



MEMBERSHIP

May 8, 2024

(Translated from the Japanese original)

Company Name: TIS Inc.
Representative: Yasushi Okamoto, President and Representative Director
Stock Listing: Prime Market, Tokyo Stock Exchange
Stock Code: 3626
Contact: Makoto Nakagawa, Section Manager of Investor Relations & Shareholder Relations Office
Phone: +81-50-1702-4115 (in Japan, 050-1702-4115)

Notice regarding Group Vision 2032 and Medium-Term Management Plan (2024–2026)

TIS Inc. (hereafter, “TIS” and “the Company”) announced Vision 2032, a long-term management direction, and embarked on Medium-Term Business Plan (2024–2026), with fiscal 2025, ending March 31, 2025, as the first of this three-year blueprint. Details are provided below.

Details

1. About Group Vision 2032

(1) Positioning of Group Vision 2032

It is a long-term management policy aimed at providing new possibilities and options, as described in TIS INTEC Group philosophy “OUR PHILOSOPHY” and basic policy on corporate sustainability, and reflects a management direction repositioned along a long-term trajectory in light of major changes within the Group as well as external to the Group.

(2) Outline of Group Vision 2032

(i) Theme: “Society oriented, operationally diverse, globally active”

(ii) Business policy guiding progress toward successful conclusion

Seek to possess insight into future and ability to solve issues, integrate capabilities of various players, maintain position conducive to co-creation, and be indispensable to social change

2. About Medium-Term Management Plan (2024–2026)

(1) Positioning of Medium-Term Management Plan (2024–2026)

To link relationships forged with clients and each type of investment made during previous medium-term management plan, Medium-Term Management Plan (2021–2023), with results and also, setting the plan as the first stage of the journey to realize Group Vision 2032, secure new status and capabilities.

(2) Outline of Medium-Term Management Plan (2024–2026)

(i) Slogan: Frontiers 2026

(ii) Basic Policy

We will set frontier development as a fundamental strategy and strive for sustainable growth

paralleling higher added value. We will strive to achieve changes in society and reforms for corporate clients by enhancing quality across all value chains, starting with forward-looking market development and business domain expansion.

(3) Priority Strategy

- (a) Market Strategies
- (b) Service Strategies
- (c) Technology Strategies
- (d) Human Resources Strategies
- (e) Intellectual Property Strategies

(3) Key Performance Indicators

(a) Human resources growth and added value cycle	Per-operating income	Above ¥3.5 million
(b) Improved earning power	Operating margin	13.1%
	Adjusted operating margin*1	13.4%
(c) Asset (=intellectual property) value creation	ROIC/ROE	Above 13%/
		Above 16%
(d) Winning confidence of society	Sales	¥620 billion
(e) Meaningful growth	EPS CAGR	Above 10%

*1. Calculated by adding back depreciation expenses, such as goodwill fees, to operating income.

(4) Numerical Targets

Consolidated	Net Sales	Operating Income (Operating Margin)	Net Income Attributable to Owners of the Parent Company
Fiscal 2027 ending March 31, 2027 (estimate)	¥620 billion	¥81 billion (13.1%)	¥55 billion
(For reference) Fiscal 2024, ended March 31, 2024 (actual)	¥549 billion	¥64.5 (11.8%)	¥48.8 billion

(5) Basic Policy on Treasury Stock Holdings

Balancing efforts to leverage growth investment, maintain financial health and strengthen return to shareholders, TIS will lay the groundwork for an increase in the total return ratio yardstick to 50%, from 45%, and constantly enrich dividends per share. In so doing, the Company will raise shareholder engagement.

Attachments:

Briefing Materials for Medium-Term Management Plan (2024–2026)

END



TIS INTEC Group Medium-Term Management Plan (2024–2026)

May 8, 2024

TIS Inc.

1. Looking Back on Previous Medium-Term Management Plan








2. Group Vision 2032

3. New Medium-Term Management Plan “Frontiers 2026”

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.

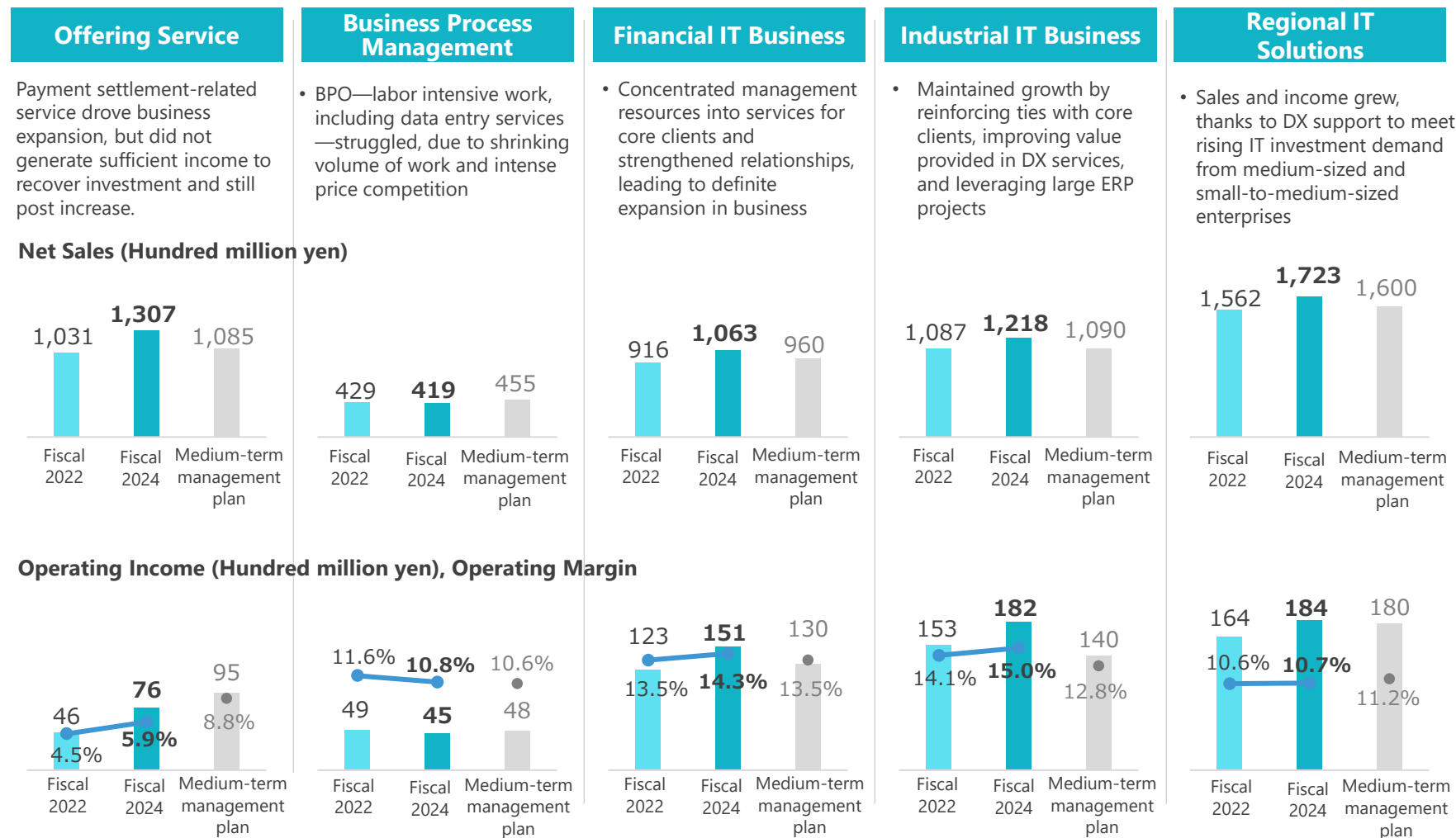
Level of Success in Reaching Key Numerical Targets

- Realized profit growth by advancing structural transformation and improving productivity, and reached key performance targets for operating income and strategic domain ratio.

	Fiscal 2021		Fiscal 2024		Growth Ratio
	Actual	Management Plan Targets	Actual		
Net Sales	¥448.3 billion	→ ¥500 billion	 ¥549 billion	22.5%	
Operating Income	¥45.7 billion	→ ¥58 billion	 ¥64.5 billion	41.1%	
Operating Margin	10.2%	→ 11.6%	 11.8%	+ 1.6pt	
EPS Growth CAGR	11.1%	→ Above 10%	 22.5%	+11.4pt	
Strategic Domains Ratio	51%	→ 60%	 61%	+ 10pt	
Sales of Societal Issue Solution Services	¥38.0 billion	→ ¥50 billion	 ¥49.7 billion	30.8%	
ROE	10.8%	→ 12.5-13%	 16.0%	+5.2pt	

Breakdown of Performance by Segment

- Growth in net sales and income for Offering Service, Financial IT, Industrial IT and Regional IT Solutions.
- Although payment settlement-related services drove sales by Offering Service Business higher, segment carried heavy burden of upfront investment and thus failed to reach income target.

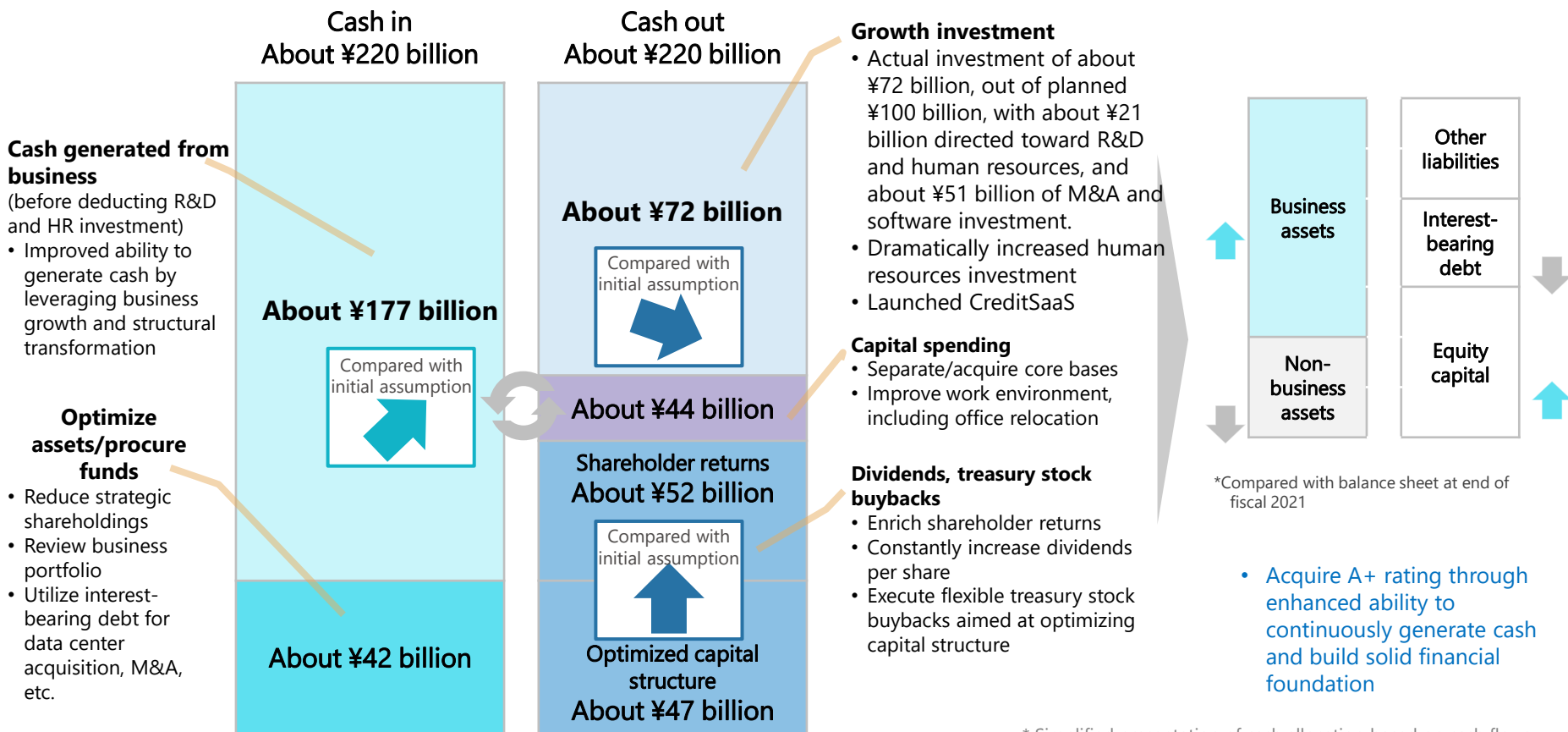


Status of Cash Allocation / Balance Sheet Structure

- Through business expansion, honed higher than initially expected ability to generate cash, executed investment to grow business and develop human resources, and strengthened shareholder returns.
- Vigorously implemented financial measures, including flexible treasury stock buybacks aimed primarily at optimizing capital structure.

Cash Allocation*

Change in Balance Sheet Structure



* Simplified presentation of cash allocation based on cash flows.









Major Initiatives

- Revitalized various initiatives in accordance with basic policy of medium-term management plan.
- Many new initiatives only halfway through to producing concrete results pegged to profit, and bringing such initiatives to fruitful conclusion that sets stage for next-stage growth remains issue to address going forward.

<p>Improve value of DX services provided</p>	<ul style="list-style-type: none"> • Strengthen client base through delivery of large-scale projects, enhance issue-solving capabilities by supplementing upstream functions <ul style="list-style-type: none"> - Responded to orders and completed multiple large-scale projects for clients in finance, industry and public service sectors - Responded to orders for large-scale core upgrade projects by constantly reinforcing migration and ERP introduction services - Turned Fixel—company specializing in enterprise system UI/UX design—into subsidiary
<p>Expand investment to generate new strengths</p>	<ul style="list-style-type: none"> • In addition to establishing credit/debit processing, expand scope of activities to new themes, with sights on embedded finance <ul style="list-style-type: none"> - Launched CreditSaaS and began providing service to NTT DoCoMo - Turned Nihon ICS into wholly-owned consolidated subsidiary, and began collaborating on new business creation, including DX on business transactions for small and medium-sized enterprises - Achieved new business creation through co-creation, including release of Sumitomo Mitsui Card Mobile Payment Package and steps to turn ULTRA in to consolidated subsidiary • Promote initiatives to grow existing businesses and fuel long-term business development <ul style="list-style-type: none"> - Maintained continuous solution improvement and marked growth in core business solutions, such as ERP and modernization - Reinforced regional revitalization and healthcare activities, including area data usage service and electronic health record/medical information platform
<p>Deepen and extend global operations</p>	<ul style="list-style-type: none"> • Form new global partnerships, especially in ASEAN region, and accelerate activities to create new businesses <ul style="list-style-type: none"> - Received order for large-scale project through Group connections at MFEC Public Co., Ltd., and I AM Consulting Co., Ltd. - Turned Vector Consulting Group, a major management consulting firm in India, into an equity-method affiliate - Transportation payment package, developed jointly with PT Aino Indonesia, adopted by integrated transportation platform in Jakarta - Formed capital and business alliance with PIX Moving, a self-driving electric vehicle start-up
<p>Diversify human resources, sharpen skills</p>	<ul style="list-style-type: none"> • Add more consulting staff through internal transfers and external recruitment <ul style="list-style-type: none"> - Expanded number of DX consultants to 510, above target of 500, and worked to create new framework for human resources portfolio
<p>Turn virtuous circle of value co-creation by society and employees</p>	<ul style="list-style-type: none"> • Review human resources system with goal to raise value provided by human resources and improve structure for dealing with ESG issues <ul style="list-style-type: none"> - Revised human resources system, raised basic compensation to boost employee job satisfaction, and achieved certain level of success in attracting highly skilled individuals - Established structure to promote sustainability issues (human rights, corporate governance, human capital, taxes, etc.) and improved external evaluations

Initiatives in Sustainability Management (External Evaluation)

- As a result of progress in sustainability activities and system development, especially related to the environment, human capital and information disclosure, TIS seen as ESG stock and has earned high marks from external rating organizations.

Key Initiatives	Key External ESG Rating Organizations/Stock Indexes	Fiscal 2024 Achievements
<p>Quantitative Understanding of Ourselves</p> <ul style="list-style-type: none"> Promote data-driven management Collect non-financial information 	<p>S&P Global Corporate Sustainability Assessment (CSA) Score 2023</p>	 <p>67 Score continues to rise from 51 in fiscal 2021</p>
	<p>MSCI Japan ESG Select Leaders Index</p>	 <p>Included since fiscal 2023</p>  <p>Rated AA</p>
<p>Incorporating Social Trends</p> <ul style="list-style-type: none"> Environment (TCFD/SBT/carbon neutral) Human rights (Formulate policy/ implement due diligence) Revised corporate governance code 	<p>Certified Health & Productivity Management Outstanding Organizations</p>	 <p>Certified as White 500 company for six straight years</p>
	<p>Certification from Great Place to Work® Institute Japan based on survey results</p>	 <p>Selected for "Great Place to Work" certification, based on excellent workplace culture</p>
<p>Improving Quality of Dialogue</p> <ul style="list-style-type: none"> Produce ESG databook Promote robust external disclosure Offer more opportunities for discussion 	<p>CDP Climate Change</p>	 <p>A- Maintained since fiscal 2023</p>

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*2 THE USE BY TIS OF ANY MSCI ESG RESEARCH LLC OR ITS AFFILIATES ("MSCI") DATA, AND THE USE OF MSCI LOGOS, TRADEMARKS, SERVICE MARKS OR INDEX NAMES HEREIN, DO NOT CONSTITUTE A SPONSORSHIP, ENDORSEMENT, RECOMMENDATION, OR PROMOTION OF TIS BY MSCI. MSCI SERVICES AND DATA ARE THE PROPERTY OF MSCI OR ITS INFORMATION PROVIDERS, AND ARE PROVIDED 'AS-IS' AND WITHOUT WARRANTY. MSCI NAMES AND LOGOS ARE TRADEMARKS OR SERVICE MARKS OF MSCI.

Initiatives in Sustainability Management (Internal Measures)

- Implemented internal measures corresponding to initial targets, and despite great progress on environmental and governance fronts, failed to reach targets on social front.
- Improving quality of value cycle with stakeholders, starting with increase in added value of services to clients, remains issue

	Initiative policy	Indicators	Targets	Fiscal 2024 actual	
Resolving social issues through business activities	Promote growth strategy to contribute to solutions of four social issues based on long-term trends	Sales of societal issue solution service ^{*1}	Above ¥50 billion	¥49.7 billion	
Environment	Contribute to decarbonized society and recycling society	Strengthen climate change/carbon neutral measures based on long-term environmental targets	GHG emission (comparison with fiscal 2020) ^{*1}	3% reduction	60% reduction (forecast)
			Adoption rate of renewable energy in major data centers	More than 10%	65% introduce (forecast)
			Disclosure in line with TCFD recommendation, endorse Science Based Targets initiative		Disclosed TCFD-based information, SBT1.5°C targets (endorsed June 2023)
			Understand current situation regarding water and waste, and formulation and promotion of reduction targets		Gathered data on waste generated by major Group companies (since fiscal 2020)
Social	Sustainable improvement in stakeholder engagement	Increase stakeholder satisfaction to deepen value exchange with stakeholders	Job satisfaction ^{*3}	62%	61%
			Client/service satisfaction ^{*3}	60%	56%
			Business partner satisfaction ^{*3}	81%	77%
		Strengthen human rights measures		Formulated human rights policy, implemented human rights due diligence	
Governance	Constantly pursue level of corporate governance that elicits greater trust from society	Establish management system based on non-financial information		Expanded range of non-financial information obtained, partially provided with third-party guarantee, publish comprehensive ESG data book	
		Optimization of management resource allocation from a capital cost perspective		Utilized cash paralleling optimization of non-business assets, including reduction of cross-shareholdings, and achieved both active growth investments and enhanced return to shareholders	
		Foster awareness of improving corporate value, and improve officers' compensation system to share interests with stakeholders		Applied customer/service and business partner satisfaction to job satisfaction as performance criteria for officers' compensation to further improve corporate value	
		Pursue further transparency and independence of the Board of Directors		Disclosed skill matrix of directors, and operated committees, notably, Nomination Committee and Compensation Committee, chaired by external directors	
		Enhance corporate governance (Strengthen management supervisory function, understand and respond to risks related to taxes and human rights)		Established Corporate Sustainability Committee under Board of Directors, and office to promote corporate governance	

*1 Consolidated *2 Consolidated (domestic) *3 TIS and INTEC

*4 At planning stage, goal was to achieve 3% reduction, with 1% decrease each year for three years, in line with Energy Saving Act. But took robust approach to adoption of renewable energy at key data centers, paralleling higher SBT target, which caused large discrepancy between targets and actual results.

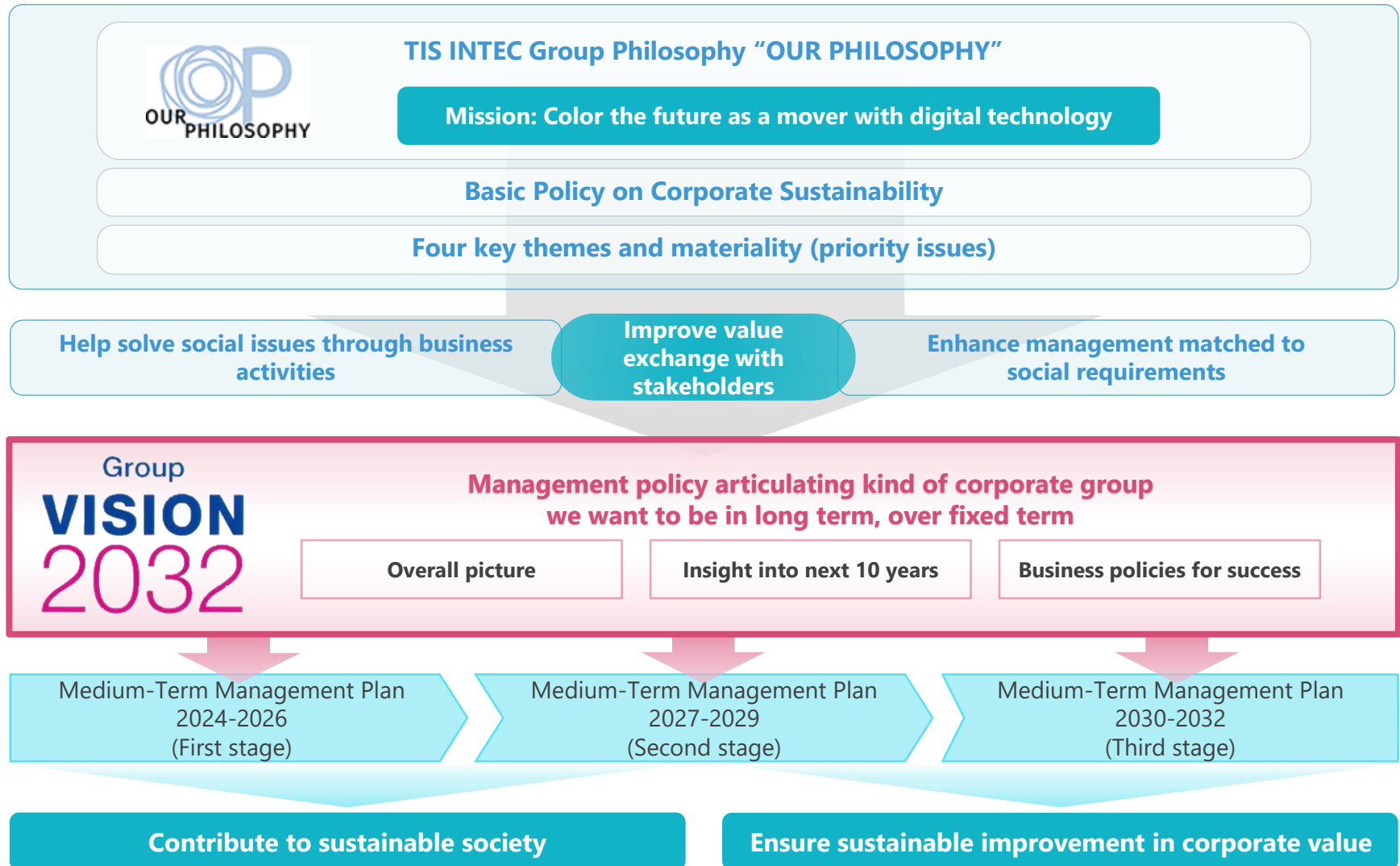
1. Looking Back on Previous Medium-Term Management Plan

2. Group Vision 2032

3. New Medium-Term Management Plan “Frontiers 2026”

Positioning Group Vision 2032

- Group Vision is long-term management policy aimed at providing new possibilities and options as described in TIS INTEC Group Philosophy “OUR PHILOSOPHY” and basic policy on corporate sustainability.



- Update management direction from long-term perspective, based on major changes in internal and external environments, and set as new Group vision

External Environment

Heightened uncertainty in competitive circles, fueled by technology development and growing interest in SDGs

- Technologies with potential to change business models, industrial structures and state of society over next 10 years will enter practical stage one after another.
- Various services utilizing these technologies will be required as measures to address social issues become more top-priority for companies.
- Related to this, opportunities to co-create and compete with various players, including those from other industries, are increasing.

Internal Environment

Good progress toward medium- to long-term management objectives but **need to revise targets, given changes in external environment**

- Generally exceeded targets stated in Medium-Term Management Plan (2021–2023)
- Progress on strategic domain ratio set under group vision tracking as expected
- Various activities at nascent stage, like buds ready to blossom, so need rethink corporate position and set new targets given changes in external environment but based on these emerging activities

Must update management policy with long-term perspective based on current conditions

Group
VISION
2032

Society oriented, operationally diverse, globally active

Business policy guiding progress toward successful conclusion

Seek to possess insight into future and ability to solve issues, integrate capabilities of various players, maintain position conducive to co-creation, and be indispensable to social change

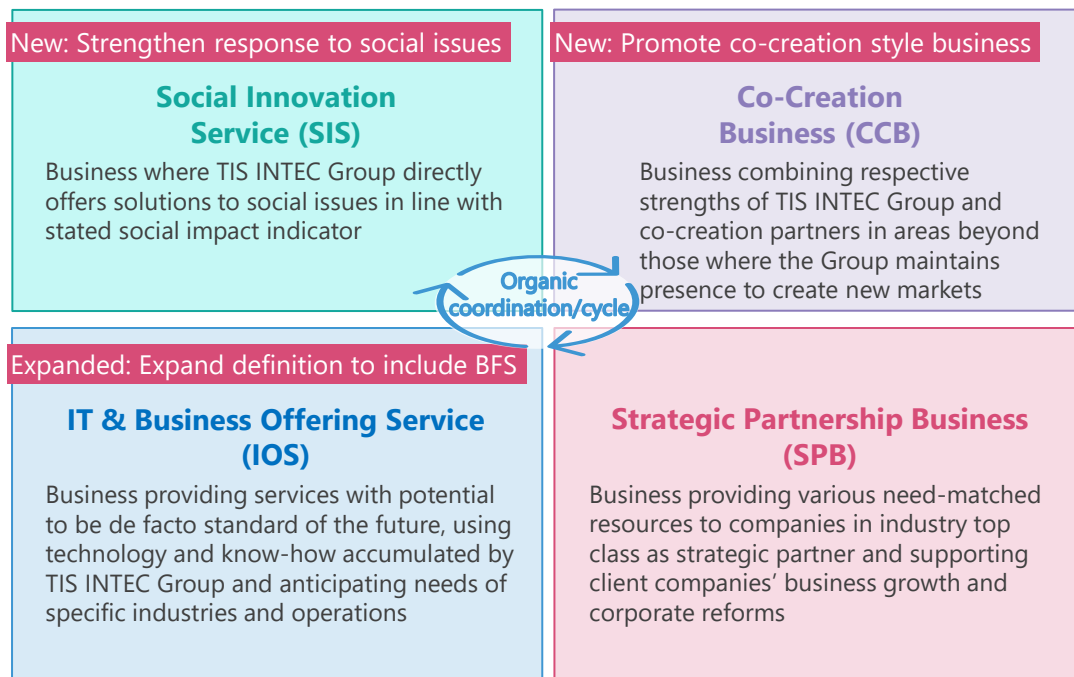
- Deepen dialogue with market by engaging top companies in co-creation and providing services that will dominate market, and acquire insight into real issues of concern to clients
- Be a corporate group that extends accumulated power of integration to future-matched approaches, such as greater cooperation across different industries, improves methods for solving issues, and constantly creates social innovation on world stage

New Strategic Domains

- We will partially revise strategic domains, based on long-term business direction, with aim of developing business pursuits hinging on social issue resolution and co-creation and commercializing services that go beyond IT alone.

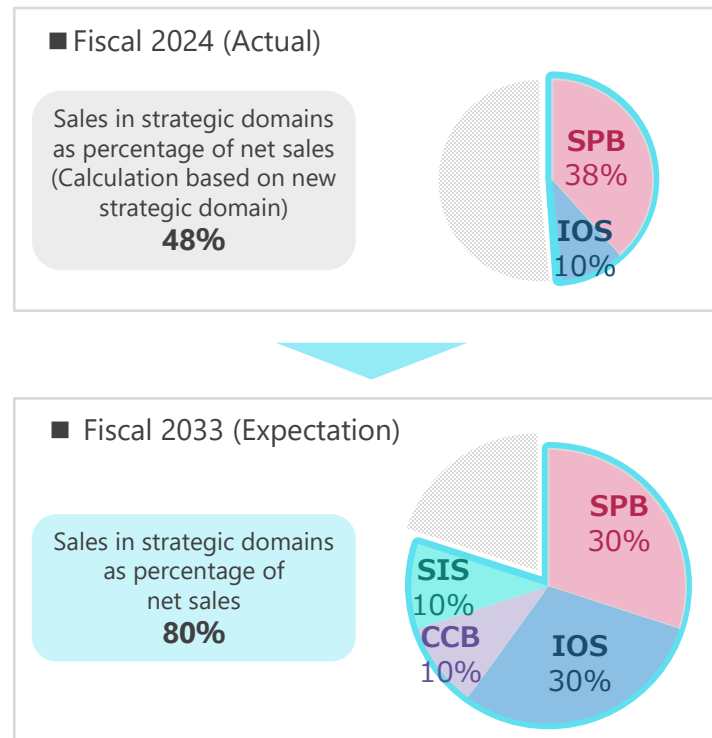
Redefined Strategic Domains under Group Vision 2032

- Since 2017, when Group Vision 2026 was prepared, very clearly highlighted social role that TIS INTEC Group must fulfill and best business approach to take over next 10 years, shaping new priority business areas.



Strategic Domains: Desired Composition

- SPB and IOS domains will be much bigger, new CCB and SIS domains will have grown to certain size, and business portfolio will be well-balanced mix of diverse business models



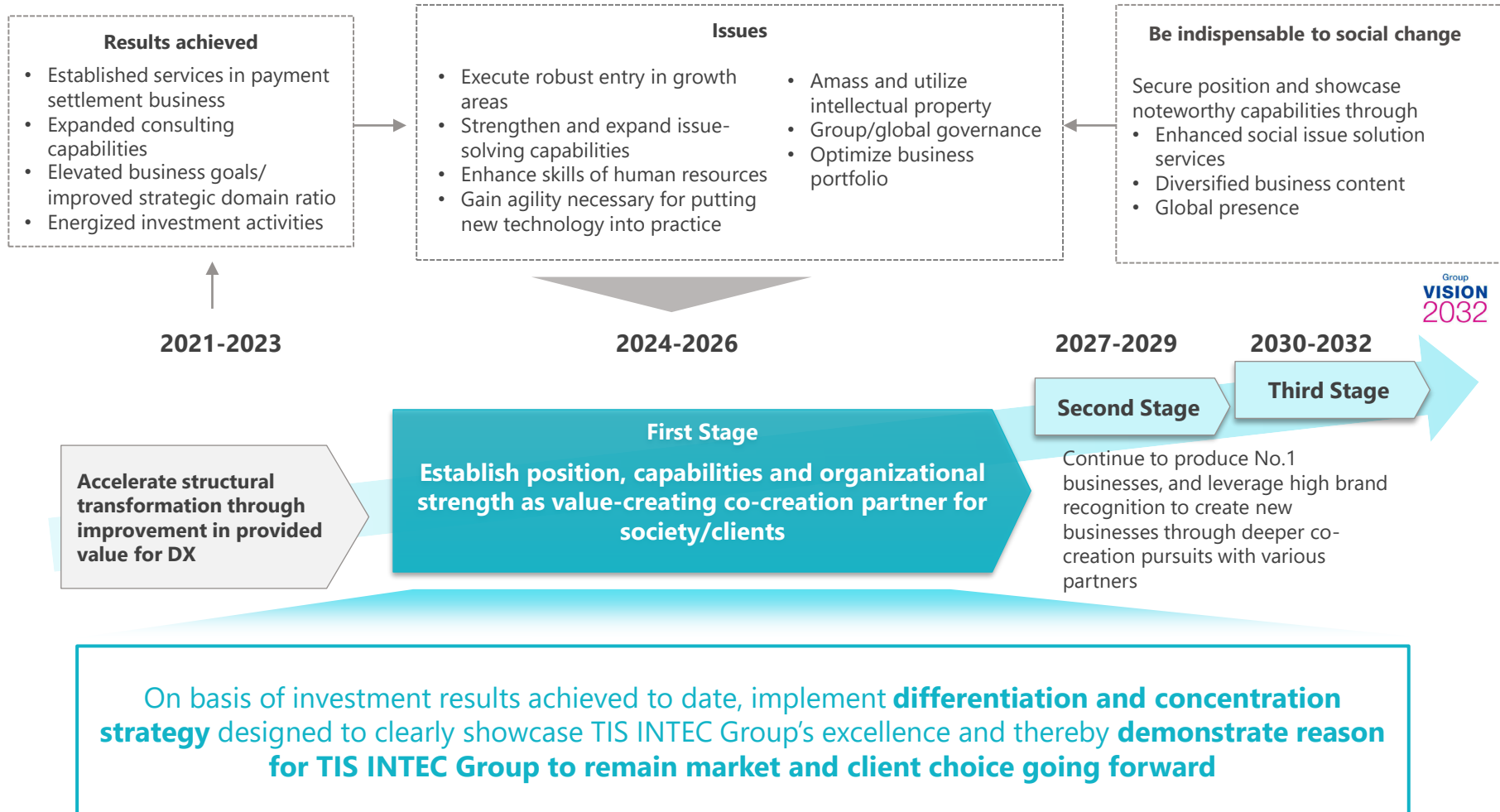
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Positioning of Medium-Term Management Plan (2024–2026)

- Tie relationships forged with clients and each type of investment made during Medium-Term Management Plan (2021–2023) to results and also, positioning plan as first stage of journey to realize Group Vision 2032, secure new status and capabilities



Long-Term Growth Scenario

—Seeking sustainable improvement in corporate value—

April 2008
IT Holdings Corporation (ITHD) established through management integration

July 2016
Transition to TIS INTEC Group, with an operating holding company

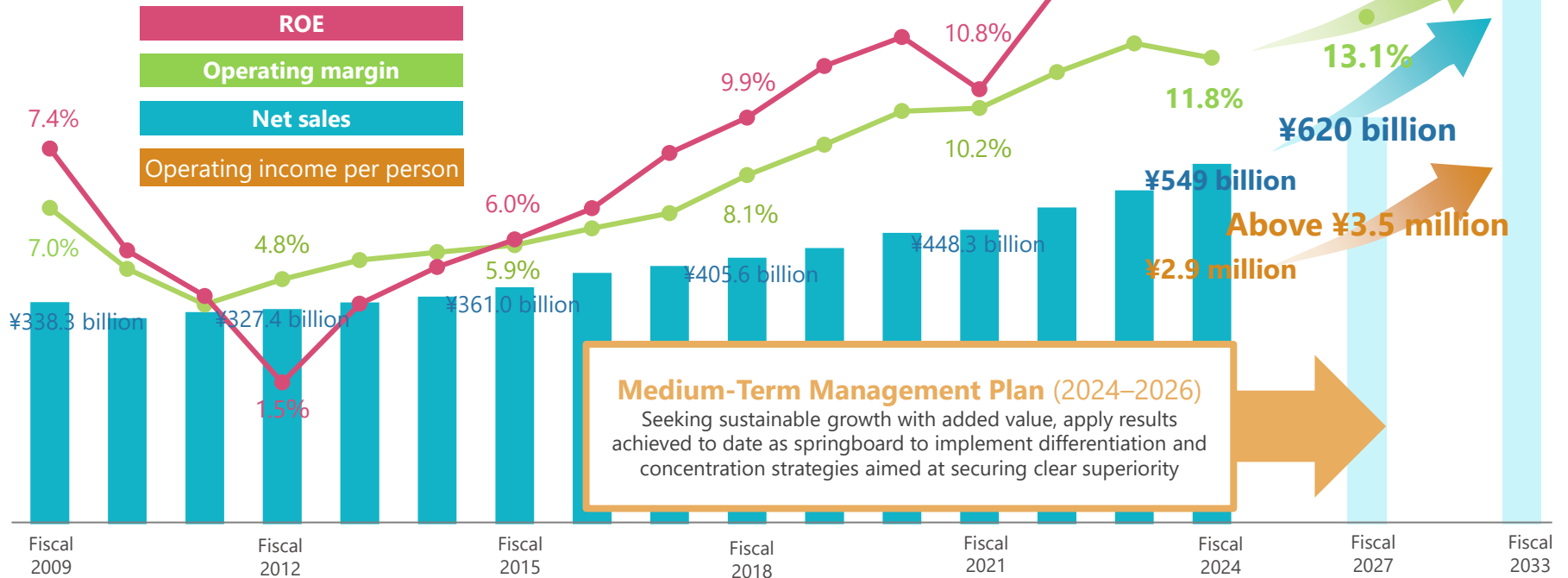
March 2023
Turned Nihon ICS Co., Ltd., into consolidated subsidiary

April 2024
Formulated Group Vision 2032, Medium-Term Management Plan (2024–2026)

December 2009 SORUN Corporation joined ITHD Group.
April 2011 ITHD orchestrated three-company merger involving TIS, SORUN and UFIT Co., Ltd., with TIS as surviving company.
March 2015 ITHD turned AGREX Inc. into 100% consolidated subsidiary.
October 2020 MFEC Public Company Limited (Thailand) brought under consolidation.

● **January 1964** Toyama Computer Center, Inc. (now, INTEC) established.
● **April 1971** Toyo Information Systems, Co., Ltd. (now, TIS) established.

April 2000 Turned Komatsu Soft Ltd. (now, QUALICA Inc.) into subsidiary.
February 2002 Turned AGREX Inc. into subsidiary.
April 2004 Turned UFIT Co., Ltd., into subsidiary.
April 2005 Turned Asahi Kasei Information Systems Co., Ltd. (now, AJS Inc.) into subsidiary.



Medium-Term Management Plan (2024–2026) Overview

<p>Basic policy</p>	<p style="text-align: center;">Frontiers 2026</p> <ul style="list-style-type: none"> We will set frontier development as a fundamental strategy and strive for sustainable growth paralleling higher added value. We will strive to achieve changes in society and for corporate clients by enhancing quality across all value chains, starting with forward-looking market development and business domain expansion. 				
<p>Key performance indicators</p>	<p>Human resources growth and added value cycle</p> <p>Operating income per person More than ¥3.5 million</p>	<p>Improved earning power</p> <p>Operating margin 13.1% Adjusted operating margin 13.4%*1</p>	<p>Asset (=intellectual property) value creation</p> <p>ROIC/ROE Above 13%/above16%</p>	<p>Winning confidence of society</p> <p>Sales ¥620 billion</p>	<p>Meaningful growth</p> <p>EPS CAGR Above 10%</p>
<p>Priority strategies</p>	<p style="text-align: center;">Market Strategies</p> <ul style="list-style-type: none"> Concentrate investment of management resources into defined growth areas, based on social issues and in-house strengths Balancing efforts to increase added value of services and reinforce technology investment, expand business with sense of speed, especially in ASEAN region 				
<p>Service Strategies</p> <ul style="list-style-type: none"> All services, from upstream to business process outsourcing, will benefit under full value chain status Enrich pure services*3, focusing on four social issues*2 	<p>Technology Strategies</p> <ul style="list-style-type: none"> Leverage knowledge distribution, IT architect development and redeployment structure Promote process redevelopment using AI x automation 	<p>Intellectual Property Strategies</p> <ul style="list-style-type: none"> Seek balance between higher added value and expanded business scale, with greater accumulation and utilization of intellectual property Accelerate intellectual property creation through internal use of information on points of client contact 	<p>Human Resources Strategies</p> <ul style="list-style-type: none"> Bolster issue resolution capabilities by increasing number consultants to create 700-person structure and by standardizing basic consulting skills Secure and develop top talent and establish structure for flexible redeployment of human resources 		

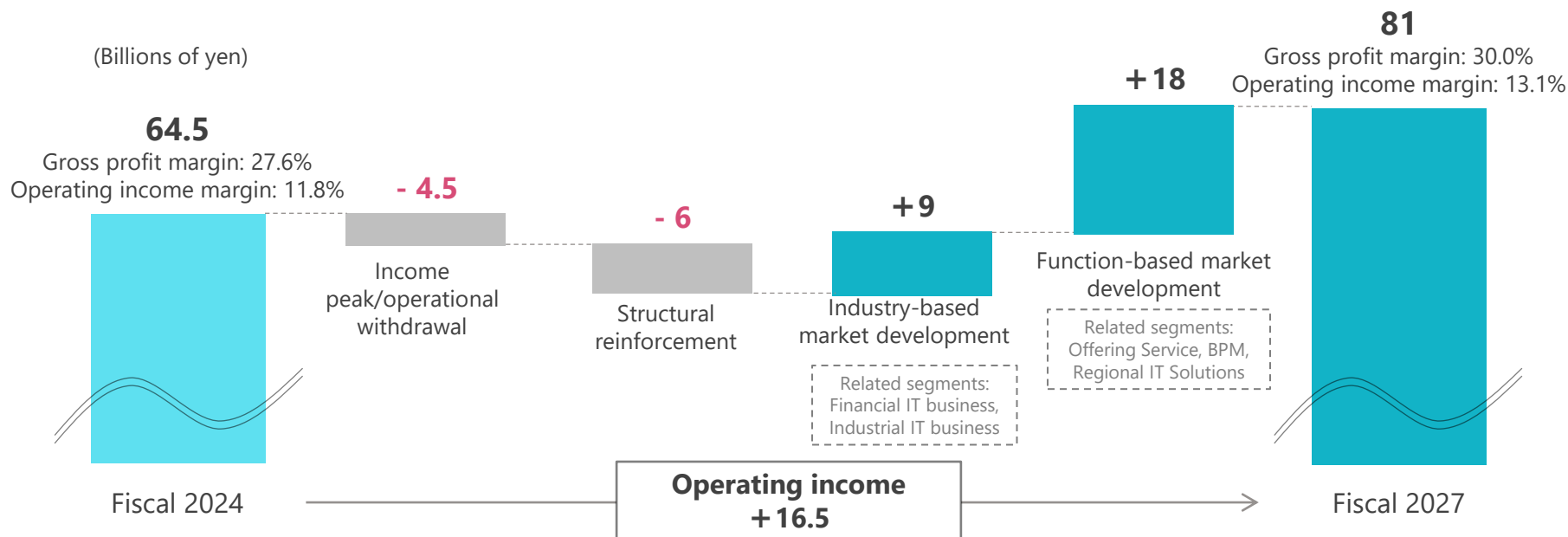
*1 Adjusted operating income margin: Calculated by adding goodwill amortization cost back to operating income.

*2 Financial inclusion, urban concentration/rural decline, low-carbon/decarbonization, and health concerns. These issues were determined by backcasting from what the world might be like in 2050 and selected on the basis of TIS INTEC Group's ability to contribute to issue resolution.

*3 Type of services essentially offered under uniform specifications applicable to all clients.

Consolidated Operating Income Growth Scenario

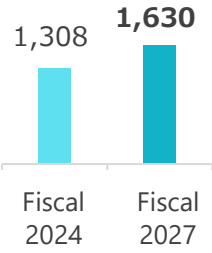
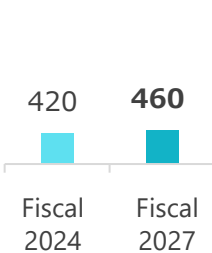
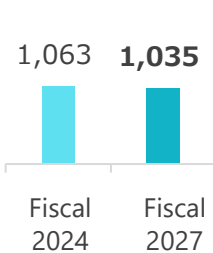
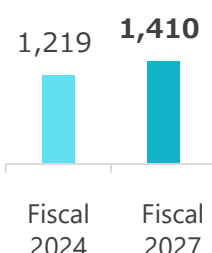
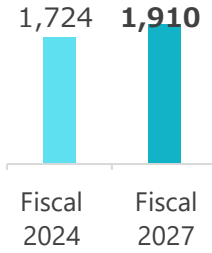
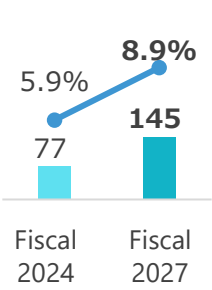
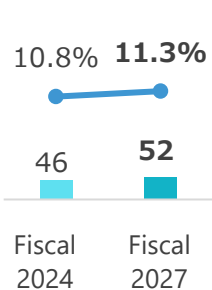
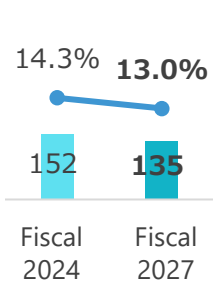
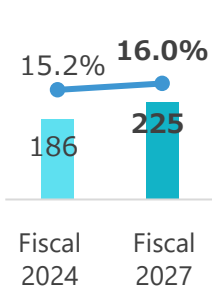
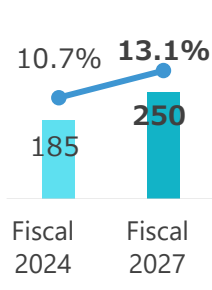
- Continue to strengthen frontline, and develop market from function perspective as driver of growth
- Seek to reinforce business foundation primed for sustainable growth while maintaining short-term—that is, current—growth



Peaked/Withdrawal	Structural reinforcement	Industry-based market development	Function-based market development
<ul style="list-style-type: none"> • Will see operating income has peaked, due to completion of large-scale financial projects • Will continuously review business portfolio and withdraw from some low-profit businesses 	<ul style="list-style-type: none"> • Strengthen system for sales and marketing to expand service business • Increase number of consultants and high-level engineers driving business transformation forward 	<ul style="list-style-type: none"> • Provide diverse services to meet evolving needs of clients, and deepen business with existing clients • Attract new clients with solutions for core business areas to facilitate shift from legacy to renewal demand capture 	<ul style="list-style-type: none"> • Continue to expand and develop industry- and operations-based services to meet client needs for business reform and enhanced management practices • Shift from individual company issues with enhanced approach to respond to issues affecting society and industry • Grow business in ASEAN region by forming more global partnerships and raising value of provided services

Market Strategies—By segment—

- Expand business areas through development of diverse services based on market characteristics of each segment, and strive to increase scale and value in provided services

Offering Service	Business Process Management	Financial IT Business	Industrial IT Business	Regional IT Solutions																																													
<ul style="list-style-type: none"> Respond to diverse needs related to cashless operations and develop new social issue solution services with strong finance and payment settlement features. Improve profitability with enhanced investment management. 	<ul style="list-style-type: none"> As market for certain BPO services shrinks, review business structure and return to growth trajectory by shifting toward customer experience area, where demand is high, and pursuing development of services in collaboration with other segments. 	<ul style="list-style-type: none"> Demand peaking as large-scale projects come to end, but will co-create with clients, promote modernization business, attract new clients and diversify client base in effort to establish foundation for next stage of growth. 	<ul style="list-style-type: none"> Deepen client base, with emphasis on energy, manufacturing and social infrastructure sectors, and enhance range of services. Develop existing client base while attracting new clients by leveraging diversity of services, including ERP and modernization. 	<ul style="list-style-type: none"> In nationwide approach, promote original IT solutions built on close ties with clients in five key areas (government administration, healthcare, finance, industry and infrastructure) 																																													
Net Sales (Hundred million yen)																																																	
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Market Strategies—Global—

- Asia, with its massive market potential, is long-term target for business expansion, but efforts are being directed toward greater activity in ASEAN region, looking toward consolidated net sales of ¥100 billion by 2026.
- Develop business activities with sense of speed, balancing efforts to raise value across all businesses through fusion of IT and business restructuring/consulting and efforts to enhance technology investment function.

Global Partnerships



Priority Measures

- Raising channel value**
 - ✓ Restructure existing businesses, reinforce management foundation
 - ✓ Through shift toward DX consulting and high-value-added services, and expand business
- Enriching value chain**
 - ✓ Secure consulting business base through tie-up with India's Vector, and cultivate demand in local market
 - ✓ Expand consulting operations (management/DX/IT) in Asia
- Diversifying investment targets**
 - ✓ Accelerate investment emphasizing innovative services that lead to social issue resolution or else related leading-edge technology
- Attracting and developing business creation talent**
 - ✓ Collaborate on industry-government-academia projects involving top universities and provide students with opportunities to engage in and learn about business to attract and develop individuals who will take lead in new business creation and transformation

- Define priorities from both industry and function perspectives, concentrate investment of management resources into select targets, and promote expansion of services and raise added value.

Develop market from industry perspective

Develop market from function perspective

Business direction

- Apply knowledge laterally, cultivate client base from industry perspective, deepen relationships with clients as core partner.
- Develop relationships with clients as strategic partner, including launch of co-creation businesses.

- Provide services with potential to become de facto standard for specific operations and functions in the future.
- Strengthen approach to address social and industry issues, shifting from emphasis on large-scale to include small- and medium-sized businesses as well.

Service strategies

Establish competitive services aimed at cultivating core business areas

- ✓ Differentiate ERP by enriching software system with original industry templates and optional modules
→ Mainly chemicals and assembly-based manufacturing sectors
- ✓ Modernization services will expand banking systems and address need for large-scale removal of legacy systems

Expand and promote pure services for specific operations and functions and social issue solutions

- ✓ Develop payment settlement solutions into pillar of business with strengths in finance and payment settlement to address social issues
→ Digitize transactions, including B2B
- ✓ Expand and promote specialized-function, top-selling niche services
→ Including accounting/business management, CRM/SFA/digital marketing, healthcare/medical services, government administration, IT- managed services

Shared

- ✓ Promote full value chain of services to address clients' wide-ranging transformation needs
→ Covering consulting, UX design, analytics, BPO expansion
- ✓ Hone sharper competitive edge in services by reinforcing feedback cycle of client comments

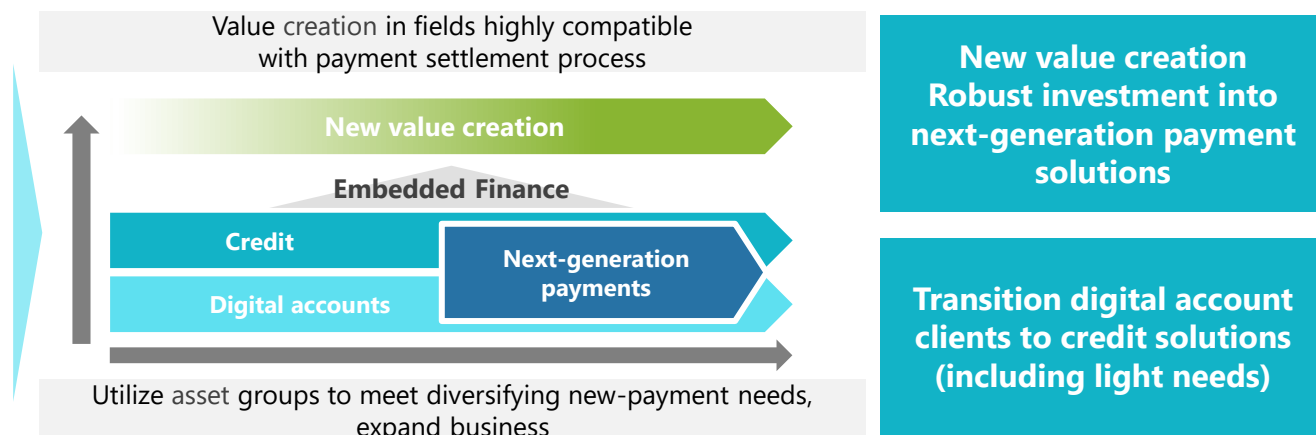
Service Strategies—Payment Business—

- Amid expectations of continued growth in cashless market, expand scale of business with broader lineup of services, including digital wallets and embedded finance, to complement CreditSaaS, which launched in fiscal 2023.
- Address diversifying payment needs by quickly and efficiently expanding operations utilizing existing assets while increasing profitability and taking on challenge of new value creation.

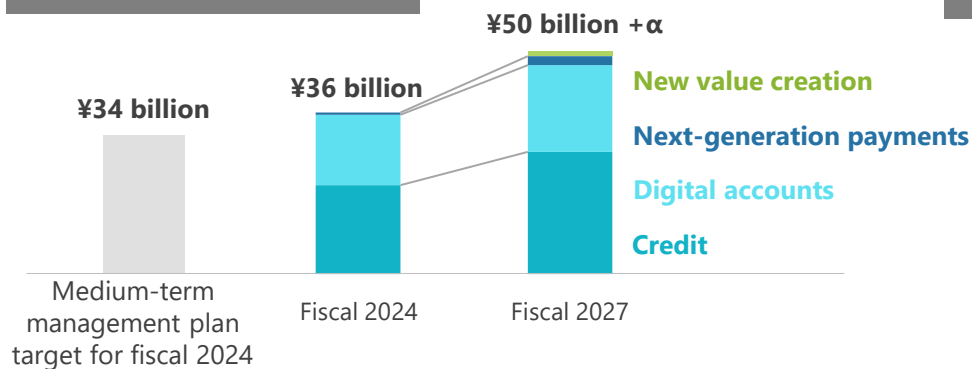
Business Strategies

— Business environment —

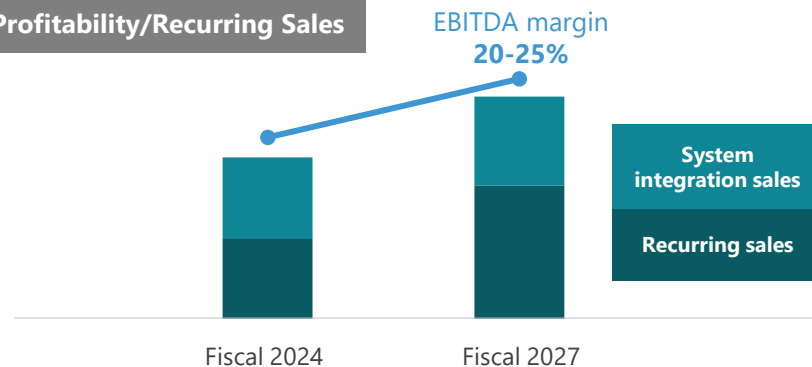
- Processing demand rising, reflecting increase in B2C cashless ratio and wider use of cashless payment options in other areas, such as B2B and B2E.
- New value creation to fuel growth of emerging platformer market over long term.
- Increasing need for digitization of business transactions among medium-sized and small- and medium-sized enterprises.



Business Scale



Profitability/Recurring Sales



- Based on technology portfolio featuring technologies selected from all globally available technologies as key from TIS INTEC Group perspective, develop comprehensive measures to facilitate proactive research on these technologies and realize practical application as soon as possible.

Short-Term Initiatives

Comprehensive development of measures aimed at verification of technologies for practical use that have entered/are entering that stage, early implementation and on-site deployment

Medium- to Long-Term Initiatives

Applied research on technology that will differentiate business over medium to long term



Framework for knowledge distribution

Framework for knowledge distribution attuned to technology readiness level

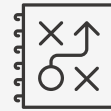
- ✓ Knowledge distribution platform (components, rules, guidelines, etc.)
- ✓ Mutual technical support platform
- ✓ On-site deployment of highly skilled engineers



Human resources development

Create programs and environment to train high-level engineers

- ✓ Enhance level-specific technical training
- ✓ Implement job rotation for highly skilled engineers
- ✓ Create and expand generative AI training curriculum



Early implementation

Early implementation of advanced technology through in-house application

- ✓ Process redevelopment through AI x automation <Candidate areas/themes>
 - Acquiring insight from client/market contact information
 - Internal audit DX
 - Legal tech
 - Training materials, test generation, etc.



Priority research themes

Research aimed at practical use, hinging on AI

- ✓ AI utilization (for data-labeling, fraud detection, etc.)
- ✓ Generative AI utilization (for system development processes, automated document production)



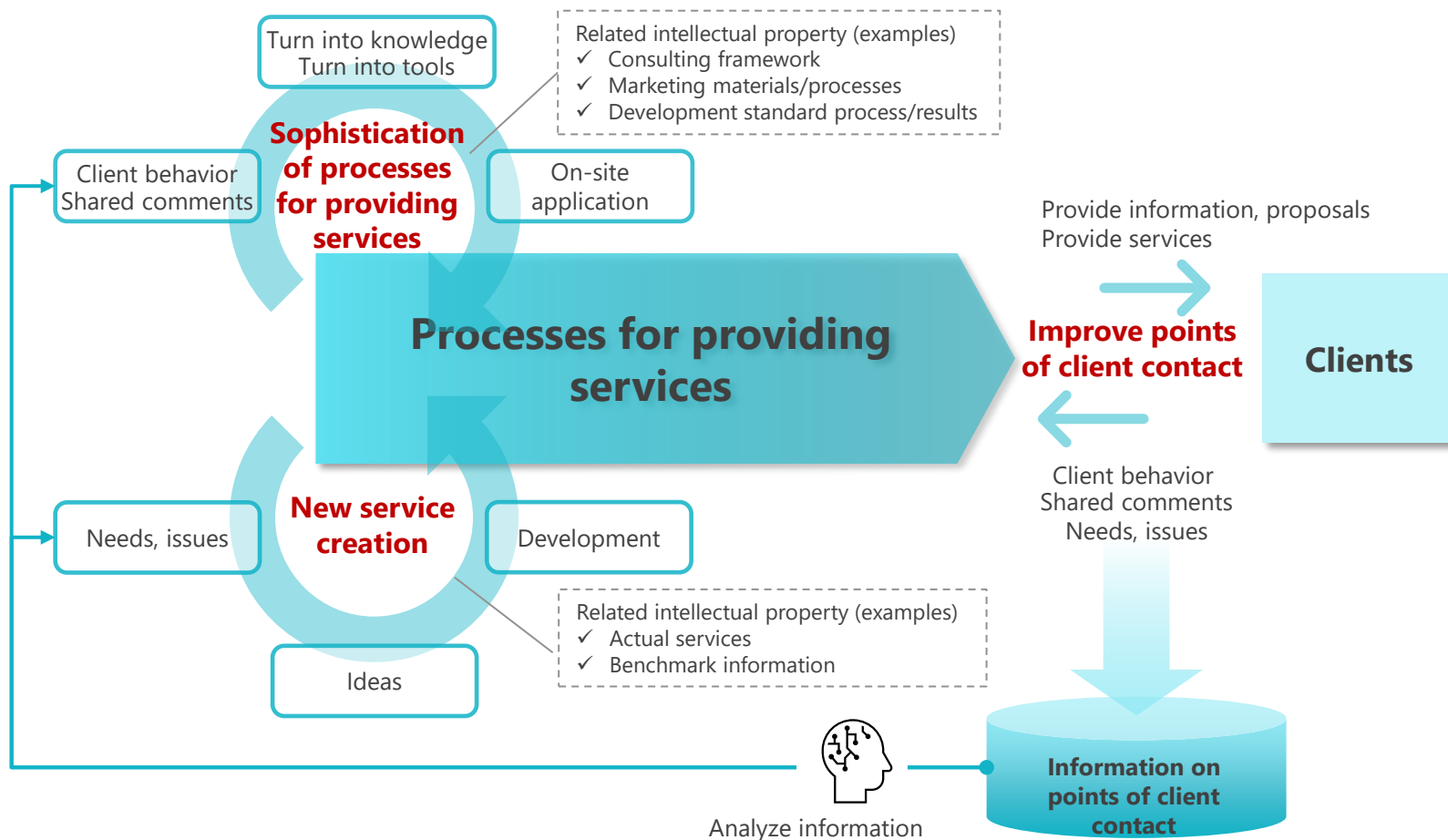
Priority research themes

Applied research on mass data transfer technology and algorithms required to fuse digital and real worlds

- ✓ XR research
- ✓ Multi-Level Edge Computing research
- ✓ Research on high-performance computing using quantum and classical computers

Intellectual Property Strategies—Reinforce intellectual property creation cycle to support business expansion and high added value—

- Leverage internal use of points of client contact and apply to new service creation and sophistication of processes for providing services
- Use processes to provide high-value services and services with high satisfaction rate to improve client communication, and create virtuous circle that generates high-value information from client communication which will in turn lead to next intellectual property asset



Human Resources Strategies

- Continue robust investment in human resources—the TIS INTEC Group’s most important management asset
- Support efforts of each and every employee to embrace new challenges so as to enable human resources with specialized expertise to provide high added value, and promote virtuous circle of value exchange between employees and company

Frontiers 2026

More In-Depth Management of Human Capital

Human resources with specialized expertise will be at forefront of frontier development and provide high added value

Secure cutting-edge human resources to drive business strategies forward



Secure and develop human resources matched to business expansion and changes in operating environment

Create atmosphere and culture where diverse human resources thrive and innovation flourishes

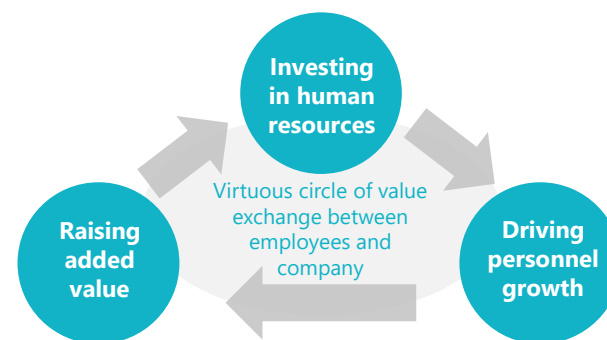
Find balance between economic growth and social issue solutions

Economic value
Sustainable improvement in corporate value



Social value
Boost employee motivation

Cycle of Added Value Through Investment in Human Resources



Boost productivity 20% over current level on way to greater added value by deepening pool of human resources with cutting-edge skills

Highly skilled talent in recruitment spotlight

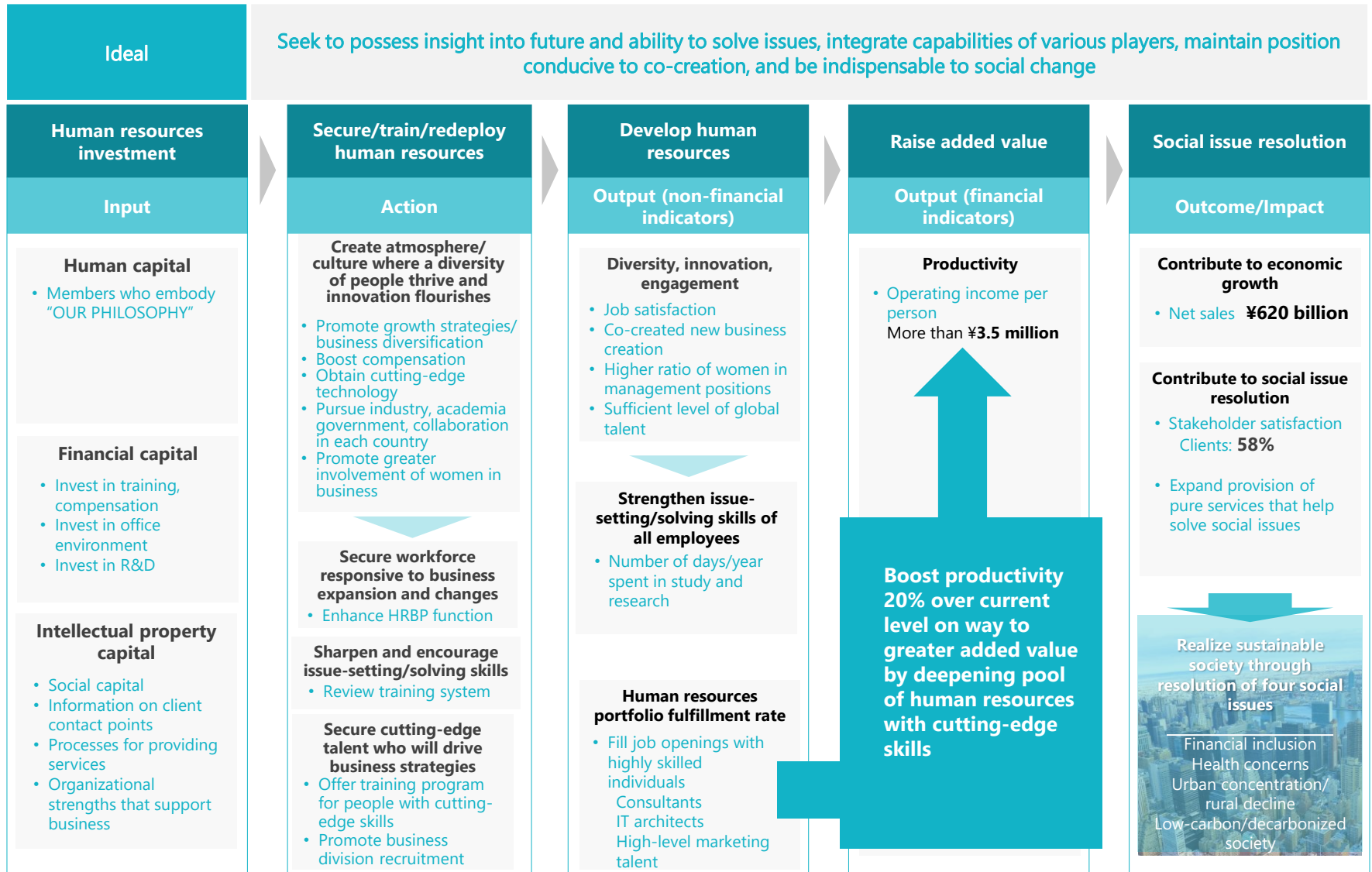
- Consultants who raise issue-resolution capabilities
- High-level marketing talent who hone power of insight
- IT architects who deepen comprehensive capabilities

Achieve targets noted below through robust investment exceeding ¥10 billion in training and compensation

Operating income per person		Job satisfaction rate*	
¥2.9 million	More than ¥3.5 million	52%	58%
Fiscal 2024	Fiscal 2027	Fiscal 2024	Fiscal 2027

Human Resources Strategies

- Develop and promote TIS Human Resources Investment Framework to enhance effectiveness of added value improvement cycle through human resources investment

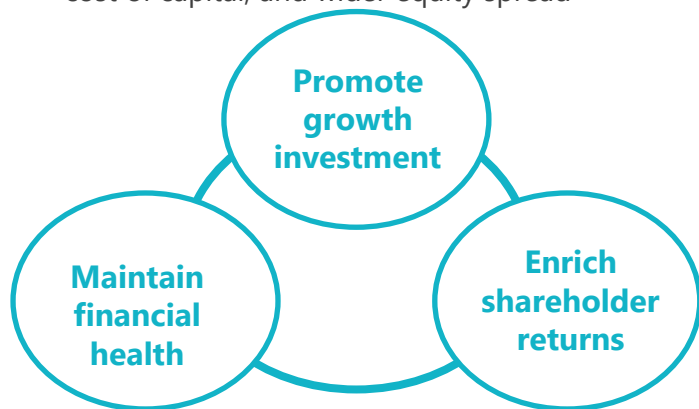


Financial Policy

- Realize sustainable growth through robust growth investment on firm financial footing, and boost corporate value still higher through a balanced approach emphasizing improved capital efficiency and enhanced shareholder returns

Financial Policy

- ✓ Total growth investment over three years **About ¥100 billion**
- ✓ Robust investment to optimize business portfolio
- ✓ Sustainable generation of returns exceeding cost of capital, and wider equity spread



- ✓ Allow debt-equity ratio up to 0.5, understanding **optimization of capital structure** comes with improved ability to generate cash
- ✓ Maintain "A" rating * "A+" as of November 13, 2023
- ✓ Maintain level of cash and deposits, plus commitment line, equivalent to about two months' worth of sales
- ✓ Raise **total return ratio to 50%** (yardstick)*from 45%
- ✓ Continue to enrich dividends per share
- ✓ Maintain upper limit on treasury stock holdings at 5% of total shares outstanding, and cancel the excess

Sustainable Improvement in Corporate Value

ROE

Fiscal 2027

Above **16%**

- ✓ Set minimum higher than level achieved in fiscal 2024, excluding temporary factors. Looking **long term, aiming for ratio above 20%**.

ROIC

Fiscal 2027

Above **13%**

- ✓ From long-term perspective, aiming for high level through robust growth investment while maintaining fiscal restraint.

EPS Growth

CAGR

Above **10%**

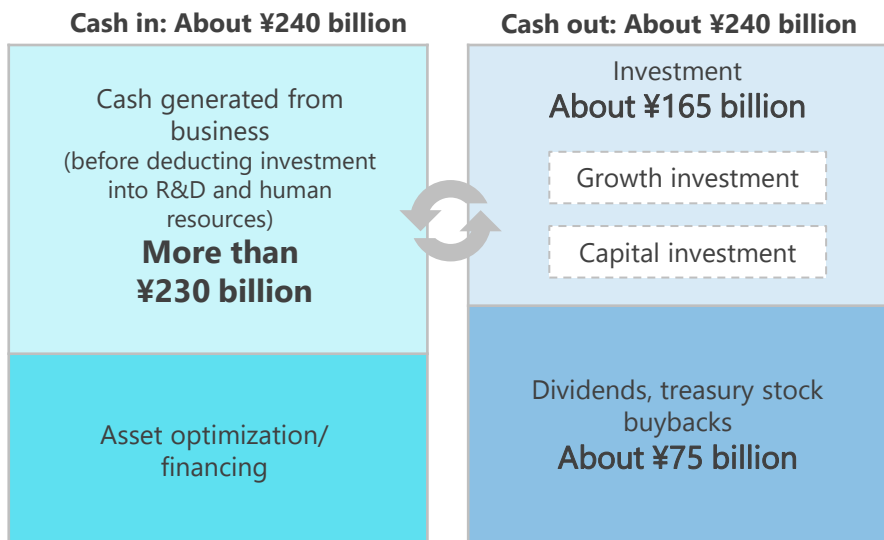
- ✓ Aim for continued improvement in value per share, hinging on sustainable business growth.

Note: ROIC = NOPAT / (interest-bearing debt + equity capital), where interest-bearing debt includes borrowings, corporate bonds and lease obligations.

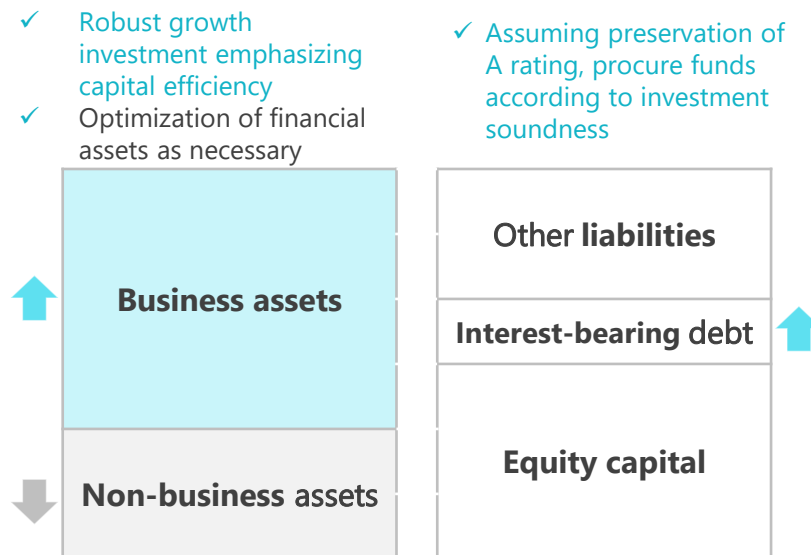
Cash Allocation / Balance Sheet Structure

- Promote vigorous growth investment activity and enrich shareholder returns by improving ability to generate cash based on profit growth
- Procure funds as investment opportunities dictate, and implement measures to optimize capital structure flexibly, taking into account prevailing situation

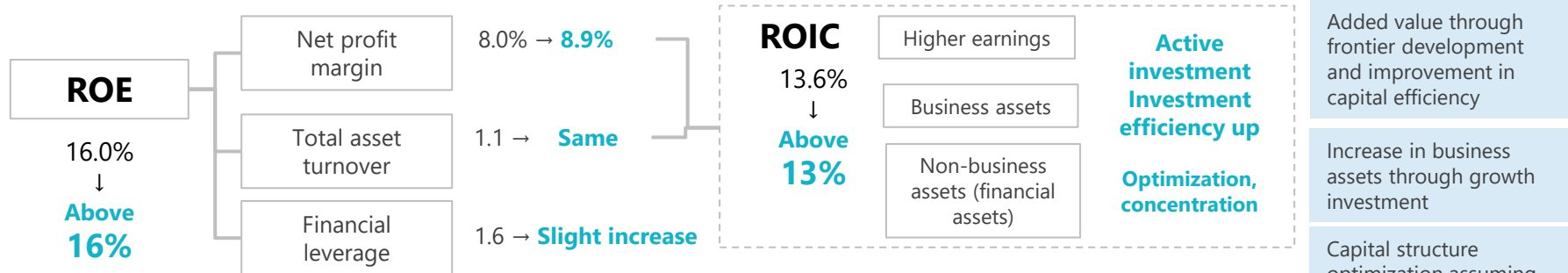
Cash Allocation



Balance Sheet Structure



ROE, ROIC Improvement Structure



(Fiscal 2024 → Fiscal 2027)

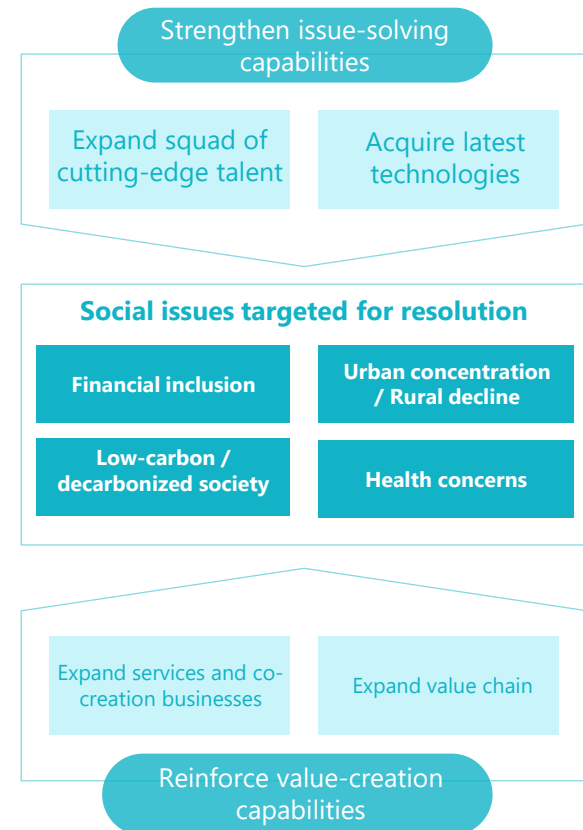
- Establish position, capabilities and organizational strength as value-creating co-creation partner for society/clients through robust prior investment for sustainable growth, and seek to remain market and client choice going forward

Growth investment of about ¥100 billion (cumulative, over three years)

Investment Details

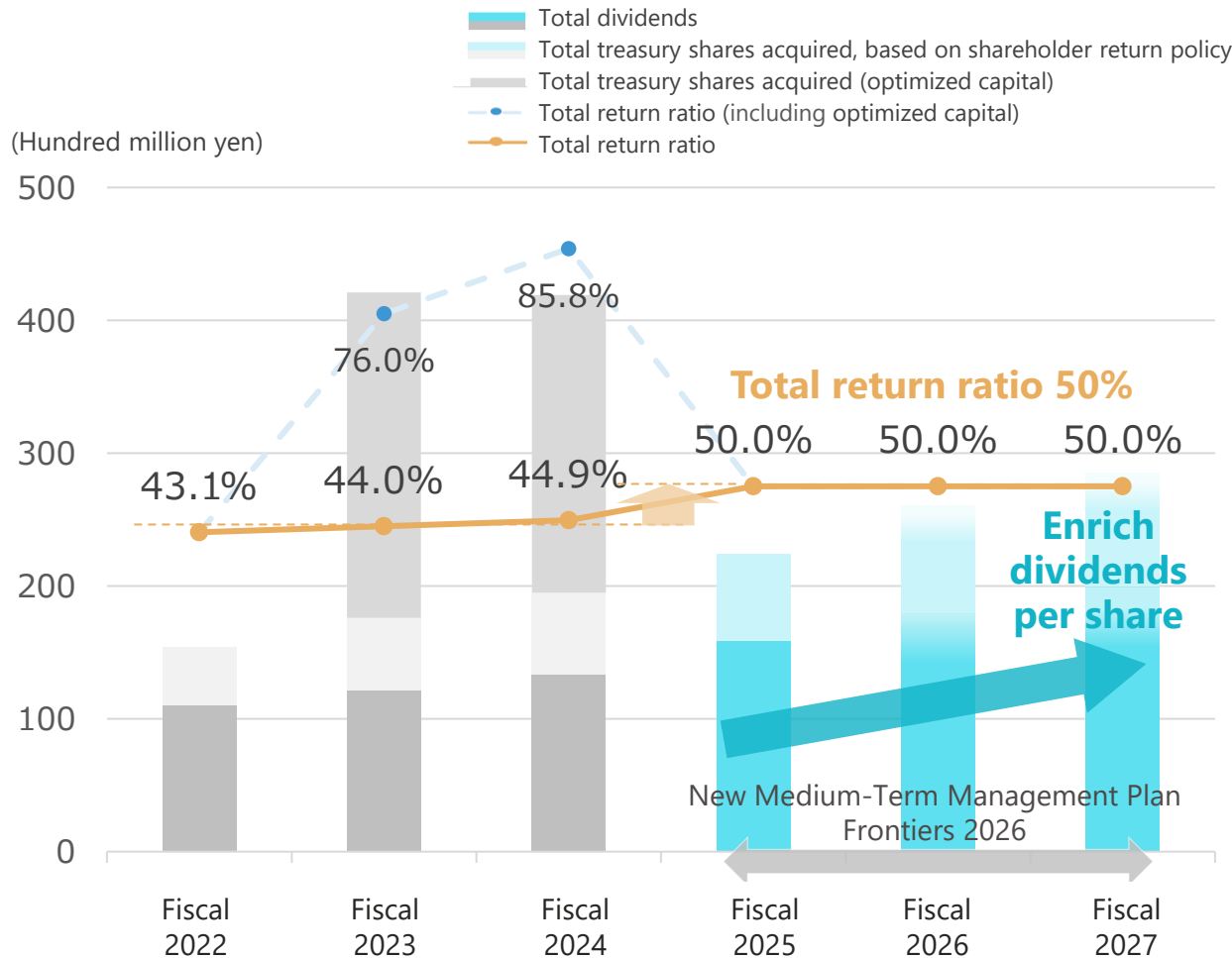
Stronger internal status	Human resources	<ul style="list-style-type: none"> Further strengthen recruitment/training to expand squad of cutting-edge talent who will take value higher Concentrate investment on consultants, high-level marketing talent and IT architects who are targets of priority recruitment/training
	R&D	<ul style="list-style-type: none"> R&D on the latest technologies to generate new perceptions of value and structural changes and drive business co-creation, production innovation and enhanced issue-solving capabilities Applied research that will accelerate new business creation
	Software	<ul style="list-style-type: none"> Rise to pinnacle of business model for digital solutions with expanded service lineup Continue to invest in software development to address social issues and build industry platforms
¥30 billion		
M&A (capital contribution)	¥70 billion	<ul style="list-style-type: none"> Capitalize on M&A opportunities to differentiate and concentrate strengths, hinging on solid status of Offering Service Business, especially area of payment settlement, as well as expansion of value chain Contribute capital to acquire technology and know-how and to promote joint business activities

Investment Policy



Basic Policy on Return to Shareholders

- Raise total return ratio to 50% (yardstick) from 45 %.
- Constantly enrich dividends per share and enhance engagement with shareholders.



Total return ratio
50%*
(rising from 45%)

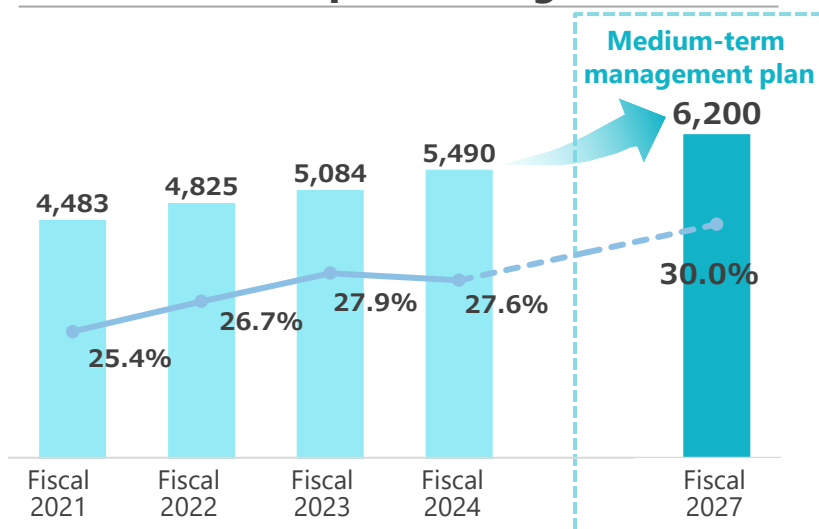
Dividends per share
Constantly enrich the dividend

Upper limit on treasury stock holdings
at 5%

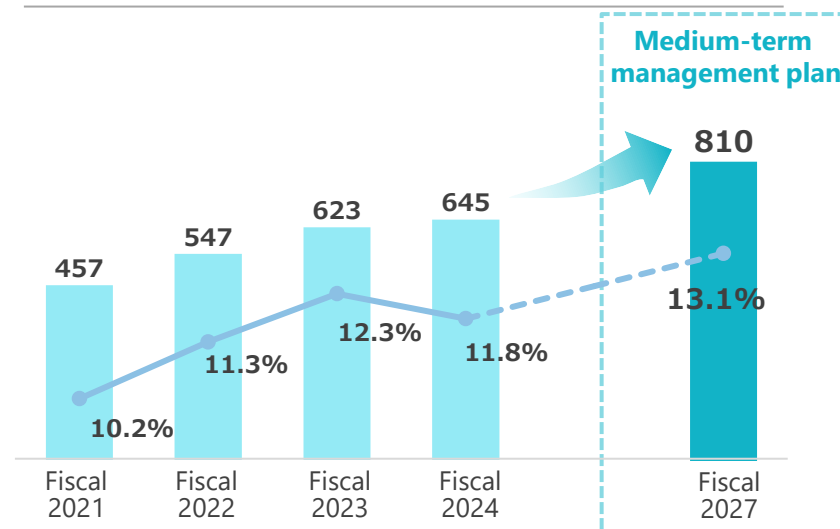
*Calculation based on income earned from operating activities (after deducting corporate taxes and non-controlling interests)

Performance Targets

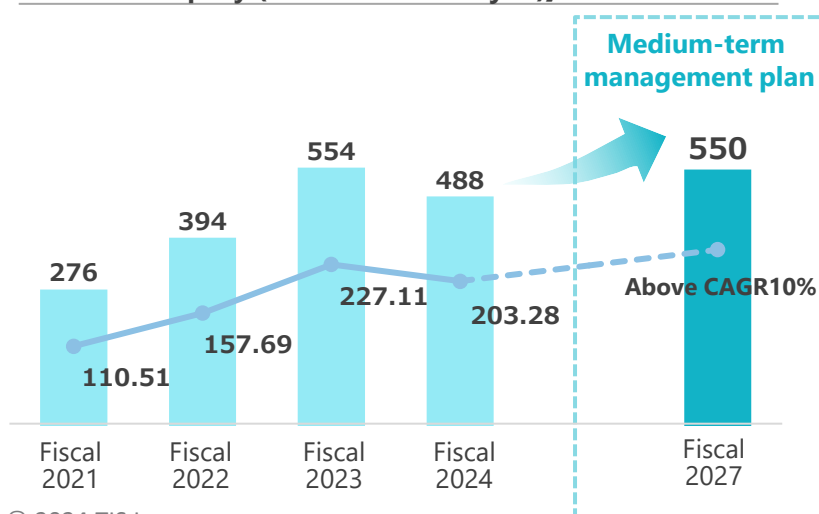
Net sales (Hundred million yen)/ Gross profit margin



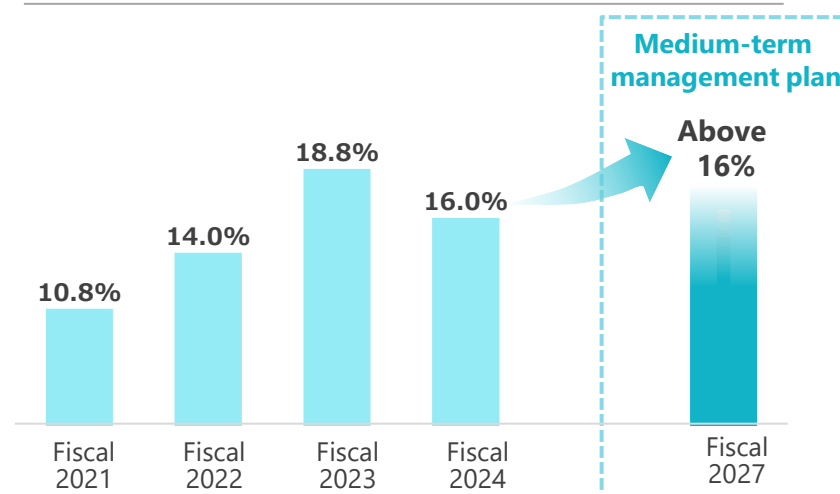
Operating income (Hundred million yen)/ Operating margin



Net Income Attributable to Owners of the Parent Company (Hundred million yen)/ EPS



ROE



- Continue to drive evolution of sustainability management forward and, from a medium- to long-term perspective, aim for sustainable growth paralleling added value

Solutions to social issues through business activities

- Aim to integrate business and sustainability so that promoting business aligned to strategic domains itself creates social value

Environment

Contribute to decarbonized society and recycling society

- Strengthen climate change/carbon neutral measures based on long-term environmental targets
 - ✓ Scope 1 + 2: Achieve carbon neutrality by fiscal 2041, ending March 31 (100% reduction of GHG emission compared with fiscal 2020)
 - ✓ Scope 1 + 2 + 3: Achieve net zero by fiscal 2051
- Understand the current situation regarding water and waste, and formulation and promotion of reduction targets

Social

Sustainable improvement in stakeholder engagement

- Develop a human resources investment framework to enhance added-value improvement cycle
 - ✓ Active investment into education and compensation over ¥10 billion
 - ✓ Increase productivity by 20% to improve added value
- Strengthen human rights measures
 - ✓ Establish system to reduce negative impacts with rights holders in mind

Governance

Constantly pursue level of corporate governance that elicits greater trust from society

- Enhance Group/global business management
- Strive to optimize business structure to achieve sustainable improvement in corporate value
- Maintain directors' compensation program to support medium- to long-term improvement in corporate value
- Improve diversity and monitoring function of the Board of Directors
- Continue to boost efficiency and strengthen internal controls through standardized/shared business operations

Non-Financial Management Metrics

- Aim to realize change for society and client companies by improving quality across entire value chain, and set non-financial metrics alongside financial metrics to measure impact of Group business activities on society from broader perspective

Materiality	Perspective/policy on measuring progress	Indicators	Scope of data collection*2	Fiscal 2027 targets	Fiscal 2024 results
1	Create a society in which diverse human resources are engaged and thrive Demonstrate capabilities of employees Human resources with specialized expertise will be at forefront of frontier development and provide high added value	Job satisfaction	B	58%	52%
		Number of consultants	B	700	510
		Number of female employees in management positions	B	15%	12%
2	Create a society in which diverse human resources are engaged and thrive Provide value to society Aim to integrate business and sustainability so that promoting business aligned to strategic domains itself creates social value	Strategic domain ratio*1	A	52% (new standard)	48% (new standard)
		Operating income per person	A	Above ¥3.5 million	¥2.9 million
		Growth investments	A	Three-year cumulative total ¥100 billion	Three-year cumulative total ¥72 billion
3	Create a safe society through high-quality services Quality demanded by society Realize management attitude/practices supporting accumulation/distribution of intellectual property, and create appealing quality	Client/service satisfaction	C	59%	54%
		Business partner satisfaction	D	81%	77%
4	Enhance corporate governance and earn the trust of society Company chosen by society Constantly reinforce internal controls on groupwide basis, and contribute to decarbonized society and recycling-oriented society	GHG emissions (Scope1+2) *3 [compared with fiscal 2020]	A	70% reduction	60% reduction (forecast)
		Renewable energy utilization rate*3 (Offices, data centers)	B	Fiscal 2031 Full introduction	55% introduced (forecast)

*1 Strategic domain ratio reached 61% in fiscal 2024, but because of stricter scrutiny paralleling a review of strategic domains for the new medium-term management plan, the ratio was reassessed at 48% under a new standard, with new target for fiscal 2027 based on this standard as well.

*2 Scope of data collection: A: Consolidated/ B: Consolidated (domestic) / C: TIS, INTEC, AGREX, QUALICA, AJS, and TIS Solution Link / D: TIS, and INTEC

*3 Scope of data collection for fiscal 2024 results: TIS, INTEC, AGREX, QUALICA, AJS, TIS Solution Link, TIS System Service, TIS Tohoku, TIS Nagano, TIS West Japan, TIS Hokkaido, TIS Business Service, SorunPure, MFEC Public, Business Application, Motif Technology Public, Hongson, MISO Digital, Prain Fintech, Msyne Innovations, and Playtorium Solutions

Long-Term Growth Scenario

—Seeking sustainable improvement in corporate value— (repost)

April 2008
IT Holdings Corporation (ITHD) established through management integration

July 2016
Transition to TIS INTEC Group, with an operating holding company

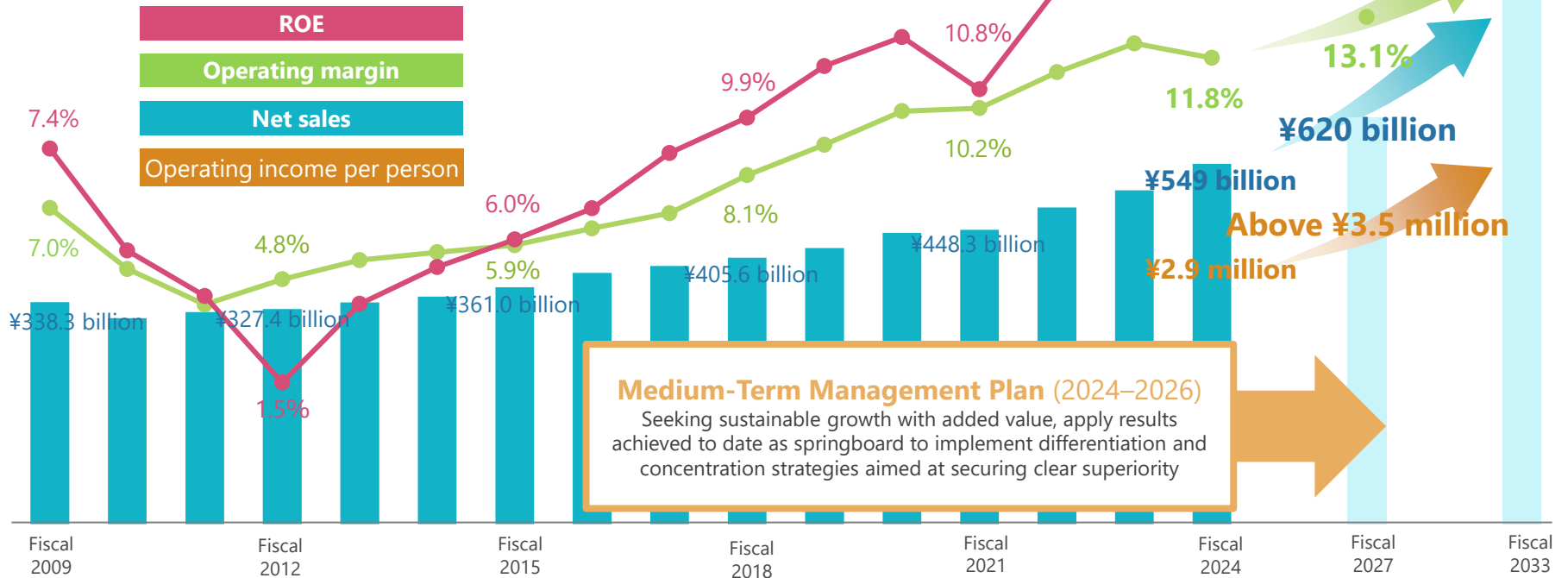
March 2023
Turned Nihon ICS Co., Ltd., into consolidated subsidiary

April 2024
Formulated Group Vision 2032. Medium-Term Management Plan (2024–2026)

December 2009 SORUN Corporation joined ITHD Group.
April 2011 ITHD orchestrated three-company merger involving TIS, SORUN and UFIT Co., Ltd., with TIS as surviving company.
March 2015 ITHD turned AGREX Inc. into 100% consolidated subsidiary.
October 2020 MFEC Public Company Limited (Thailand) brought under consolidation.

● **January 1964** Toyama Computer Center, Inc. (now, INTEC) established.
● **April 1971** Toyo Information Systems, Co., Ltd. (now, TIS) established.

April 2000 Turned Komatsu Soft Ltd. (now, QUALICA Inc.) into subsidiary.
February 2002 Turned AGREX Inc. into subsidiary.
April 2004 Turned UFIT Co., Ltd., into subsidiary.
April 2005 Turned Asahi Kasei Information Systems Co., Ltd. (now, AJS Inc.) into subsidiary.



Reference: Measures to Realize Management Conscious of Cost of Capital and Stock Price

<Basic stance on sustainable improvement in corporate value>

Promote sustainability management based on TIS INTEC Group Philosophy "OUR PHILOSOPHY"

Address social issues through business activities

Improve value exchange with stakeholders

Raise level of management response to social demands

Robust growth investment

Co-creation with stakeholders

Structural transformation

Environmental response from long-term perspective

Stakeholder engagement

Continuous upgrades in governance practices

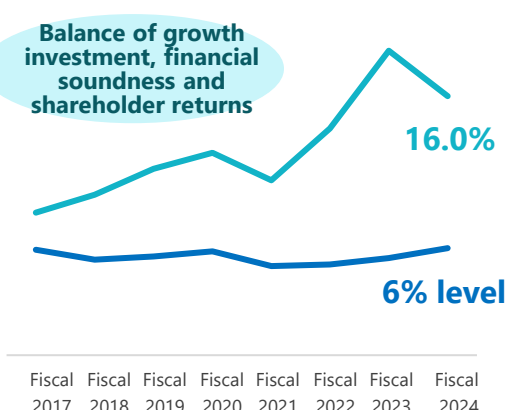
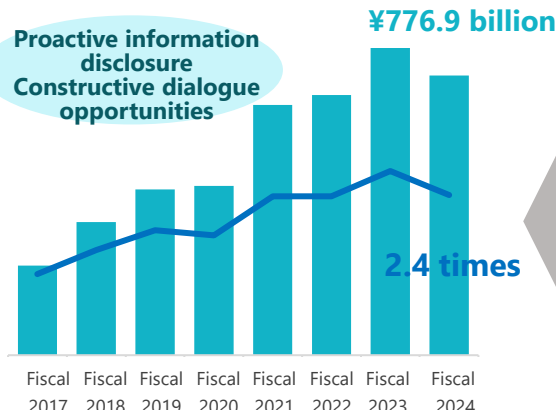
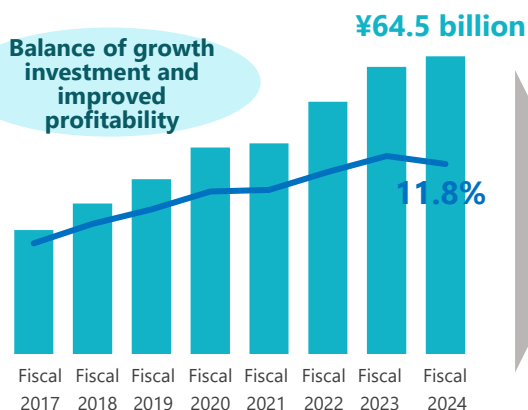
Constantly enrich ability to provide value to society and realize corporate growth

Enhance ESG activities and be recognized by external organizations

Business profit/profitability

Market evaluation

Capital efficiency



Even with robust growth investment for the future, including human resources investment, business expanded and profitability improved paralleling steady business growth.

Market evaluation significantly improved, as proactive information disclosure and opportunities for constructive dialogue encouraged understanding of and instilled confidence in management and underpinned stronger management capabilities.

In addition to higher EPS, driven by business growth, equity spread continued to widen, reflecting financial measures aimed at optimizing capital structure.

Going forward, we will aim for sustainable improvement in corporate value through sustainable creation of returns above cost of capital.

Make society's wishes come true through IT.



Handling these materials

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