



**TIS**

TIS INTEC Group

Go Beyond

# **Information Meeting Materials for the Fiscal Year Ended March 31, 2020**

---

**May 12, 2020**

**TIS Inc.**



## Fiscal 2020 Financial Highlights

## Fiscal 2021 Performance Forecast

## Return to Shareholders

## Progress on Medium-Term Management Plan (2018-2020)

## 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.
- Paralleling a shift—from Industrial IT Business to Financial IT Business—in know-how used in services provided to specific clients, transactions with such clients have been booked under Industrial IT Business up to fiscal 2019 and Financial IT Business from fiscal 2020 onward.
- Fiscal 2020 targets are the revised numbers as of November 1, 2019.
- The Company carried out a three-for-one common stock split on April 1, 2020. The impact of said stock split is reflected in “Net income per share” and “Dividends per share” presented for fiscal 2021.

## **Fiscal 2020 Financial Highlights**

### **Fiscal 2021 Performance Forecast**

### **Return to Shareholders**

### **Progress on Medium-Term Management Plan (2018-2020)**

### **Reference Materials**

## Fiscal 2020: Performance Highlights (YOY change)

- Against greater IT investment activity, business expanded and profitability continued to improve. Sales and income were up over previous fiscal year.
- Posted all-time high business results and achieved all key performance indicators for final year of medium-term management plan a year ahead of schedule.

[Millions of yen]	Fiscal 2019	Fiscal 2020	YOY change	
Net Sales	420,769	<b>443,717</b>	+22,947	[+5.5%]
Operating Income	38,043	<b>44,839</b>	+6,796	[+17.9%]
Operating Margin	9.0%	<b>10.1%</b>	+1.1P	—
Net Income Attributable to Owners of the Parent Company	26,034	<b>29,411</b>	+3,376	[+13.0%]
Net Income to Net Sales Ratio	6.2%	<b>6.6%</b>	+0.4P	—
Net Income per Share (Yen)	307.83	<b>350.35</b>	+42.52	[+13.8%]
ROE	11.5%	<b>12.5%</b>	+1.0P	—

Extraordinary income : ¥10,696 million (YOY change -¥8,355 million)

Extraordinary loss : ¥12,128 million (YOY change -¥6,748 million)

## Fiscal 2020: Performance Highlights (Compared with estimate)

- Exceeded upwardly revised target announced when first-half results were disclosed on November 1, 2019.

[Millions of yen]	Fiscal 2020 Estimate	Fiscal 2020 Actual	Compared with estimate	
Net Sales	436,000	<b>443,717</b>	+7,717	[+1.8%]
Operating Income	42,000	<b>44,839</b>	+2,839	[+6.8%]
Operating Margin	9.6%	<b>10.1%</b>	+0.5P	—
Net Income Attributable to Owners of the Parent Company	28,800	<b>29,411</b>	+611	[+2.1%]
Net Income to Net Sales Ratio	6.6%	<b>6.6%</b>	±0.0P	—
Net Income per Share (Yen)	343.13	<b>350.35</b>	+7.22	[+2.1%]
ROE	12.1%*	<b>12.5%</b>	+0.4P	—

\*ROE for fiscal 2020 is a calculated value

# Fiscal 2020: Sales and Income for Key Business Segments (YOY change)

[Millions of yen]		Fiscal 2019	Fiscal 2020	YOY change	
Service IT Business	Net Sales	117,617	<b>125,518</b>	+7,900	[+6.7%]
	Operating Income	8,519	<b>8,198</b>	-320	[-3.8%]
	Operating margin	7.2%	<b>6.5%</b>	-0.7P	—
BPO	Net Sales	36,231	<b>33,699</b>	-2,531	[-7.0%]
	Operating Income	1,843	<b>2,622</b>	+778	[+42.2%]
	Operating margin	5.1%	<b>7.8%</b>	+2.7P	—
Financial IT Business	Net Sales	106,436	<b>114,472</b>	+8,036	[+7.6%]
	Operating Income	12,797	<b>14,936</b>	+2,138	[+16.7%]
	Operating margin	12.0%	<b>13.0%</b>	+1.0P	—
Industrial IT Business	Net Sales	189,595	<b>202,701</b>	+13,106	[+6.9%]
	Operating Income	14,777	<b>19,159</b>	+4,381	[+29.7%]
	Operating margin	7.8%	<b>9.5%</b>	+1.7P	—

- **Service IT Business:** Payment services expanded, boosting sales, but higher prior investment expenses and the booking of one-time losses led to lower income.
- **BPO:** Sale of subsidiaries undertaken in previous fiscal year had major negative impact on segment sales but profitability continued to improve, driving income higher.
- **Financial IT Business:** Recorded higher sales and income thanks to wider IT investment trends by core clients, which absorbed reactionary drop in demand for large system development projects.
- **Industrial IT Business:** Sales and income up, largely reflecting more IT investment across wide range of industries, including core clients in energy- and manufacturing-based industries.

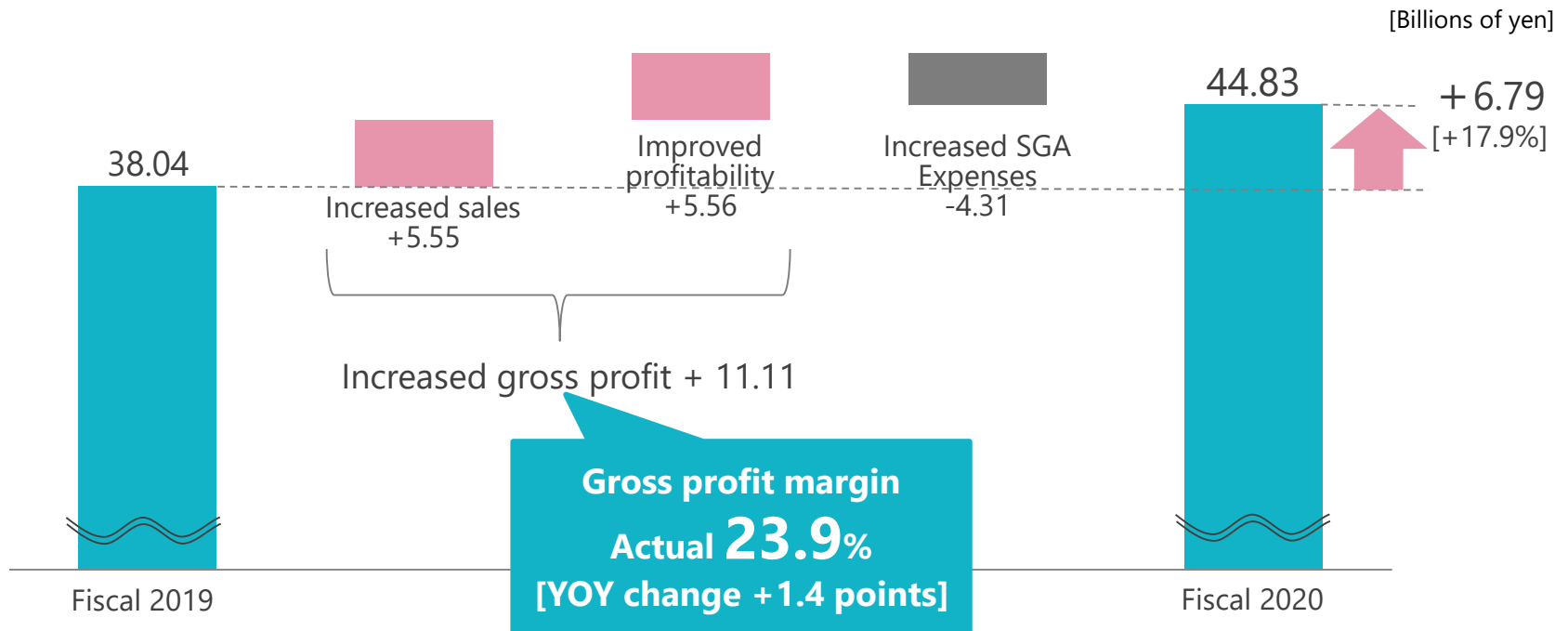
# Fiscal 2020: Sales and Income for Key Business Segments (Compared with estimate)

[Millions of yen]		Fiscal 2020 Estimate	Fiscal 2020 Actual	Compared with estimate	
Service IT Business	Net Sales	122,900	<b>125,518</b>	+2,618	[+2.1%]
	Operating Income	7,900	<b>8,198</b>	+298	[+3.8%]
	Operating margin	6.4%	<b>6.5%</b>	+0.1P	—
BPO	Net Sales	32,400	<b>33,699</b>	+1,299	[+4.0%]
	Operating Income	2,100	<b>2,622</b>	+522	[+24.9%]
	Operating margin	6.5%	<b>7.8%</b>	+1.3P	—
Financial IT Business	Net Sales	109,800	<b>114,472</b>	+4,672	[+4.3%]
	Operating Income	13,900	<b>14,936</b>	+1,036	[+7.5%]
	Operating margin	12.7%	<b>13.0%</b>	+0.3P	—
Industrial IT Business	Net Sales	199,800	<b>202,701</b>	+2,901	[+1.5%]
	Operating Income	18,100	<b>19,159</b>	+1,059	[+5.9%]
	Operating margin	9.1%	<b>9.5%</b>	+0.4P	—

- **Service IT Business:** Exceeded target reset in first half, owing to greater demand for payment services.
- **BPO:** Efforts to improve profitability fueled significantly higher operating income margin. Met targets.
- **Financial IT Business:** Met target, mainly due to trend toward greater IT investment by core clients.
- **Industrial IT Business:** Met target, thanks to greater IT investment across wide range of industries, including core clients in manufacturing industry.

# Fiscal 2020: Operating Income Analysis, Increase/Decrease Reasons (YOY change)

- Realized higher operating income even while maintaining robust prior investment strategy. Gross profit margin rose to 23.9%.



## Prior investment costs incurred in promoting structural transformation: Up ¥1.7 billion (YOY)

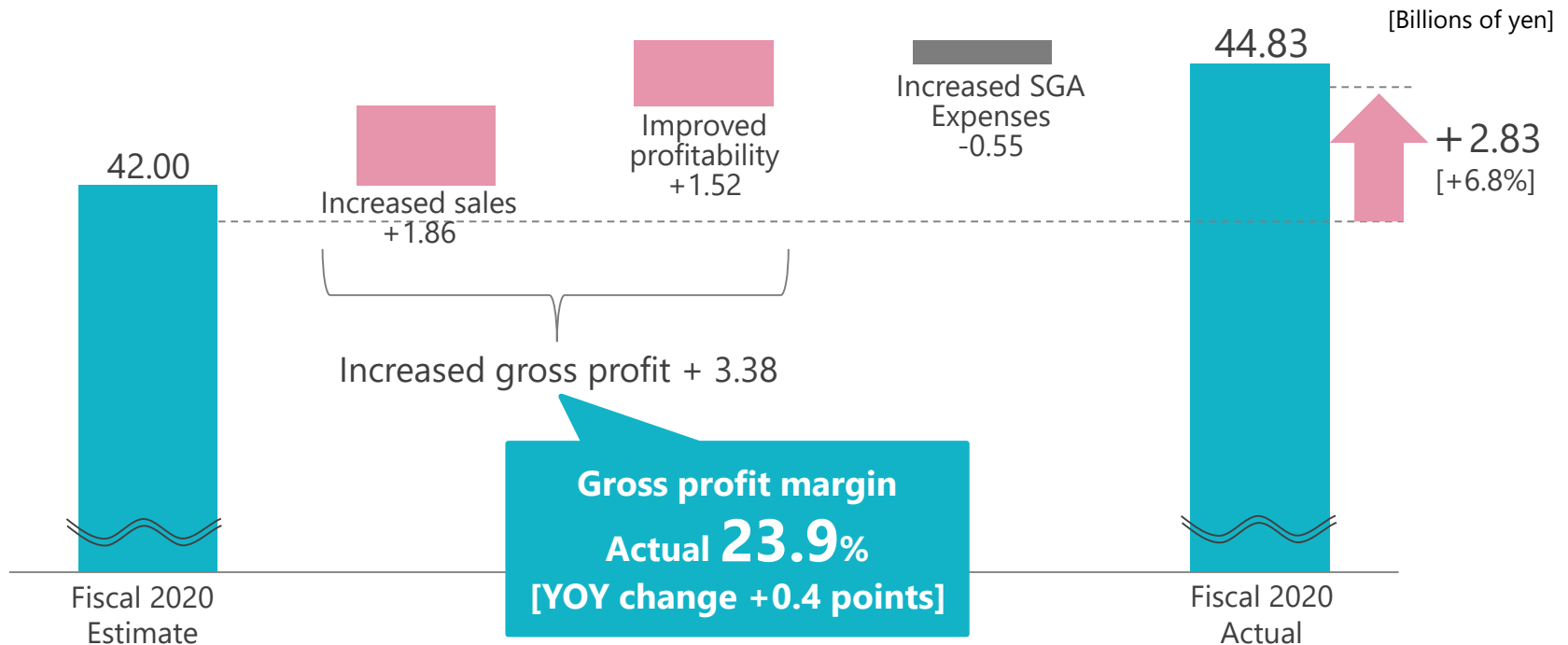
- ✓ Software investment to create new services
  - ✓ Investment in human resources to fuel structural transformation
  - ✓ Investment in R&D to acquire advanced technologies
- } Costs related to

## Brand-related costs incurred to ensure quick recognition in market: Up ¥0.5 billion (YOY)



# Fiscal 2020: Operating Income Analysis, Increase/Decrease Reasons (Compared with estimate)

- Fueled by higher net sales and improved profitability, operating income surpassed target. Gross profit margin also exceeded target.



## Prior investment costs incurred in promoting structural transformation: Down ¥ 0.8 billion (Compared with estimate)

- ✓ Software investment to create new services
  - ✓ Investment in human resources to fuel structural transformation
  - ✓ Investment in R&D to acquire advanced technologies
- } Costs related to

## Brand-related costs incurred to ensure quick recognition in market: As planned (YOY up ¥0.5 billion)

# Reference: Fiscal 2020 Fourth Quarter (January-March) Sales and Income for Key Business Segments

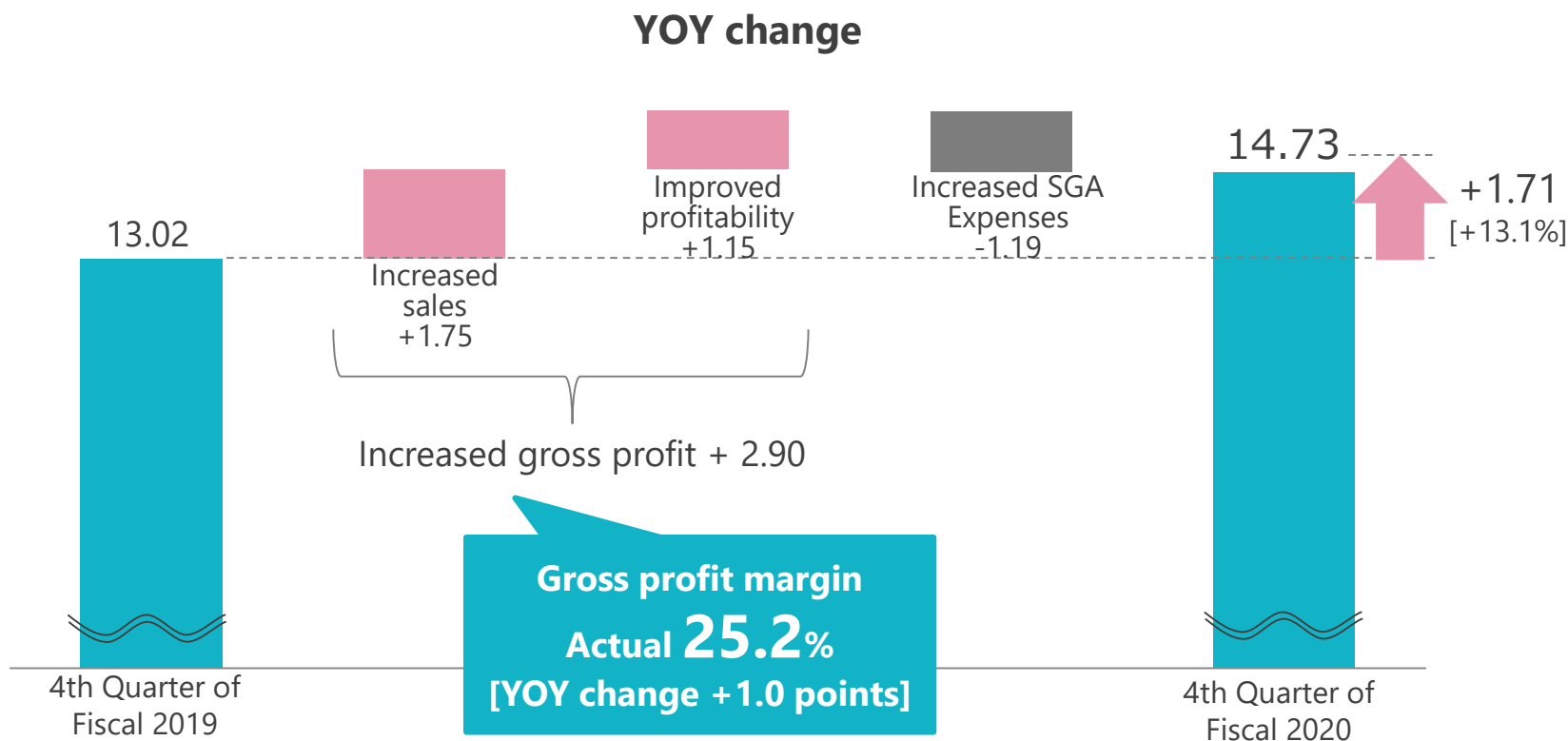
[Millions of yen]	4th Quarter of Fiscal 2019	4th Quarter of Fiscal 2020	YOY change	
Net Sales	117,808	<b>124,707</b>	+6,899	[5.9%]
Operating Income	13,020	<b>14,736</b>	+1,715	[+13.2%]
Operating Margin	11.1%	<b>11.8%</b>	+0.7P	—
Net Income Attributable to Owners of the Parent Company	9,054	<b>8,974</b>	-79	[-0.9%]
Net Income to Net Sales Ratio	7.7%	<b>7.2%</b>	-0.5P	—

## Key Business Segments

Service IT Business	Net Sales	33,470	<b>35,617</b>	+2,146	[+6.4%]
	Operating Income	3,260	<b>3,086</b>	-173	[-5.3%]
	Operating Margin	9.7%	<b>8.7%</b>	+1.0P	—
BPO	Net Sales	8,495	<b>9,080</b>	+585	[+6.9%]
	Operating Income	489	<b>855</b>	+365	[+74.7%]
	Operating Margin	5.8%	<b>9.4%</b>	+3.6P	—
Financial IT Business	Net Sales	28,482	<b>32,509</b>	+4,027	[+14.1%]
	Operating Income	3,808	<b>4,426</b>	+618	[+16.2%]
	Operating Margin	13.4%	<b>13.6%</b>	+0.2P	—
Industrial IT Business	Net Sales	56,124	<b>58,194</b>	+2,069	[+3.7%]
	Operating Income	5,551	<b>6,558</b>	+1,007	[+18.1%]
	Operating Margin	9.9%	<b>11.3%</b>	+1.4P	—

# Reference: Fiscal 2020 Fourth Quarter (January-March) Operating Income Analysis, Increase/Decrease Reasons

[Billions of yen]



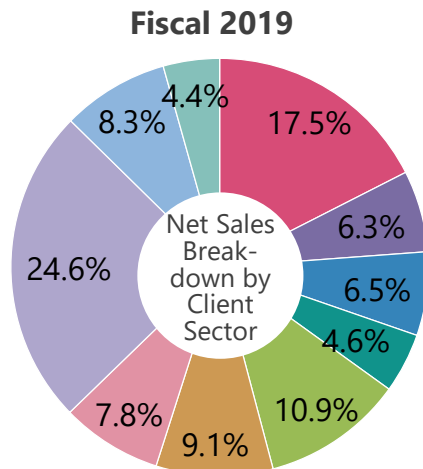
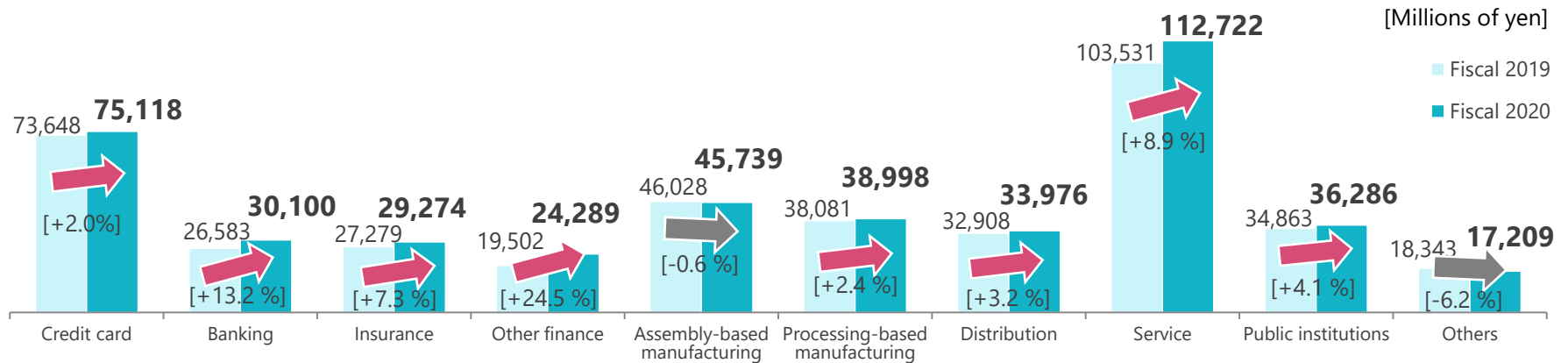
**Prior investment costs incurred in promoting structural transformation:  
Up ¥0.31 billion (YOY)**

- ✓ Software investment to create new services
  - ✓ Investment in human resources to fuel structural transformation
  - ✓ Investment in R&D to acquire advanced technologies
- } Costs related to

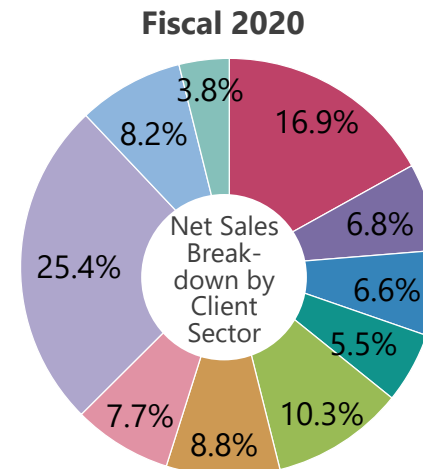
**Brand-related costs incurred to ensure quick recognition in market:  
Up ¥0.42 billion (YOY)**

# Fiscal 2020 : Sales by Client Sector

• Favorable progress, with higher revenue in nearly all client sectors.  
 Drop in sales to clients in assembly-based manufacturing sector due to the impact of specific projects.



- Credit card
- Banking
- Insurance
- Other finance
- Assembly-based manufacturing
- Processing-based manufacturing
- Distribution
- Service
- Public institutions
- Others



Financial sector: 34.9% Industrial sector: 52.4%  
 Public sector: 8.3% Other sectors: 4.4%

Financial sector: 35.8% Industrial sector: 52.2%  
 Public sector: 8.2% Other sectors: 3.8%

## Fiscal 2020 : Order Status (Software Development)

- Order conditions favorable. Maintained year-on-year increase in order backlog at the end of the fourth quarter as well.
- Service IT, hinging on payment services, and Financial IT, driven by demand from core clients, enjoyed good order activity, but Industrial IT saw sluggish demand from small and medium-sized companies.

[Millions of yen]	Fiscal 2019	Fiscal 2020	YOY change	
Orders received during fiscal year	238,298	<b>246,330</b>	+8,032	[+3.4%]
Service IT Business	47,513	<b>53,741</b>	+6,228	[+13.1%]
Financial IT Business	69,173	<b>73,249</b>	+4,076	[+5.9%]
Industrial IT Business	121,610	<b>119,339</b>	-2,271	[-1.9%]
Order backlog at year-end	75,549	<b>79,277</b>	+3,727	[+4.9%]
Service IT Business	13,746	<b>15,309</b>	+1,563	[+11.4%]
Financial IT Business	24,572	<b>28,400</b>	+3,827	[+15.6%]
Industrial IT Business	37,230	<b>35,566</b>	-1,663	[-4.5%]

### Reference: Fourth Quarter Performance Comparison

[Millions of yen]	4 <sup>th</sup> Quarter of fiscal 2019	4 <sup>th</sup> Quarter of fiscal 2020	YOY change	
Orders received during fiscal year	71,057	<b>71,321</b>	+264	[+0.4%]
Service IT Business	12,630	<b>12,321</b>	-308	[-2.4%]
Financial IT Business	23,411	<b>25,452</b>	+2,041	[+8.7%]
Industrial IT Business	35,014	<b>33,547</b>	-1,466	[-4.2%]

## Fiscal 2019: Order Status (Total)

- Favorable changes in orders received during the fiscal year and in order backlog, substantiated by year-on-year increases. The decrease in BPO orders received reflects the sale of subsidiaries, and the decrease in Industrial IT order backlog reflects sluggish demand from small and medium-sized companies.

[Millions of yen]	Fiscal 2019	Fiscal 2020	YOY change	
Orders received during fiscal year	427,210	<b>439,748</b>	+12,538	[+2.9%]
Service IT Business	107,344	<b>111,929</b>	+4,584	[+4.3%]
BPO	33,134	<b>30,688</b>	-2,446	[-7.4%]
Financial IT Business	108,494	<b>117,015</b>	+8,520	[+7.9%]
Industrial IT Business	178,236	<b>180,116</b>	+1,880	[+1.1%]
Order backlog at year-end	132,935	<b>133,121</b>	+185	[+0.1%]
Service IT Business	33,883	<b>34,434</b>	+551	[+1.6%]
Financial IT Business	41,645	<b>44,456</b>	+2,810	[+6.7%]
Industrial IT Business	57,407	<b>54,230</b>	-3,176	[-5.5%]

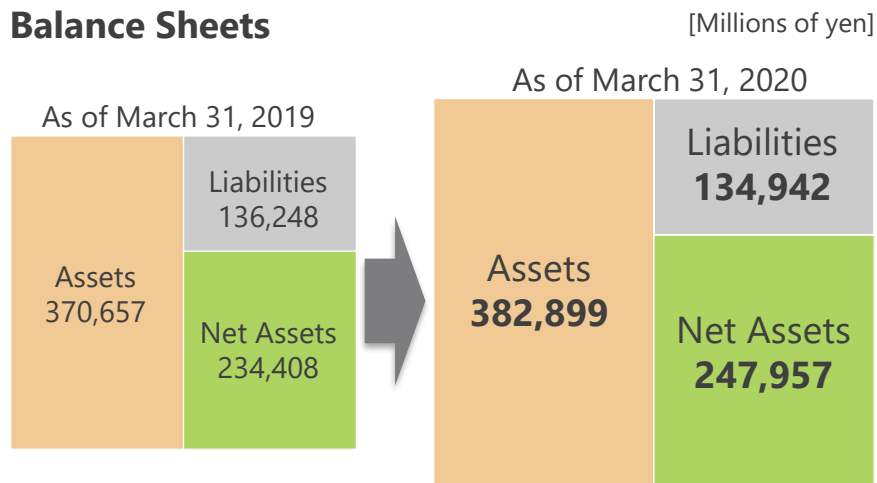
### Thoughts on order information related to system operation and others

- Implement reversal for contracts (including system operation contracts), regardless of duration, at end of second and fourth quarters, respectively. Anticipated net sales for the next six-month period are deemed order volume for the fiscal year and booked at the end of the fiscal year. Same value booked for order backlog.
  - Order volume not booked at end of first or third quarters due to reversal of contracts, so both order volume and order backlog will be lower compared with levels at end of second and fourth quarters
- BPO orders are transaction-based, so order backlog is considered to be zero.

# Fiscal 2020: Balance Sheets and Cash Flow Status

• Emphasized robust growth investment, hinging on overseas business strategy, but all continued to shrink assets, including cross-shareholdings and real estate. Maintained sound financial health, including an improvement in capital ratio to 63.3%.

## Balance Sheets



### Assets: +¥12,242 million

- Current assets : +¥5,312 million  
[Notes and accounts receivable+¥9,265 million]
- Fixed assets : ¥6,930 million  
[Includes investments in securities, stock of subsidiaries and affiliates +¥11,392 million]

### Liabilities: -¥1,306 million

- Current liabilities: -¥2,647 million  
[Short-term debt / corporate bonds -¥5,095 million]
- Fixed liabilities: +¥1,341 million

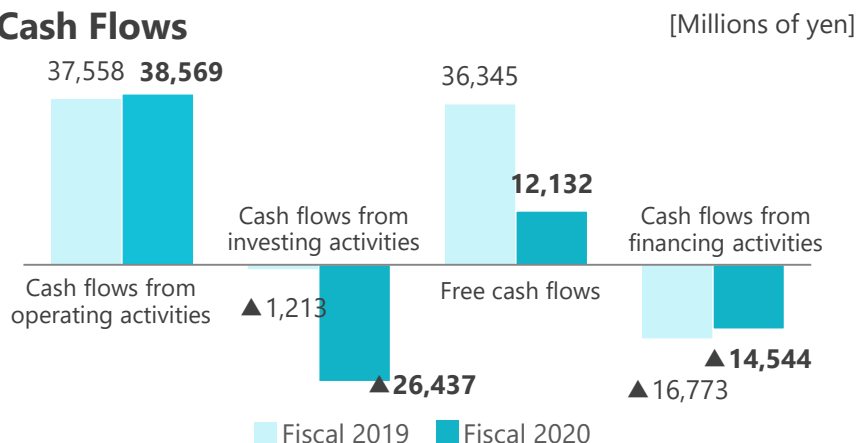
### Net Assets : +¥13,549 million

- Shareholders' equity: + ¥19,129 million  
[Includes retained earnings +¥22,644 million, Treasury stock-¥ 3,520 million]
- Other total comprehensive income : -¥6,452 million  
[Includes net unrealized gains on other securities -¥5,916 million]

### Equity Ratio: 63.3% (+ 1.3P)

### Interest-bearing Debt: ¥22,294 million (-¥4,598 million)

## Cash Flows



### Cash flows from operating activities: +¥1,011 million

- Net income before income taxes: +¥5,860 million
- Non-cash item: +¥4,718 million
- Change in receivables and payables related to operating activities: -¥10,987 million

### Cash flows from investing activities: -¥25,224 million

- Acquisition of investment securities: -¥20,558 million
- Sale of investment securities: -¥12,132 million
- Sale of property and equipment: +¥12,124 million

### Cash flows from financing activities: +¥ 2,229 million

- Net increase/decrease in debt and corporate bonds: +¥1,454 million

**Fiscal 2020 Financial Highlights**

**Fiscal 2021 Performance Forecast**

**Return to Shareholders**

**Progress on Medium-Term Management Plan (2018-2020)**

**Reference Materials**



# Understanding the External Environment

- Path ahead uncertain due to impact from COVID-19 (illness caused by novel coronavirus) pandemic. In short-term, clients likely to adopt tougher positions, including reduced IT investment, as economy stalls and corporate performances deteriorate.

## Service IT Business

- ✓ Even amid sudden changes in business environment, demand for digital transformation and trend toward cashless society should remain firm. Sustained conditions in payment market, supported by increase in e-commerce transactions and government assistance. Payment methods diversifying but challenges exist for clients due to heightened competition and sharp decrease in inbound demand.
- ✓ Social landscape marked by major evolving need for certain companies to provide cloud-based access. Growth in security market accelerating, prompting wider demand.
- ✓ In ERP, despite rebuild demand to support migration to S/4HANA before SAP's 2025 end-of-service deadline on the existing platform, high possibility that timing for mission-critical upgrades will be postponed, especially in manufacturing industry.



## BPO

- ✓ Continuing growth in demand for BPO services that help companies improve operations on an administrative level.
- ✓ Even greater need for digital innovation due to prolonged labor shortage and changes in workstyle, including the location-free approach.



## Financial IT Business

- ✓ Demand solid for businesses that support key social infrastructure, such as payments.
- ✓ IT investment to sharpen competitive edge, paralleling changes in payment structure, will continue to grow but must watch timing.



## Industrial IT Business

- ✓ Deteriorating business results and pressure on investment budgets, regardless of industry, will be unavoidable due to sudden changes in business environment. Biggest impact will be felt in manufacturing industry and small and medium-sized companies.
- ✓ Expect changes in social structure to be drivers of demand creation, especially in public sector and medicine.



**Trend toward long-term IT investment is unlikely to change, and demand for the necessary services should accelerate once COVID-19 pandemic has been stamped out.**

# Assumptions in Fiscal 2021 Performance Forecast —Dealing with impact from COVID-19 pandemic—

## Assumptions in Fiscal 2021 Performance Forecast

- Currently, not possible to realistically predict when COVID-19 will be stamped out, making it difficult to estimate business results.
- Performance forecast for fiscal 2021 will be calculated on assumption of reduced impact from COVID-19 pandemic from second quarter, with economic activity gradually recovering, so that TIS INTEC Group’s business environment normalizes from third quarter.
- Possibility that performance forecast will change, based on actual status of COVID-19 pandemic.

### Status of TIS INTEC Group’s Business Activities

- Currently, impact of COVID-19 pandemic already affecting some marketing activities, such as presentations to new clients. Going forward, business environment likely to remain particularly challenging until second quarter, reflecting possibility of impact on order status.

### Business continuity efforts in response to COVID-19 pandemic

- TIS INTEC Group taking various approaches, premised upon good balance of efforts to uphold mission to support key social infrastructures and efforts to ensure safety of employees.

<ul style="list-style-type: none"> <li>- Priority measure allowing work from home</li> <li>- Wider scope of work under work-from-home measure</li> </ul>	<ul style="list-style-type: none"> <li>• TIS employees work from home, in principle, and if that is just not possible, then Company encourages staggered office hours.</li> <li>• Clients have been advised of Company policy, and on-site work at client offices has been modified as much as possible.</li> </ul>
<ul style="list-style-type: none"> <li>- Employees at data centers</li> </ul>	<ul style="list-style-type: none"> <li>• Each data center decides on essential workers needed to maintain operations and ensures means for these employees to commute to assigned offices, so operations continue as normal</li> <li>• Thorough approach to prevent infection among staff (everyone wears a mask, temperature checked, surfaces regularly disinfected)</li> </ul>
<ul style="list-style-type: none"> <li>- Provide masks, sanitizing spray and other protection</li> </ul>	<ul style="list-style-type: none"> <li>• Distribute equipment to employees who have no choice but to go to the office because the work they do supports social infrastructure so that the work environment is safe and affords peace of mind.</li> </ul>

## Fiscal 2021: Performance Forecasts

- COVID-19 pandemic likely to affect business results through second quarter, leading to lower sales and income year-on-year.
- Will maintain management policy on profitability emphasis and hold operating income margin to 10%

[Millions of yen]	Fiscal 2020 Actual	Fiscal 2021 Estimate	YOY change	
Net Sales	443,717	<b>440,000</b>	-3,717	[-0.8%]
Operating Income	44,839	<b>44,000</b>	-839	[-1.9%]
Operating Margin	10.1%	<b>10.0%</b>	-0.1P	—
Net Income Attributable to Owners of the Parent Company	29,411	<b>29,500</b>	+89	[+0.3%]
Net Income to Net Sales Ratio	6.6%	<b>6.7%</b>	+0.1P	—
Net Income per Share (Yen)	116.78	<b>117.95</b>	+1.17	[+1.0%]
ROE	12.5%	<b>11.8%</b>	-0.7P	—

\* The Company executed a stock split, with each share of common stock split into three shares, effective April 1, 2020. Earnings per share for fiscal 2020 is presented using the number of shares after the stock split.

\* ROE for fiscal 2021 is a calculated value.

## Fiscal 2021: Sales and Income for Key Business Segments [Forecast]

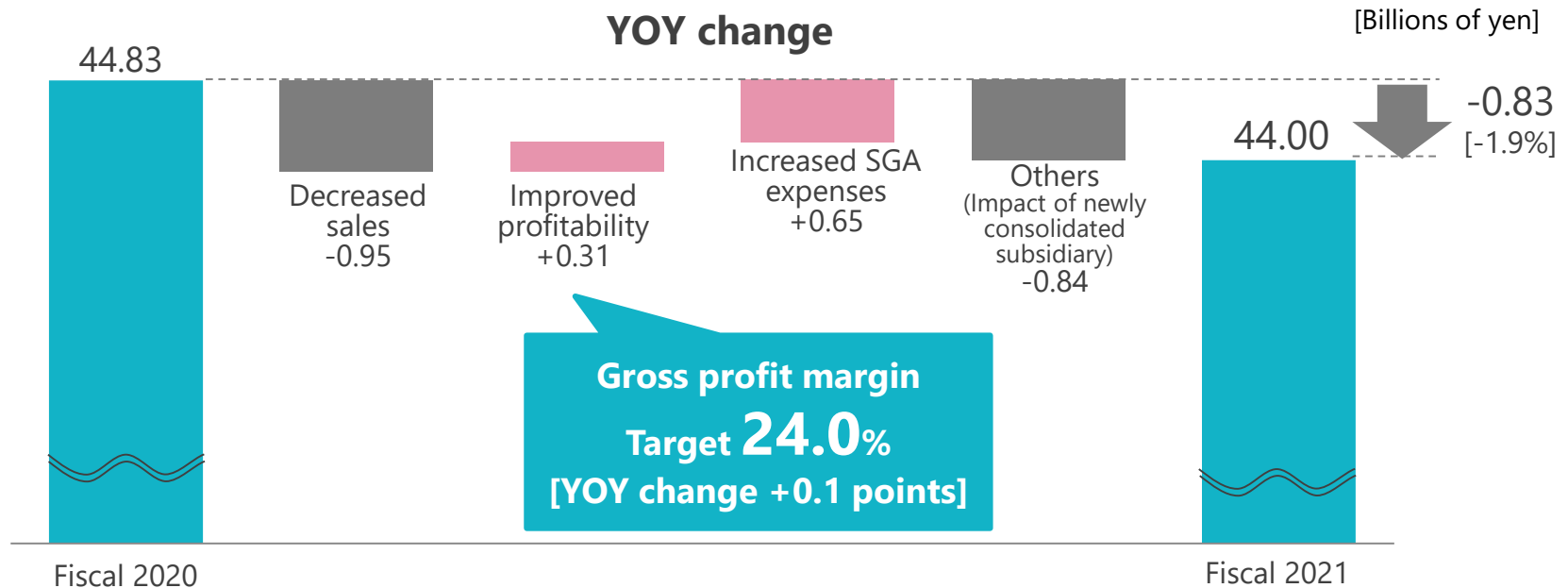
[Millions of yen]		Fiscal 2020 Actual	Fiscal 2021 Estimate	YOY change	
Service IT Business	Net Sales	125,518	<b>131,500</b>	+5,982	[+4.8%]
	Operating Income	8,198	<b>8,500</b>	+302	[+3.7%]
	Operating Margin	6.5%	<b>6.5%</b>	±0.0P	—
BPO	Net Sales	33,699	<b>33,500</b>	-199	[-0.6%]
	Operating Income	2,622	<b>2,600</b>	-22	[-0.8%]
	Operating Margin	7.8%	<b>7.8%</b>	±0.0P	—
Financial IT Business	Net Sales	114,472	<b>115,000</b>	+528	[+0.5%]
	Operating Income	14,936	<b>15,300</b>	+364	[+2.4%]
	Operating Margin	13.0%	<b>13.3%</b>	+0.3P	—
Industrial IT Business	Net Sales	202,701	<b>194,000</b>	-8,701	[-4.3%]
	Operating Income	19,159	<b>17,900</b>	-1,259	[-6.6%]
	Operating Margin	9.5%	<b>9.2%</b>	-0.3P	—

- **Service IT Business:** Anticipate higher sales and income year on year as clients' investment in IT, such as payment services and the cloud, generates demand that offsets negative factor involved in bringing new companies into Group as consolidated subsidiaries.
- **BPO:** New orders may be impacted by prevailing challenges, but changes in the business environment will probably have only minimal overall impact. Nevertheless, expecting slightly lower sales and operating income.
- **Financial IT Business:** Will capture IT investment demand from core clients, emphasize value-added services and improve productivity, which should underpin higher sales and income.
- **Industrial IT Business:** Anticipate negative effect from reduced IT investment by clients in manufacturing sector and small and medium-sized companies, causing drop in sales and income.

\* In fiscal 2019, transactions for certain clients in the finance industry were booked under Financial IT Business, but due to a shift away from business based on specialized service know-how for the finance industry in favor of knowledge-intensive business using a universal format or template of sector-related know-how accumulated in providing services to these clients, associated transactions in fiscal 2020 were instead booked under Service IT Business.

# Fiscal 2021: Operating Income Analysis, Increase/Decrease Reasons [Forecast]

- Expect to maintain year-on-year par on a performance basis excluding such factors as the impact of newly consolidated subsidiaries.
- Will maintain investment that contributes to future growth, while promoting enhanced cost-control, which includes sustained approaches to boost productivity and the results of "G20" project to elevate head office functions.



## Anticipated prior investment costs for promoting structural transformation: Up ¥1.1 billion (YOY)

- ✓ Software investment to create new services
  - ✓ Investment in human resources to fuel structural transformation
  - ✓ Investment in R&D to acquire advanced technologies
- } Costs related to

## Anticipated brand-related costs incurred to ensure quick recognition in market: Up ¥0.5 billion (YOY)

**Fiscal 2020 Financial Highlights**

**Fiscal 2021 Performance Forecast**

**Return to Shareholders**

**Progress on Medium-Term Management Plan (2018-2020)**

**Reference Materials**

# Medium-Term Management Plan (2018-2020): Basic Policy on Return to Shareholders

## Total return ratio

(yardstick)

**40%**

(up from 35%)

## Payout ratio

(yardstick)

**30%**

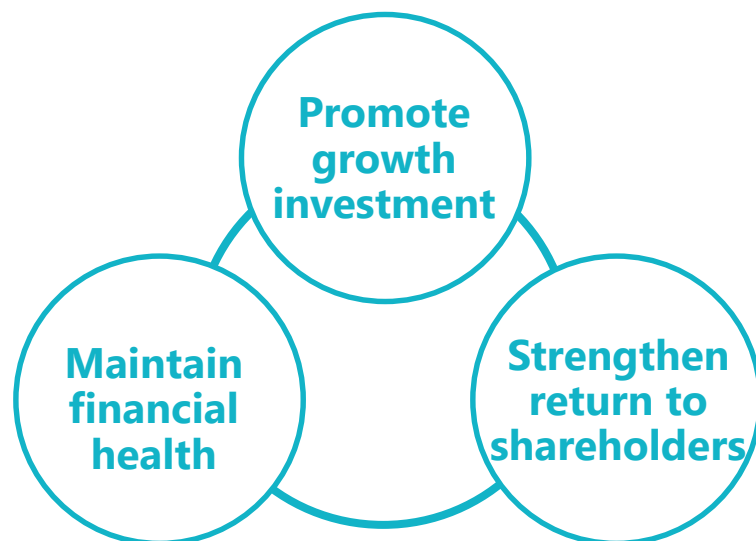
(by March 31, 2021)

## Upper limit on treasury stock holdings

at **5%**

(excess cancelled)

Seek more appropriate capital composition and enhanced capital efficiency, with efforts to promote growth investment, maintain financial health and strengthen return to shareholders—all in the right balance.



### **Promote growth investment**

- Pursue growth investment activity, such as prior investment and M&As, more robustly. Envision maximum ¥80 billion in investments over three years. Seek 50% contribution from strategic domains and operating margin of 10% through structural transformation.

### **Maintain financial health**

- Keeping in mind goal to maintain A rating, ensure equity ratio above 50% and allow debt-to-equity ratio around 0.5 times.

### **Strengthen return to shareholders**

- Raise total return ratio yardstick to 40%, from 35%, and then aim for payout ratio of 30% by fiscal 2021 through stable dividend growth.
- Set upper limit on treasury stock holdings to 5% of total number of issued shares, with excess of this amount cancelled.

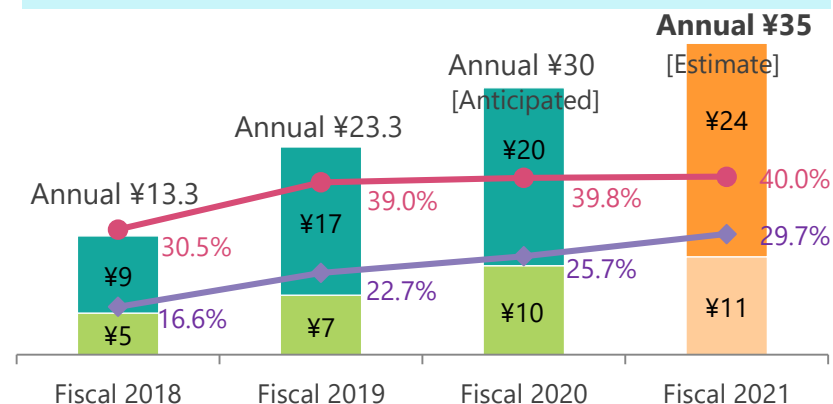
# Status on Return to Shareholders

- Year-end dividend increase, reflecting good business results (two consecutive years). Total return ratio at 39.8%.
- Will maintain effective dividend increase in fiscal 2021 as well, working toward payout ratio of 30%.

	Fiscal 2020	Fiscal 2021
	<b>Before 1-for-3 stock split</b>	<b>After 1-for-3 stock split</b>
Annual dividend per share	¥90 [Compared with estimate: +¥10]	¥35 [YOY change: +¥5]
Acquired Treasury Shares	Total ¥4,140 million	<b>Total ¥3,030 million</b>
Total return ratio	39.8%	<b>40.0%</b>
Payout ratio	25.7%	<b>29.7%</b>

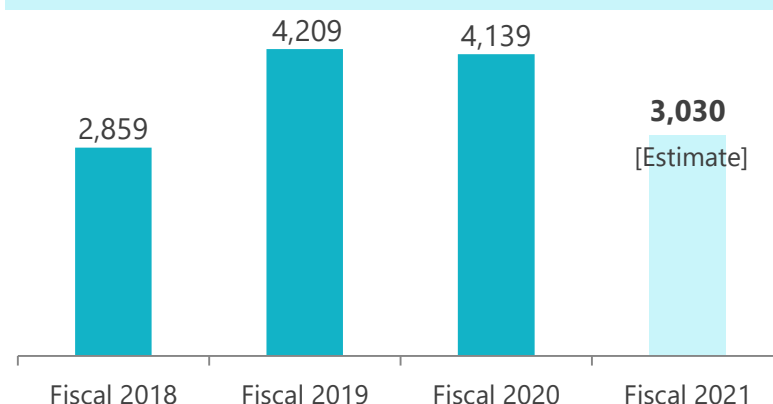
\*Upper limit of treasury stock buyback announced May 12, 2020

### Changes in Dividends per Share



■ Dividends (interim)   
 ■ Dividends (term-end)   
 ● Total return ratio   
 ◆ Payout ratio  
■ Dividend (interim, estimate)   
 ■ Dividend (term-end, estimate)

### Total Acquired Treasury Shares [Millions of yen]



\* Total return ratio: Total amount of dividends and treasury stock buybacks as a percentage of net income.

\* The Company executed a stock split, with each share of common stock split into three shares, effective April 1, 2020 (the effective date). Actual results achieved prior to fiscal 2020 have been converted retroactively to reflect the stock split.



**Fiscal 2020 Financial Highlights**

**Fiscal 2021 Performance Forecast**

**Return to Shareholders**

**Progress on Medium-Term Management Plan (2018-2020)**

**Reference Materials**

# Outline of Medium-Term Management Plan (2018-2020)

## Transformation to 2020

— Achieving structural transformation as a corporate family and taking the lead in finding solutions to social issues—



Company where diverse human resources, reliable, proud and carrying a sense of solidarity, **approach work enthusiastically**

Increase high-value-added quality (boost value of technology/social research results) through **value chain reform**



Budget for growth investment to fuel structural transformation **¥80 billion** in 3 years



**Structural transformation**

to deliver ratio of 50% from strategic domain sales



Net sales **¥430 billion**  
 Operating income **¥43 billion**  
 Operating margin **10%**

ASEAN Region



Become

**top class**  
group united in IT



Through enhanced management efficiency

ROE **12%**

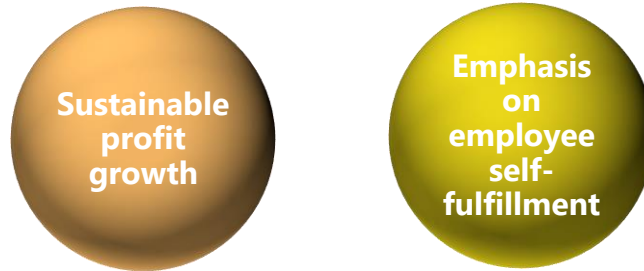
Become corporate group that contributes **solutions to environment/social issues**

through business activities



# Basic Policy/Key Performance Indicators

## Basic Policy



**Sustainable profit growth**

**Emphasis on employee self-fulfillment**

- With solutions to social issues derived through business activities, establish structure generating medium- to-long-term benefits for society as well as profits to sustain corporate presence
- Achieve cost reduction through enhanced, more efficient headquarters function

- Create environment, culture and programs that motivate employees to work hard
- Build human resources portfolio that supports structural transformation, and optimize deployment throughout Group

### Constant transformation, with sense of speed

**Concentrate on core businesses**

**Shift to prior investment style of business development**

**Expand global business**

- Actively invest to rev up growth engines
- Improve value provided to clients, reinforce existing fields through productivity innovation
- Proactively propose solutions to markets/clients and transform structure to realize business creation
- Pursue strategically directed, robust investment, mainly through M&A and service investment
- Become top-class IT group in ASEAN region
- Hone global strengths, emphasizing payment settlement/banking/ERP solutions

## Key Performance Indicators (Fiscal 2021)

**Strategic Domain Sales Ratio**  
**50%**

**Operating Income**  
**¥43 billion**

**Operating Margin**  
**10%**

**ROE**  
**12%**

# Progress on Key Performance Indicators

- All KPI for final year of medium-term management plan — fiscal 2021 — achieved, a year ahead of schedule, reflecting groupwide business acceleration.

## Key Performance Indicators (Fiscal 2021)

### Strategic Domain Sales Ratio

50% → **50%**

(Fiscal 2021 initial estimate) (Fiscal 2020 actual)

### Operating Income

¥43billion → **¥44.8billion**

(Fiscal 2021 initial estimate) (Fiscal 2020 actual)

### Operating Margin

10% → **10.1%**

(Fiscal 2021 initial estimate) (Fiscal 2020 actual)

### ROE

12% → **12.5%**

(Fiscal 2021 initial estimate) (Fiscal 2020 actual)

# Activities under Medium-Term Management Plan

## Overview of Fiscal 2020

### Fiscal 2020 Group Management Direction

#### Robust prior investment to fuel business expansion and structural transformation

- Selectively invest in growth fields and areas of expertise to turn service-style businesses into growth engines

#### Promote measures and review business portfolio with view toward higher profitability

- Concentrate on forte fields and key client businesses, eliminate unprofitable projects, emphasize order profitability and thoroughly implement enhancement reforms

#### Promote growth strategy aimed at becoming a top-class IT group in ASEAN region

- Expand business domains and pursue strategic investments through cooperation built over time with overseas partners in line with global strategy

#### Boost motivation and take human resource management to higher level

- Strive to create framework and corporate culture in which employees—the driving force behind the Group's growth—can thrive, and steadily realize measures described in personnel manifesto

#### Realize enhanced management practices and higher efficiency

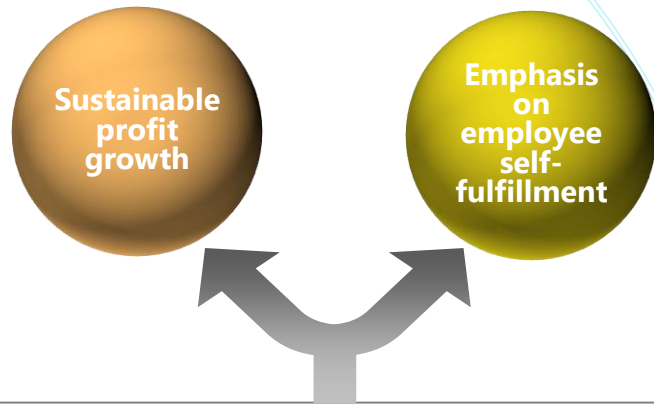
- Instill widespread awareness of unified, groupwide management, based on OUR PHILOSOPHY, promote "G20" project to elevate head office functions, and kick off new system "GAIA"

### Looking Back on Fiscal 2020

△	<ul style="list-style-type: none"> <li>➤ Strategic domain ratio surpasses medium-term management plan target of 50% ahead of schedule.</li> <li>➤ Driven by demand for payment settlement solutions, Service IT Business achieved higher sales but posted lower operating income. Qualitative transformation required to achieve medium-term targets, including improvement in profitability on service-type businesses.</li> </ul>
○	<ul style="list-style-type: none"> <li>➤ Gross profit margin improved to 23.9% (YOY change, +1.4%), reflecting enhancement upgrades and efforts to reinforce order profitability.</li> <li>➤ Development loss ratio held to 0.6%, staying within full-year target level (0.8%)</li> <li>➤ Implemented review of Group strategy for platform business, including cloud, security, data center and network operations.</li> </ul>
○	<ul style="list-style-type: none"> <li>➤ Reinforced ties with existing targets of capital participations and further fortified overseas business platform by bringing several influential partners under the Group umbrella and by forming new capital and business alliances.</li> <li>➤ Utilized composite capabilities derived from alliances in joint expansion of platform services.</li> </ul>
○	<ul style="list-style-type: none"> <li>➤ Formulated Diversity and Inclusion Policy and promoted various measures designed to enable employees to achieve self-fulfillment.</li> <li>➤ Began groupwide initiative to constantly upgrade the skills of personnel who will drive business growth.</li> <li>➤ TIS included in "New Diversity Management Selection 100" by Ministry of Economy, Trade and Industry.</li> </ul>
○	<ul style="list-style-type: none"> <li>➤ Began implementing common systems and shared development within Group under project to elevate head office functions.</li> <li>➤ Brand recognition dramatically improved, hitting 32% (up 13% YOY), through strategic brand investment.</li> <li>➤ Finished selling off real estate in and around Metropolitan Tokyo as Group office relocated and centralized.</li> </ul>

# Fiscal 2021 Group Management Direction

## Medium-Term Management Plan (2018-2020) Basic Policy



### Constant transformation, with sense of speed

Concentrate on core businesses

Shift to prior investment style of business development

Expand global business

## Fiscal 2021 Group Management Direction

### Deepen unified, groupwide management practices and ensure safe office environment and higher efficiency to better cope with sudden changes in operating environment

Instill awareness of OUR PHILOSOPHY, deepen unified, groupwide management practices through office centralization and business and system integration, and respond quickly to ensure safety

### Maintain financial health while creating social value and engaging in robust growth investment to strengthen ability to provide digital transformation value

Ensure financial health while selectively investing in growth fields and areas of expertise to underpin service-style business and improve ability to provide digital transformation value

### Promote measures and review business portfolio to build stable revenue base

Concentrate on forte fields, pursue stock businesses, eliminate unprofitable projects, emphasize order profitability and thoroughly implement enhancement upgrades

### Promote growth strategy aimed at becoming top-class IT group in ASEAN region

Reinforce ties to targets of capital participation and promote joint projects, based on overseas business strategy, and expand global partnerships to cultivate more extensive market presence

### Motivate employees and invest in richly diverse human resources who will drive growth in services and fuel demand for digital transformation

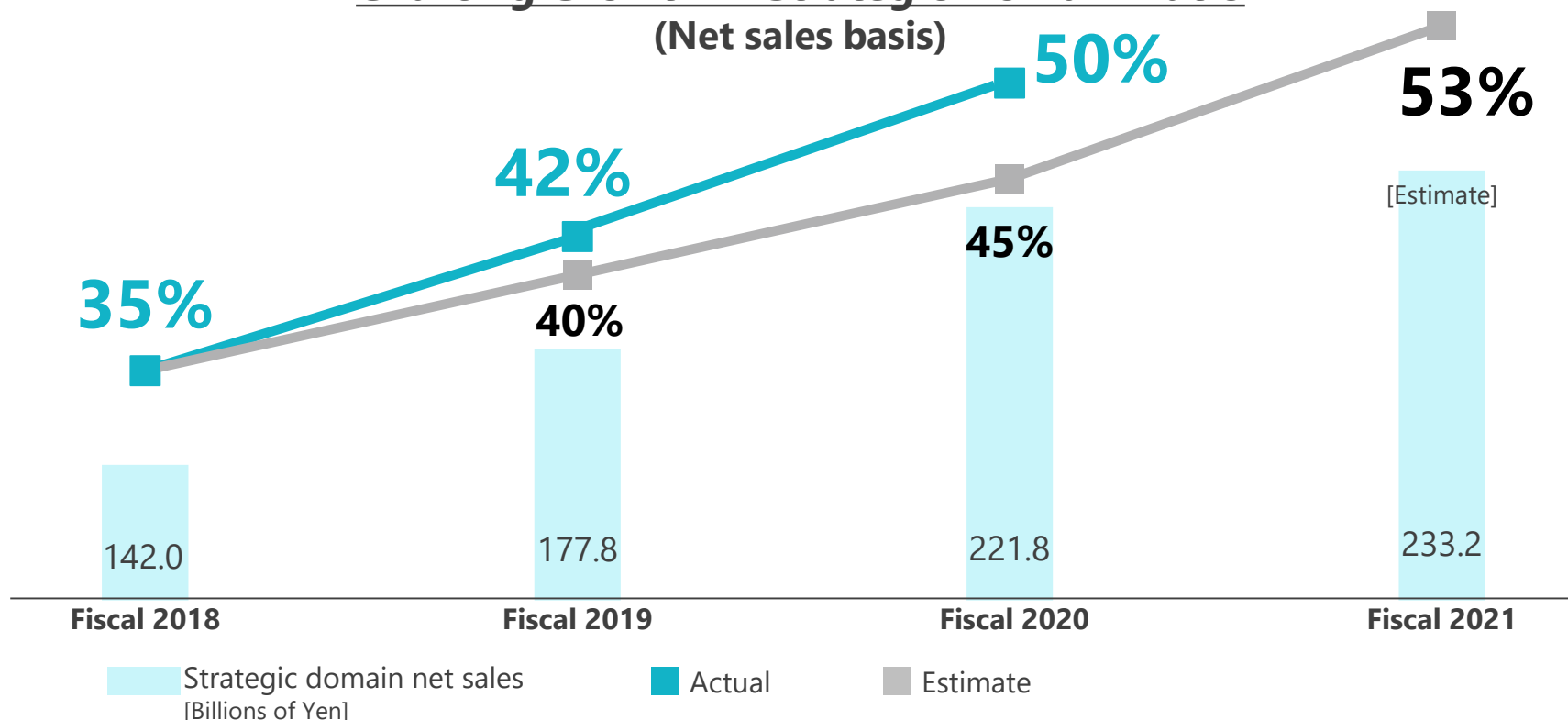
Create framework that raises convertibility of value with diverse human resources — the driving force behind the Group's growth — and invest in human resources who will fuel the trend in digital transformation

# Activities under Medium-Term Management Plan (Topics)

## 1. Structural Transformation Strategy (1)

- Marked favorable progress, particularly with expansion in demand for existing Strategic Partnership Business (SPB) and IT Offering Service (IOS), and reached target set for final year of medium-term management plan a year ahead of schedule.
- Looking to achieve Group Vision 2026, realized structural transformation toward higher-earning-potential, stock-style services in strategic domains and accelerate shift with a sense of speed.

**Charting Growth in Strategic Domain Ratio**  
(Net sales basis)

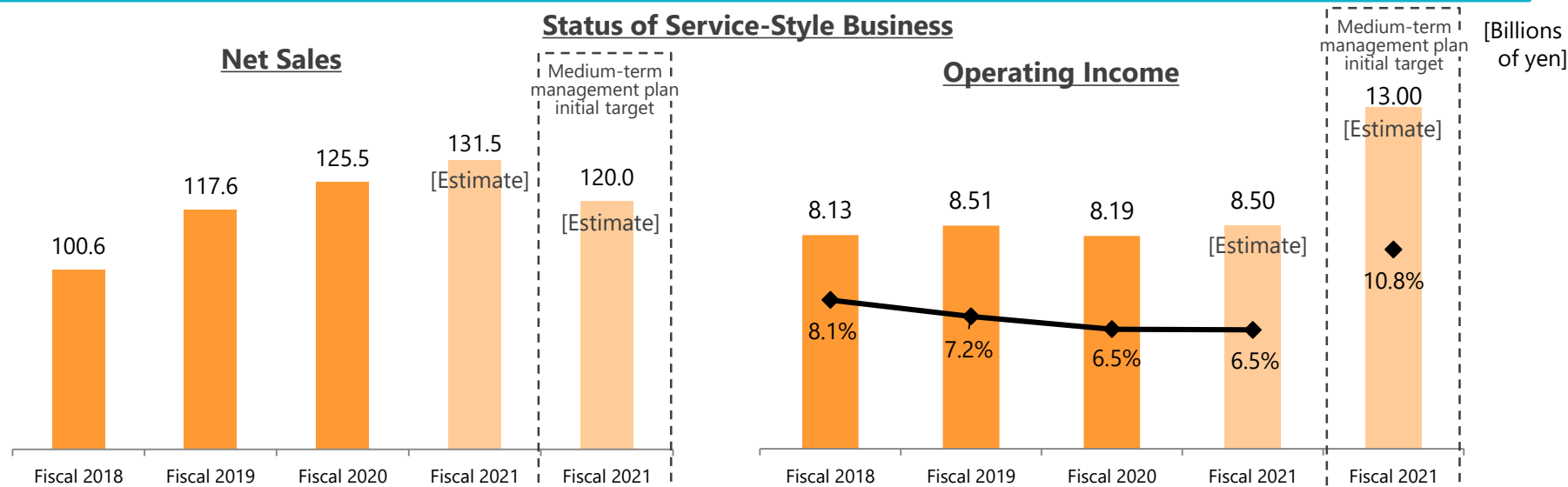


Strategic domains: Four business areas forming core activities of TIS INTEC Group by 2026. Go to page 44 for details on each strategic domain.

# Activities under Medium-Term Management Plan (Topics)

## 1. Structural Transformation Strategy (2)

- Working to turn service-style business — at core of IT Offering Service — into growth engine and steadily develop business by expanding accumulated strengths, taking a robust approach to investment and actively pursuing open innovation.
- Going forward, selectively invest in areas of keen interest while focusing on further business expansion and enhanced profitability.



### Anticipated Core Composition of Net Sales

[Billions of yen]	Fiscal 2018 Actual	Fiscal 2019 Actual	Fiscal 2020 Actual	Fiscal 2021 Estimate	Status/Forecast
<b>Payment</b>	10.0	15.0	22.5	28.5	Continue to emphasize payment settlement solutions.
<b>ERP</b>	28.0	28.0	27.0	25.0	Risk of extended discussion on upgrade projects, with possible drop in sales.
<b>DC/Cloud/NW</b>	42.0	42.0	43.0	44.0	Cloud attracting interest but existing data center business shrinking. Will capture cloud and security demand to boost sales.

\* In fiscal 2019, transactions for certain clients in the finance industry were booked under Financial IT Business, but due to a shift away from business based on specialized service know-how for the finance industry in favor of knowledge-intensive business using a universal format or template of sector-related know-how accumulated in providing services to these clients, associated transactions in fiscal 2020 were instead booked under Service IT Business.



## 2. Payment Services Strategy

- Sales related to payment services reached ¥22.5 billion in fiscal 2020. Market changes, fueled by such trends as increasingly cashless transactions, have created a favorable demand situation that supports expansion of service-style business underpinned by the total-brand payment solution PAYCIERGE.



### Sales from payment solutions in Service IT Business



### Progress in Fiscal 2020

#### Digital account services (CreditSaaS, DebitSaaS, PrepaidSaaS)

- Emphasis on building platforms to provide credit SaaS. Projects with first corporate users moving smoothly ahead and being extended.
- With growing consumer need for non-cash settlement options and wider use of e-commerce, client base for debit SaaS and prepaid SaaS is expanding at a good rate. Transactions also increasing.

#### Digital wallet services

- Provided support for MUFG Wallet and TOYOTA Wallet, and accelerated business development.
- Turned U.S.-based Sequent into consolidated subsidiary to gain faster access to token requester technology

#### Other services

- QR gateway services saw steady increase in number of money access points in Japan and overseas as well as number of merchants accepting QR codes
- Steady progress on verification tests for MaaS and Super City platforms. Planning for further development.

**Anticipating era of change prompted by swift advances in technology and wider embrace of digitization, and will bring new value and innovation to society through payment solutions**

## 3. Overseas Business Strategy (1)

- Seek to be top-class IT group in ASEAN region, expand business domains and pursue strategic investment. Welcoming several strong partners to Group and take big steps to enhance global operations.

### Activities in Fiscal 2020

May 2019

#### Capital and business alliance with SQREEM Technologies PTE. LTD.

Jointly promote services anticipating true market needs through activities with this company, which has AI technology and massive data collection specific to human behavior.

October 2019

#### Increased stake in PT Anabatic Technologies Tbk

Raised equity stake to enable greater management support for company and deepen level of business collaboration. Also sent corporate auditor to company.

February 2020

#### Capital and business alliance with Grab Holdings Inc.

Boost service capabilities and brand power through joint efforts in financial and payment services sectors with top super-app provider in ASEAN region as IT strategy partner.

#### Turned Sequent Software Inc. into subsidiary

Gain access tokenization technology, accelerate expansion of digital wallet services and promote IoT settlement solutions.

March 2020

#### Decided to acquire shares to turn MFEC Public Company Limited into subsidiary

Use change to subsidiary status to accelerate business restructuring at MFEC and expand scale of Group's overseas operations.

#### Turned Shanghai CardInfoLink Data Service Co., Ltd. (CardInfoLink) into affiliate accounted for by equity method

Enhance mobile settlement networks at home and abroad and pursue joint planning and development of new FinTech services.

Steadily reinforce business base in ASEAN region — area of highest priority — to **achieve dramatic expansion in our overseas business**, which will leverage cutting-edge services matched to local needs for enormous client base

## 3. Overseas Business Strategy (2)

- Formed capital and business alliance with Grab Holdings Inc. in February 2020. Investment of US\$150 million (about ¥16.5 billion).
- Looking to be IT strategic partner through joint efforts in financial and payment services areas in ASEAN region.

### Top-class super app in ASEAN region



Client/partner platforms,  
business chances



IT services, IT know-how,  
client bases (Japan, ASEAN)

### Seeking to be top-class IT corporate group in ASEAN region



- Promotes diverse services in eight Southeast Asian countries and 339 cities (on-demand ride-hailing, food delivery, product delivery, digital payments and other financial services)
- Number of provided app downloads: More than 185 million
- User access points: Merchants, such as restaurants, and more than nine million drivers

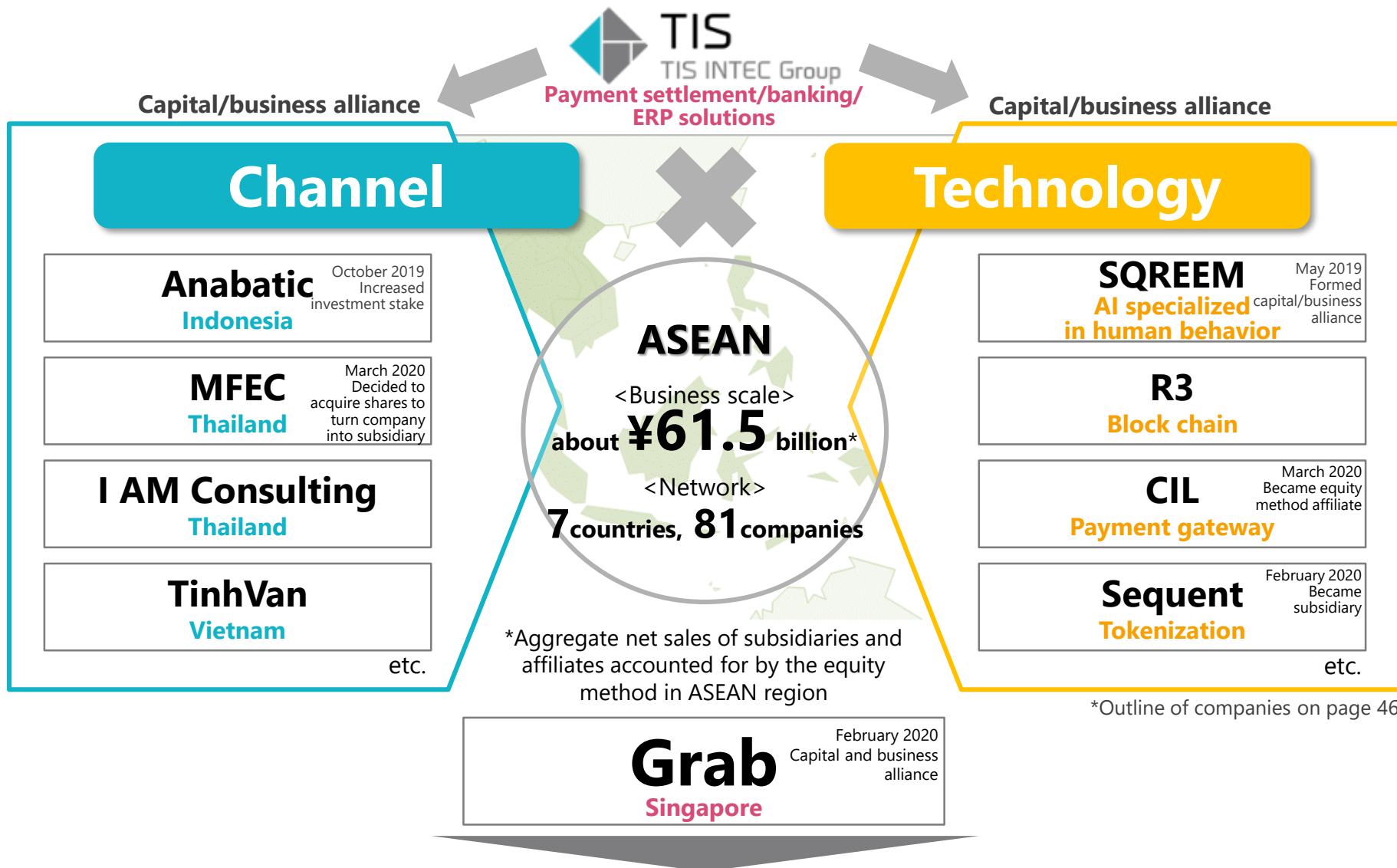
- Solid track record in IT system configuration for finance and payment services sectors
- Cutting-edge technological know-how
- Growing network through capital and business alliances with influential local vendors in ASEAN region, including Anabatic (Indonesia) and MFEC (Thailand)

- Ensure stable infrastructure for digital payments, a method that is becoming more popular in Southeast Asia
- Jointly promote development of new payment solution technology

**Advance toward greater availability of optimum payment solutions in global market**

# Activities under Medium-Term Management Plan (Topics)

## 3. Overseas Business Strategy (3)



**Work toward joint development of platform services, utilizing composite strengths derived through alliances**

# Activities under Medium-Term Management Plan (Topics)

## 4. Strategies for Enhanced Management Practices and Improved Efficiency: Stronger corporate brand

- Various measures to boost recognition, including a television commercial — Group's first — delivered a certain degree of success.
- Going forward, measures will be put in place to make TIS INTEC Group the choice of all stakeholders and to raise brand profile



**Knowledge of  
TV commercial**  
(Among business people)  
**46%**

**Group recognition**  
(Among business people)  
**Up 13** percentage points  
(19% → 32%)

IT industry new graduate job seekers  
**Company ranking by popularity**  
Overall: No.15 → **No.13**  
Science-based: No.16 → **No.9**

To capitalize on more business opportunities, improve recruiting power and elicit greater pride in working for a company under the TIS INTEC Group umbrella, TIS will make fiscal 2021 a time of intensive investment and maintain strategic brand investment

## 5. Human Resources Strategies

- Promote various measures, based on newly drafted Diversity and Inclusion Policy, to understand individuals and draw on inherent skills. Steadily rolling out initiatives to support employee self-fulfillment.

### Initiatives in fiscal 2020

#### Boost motivation through constant cycle of

- Conduct groupwide survey on job motivation and encourage activities to improve motivation
- Extend system that enables employees to continue to be active in workplace if they are willing and able, regardless of age, with introduction of system for rehiring retired employees up to age 70
- Deepen scope of performance development measures, including 1-on-1 training, career planning, wider open-recruitment and promotions, to encourage personal growth
- Create corporate culture/atmosphere and introduce peer bonus that fosters praise and recognition of outstanding efforts

#### Selectively develop model employees to fuel transformation of Group

- Manage pipeline to human resources who, with training, will enhance operations through leadership skills and as corporate management

#### Create framework and systems to achieve optimum deployment of human resources within Group

- Visualize personnel information and promote approaches shaped by TIS throughout Group

### External Recognition



**Accelerate efforts to boost motivation among employees through constant cycle of self-fulfillment of career/personal goals**  
**Embrace diversity and cultivate atmosphere that promotes innovation to fuel process of structural transformation**

# Activities under Medium-Term Management Plan (Topics)

## 6. Investment Strategy

- Accelerate approaches to software investment for creating new services, with more spending than initially planned over two years.
- Maintain policy on robust growth investment to support structural transformation. However, take changes in the economic environment in account and implement individual investment decisions carefully.

[Billions of Yen]	Initial Estimate (Cumulative)	Actual (Fiscal 2019 -Fiscal 2020)	Estimate (Fiscal 2021) *Rough estimate	Most Recent Estimate (Cumulative) *Rough estimate
Software investment to create new services	17.0	<b>17.1</b>	8.0	25.0
Investment in human resources to fuel structural transformation	8.0	<b>4.5</b>	2.0	6.5
Investment in R&D to acquire advanced technologies	5.0	<b>2.7</b>	2.0	5.0
<b>Total</b>	<b>30.0</b>	<b>24.3</b>	<b>12.0</b>	<b>36.5</b>
		+		
Investment to grow strategic domains (including M&A)	50.0	<b>38.0</b>	To be determined (Will actively investigate if investment target is excellent project)	

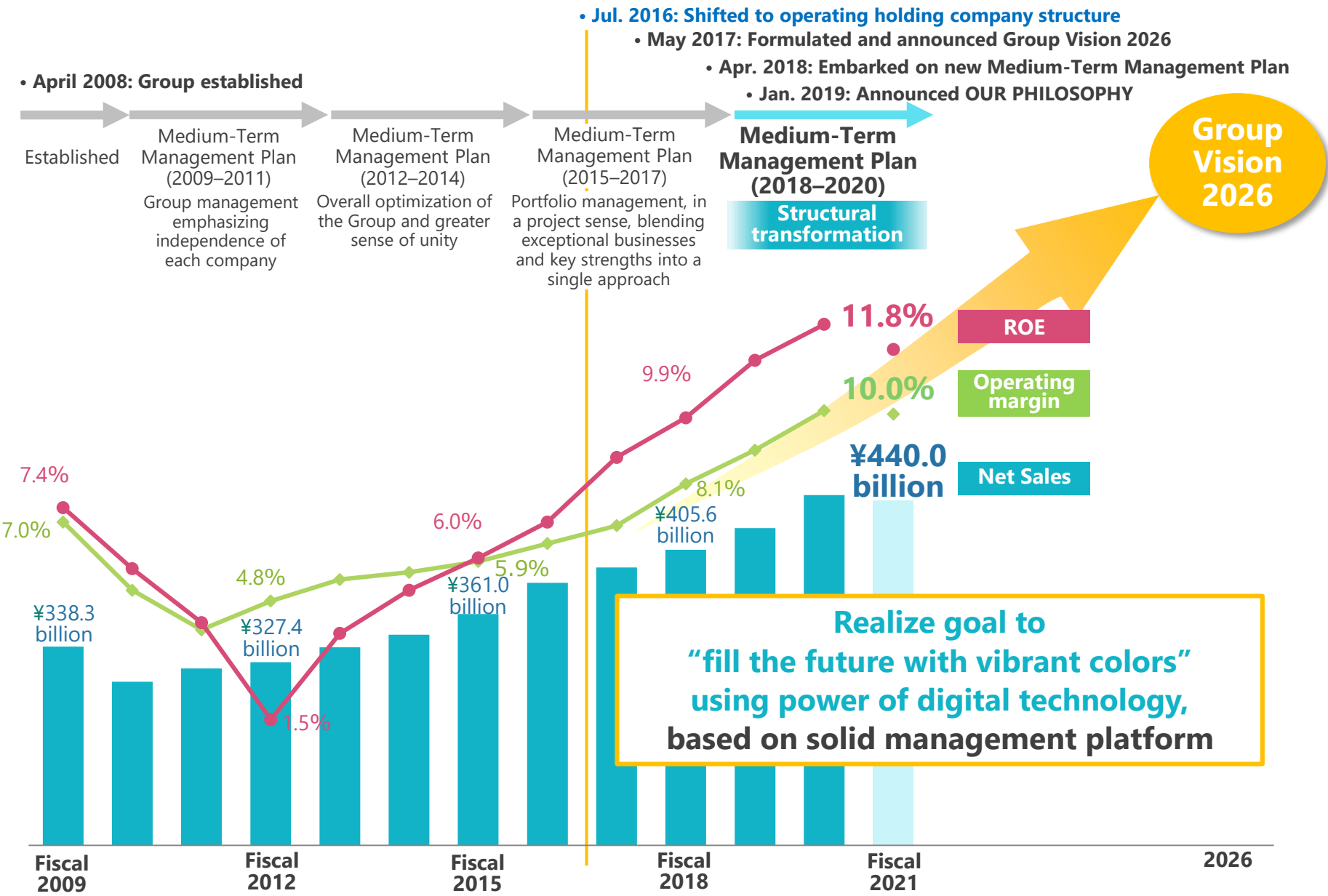
### Notable Developments in Fiscal 2020

- Capital and business alliance with Singapore's Grab (in February 2020, about ¥16.5 billion)
- Additional equity stake in Indonesia's Anabatic, an equity method affiliate, as well as purchase of corporate bonds (in August 2018 and October 2019 for total of about ¥6.4 billion)
- Turned Chinese FinTech company CardInfoLink into equity method affiliate (March 2020, about ¥4.5 billion)
- Turned U.S.-based FinTech company Sequent into subsidiary (February 2020, about ¥1.8 billion)

### Key Developments Planned for Fiscal 2021

- Purchase shares to turn Thailand's MFEC into subsidiary (scheduled for end of September 2020, about ¥1.8 billion)
- Purchase shares in new company taking over IT operations of Chiyoda Corporation subsidiary and turn that company into consolidated subsidiary (scheduled for October 2020, about ¥400 million)

# Seeking Greater Improvement in Corporate Value

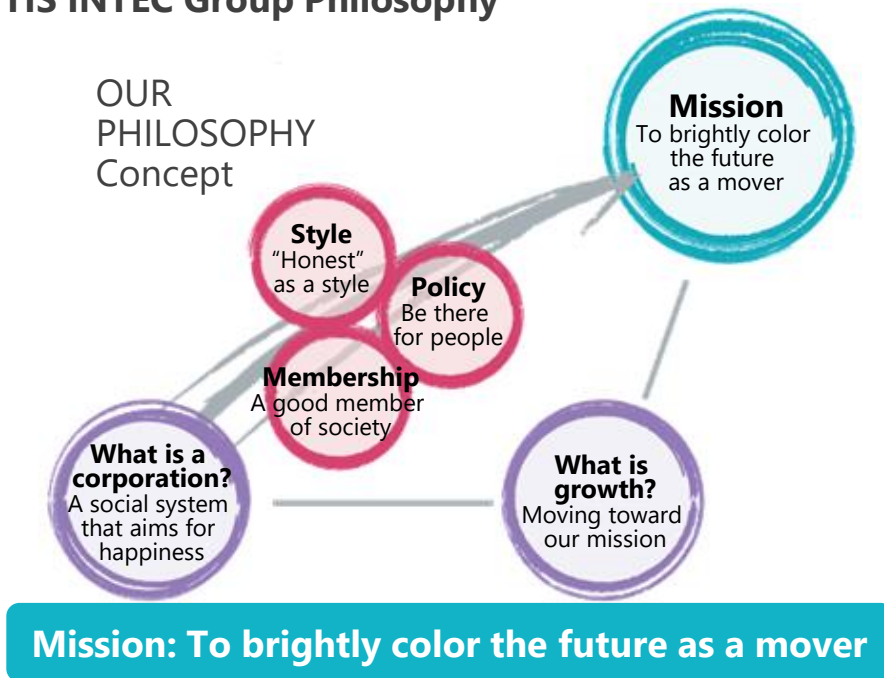




# Seeking to Balance Social Value and Economic Value

- The COVID-19 pandemic has significantly altered every aspect of society, changing industry structures and daily routines. Looking ahead to a new normal, we can expect rapid progress in the shift toward greater use of digital technology.
- Against this backdrop, we must reinvent ourselves as a company and a corporate group that leads the way in solutions to social issues to ensure sustainable corporate value into the future.

## TIS INTEC Group Philosophy



## Four Key Themes and Materiality (Priority Issues)

<p><b>1. Create society in which diverse human resources are engaged and thrive</b></p> <ul style="list-style-type: none"> <li>- Promote diversity</li> <li>- Promote workstyle reforms</li> <li>- Human resource development and training emphasizing self-fulfillment</li> </ul> 	<p><b>2. Create comfortable society through innovation and joint activities</b></p> <ul style="list-style-type: none"> <li>- Promote safe, convenient social foundation that supports people and society</li> <li>- Connect with stakeholders and promote joint activities</li> <li>- Reduce environmental impact</li> </ul> 
<p><b>3. Create safe society through high-quality services</b></p> <ul style="list-style-type: none"> <li>- Continuous quality improvement</li> <li>- Information security</li> <li>- Safeguard personal information</li> </ul> 	<p><b>4. Enhance corporate governance and earn trust of society</b></p> <ul style="list-style-type: none"> <li>- Corporate governance</li> <li>- Compliance</li> <li>- Risk management</li> </ul> 

**With digital technology driving social transformation forward, we will work to identify social issues of high priority to the TIS INTEC Group and choose pursuits in business areas that support our commitment to society**

# Reference: Addressing Social Issues Through Business Activities

Address social issues through business activities and contribute to creation of vibrant, sustainable society

**PAYCERGE.**

For a new, more convenient society and beyond



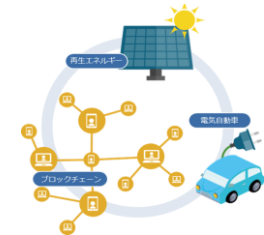
**Cashless**

Reinvigorate depopulated areas

Provide MaaS used in public transportation for a super-aged society

Changing perspectives on energy

**ISOUプラットフォーム**



**Energy**

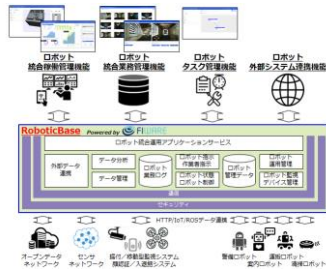
## OUR PHILOSOPHY

To brightly color the future as a mover

Four priority themes for corporate sustainability

1. Create society in which diverse human resources are engaged and thrive
2. Create comfortable society through innovation and joint activities
3. Create safe society through high-quality services
4. Enhance corporate governance and earn trust of society

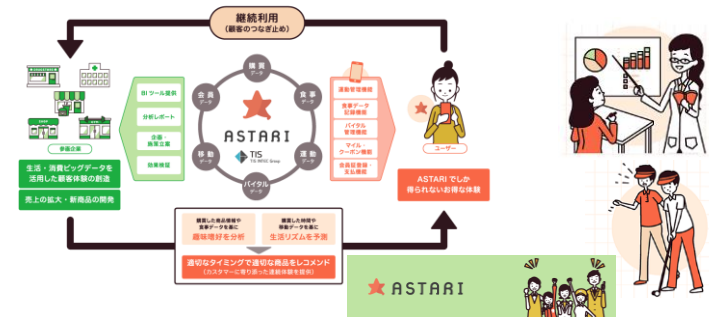
**Robotics**



**RPA**



**Health care**



**Fiscal 2020 Financial Highlights**

**Fiscal 2021 Performance Forecast**

**Return to Shareholders**

**Progress on Medium-Term Management Plan (2018-2020)**

**Reference Materials**

# Structural Transformation Strategy: Desired Status and Promotion Measures (Create/Transform/Expand)

## 1. Strategic Partnership Business

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

### *Desired Status*

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

### *Promotion Measures*

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

## 2. IT Offering Service

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

### *Desired Status*

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

### *Promotion Measures*

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

## 3. Business Function Service

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

### *Desired Status*

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

### *Promotion Measures*

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

## 4. Frontier Market Creation Business

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

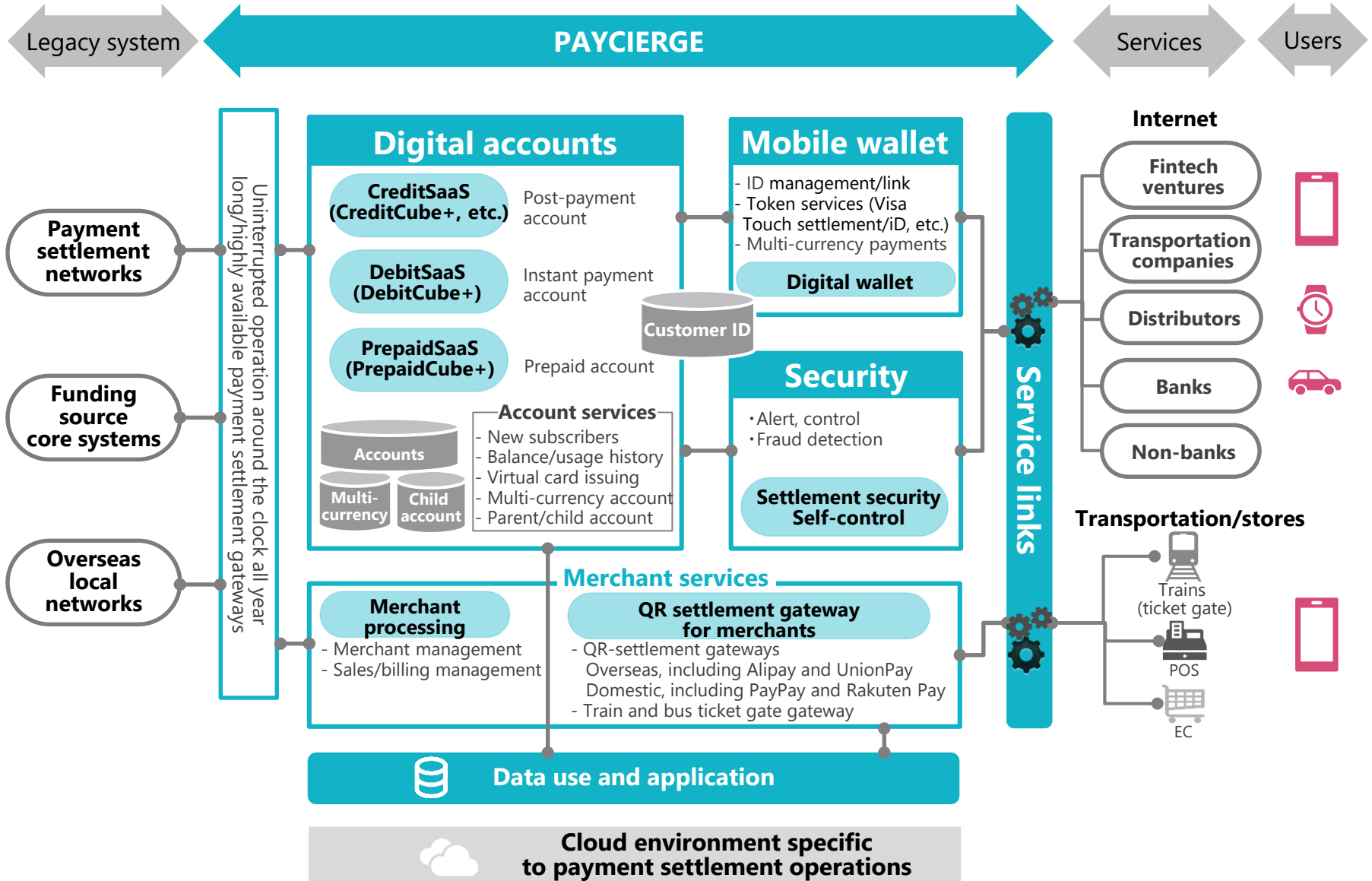
### *Desired Status*

**Creating new markets that become pillars of business for the Group**

### *Promotion Measures*

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

# Payment Services Strategy: Overview of Payment Services and TIS' Core Focus



# Overseas Business Strategy: Key M&A Targets in Recent Years, Capital/Business Alliance Results

	<b>PT Anabatic Technologies Tbk</b> (Equity-method affiliate = 37.3% stake)	Capital and business alliance in July 2015 Increased stake in August 2018 Indonesia-listed, top-tier local IT company.	Net sales: ¥44.2 billion
	<b>MFEC Public Company Limited</b> (Equity-method affiliate = 24.9% stake)	Capital and business alliance in April 2014 Decided to acquire shares toward turning company into subsidiary in March 2020 Thai-listed, leading provider of enterprise IT solutions.	Net sales: ¥13.3 billion
	<b>I AM Consulting Co., Ltd.</b> (Consolidated subsidiary = 99.9% stake)	Turned into consolidated subsidiary in June 2014 Thai-based consulting group producing total SAP-related IT solutions.	Net sales: ¥2.5 billion
	<b>TinhVan Technologies JSC.</b> (Equity stake: 19.9%)	Capital and business alliance in June 2018 Leading IT service provider with considerable experience introducing solutions to Vietnamese government and financial institutions.	
	<b>SQREEM Technologies PTE. LTD.</b> (Equity stake: 6.8%)	Capital and business alliance in May 2019 A Singapore startup—the world's largest behavioral pattern data aggregator—growing very fast in fields of digital marketing and data analytics using proprietary AI technology based on massive data collection.	
	<b>R3 HoldCo LLC</b> (Equity stake: 1.4%)	Capital and business alliance in June 2018 U.S. technology startup boasting global-caliber results and brand in blockchainrelated technology for corporate users.	
	<b>Shanghai CardInfoLink Data Service Co., Ltd. (CardInfoLink)</b> (Equity-method affiliate = 18.1% stake)	Capital and business alliance in September 2017 Equity-method affiliate in March 2020 FinTech company developing presence in China and around the world, with particular strength in payment gateway solutions and other services.	
	<b>PromptNow Co., Ltd.</b> (Consolidated subsidiary = 60% stake)	Turned into consolidated subsidiary in May 2016 Leading FinTech company with multiple proprietary mobile services for financial institutions.	
	<b>Sequent Software Inc.</b> (Consolidated subsidiary = 60% stake)	Capital and business alliance in May 2017, turned into consolidated subsidiary in February 2020 One of very few tokenization vendors in the world, and recognized by multiple international brands	
	<b>Grab Holdings Inc.</b>	Capital and business alliance in February 2020 Top-class super app provider in ASEAN region. Expands into one business after another across wide range of sectors, including ride-hailing services, food delivery and financial services. Boasts 185 million downloads on aggregate basis.	

-Net sales for fiscal year ended December 31, 2019, converted at exchange rate prevailing at year-end.

-Equity stakes current as of May 12, 2020.



### **TIS INTEC Group Logo Underlying Concepts**

The logo portrays the TIS INTEC Group as a tightly knit team, powered forward by the different sets of expertise that each member brings to the table. It features our two main corporate colors: “ocean blue” for the new challenges that we are constantly tackling, and “intelligent gray” for the solid technological foundations that underpin our business.

### **Brand Message “Go Beyond”**

The brand tagline, “Go Beyond,” embodies our constant quest into the beyond in search of new challenges. It represents our firm commitment as a group to delivering solutions that are always one step ahead, not only solving clients’ problems but anticipating and meeting their own customers’ needs too.