



# **Financial Results for the First Three Quarters of the Fiscal Year Ending March 31, 2024**

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**February 2, 2024**

**TIS Inc.**

## Highlights

### Fiscal 2024 First Three Quarters: Financial Highlights

- Sales and income up year on year.
- Profitability dipped a bit due to reinforced growth investment, including investment in human resources, but still remained at a high level.
- Overall order volume and order backlog are favorable. Saw increase in software development projects during third quarter (October–December), contributing to total overall.

### Fiscal 2024: Performance Forecast

- Favorable progress, in line with revised full-year at time of first-half results announcement. No changes to full-year forecast.

## Fiscal 2024 First Three Quarters: Financial Highlights

## Fiscal 2024: Performance Forecast

## Reference Materials

- 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.
- Amounts for each three-month quarter are calculated by subtracting data for the respective period from the cumulative total.
- Segment sales include intersegment sales. (excluding page 9 and 12)

## **Fiscal 2024 First Three Quarters: Financial Highlights**

**Fiscal 2024: Performance Forecast**

**Reference Materials**

## Fiscal 2024 First Three Quarters: Performance Highlights (YOY change)

- Higher sales, thanks to business expansion through accurate responses to clients' IT investment needs, including demand for digital transformation.
- Solidified increase in operating income even amid efforts to reinforce growth investment, including investment in human resources.

| [Millions of yen]                                       | First three quarters of fiscal 2023 | First three quarters of fiscal 2024 | YOY change |         |
|---|-------------------------------------|-------------------------------------|------------|---------|
| Net Sales   | 370,382                             | <b>404,744</b>                      | +34,361    | [+9.3%] |
| Operating Income  | 44,444                              | <b>47,579</b>                       | +3,134     | [+7.1%] |
| Operating Margin  | 12.0%                               | <b>11.8%</b>                        | -0.2P      | -       |
| Net Income Attributable to Owners of the Parent Company | 32,158                              | <b>32,190</b>                       | +32        | [+0.1%] |
| Net Income to Net Sales Ratio                           | 8.7%                                | <b>8.0%</b>                         | -0.7P      | -       |

- Non-operating income: ¥2,899 million (YOY change +¥1,157 million)  
 → Reversal of allowance for doubtful accounts ¥1,017 million  
 Dividend income ¥674 million, etc.

- Non-operating expenses: ¥726 million (YOY change +¥10 million)

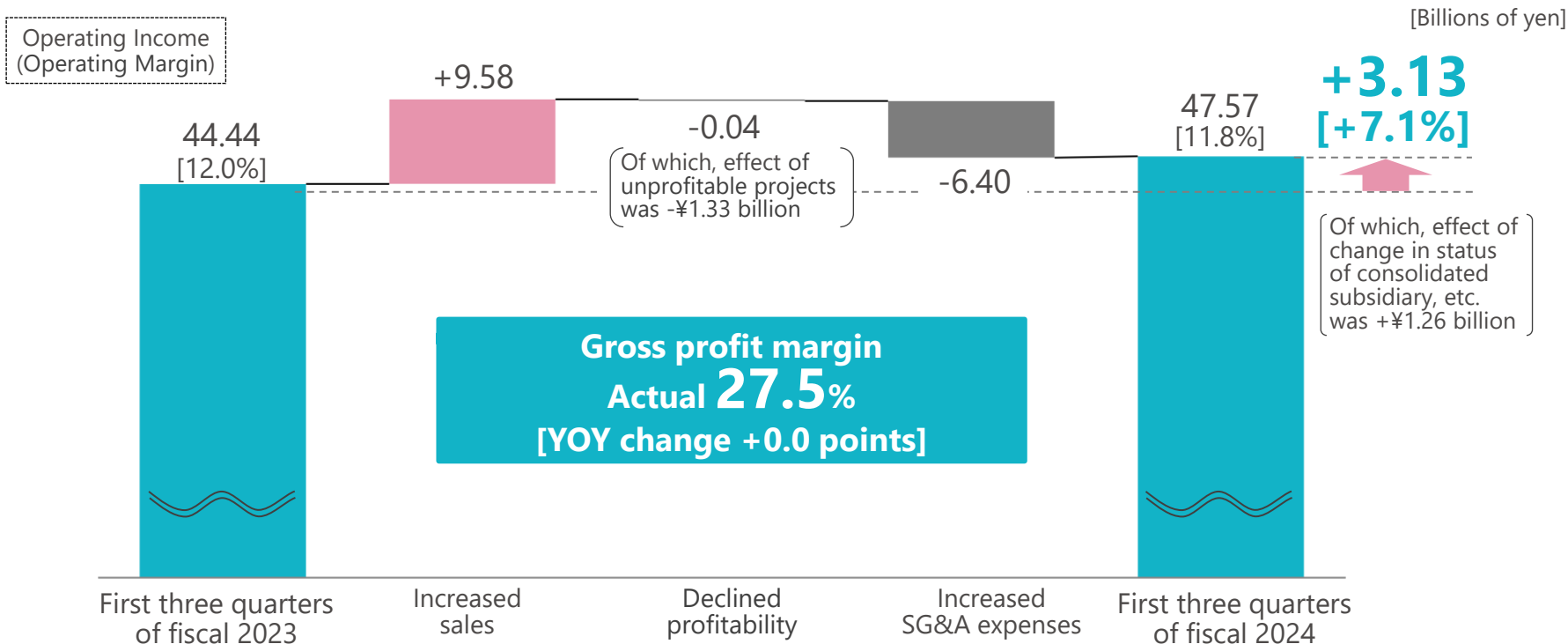
- Extraordinary income: ¥1,141 million (YOY change -¥3,552 million)  
 → Gain on reversal of asset retirement obligations ¥551 million, etc.

- Extraordinary loss: ¥1,838 million (YOY change +¥725 million)  
 → Loss on valuation of investment securities ¥1,285 million, etc.

\* Impact on consolidated results, paralleling inclusion of Nihon ICS in scope of consolidation from second quarter, added ¥4.3 billion to net sales and ¥700 million to operating income (after amortization of goodwill).

# Fiscal 2024 First Three Quarters: Operating Income Analysis, Increase/Decrease Reasons (YOY change)

• Posted higher operating income even while reinforcing upfront investment and dealing with increase in unprofitable projects. Effect of M&A activity a positive contributing factor.



**Prior investment costs for promoting structural transformation:  
Up ¥0.82 billion (YOY change )  
(Cost of sales: +¥0.85 billion, SG&A expenses: -¥0.02 billion)**  
Software investment / Investment in human resources / Investment in R&D  
+

**Cost of investment in human resources (additional amount):  
Up ¥4.00 billion (YOY change)  
(Cost of sales : +¥2.81 billion, SG&A expenses : +¥1.19 billion)**

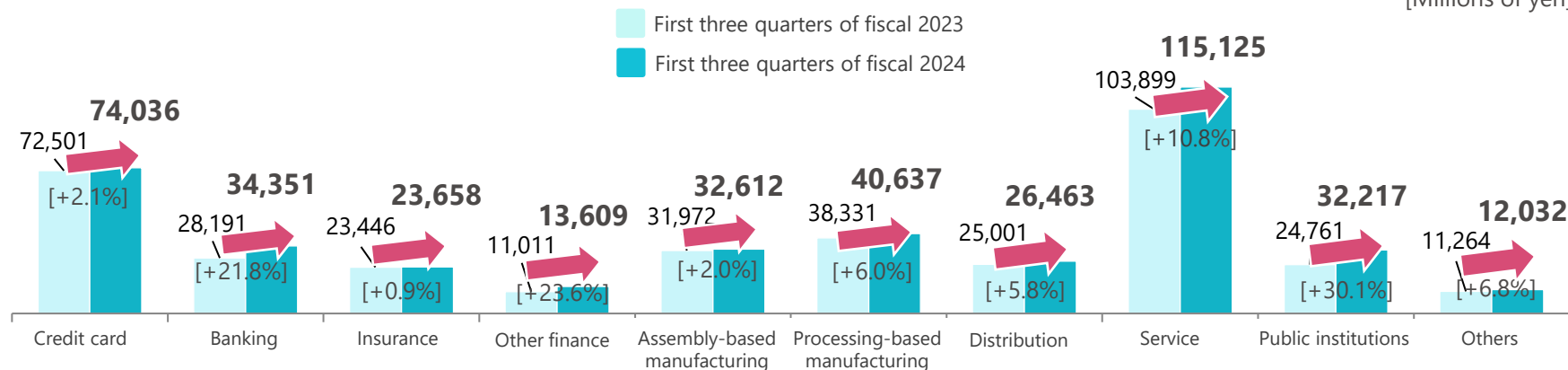
**Changes in SG&A Expenses**

|   |              |
|---|--------------|
| Effect of change in status of consolidated subsidiary, etc. | +1.49        |
| Prior investment (excludes investment in human resources)   | -0.02        |
| Prior investment (Investment in human resources)            | +1.19        |
| Others  | +3.74        |
| <b>Total</b>  | <b>+6.40</b> |

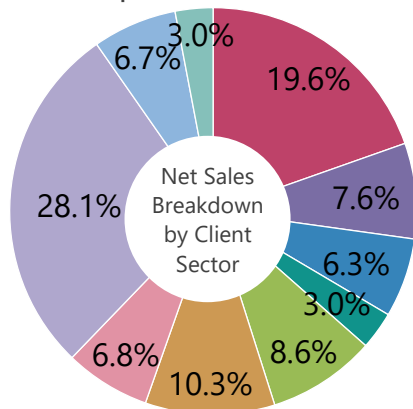
# Fiscal 2024 First Three Quarters: Sales by Client Sector

• Year-on-year increases in sales in all client sectors. Driven by demand from businesses providing services and banking operations as well as the public sector.

(Millions of yen)

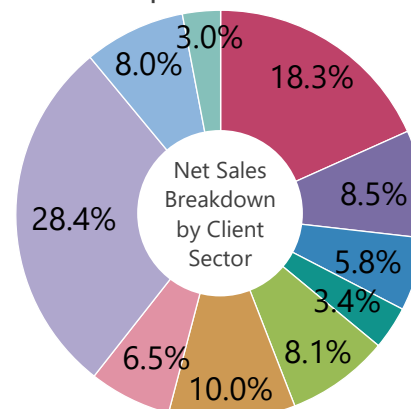


First three quarters of fiscal 2023



Financial sector: 36.5% Industrial sector: 53.8%  
Public sector: 6.7% Other sectors: 3.0%

First three quarters of fiscal 2024



Financial sector: 36.0% Industrial sector: 53.0%  
Public sector: 8.0% Other sectors: 3.0%

# Fiscal 2024 First Three Quarters: Sales and Income for Key Business Segments (YOY change)

| [Millions of yen]              |                  | First three quarters<br>of fiscal 2023 | First three quarters<br>of fiscal 2024 | YOY change |          |
|--------------------------------|------------------|--|--|------------|----------|
| Offering Service<br>Business   | Net Sales        | 81,516                                 | <b>93,701</b>                          | +12,185    | [+14.9%] |
|                                | Operating Income | 4,499                                  | <b>5,493</b>                           | +994       | [+22.1%] |
|                                | Operating Margin | 5.5%                                   | <b>5.9%</b>                            | +0.4P      | -        |
| Business Process<br>Management | Net Sales        | 32,223                                 | <b>31,239</b>                          | -983       | [-3.1%]  |
|                                | Operating Income | 3,644                                  | <b>3,073</b>                           | -571       | [-15.7%] |
|                                | Operating Margin | 11.3%                                  | <b>9.8%</b>                            | -1.5P      | -        |
| Financial IT<br>Business       | Net Sales        | 74,079                                 | <b>79,820</b>                          | +5,740     | [+7.7%]  |
|                                | Operating Income | 9,907                                  | <b>11,256</b>                          | +1,348     | [+13.6%] |
|                                | Operating Margin | 13.4%                                  | <b>14.1%</b>                           | +0.7P      | -        |
| Industrial IT<br>Business      | Net Sales        | 82,621                                 | <b>89,679</b>                          | +7,058     | [+8.5%]  |
|                                | Operating Income | 12,124                                 | <b>13,268</b>                          | +1,143     | [+9.4%]  |
|                                | Operating Margin | 14.7%                                  | <b>14.8%</b>                           | +0.1P      | -        |
| Regional IT<br>Solutions       | Net Sales        | 115,422                                | <b>127,285</b>                         | +11,862    | [+10.3%] |
|                                | Operating Income | 13,569                                 | <b>14,178</b>                          | +608       | [+4.5%]  |
|                                | Operating Margin | 11.8%                                  | <b>11.1%</b>                           | -0.7P      | -        |

|                                     |  |
|-------------------------------------|--|
| <b>Offering Service Business:</b>   | Higher sales and higher income, largely due to wider IT investment in areas of payment settlement, platform and business management as well as positive impact of M&A activity. Overseas operations contributed to sales growth.                             |
| <b>Business Process Management:</b> | Existing data entry business struggled, impacting segment results, leading to lower sales and lower income.  |
| <b>Financial IT Business:</b>       | Higher sales and higher income, driven by large-scale projects ordered by core clients in credit card sector as well as public-sector financial institutions.  |
| <b>Industrial IT Business:</b>      | Higher sales and higher income underpinned by wider IT investment across spectrum of client sectors, particularly manufacturing and distribution, as well as solid ERP demand.   |
| <b>Regional IT Solutions:</b>       | Higher sales and higher income, reflecting wider IT investment in such sectors as healthcare and banking as well as investment into networks and other industrial IT infrastructure. Profitability decreased, mainly due to impact of unprofitable projects. |



# Reference: Fiscal 2024 First Three Quarters: Sales by Key Business Segment and Operating Activity \*For external clients

| [Millions of yen]           | First three quarters<br>of fiscal 2023 | First three quarters<br>of fiscal 2024 | YOY change |          |
|-----------------------------|--|--|------------|----------|
| Offering Service Business   | 72,506                                 | <b>84,166</b>                          | +11,660    | [+16.1%] |
| Software development        | 34,055                                 | <b>33,197</b>                          | -858       | [-2.5%]  |
| Operating/cloud services    | 22,732                                 | <b>28,732</b>                          | +6,000     | [+26.4%] |
| Product/software sales      | 15,718                                 | <b>22,236</b>                          | +6,518     | [+41.5%] |
| Business Process Management | 30,505                                 | <b>29,700</b>                          | -804       | [-2.6%]  |
| Software development        | 13,082                                 | <b>9,864</b>                           | -3,217     | [-24.6%] |
| Operating/cloud services    | 17,423                                 | <b>19,056</b>                          | +1,633     | [+9.4%]  |
| Product/software sales      | -                                      | <b>779</b>                             | +779       | -        |
| Financial IT Business       | 72,836                                 | <b>78,683</b>                          | +5,846     | [+8.0%]  |
| Software development        | 39,837                                 | <b>45,165</b>                          | +5,328     | [+13.4%] |
| Operating/cloud services    | 27,713                                 | <b>29,522</b>                          | +1,809     | [+6.5%]  |
| Product/software sales      | 5,284                                  | <b>3,994</b>                           | -1,290     | [-24.4%] |
| Industrial IT Business      | 82,067                                 | <b>89,260</b>                          | +7,192     | [+8.8%]  |
| Software development        | 55,426                                 | <b>58,113</b>                          | +2,687     | [+4.8%]  |
| Operating/cloud services    | 17,870                                 | <b>19,914</b>                          | +2,043     | [+11.4%] |
| Product/software sales      | 8,769                                  | <b>11,231</b>                          | +2,461     | [+28.1%] |
| Regional IT Solutions       | 110,651                                | <b>121,380</b>                         | +10,728    | [+9.7%]  |
| Software development        | 57,616                                 | <b>62,376</b>                          | +4,760     | [+8.3%]  |
| Operating/cloud services    | 40,729                                 | <b>42,188</b>                          | +1,459     | [+3.6%]  |
| Product/software sales      | 12,305                                 | <b>16,814</b>                          | +4,508     | [+36.6%] |

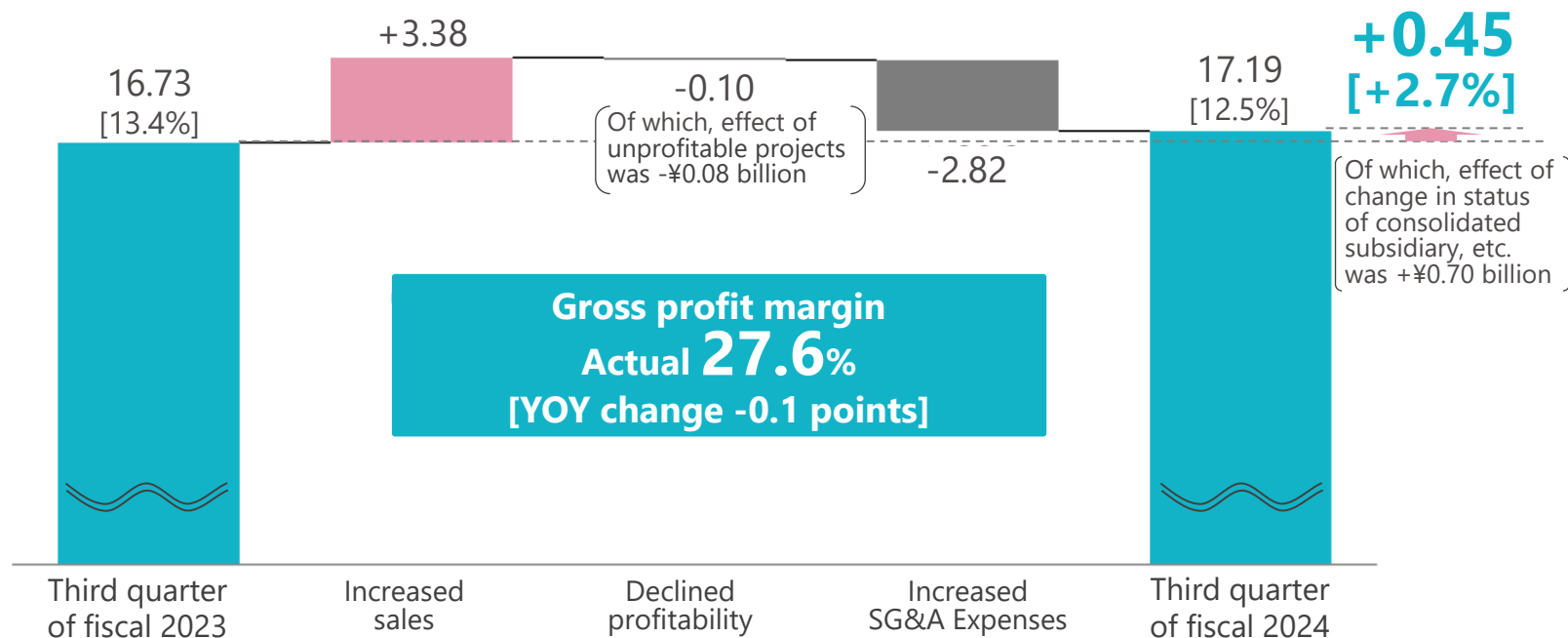
# Reference: Fiscal 2024 Third Quarter (October-December): Sales and Income for Key Business Segments

| [Millions of yen]  | Third quarter<br>of fiscal 2023 | Third quarter<br>of fiscal 2024 | YOY change    |                  |
|--|---------------------------------|---------------------------------|---------------|------------------|
| Net Sales  | 125,077                         | <b>137,255</b>                  | +12,178       | [+9.7%]          |
| Operating Income   | 16,734                          | <b>17,191</b>                   | +457          | [+2.7%]          |
| Operating Margin   | 13.4%                           | <b>12.5%</b>                    | -0.9P         | -                |
| Net Income Attributable to Owners of<br>the Parent Company | 13,323                          | <b>11,882</b>                   | -1,440        | [-10.8%]         |
| Net Income to Net Sales Ratio                              | 10.7%                           | <b>8.7%</b>                     | -2.0P         | -                |
| <b>Key Business Segments</b>                               |                                 |                                 |               |                  |
| Offering Service<br>Business                               | Net Sales                       | 27,628                          | <b>33,552</b> | +5,924 [ +21.4%] |
|  | Operating Income                | 2,004                           | <b>2,834</b>  | +830 [ +41.4%]   |
|  | Operating margin                | 7.3%                            | <b>8.4%</b>   | +1.1P -          |
| Business Process<br>Management                             | Net Sales                       | 10,732                          | <b>10,245</b> | -487 [ -4.5%]    |
|  | Operating Income                | 1,239                           | <b>964</b>    | -274 [ -22.2%]   |
|  | Operating margin                | 11.5%                           | <b>9.4%</b>   | -2.1P -          |
| Financial IT<br>Business                                   | Net Sales                       | 25,361                          | <b>25,713</b> | +352 [ +1.4%]    |
|  | Operating Income                | 3,596                           | <b>3,370</b>  | -226 [ -6.3%]    |
|  | Operating margin                | 14.2%                           | <b>13.1%</b>  | -1.1P -          |
| Industrial IT<br>Business                                  | Net Sales                       | 27,401                          | <b>31,353</b> | +3,951 [ +14.4%] |
|  | Operating Income                | 4,361                           | <b>4,797</b>  | +436 [ +10.0%]   |
|  | Operating margin                | 15.9%                           | <b>15.3%</b>  | -0.6P -          |
| Regional IT<br>Solutions                                   | Net Sales                       | 39,117                          | <b>41,749</b> | +2,631 [ +6.7%]  |
|  | Operating Income                | 5,216                           | <b>5,164</b>  | -52 [ -1.0%]     |
|  | Operating margin                | 13.3%                           | <b>12.4%</b>  | -0.9P -          |

# Reference: Fiscal 2024 Third Quarter (October-December): Operating Income Analysis, Increase/Decrease Reasons (YOY change)

Operating Income  
(Operating Margin)

[Billions of yen]



**Prior investment costs for promoting structural transformation:  
Down ¥0.11 billion (YOY change)**

**(Cost of sales: -¥0.04 billion, SG&A expenses: -¥0.07 billion)**

Software investment / Investment in human resources / Investment in R&D  
+

**Cost of investment in human resources (additional amount):  
Up ¥1.60 billion (YOY change)**

**(Cost of sales : +¥1.13 billion, SG&A expenses : +¥0.46 billion)**

**Changes in SG&A Expenses**

|   |              |
|---|--------------|
| Effect of change in status of consolidated subsidiary, etc. | +0.73        |
| Prior investment (excludes investment in human resources)   | -0.07        |
| Prior investment (Investment in human resources)            | +0.46        |
| Others  | +1.70        |
| <b>Total</b>  | <b>+2.82</b> |

# Reference: Fiscal 2024 Third Quarter (October-December): Sales by Key Business Segment and Operating Activity \*For external clients

| [Millions of yen]           | Third quarter<br>of fiscal 2023 | Third quarter<br>of fiscal 2024 | YOY change |          |
|-----------------------------|---------------------------------|---------------------------------|------------|----------|
| Offering Service Business   | 24,626                          | <b>30,344</b>                   | +5,718     | [+23.2%] |
| Software development        | 11,225                          | <b>11,669</b>                   | +444       | [+4.0%]  |
| Operating/cloud services    | 8,380                           | <b>10,391</b>                   | +2,010     | [+24.0%] |
| Product/software sales      | 5,020                           | <b>8,284</b>                    | +3,264     | [+65.0%] |
| Business Process Management | 10,188                          | <b>9,753</b>                    | -435       | [-4.3%]  |
| Software development        | 4,345                           | <b>3,196</b>                    | -1,149     | [-26.4%] |
| Operating/cloud services    | 5,842                           | <b>6,325</b>                    | +482       | [+8.3%]  |
| Product/software sales      | —                               | <b>231</b>                      | +231       | -        |
| Financial IT Business       | 24,924                          | <b>25,334</b>                   | +409       | [+1.6%]  |
| Software development        | 14,127                          | <b>14,260</b>                   | +133       | [+0.9%]  |
| Operating/cloud services    | 9,193                           | <b>9,853</b>                    | +659       | [+7.2%]  |
| Product/software sales      | 1,604                           | <b>1,220</b>                    | -384       | [-23.9%] |
| Industrial IT Business      | 27,222                          | <b>31,186</b>                   | +3,964     | [+14.6%] |
| Software development        | 18,383                          | <b>19,827</b>                   | +1,444     | [+7.9%]  |
| Operating/cloud services    | 6,012                           | <b>6,525</b>                    | +513       | [+8.5%]  |
| Product/software sales      | 2,826                           | <b>4,833</b>                    | +2,007     | [+71.0%] |
| Regional IT Solutions       | 37,476                          | <b>40,091</b>                   | +2,614     | [+7.0%]  |
| Software development        | 19,622                          | <b>20,895</b>                   | +1,272     | [+6.5%]  |
| Operating/cloud services    | 13,726                          | <b>14,193</b>                   | +466       | [+3.4%]  |
| Product/software sales      | 4,128                           | <b>5,003</b>                    | +875       | [+21.2%] |

# Fiscal 2024 First Three Quarters: Order Status (Orders received during first three quarters)

- Year-on-year increase in overall order volume.
- Tough conditions in software development for Business Process Management and Financial IT Business, which saw reactionary drop in demand, but Offering Services Business and Industrial IT Business achieved commendable increases.

| [Millions of yen]                           |   | First three quarters of fiscal 2023 | First three quarters of fiscal 2024 | YOY change |          |
|---|---|-------------------------------------|-------------------------------------|------------|----------|
| Orders received during first three quarters |   | 344,697                             | <b>364,551</b>                      | +19,853    | [+5.8%]  |
| Software development                        |   | 197,217                             | <b>193,889</b>                      | -3,328     | [-1.7%]  |
| <b>Key Business Segments</b>                |   |                                     |                                     |            |          |
| Offering Service Business                   | Orders received during first three quarters | 64,223                              | <b>78,143</b>                       | +13,919    | [+21.7%] |
|   | Software development                        | 30,208                              | <b>34,589</b>                       | +4,380     | [+14.5%] |
| Business Process Management                 | Orders received during first three quarters | 30,762                              | <b>28,943</b>                       | -1,818     | [-5.9%]  |
|   | Software development                        | 13,338                              | <b>8,924</b>                        | -4,414     | [-33.1%] |
| Financial IT Business                       | Orders received during first three quarters | 67,739                              | <b>62,623</b>                       | -5,115     | [-7.6%]  |
|   | Software development                        | 43,099                              | <b>34,413</b>                       | -8,685     | [-20.2%] |
| Industrial IT Business                      | Orders received during first three quarters | 74,741                              | <b>82,871</b>                       | +8,130     | [+10.9%] |
|   | Software development                        | 52,333                              | <b>57,085</b>                       | +4,752     | [+9.1%]  |
| Regional IT Solutions                       | Orders received during first three quarters | 107,231                             | <b>111,969</b>                      | +4,737     | [+4.4%]  |
|   | Software development                        | 58,237                              | <b>58,877</b>                       | +639       | [+1.1%]  |

# Fiscal 2024 First Three Quarters: Order Status (Order backlog at end of third quarter)

•Year-on-year increase, with trend in orders received during the term generally unchanged. Third quarter hit record high.

| [Millions of yen]                     |   | First three quarters of fiscal 2023 | First three quarters of fiscal 2024 | YOY change |          |
|---------------------------------------|---|-------------------------------------|-------------------------------------|------------|----------|
| Order backlog at end of third quarter |   | 138,543                             | <b>143,272</b>                      | +4,728     | [+3.4%]  |
| Software development                  |   | 91,682                              | <b>88,768</b>                       | -2,914     | [-3.2%]  |
| <b>Key Business Segments</b>          |   |                                     |                                     |            |          |
| Offering Service Business             | Orders received during first three quarters | 23,456                              | <b>28,713</b>                       | +5,256     | [+22.4%] |
|                                       | Software development                        | 12,614                              | <b>15,322</b>                       | +2,708     | [+21.5%] |
| Business Process Management           | Orders received during first three quarters | 8,760                               | <b>6,692</b>                        | -2,068     | [-23.6%] |
|                                       | Software development                        | 8,760                               | <b>6,509</b>                        | -2,251     | [-25.7%] |
| Financial IT Business                 | Orders received during first three quarters | 34,293                              | <b>32,739</b>                       | -1,553     | [-4.5%]  |
|                                       | Software development                        | 25,139                              | <b>21,071</b>                       | -4,067     | [-16.2%] |
| Industrial IT Business                | Orders received during first three quarters | 30,539                              | <b>31,676</b>                       | +1,137     | [+3.7%]  |
|                                       | Software development                        | 21,045                              | <b>21,666</b>                       | +620       | [+2.9%]  |
| Regional IT Solutions                 | Orders received during first three quarters | 41,494                              | <b>43,450</b>                       | +1,955     | [+4.7%]  |
|                                       | Software development                        | 24,123                              | <b>24,197</b>                       | +74        | [+0.3%]  |

# Reference: Fiscal 2024 Third Quarter (October-December): Order Status

| [Millions of yen]                    |                                      | Third quarter<br>of fiscal 2023 | Third quarter<br>of fiscal 2024 | YOY change |          |
|--------------------------------------|--------------------------------------|---------------------------------|---------------------------------|------------|----------|
| Orders received during third quarter |                                      | 78,703                          | <b>92,179</b>                   | +13,475    | [+17.1%] |
| Software development                 |                                      | 53,727                          | <b>60,712</b>                   | +6,984     | [+13.0%] |
| <b>Key Business Segments</b>         |                                      |                                 |                                 |            |          |
| Offering Service<br>Business         | Orders received during third quarter | 13,482                          | <b>20,151</b>                   | +6,669     | [+49.5%] |
|                                      | Software development                 | 8,377                           | <b>10,742</b>                   | +2,365     | [+28.2%] |
| Business Process<br>Management       | Orders received during third quarter | 10,745                          | <b>9,318</b>                    | -1,427     | [-13.3%] |
|                                      | Software development                 | 4,902                           | <b>2,825</b>                    | -2,077     | [-42.4%] |
| Financial IT<br>Business             | Orders received during third quarter | 8,482                           | <b>12,905</b>                   | +4,423     | [+52.1%] |
|                                      | Software development                 | 6,731                           | <b>10,873</b>                   | +4,142     | [+61.5%] |
| Industrial IT<br>Business            | Orders received during third quarter | 20,994                          | <b>24,049</b>                   | +3,054     | [+14.6%] |
|                                      | Software development                 | 16,840                          | <b>19,931</b>                   | +3,091     | [+18.4%] |
| Regional IT<br>Solutions             | Orders received during third quarter | 24,999                          | <b>25,754</b>                   | +755       | [+3.0%]  |
|                                      | Software development                 | 16,875                          | <b>16,339</b>                   | -536       | [-3.2%]  |

**Fiscal 2024 First Three Quarters: Financial Highlights**

**Fiscal 2024: Performance Forecast**

**Reference Materials**



## Fiscal 2024: Performance Forecasts

- Expect to achieve higher sales and higher income through expanding business pursuits while reinforcing growth investment, including investment in human resources. Changing status of consolidated subsidiaries will also have positive effect on results. Note that results by Nihon ICS, brought under consolidation through M&A, are reflected from second quarter. \*1
- The anticipated decrease in net income is primarily due to a reactionary drop in extraordinary income due to such factors as a reduction in strategic shareholdings in fiscal 2023.

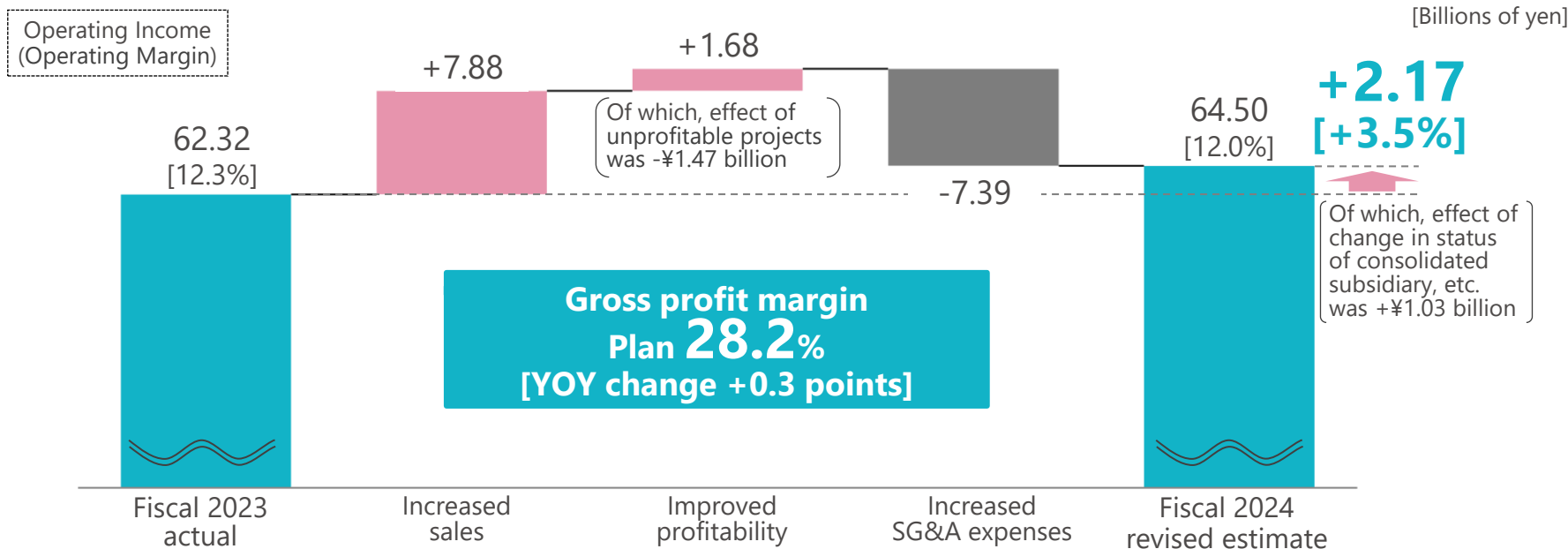
| [Millions of yen]  | Fiscal 2023<br>actual | Fiscal 2024<br>revised estimate | YOY change |          |
|--|-----------------------|---------------------------------|------------|----------|
| Net Sales  | 508,400               | <b>536,000</b>                  | +27,599    | [+5.4%]  |
| Operating Income   | 62,328                | <b>64,500</b>                   | +2,171     | [+3.5%]  |
| Operating Margin   | 12.3%                 | <b>12.0%</b>                    | -0.3P      | -        |
| Net Income Attributable to<br>Owners of the Parent Company | 55,461                | <b>42,000</b>                   | -13,461    | [-24.3%] |
| Net Income to Net Sales Ratio                              | 10.9%                 | <b>7.8%</b>                     | -3.1P      | -        |
| Net Income per Share (Yen)                                 | 227.11                | <b>174.19</b>                   | -52.92     | [-23.3%] |
| ROE *2   | 18.8%                 | <b>13.7%</b>                    | -5.1P      | -        |

\*1 Impact of turning Nihon ICS into consolidated subsidiary, from second quarter, will likely add ¥5.4 billion to net sales and ¥400 million to operating income (after amortization of goodwill).

\*2 ROE estimate for fiscal 2024 is a calculated value.

# Operating Income Analysis, Increase/Decrease Reasons [Forecast]

- Expect higher costs from robust growth investment to be absorbed by increase in income achieved through business expansion, leading to higher operating income.
- Contribution from Nihon ICS, brought under consolidation through M&A, limited after taking effect of goodwill amortization into account.



**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

+

**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. | +2.46        |
| Prior investment (excludes investment in human resources)   | +0.47        |
| Prior investment (Investment in human resources)            | +1.80        |
| Others  | +2.65        |
| <b>Total</b>  | <b>+7.39</b> |

## Fiscal 2024: Sales and Income by Key Business Segment [Forecast]

| [Millions of yen]              |                  | Fiscal 2023<br>actual | Fiscal 2024<br>revised estimate | YOY change |          |
|--------------------------------|------------------|-----------------------|---------------------------------|------------|----------|
| Offering Service<br>Business   | Net Sales        | 111,752               | <b>124,300</b>                  | +12,547    | [+11.2%] |
|                                | Operating Income | 6,426                 | <b>7,300</b>                    | +873       | [+13.6%] |
|                                | Operating margin | 5.8%                  | <b>5.9%</b>                     | +0.1P      | -        |
| Business Process<br>Management | Net Sales        | 43,255                | <b>43,000</b>                   | -255       | [-0.6%]  |
|                                | Operating Income | 5,123                 | <b>4,850</b>                    | -273       | [-5.3%]  |
|                                | Operating margin | 11.8%                 | <b>11.3%</b>                    | -0.5P      | -        |
| Financial IT<br>Business       | Net Sales        | 101,184               | <b>105,500</b>                  | +4,315     | [+4.3%]  |
|                                | Operating Income | 13,896                | <b>14,300</b>                   | +403       | [+2.9%]  |
|                                | Operating margin | 13.7%                 | <b>13.6%</b>                    | -0.1P      | -        |
| Industrial IT<br>Business      | Net Sales        | 113,632               | <b>117,700</b>                  | +4,067     | [+3.6%]  |
|                                | Operating Income | 16,728                | <b>17,600</b>                   | +871       | [+5.2%]  |
|                                | Operating margin | 14.7%                 | <b>15.0%</b>                    | +0.3P      | -        |
| Regional IT<br>Solutions       | Net Sales        | 160,010               | <b>169,100</b>                  | +9,089     | [+5.7%]  |
|                                | Operating Income | 19,343                | <b>20,000</b>                   | +656       | [+3.4%]  |
|                                | Operating margin | 12.1%                 | <b>11.8%</b>                    | -0.3P      | -        |

**Offering Service  
Business:**

Expect higher sales and higher income, mainly from effect of change in status of consolidated subsidiaries. Expanding demand for payment settlement and other broad-based services will be key contributor to sales.

**Business Process  
Management:**

Despite emphasis on improving added value and optimizing operations, struggling businesses, namely, existing data entry business, will probably lead to higher sales but lower income.

**Financial IT Business:**

Anticipate higher sales and higher income, underpinned by steady progress on large projects and capture of IT investment demand centered on existing clients.

**Industrial IT Business:**

Expect higher sales and higher income, reflecting capture of IT investment demand across wide client base as well as strong interest in ERP.

**Regional IT Solutions:**

Expect higher sales and higher income, reflecting wider demand for medical services, and solutions and capture of IT investment demand from existing clients.

**Fiscal 2024 First Three Quarters: Financial Highlights**

**Fiscal 2024: Performance Forecast**

**Reference Materials**

# Fiscal 2024 Second Half: Sales and Income for Key Business Segments [Forecast]

No changes to estimates announced on November 1, 2023



| [Millions of yen]  | Fiscal 2023<br>second half | Fiscal 2024<br>second half | YOY change    |                  |
|--|----------------------------|----------------------------|---------------|------------------|
| Net Sales  | 263,095                    | <b>268,511</b>             | +5,415        | [+2.1%]          |
| Operating Income   | 34,618                     | <b>34,112</b>              | -506          | [-1.5%]          |
| Operating Margin   | 13.2%                      | <b>12.7%</b>               | -0.5P         | -                |
| Net Income Attributable to<br>Owners of the Parent Company | 36,627                     | <b>21,692</b>              | -14,934       | [-40.8%]         |
| Net Income to Net Sales Ratio                              | 13.9%                      | <b>8.1%</b>                | -5.8P         | -                |
| <b>Key Business Segments</b>                               |                            |                            |               |                  |
| Offering Service<br>Business                               | Net Sales                  | 57,865                     | <b>64,151</b> | +6,286 [ +10.9%] |
|  | Operating Income           | 3,931                      | <b>4,640</b>  | +709 [ +18.0%]   |
|  | Operating Margin           | 6.8%                       | <b>7.2%</b>   | +0.4P -          |
| Business Process<br>Management                             | Net Sales                  | 21,765                     | <b>22,005</b> | +240 [ +1.1%]    |
|  | Operating Income           | 2,717                      | <b>2,741</b>  | +23 [ +0.8%]     |
|  | Operating Margin           | 12.5%                      | <b>12.5%</b>  | -0.0P -          |
| Financial IT<br>Business                                   | Net Sales                  | 52,466                     | <b>51,393</b> | -1,073 [ -2.0%]  |
|  | Operating Income           | 7,585                      | <b>6,413</b>  | -1,171 [ -15.4%] |
|  | Operating Margin           | 14.5%                      | <b>12.5%</b>  | -2.0P -          |
| Industrial IT<br>Business                                  | Net Sales                  | 58,412                     | <b>59,373</b> | +960 [ +1.6%]    |
|  | Operating Income           | 8,965                      | <b>9,129</b>  | +163 [ +1.8%]    |
|  | Operating Margin           | 15.3%                      | <b>15.4%</b>  | +0.1P -          |
| Regional IT<br>Solutions                                   | Net Sales                  | 83,706                     | <b>83,564</b> | -142 [ -0.2%]    |
|  | Operating Income           | 10,990                     | <b>10,986</b> | -4 [ -0.0%]      |
|  | Operating Margin           | 13.1%                      | <b>13.1%</b>  | +0.0P -          |

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