inc.
Senior Expert of Energy & Infrastructure Division,
Industries & Public Solutions SBU

Efforts in social issue solution services—Theme 4: Low-carbon/decarbonized society

Overall Picture of Areas and Businesses of Involvement

- Have supported major energy companies from a system perspective for about 30 years. Launched proprietary brand during system reform of electric power and gas sectors, and offer services to newcomers in the deregulated sectors.
- ⇒ Using structure built to date to leverage services for low-carbon/decarbonized society.

Services for low-carbon/decarbonized society



toB

Energy-related operating companies

Electric power	Gas	Petroleum
<ul style="list-style-type: none"> ✓ Promote renewable energy measures and decarbonization, covering power generation and retail sectors, with focus on making renewable energy the primary power source of transmission/distribution grid. 	<ul style="list-style-type: none"> ✓ Investment curbs on primary business of LNG ✓ Expanding electric power business ✓ LNG alternatives are methanation and hydrogen 	<ul style="list-style-type: none"> ✓ Investment curbs on primary business of oil ✓ Expanding electric power business ✓ Focusing on hydrogen as alternative to oil and gasoline

TIS' core business response

Non-energy-related operating companies

- Corporate measures, addressing own demand
 - ✓ Improve renewable energy ratio at own factories and offices, promote energy saving and energy conservation
 - ✓ CO2 reduction in supply chain (through measures for TCFD and Scope 3, etc.)
- Renewable energy/energy-saving measures for energy used in providers' products and services
 - ✓ Construction companies zero energy building/zero energy housing measures
 - ✓ Automakers' use of storage batteries and VtoH for electric vehicles

Groupwide cooperation response

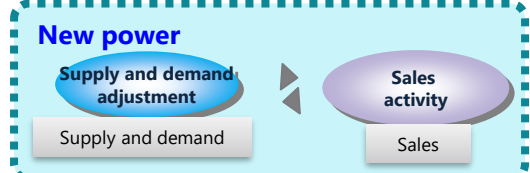
toC

Region/households/individuals

- ✓ Awareness of contributing to environment and decarbonization is low in Japan compared with other countries
- ✓ Efforts by households and individuals on decarbonization require cooperation with regions.
 - *464 local governments have signed on to carbon neutral declaration as of September 2021, representing 89% of Japan's population

Joint response with operating companies

Prompted by deregulation of power industry, expand profile of TIS' EneLink solutions

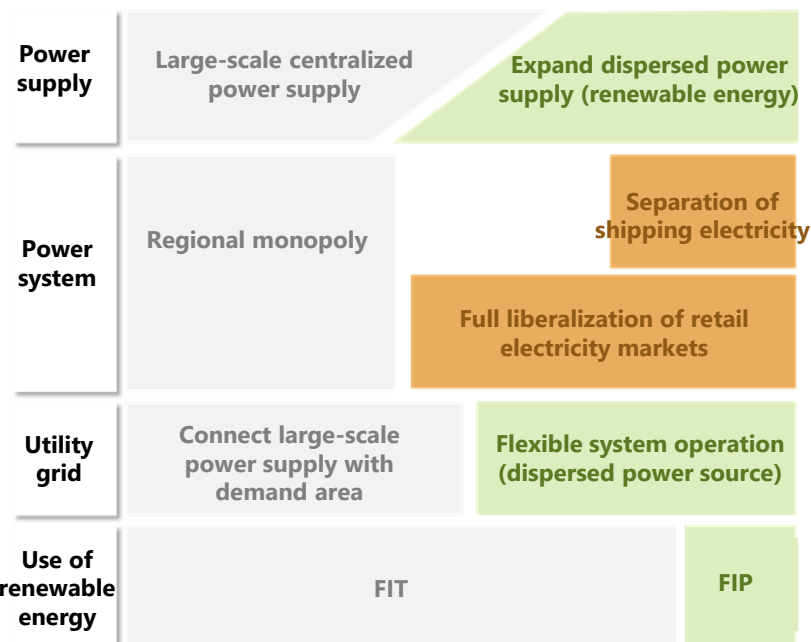


Efforts in social issue solution services—Theme 4: Low-carbon/decarbonized society

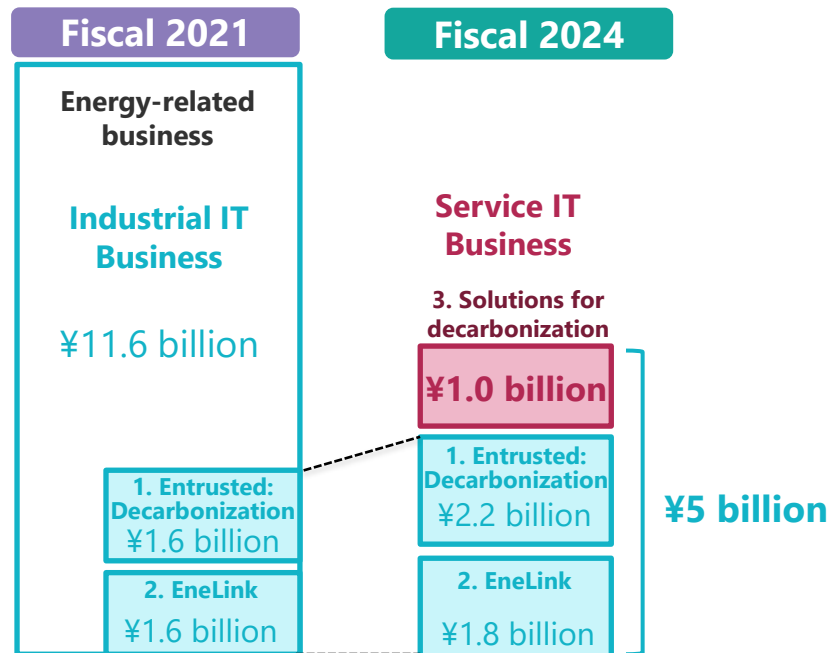
Desired Status in Medium to Long Term and Numerical Targets

• By promoting decarbonization solutions as a new brand, we will realize a society in which people choose behaviour that helps stop global warming and embraces decarbonization.

Power system reform, and flow of energy saving spread



Financial targets



Content of decarbonization-related business activities

1. Entrusted: Decarbonization

- Promote renewable energy measures and decarbonization in power generation and retailing sectors, with focus on making renewable energy the primary power source for power transmission/ distribution business operators.

2. EneLink

- Respond consecutively to widening renewable energy needs, such as corporate power purchase agreements and meet major client needs to address shift toward low-carbon/decarbonized society.



Planning launch/development under new brand

3. Solutions for decarbonization

First stage: VPP (virtual power plant)

- Investing and developing activities for VPP this fiscal year as solution using renewable energy digitally. Will promote widely.

: Social issue solution services

Second stage onward

- Offering service for electric vehicle use and verifying Scope 3 status, and turning services into solutions.

Efforts in social issue solution services—Theme 4: Low-carbon/decarbonized society

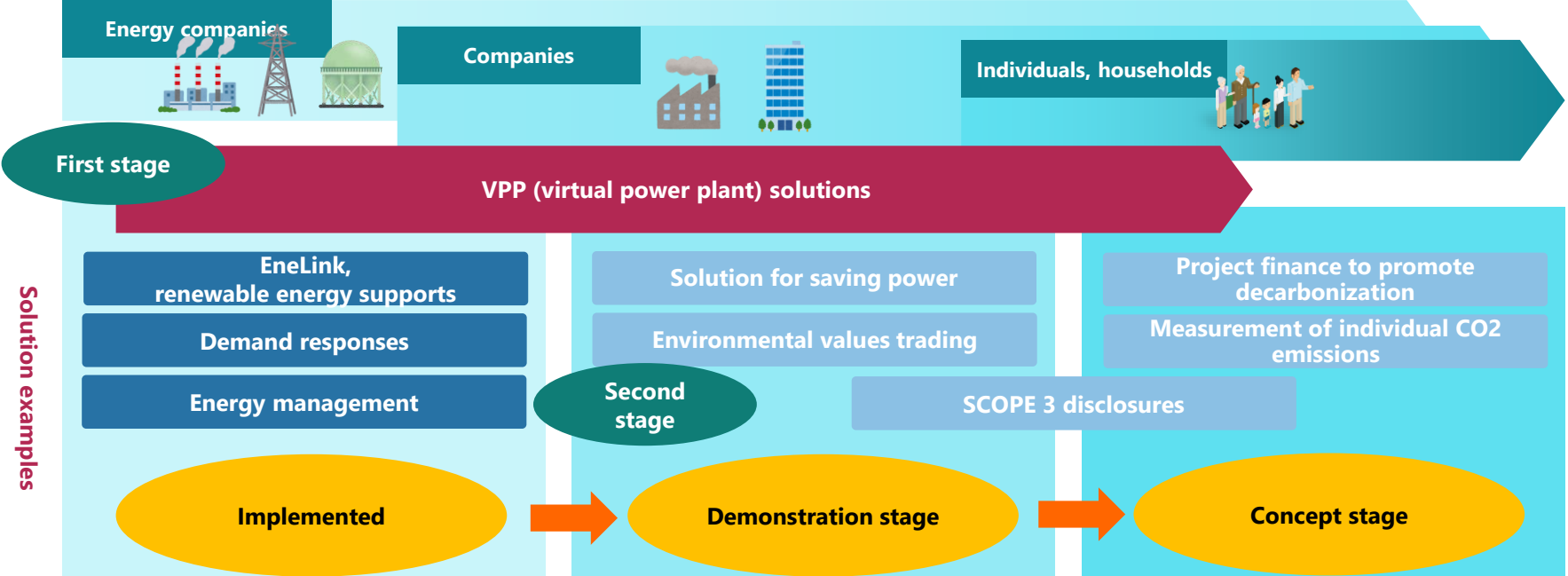
Strengths (Competitive Superiority), Strategies for Achievement of Targets

- Results already achieved for EneLink series and VPP solutions will give us position, putting us on a good footing to prepare services as decarbonization solutions and promote these solutions, anticipating early investment.

Decarbonization solution concept

Partner in creating decarbonized society using digital technology to realize a better world for tomorrow's generations.

- For first-stage solutions, using VPP solution already offered in the EneLink series as decarbonization solution for replacements and upgrades, and then launch new services in April 2022.
- With spread of renewable energy, digital technology will drive data utilization to predict demand, production and market prices, and application to storage batteries and electric vehicles. will facilitate efficient power supply and demand management. Toward this end, TIS will demonstrate superiority by connecting solutions to existing EneLink power supply and demand management structure and introducing data utilization mechanisms sourced from Europe and around the globe into services.



Efforts in social issue solution services—Theme 4: Low-carbon/decarbonized society

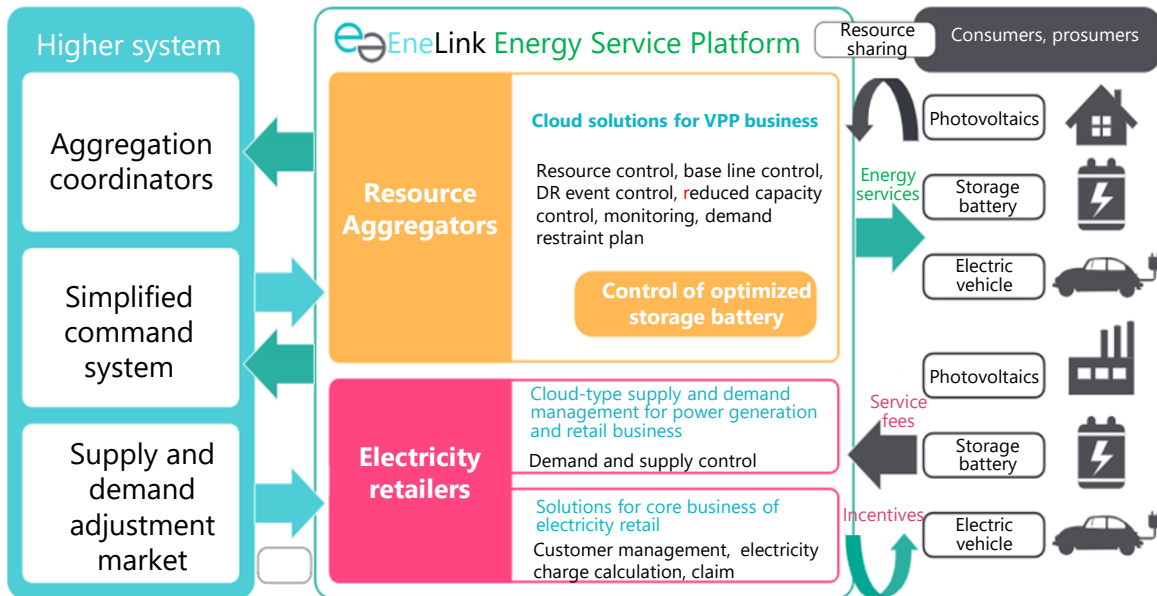
Current Efforts that Will Form Business Core—VPP business

- VPP business, which will fulfill vital role in popularizing renewable energy, is area requiring digital technologies, or demand and power generation forecasts using AI and for controlling devices (storage batteries, electric vehicles) using IoT.
- ⇒ Leverage global results achieved through alliances with overseas vendors and domestic results driven by EneLink.

- Cloud solution for EneLink VPP business applied to Kansai Electric's K-VIPs
- Implement response to align and connect EneLink for electric power retailers
- Through these results, team up with I-ON, an overseas vendor, to localize EIP, a product with proven results worldwide, notably, in Europe, as a decarbonization solution, and launch as new service in April 2022.



EneLink VPP Results



Linkage with Global Vendors



Current Efforts that Will Form Business Core—

Power conservation solution /environmental values trading

- Run demonstration tests focusing on consumers' changing behaviour.
 - ⇒ Plan to develop as decarbonization solution that enables choice of environmentally conscious actions

Power conservation support for state-run project in Qatar

- Configuration support for service to promote energy savings that Marubeni will provide to Qatar Electricity and Water Company. Will analyze power consumption data for all households in Qatar and visualization via app or other platform.
- Using hypothesis-driven agile development framework, we will join Marubeni in exploring approaches to deal with issues affecting overseas power demand, and begin proof-of-concept tests.

Electric vehicle environmental values trading using blockchain technology

- Using blockchain technology, develop transfer management system for environmental values derived from power generated through renewable energy sources. Provide as core of proof-of-concept tests using electric vehicles in which Kansai Electric is involved.
- Purpose of proof-of-concept is to devise trading formats for surplus power from photovoltaic systems and resulting environmental values and to create mechanisms for using renewable energy.

- For Qatar citizens, who see no cost merit through measures to conserve power, emphasis is on encouraging actions that will save power through efforts to raise awareness and promote a change in behaviour.

- Through participation by many ordinary households, such a system will invigorate local economic activity and also foster a change in perception to realize a decarbonized society.

Screen view

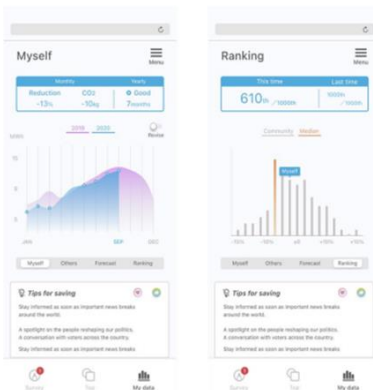


Figure 1: Personal historical comparison, ranking with others

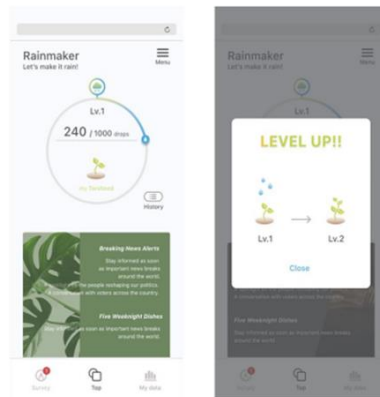
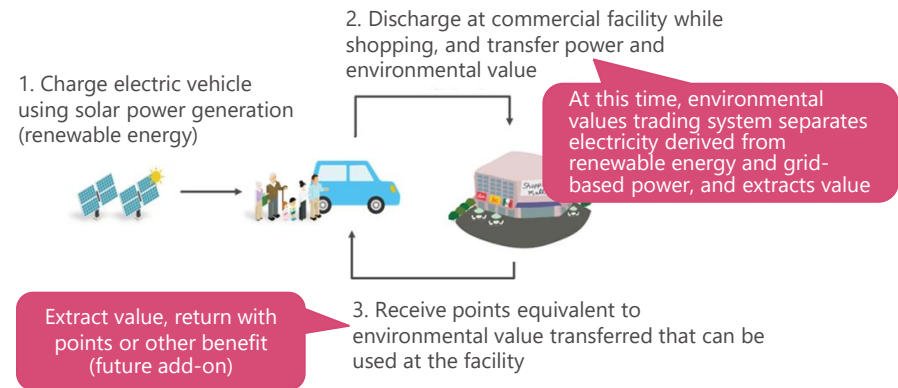


Figure 2: Energy-saving behaviour makes image of tree grow



- In promoting low-carbon/decarbonization business, our policy is to engage robustly in capital and business alliances with start-ups.
⇒ Seek to accelerate development through joint business creation and acquire necessary know-how.

Capital and business alliance efforts

- In March 2022, we will form a capital and business alliance with UPDATER (formerly, Minna Denryoku; name changed October 1, 2021) and MEDIOTEC, both ventures actively involved in energy and decarbonization and boasting advanced technologies and excellent services.



- ✓ Aims to realize “lifestyles with a face” as a social update company developing renewable energy services based on blockchain technology, under the tagline “electricity with a face”.

UPDATER, Inc. strengths

Renewable energy implementation consulting

Renewable energy solution case examples

Power plant tracking system

Channel to companies with high social sensibilities

Seek to develop decarbonization solutions through joint business creation by leveraging reciprocal strengths and synergy to support collaborative pursuits.



- ✓ In addition to renewable energy business, monitors and controls solar power plants. In field of HEMS (home energy management systems), develops activities with emphasis on housing complexes, and plans to develop own VPP business.

MEDIOTEC Co., Ltd. strengths

Track record in renewable energy generation business

HEMS shipment results

Know-how from participation in VPP verification

Proprietary know-how in low-pressure operations

Drawing on HEMS, household and individual business base, will pursue joint activities in areas where TIS faces difficulties in addressing demand on its own.

Efforts in social issue solution services—Theme 4: Low-carbon/decarbonized society

Reference: Solution in Spotlight—EneLink

EneLink is the No.1 total solution for quickly providing access to all kinds of systems required in electric power and gas operations, from calculation of charges and customer management to supply-demand management. It is based on system configuration technologies and know-how TIS has accumulated in serving clients in the the energy industry, including electric power and gas companies.



*1 EneLink is a full line of solutions for the energy industry. The name evokes an end-to-end response linking systems as well as the idea that the series will be extended in the future with new solution lineups. (Trademark registration: 5798528)

*2 Share status based on TIS research.

Appendix

Strategic Domain: Picture of Desired Status and Promotion Measures (Creation, Transformation, Expansion)

1. Strategic Partnership Business (SPB)

For clients at the top of their industry, we will draw on industry foresight and business knowledge that other companies cannot match—our business tools—to explore and promote business strategies with clients and underpin business basics

Desired Status

Building strong business partnerships to help clients expand operations by jointly exploring business strategies and identifying and solving business-related concerns

Promotion Measures

- Help solve clients' management concerns through hypotheses and proposals
- Demonstrate composite strengths of Group; utilize advanced technologies and forte products
- Build closer client connections at each level, hinging on management class
- Launch joint projects with business partners

2. IT Offering Service (IOS)

We will combine leading-edge technologies and know-how accumulated as a corporate group to create and quickly provide IT solution services that anticipate client needs.

Desired Status

Allowing TIS INTEC Group strengths to blossom under IT Offering Service banner; switch from labor-intensive style to non-price competition, knowledge-intensive style

Promotion Measures

- Establish schemes/systems emphasizing speed
- Build eco-systems in cooperation with business partners
- Utilize and provide access to Group's marketing channels

3. Business Function Service (BFS)

We will combine industry and business knowledge accumulated within the Group and utilize advanced technologies to anticipate client needs and provide business functions as services to enhance their value chains.

Desired Status

Complementing IT Offering Service with new businesses to enhance efficiency, mainly through automation, and providing high-value-added services to clients

Promotion Measures

- Take on responsibility for clients' value chain and contribute to business expansion
- Escape from labor-intensive business through greater use of machines and automation
- Add business services to Group's IT Offering Service
- Utilize and provide access to Group's market channels

4. Frontier Market Creation Business (FCB)

We will utilize Group technology, operating know-how and customer bases to create new markets and business models matched to evolving industry and social needs and develop businesses for these markets on our own.

Desired Status

Creating new markets that become pillars of business for the Group

Promotion Measures

- Team up with clients to pursue new business opportunities
- Demonstrate innovation through creative alliances with business partners
- Encourage business creation using business ideas of individuals

Make society's wishes come true through IT.



TIS INTEC
Group

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