

Platform that Supports Value Creation Process

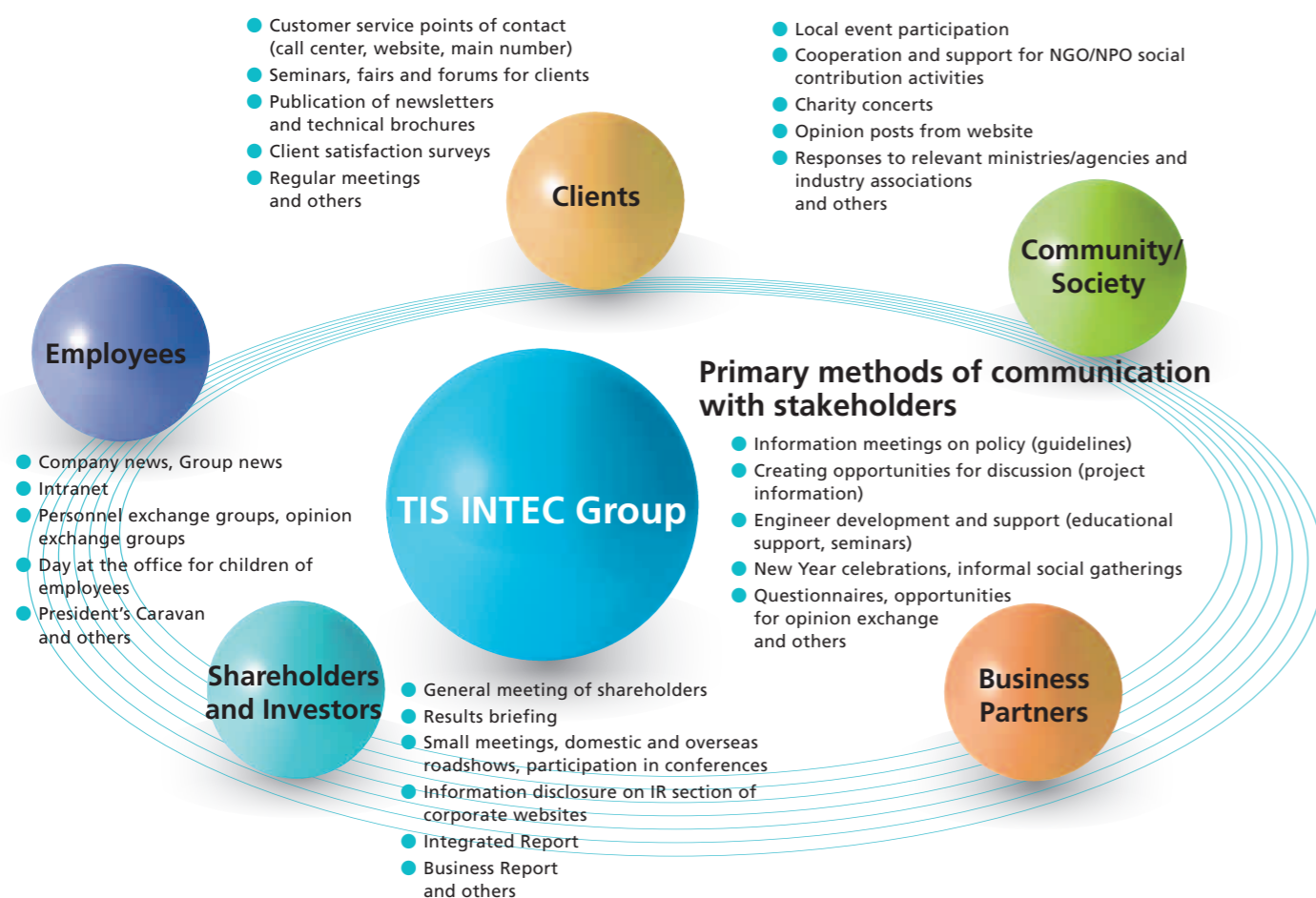


TIS INTEC Group's Platform for Supporting Corporate Value Process (ESG Section)

Communication with TIS INTEC Group's stakeholders is a what supports improvement in corporate value. Consideration for the environment along with efforts in quality control and R&D are also essential for the business of information systems—a key social infrastructure—to function in harmony with society and steadily evolve. With this in mind, we strive to enhance corporate governance and internal controls, which form a vital cornerstone of business activities within the Group.

Communication with Stakeholders

The TIS INTEC Group strives to build bonds of trust through communication with all stakeholders, including clients, employees, shareholders and investors, and business partners, and to boost corporate value.



Basic Direction on Group CSR

The management philosophy that permeates the TIS INTEC Group stresses the Group's development into a corporate citizen whose activities, hinging on the provision of various services utilizing IT, match its status as a leading corporate group. This philosophy also underpins the Group's efforts to raise corporate value, supported in this effort by the high regard of all its stakeholders, including clients and shareholders as well as employees and their families. The Group's stance on corporate social responsibility is evident in its commitment to cultivate a vibrant corporate culture that encourages the companies and individuals under the Group umbrella to work toward higher goals and embrace new challenges, to be honest and fair in business pursuits based on respect for the law, of course, as well as high moral standards, and to fulfill social obligations. This is the Group's basic direction on CSR.

Ensure sound, transparent management practices	Acknowledge responsibilities as a leading corporate group in the IT services industry and undertake sound corporate activities with integrity and clarity of purpose. In addition, be sincere and fair in dealings with all stakeholders and proactively disclose pertinent corporate information.
Provide optimum services	Always provide the very best to clients and strive to raise customer satisfaction levels through excellent quality and technology built on the composite strengths of the Group.
Develop talent	Cultivate an environment in which employees always look ahead, striving to achieve higher goals and embracing new challenges. Provide opportunities to grow and realize personal goals, create a safe and productive work environment, and give each person the freedom to reach his or her potential.
Respect the law	Maintain high corporate morals, obey the law and uphold parameters of socially acceptable conduct, and respect the spirit of such standards. Have absolutely nothing to do with antisocial forces.
Maintain fair business practices	Ensure appropriate business transactions, based on fair and open competition.
Protect the environment	Recognize that environmental problems warrant universal attention and promote efforts to save resources and energy in the execution of corporate activities. Also, through IT services, support clients' efforts to enhance operating efficiency and reduce energy consumption, thereby contributing to lower environmental impact.
Contribute to society	Actively participate in community events as a corporate citizen whose social standing matches its leading industry status.
Be a part of the international community	Naturally, obey internationally recognized rules and local laws in the execution of cross-border projects, but also contribute to social and economic development in the countries where TIS INTEC Group maintains a presence by recognizing local culture and customs.

In line with Basic Policy on Group CSR, the TIS INTEC Group is considering and pursuing various measures from the perspectives described below.

Organizational Governance

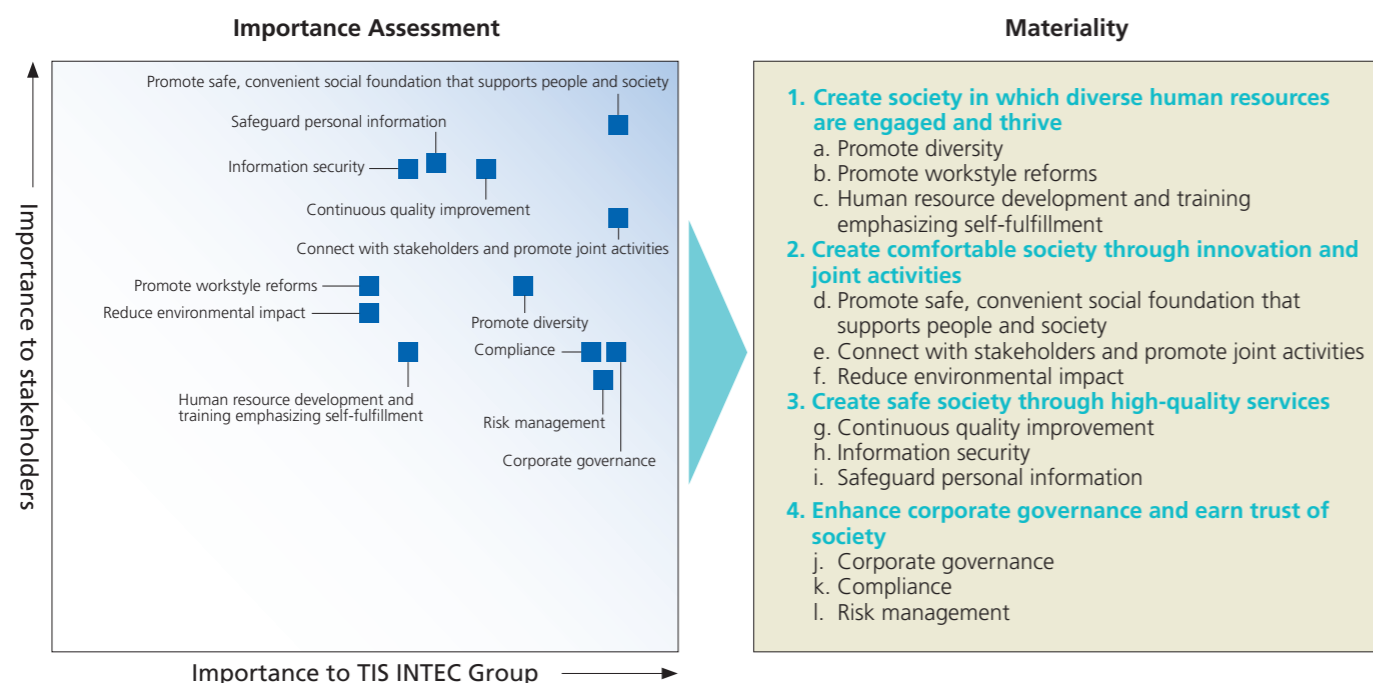
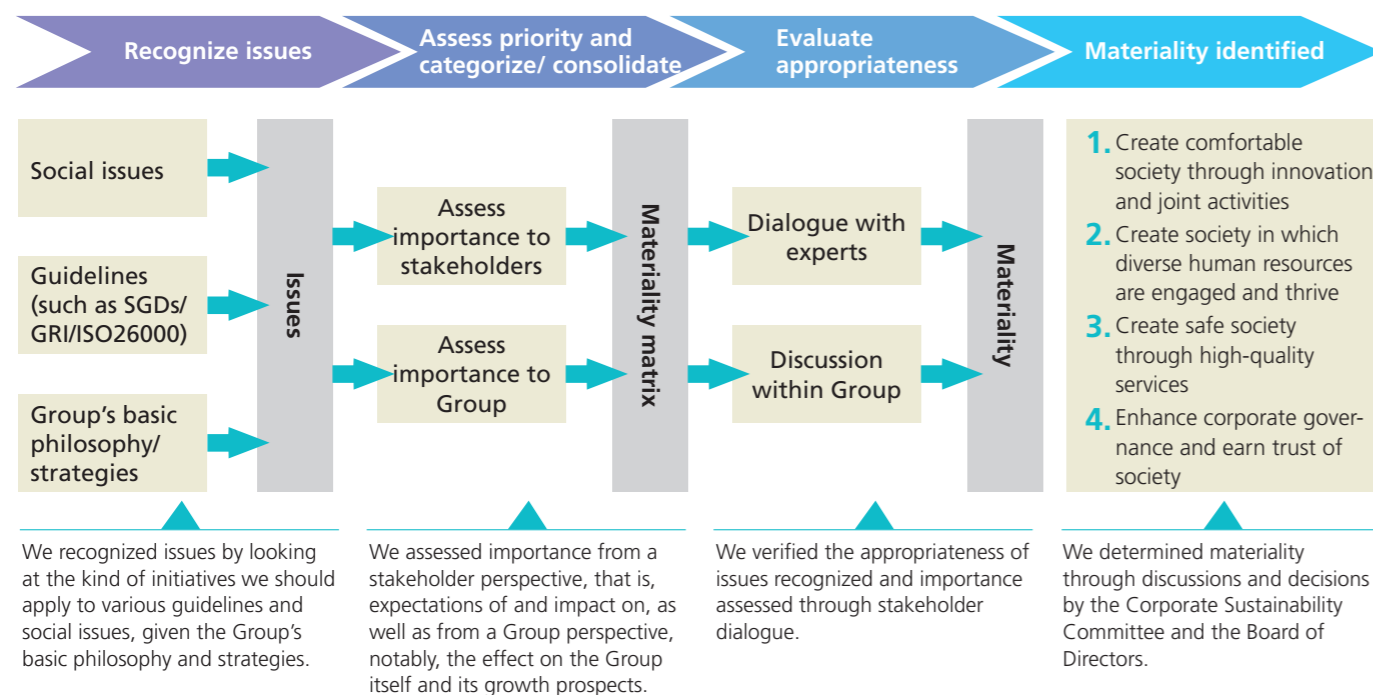
- Human rights**
Due diligence, crisis situations impacting human rights, avoidance of complicity, complaint resolution, prejudice, socially disadvantaged, citizen and political rights, economic, social and cultural rights, basic principles and rights in labor
- Labor practices**
Hiring and hiring-related issues, working conditions and social safeguards, social dialogue, health and safety in the workplace, personnel instruction and training in the workplace
- Environment**
Approaches to prevent pollution, use of sustainable resources, mitigating and dealing with climate change, environmental protection, preserving biodiversity and restoring natural habitats
- Fair business practices**
Approaches to prevent corruption, responsible political ties, fair competition, promoting social responsibility in value chain, respect for property rights
- Consumer issues**
Fair marketing, information and contract execution, protecting health and safety of consumers, sustainable consumption, services and support for consumers as well as complaint and dispute resolution, consumer data protection and privacy, improved access to required and indispensable services, education and awareness
- Community involvement and community development**
Involvement in the community, education and culture, job creation and skill development, development of technology and access to technology, wealth and income creation, health, socially responsible investment

TIS INTEC Group's Corporate Sustainability Initiatives

The TIS INTEC Group will deepen awareness of its position corporate social responsibility, namely, to contribute to social development through businesses that provide solutions to social issues, and will reinforce initiatives related to corporate sustainability.

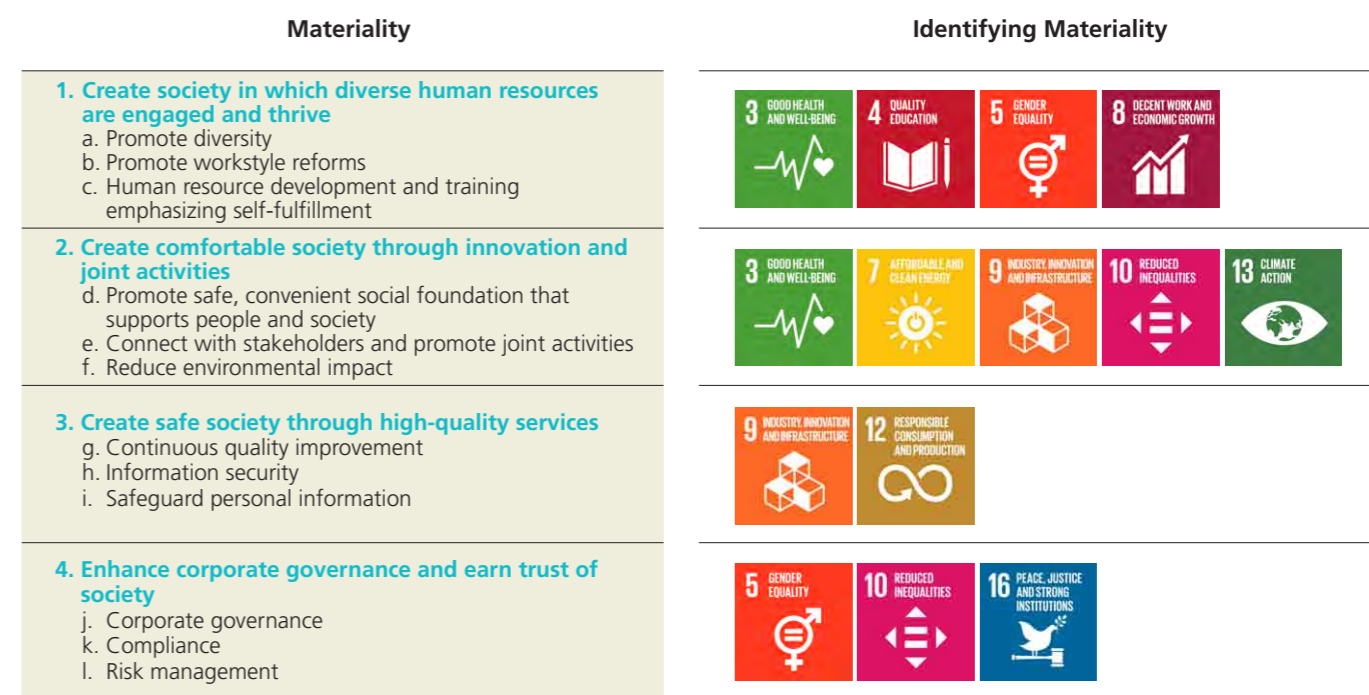
As part of this process, we identified materiality (priority issues) and clarified themes that we felt warranted particular attention.

Identifying Materiality



Materiality and SDGs

The TIS INTEC Group will contribute to the achievement of SDGs through materiality-oriented activities.



SUSTAINABLE DEVELOPMENT GOALS

17 GOALS TO TRANSFORM OUR WORLD



Sustainable Development Goals (SDGs)

These international goals, running from 2016 to 2030, are described in the 2030 Agenda for Sustainable Development, adopted at the U.N. Summit in September 2015. The agenda comprises 17 goals and 169 targets aimed at putting the world on a sustainable path and pledges that no one will be left behind.

To achieve these objectives, companies are asked to participate as vital partners through respective core businesses.

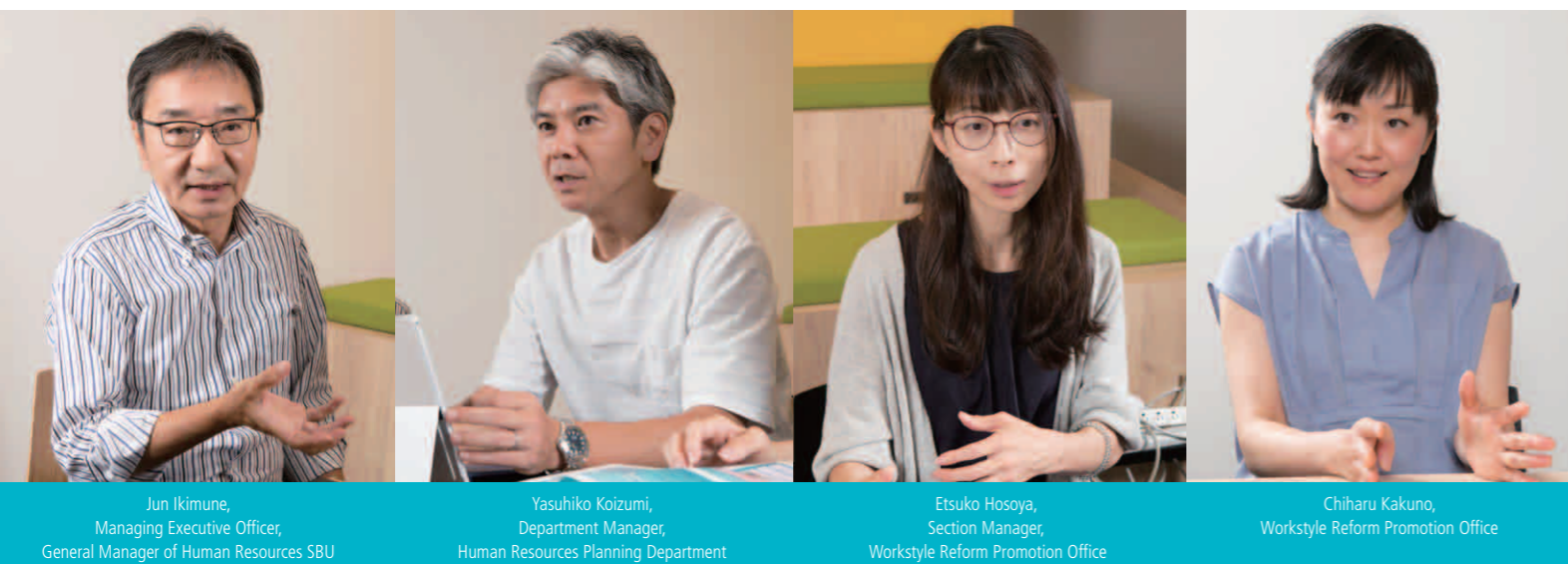
Topics

TIS—and by extension, the TIS INTEC Group—signed on to the U.N. Global Compact and was registered as a participant as of July 19, 2018. Through strategies and actions in line with 10 principles encompassing four categories—human rights, labor, environment and anti-corruption—we will encourage every employee to be involved in fulfilling our social responsibilities as a corporate citizen of the world and promote activities that support sustainable social development.

The ISO26000 reference table is available for viewing on our website at <https://www.tis.co.jp/group/csr/iso26000/> (Japanese only)

Looking toward the success of Group Vision 2026, we aim to create a company where employees are really motivated.

Seeking to raise employee motivation, in April 2018, TIS established a new human resources business unit—Human Resources SBU—and announced in-house a personnel manifesto with a mandate in effect through the three years of the new medium-term management plan.



Jun Ikimune,
Managing Executive Officer,
General Manager of Human Resources SBU

Yasuhiko Koizumi,
Department Manager,
Human Resources Planning Department

Etsuko Hosoya,
Section Manager,
Workstyle Reform Promotion Office

Chiharu Kakuno,
Workstyle Reform Promotion Office

Human Resources SBU Manifesto (Fiscal 2019) (Partial, abridged)

Desired status by Fiscal 2021

As a stepping stone to realization of Group Vision 2026, we want to be in a position three years from now where corporate value of the TIS INTEC Group is accelerating because we have enhanced the personal capabilities of diverse human resources.

Human Resources SBU Three-Point Mission

1. Create company where motivation level is high, and quickly and vigorously work toward this from system and environment perspectives.
2. Achieve optimized deployment of human resources while providing an environment conducive to self-fulfillment of career goals.
3. Ensure thorough labor-related compliance and create safe and pleasant company atmosphere.

Measures and Direction Through 2020

1. Measures related to evaluation, treatment and compensation
 - i. Raise standard compensation: Raise compensation to industry's top level
 - ii. Evaluation system that looks to boost motivation: Performance-based evaluation and compensation matched to capabilities and position
 - iii. Personnel system with groupwide perspective: Ensure consistency to achieve Group Vision 2026
2. Measures related to diversity, workstyle and health management
 - i. Promote diverse workstyles: Offer greater freedom in terms of place and time to encourage innovation
 - ii. Engage in health management: Enrich employees' quality of life and be company full of vitality
 - iii. Enable diverse human resources to be active: Provide place where employee can thrive regardless of gender, nationality or age
3. Measures related to hiring, training and assignments
 - i. Define human resources portfolio: Visualize framework and systems to achieve optimum deployment of human resources
 - ii. Recruit people who will play a truly vital role in our success: Secure human resources with high contribution potential and specialized capabilities
 - iii. Optimum deployment of human resources: Implement strategic human resources deployment and regular rotation

Describe the process, from establishment of the Human Resources SBU to announcement of the manifesto.

Ikimune: An underlying direction in the new medium-term management plan that launched in April 2018 is to enable employees to achieve personal career goals. Establishing the Human Resources SBU is a declaration of our intention to be a company where growth is fueled by the power of employees and, at the same time, allows us to actively promote associated measures.

Koizumi: Our mission in the Human Resources SBU highlights three points, the first of which is to create a company where the motivation level is high. This is a key point because two years ago, we launched an employee awareness survey and the results were not very positive. Our goal is to achieve a virtuous cycle linking efforts to make work more enjoyable through higher motivation, enhancing the capabilities of diverse human resources and improving corporate value. As part of this effort, TIS established the Diversity & Health Management Promotion Committee, with the president as in the chief executive position. The Workstyle Reform Promotion Office, in the Human Resources SBU, plays a key role in the committee, which focuses on new workstyles and health management. (See page 41)

The second point is to optimize the deployment of human resources. This will be accomplished by creating a framework and systems to fully utilize human resources from a groupwide perspective, which will enable us—that is, TIS INTEC Group—to demonstrate maximum performance. Toward this end, we are working on a human resources portfolio that will visualize the strengths and aptitude of people at each Group company.

The third point is labor-related compliance, which essentially falls on the Human Resources SBU and is a key function of this business unit.

What initiatives are being targeted by Workstyle Reform Promotion Office?

Hosoya: Workstyle reform is attracting greater attention from a social perspective. At TIS, our emphasis is on creating an environment in which employees can thrive. We will increase mid-career recruitment from other sectors in line with expanding Group businesses and change the format for hiring new graduates. This will promote diversity awareness, which is essential for attracting diverse human resources and maximizing skills. TIS is keen to create a work environment in which diverse human resources can demonstrate their abilities to the fullest degree. This will be accomplished by offering employees greater freedom in the way they perform their duties, namely, a broader choice in where and when they work. In addition, efforts will be directed toward health management to enhance quality of life for all employees and enable everyone to enjoy a long career in good health.

Over the three years of the new medium-term management plan, we will emphasize telework and the acquisition rate of paid holiday time. KPI are also presented for each operating division. But achieving numbers is not the objective. The reason for setting KPI is that they give us an opportunity—a moment to think as an organization and as individuals about the system, to understand it and how best to use it. We will start off on a trial basis but, ultimately, the goal is to create a workplace characterized by rising productivity and a constant stream of innovation. TIS has more than 5,000 employees of its own, so we will utilize messages from top management as well as other channels, such as information meetings and training programs, to instill an awareness of diversity.

Kakuno: To encourage women to maintain an active role in the workplace, TIS introduced a guidance program in 2015 for women who are about to go on maternity leave as well as an interview-style meeting that involves the individual, her supervisor and someone from human resources. The guidance program helps women imagine possible workstyles upon return to work and ways to utilize available support structures. It cultivates a sense of career for women. In the interview session, the female employee conveys her thoughts on advancement at TIS after she has had her baby, and then the supervisor gives her an idea on programs that can help her, the team support that will be available based on work environment, and how performance will be evaluated. It is a straightforward, grass-roots approach. We are holding maybe 80 guidance and interview meetings a year, but I sense a steady change in employee perspectives.

Hosoya: For example, telework is a work arrangement that was introduced originally as a way to support employees whose home situations required them to be with young children or elderly parents. But today, telework can be used by anyone to achieve a good work-life balance, and we run in-house campaigns to encourage employees to take advantage of this option. It's our job to figure out new ways to alert employees to changes in the workstyle menu. Going forward, we have to promote measures fine-tuned to specific concerns in divisions where reforms have not unfolded as we thought they would and apply good practices across the organization.

Amid structural transformation of business and workstyle reform, strategies on employee evaluation, treatment and compensation are also important.

Ikimune: We'll need a new evaluation process to accurately gauge the performance of employees who work from home or at a satellite office or

are on superflex time, because they aren't right here for us to see them in action. We want to raise motivation while promoting new workstyles, so we are developing a new evaluation and compensation system that properly rewards employees who deliver really good results.

Koizumi: While TIS is moving forward on structural transformation, it isn't possible to apply the same evaluation standard used for the old system integration business to the new service-style business. At the same time, evaluation of the organization and of the individual will have to be considered separately. For each employee, target management will form the basis of evaluations, with the individual and his or her supervisor working out steps and processes, such as how to set and agree on concrete targets and how to confirm progress toward such targets. This approach to employee evaluation will take on greater importance.

Ikimune: I was also in operating divisions for a long time. Frontline employees are probably just fine with the direction of structural transformation in business, such as the shift to services. They'll take it all in stride. But the Human Resources SBU has a big role to play in human resources development and creating the right kind of work environment.

Going back to the new medium-term management plan, what goals or themes are particularly noteworthy?

Ikimune: We'll offer compensation at the industry's top level and create a workplace filled with people who are motivated and do a good job.

Koizumi: The three years of this plan will see the solidification of a platform that enables employees to realize their career goals. We will improve the corporate infrastructure to energize the entire Group. Part of this effort will be to finish the human resources portfolio.

Hosoya: Before we welcome diverse human resources from outside, it's important that we make TIS a place where the employees already here enjoy working for the Company. We have to bring employee turnover due to unavoidable circumstances, such as elder care or family relocation due to job transfer, down to zero. We have to properly evaluate the thoughts and actions of each employee and fuel motivation. I firmly believe that creating this kind of work platform will have positive consequences beyond the three years of the plan, moving TIS steadily closer to realizing Group Vision 2026.

Kakuno: I really feel it's necessary to carefully and repeatedly explain how awareness and initiatives to promote diversity connects to the image we seek to project through Group Vision 2026 and higher corporate value. The everyday activities of individuals aren't just for personal benefit but, from a bird's-eye perspective, for the whole team and for the Company and for the Group. Everyone has to realize this and use the new medium-term management plan as an opportunity to think, act and have an impact.

Ikimune: Many employees have expressed hopes and requests regarding the manifesto, so we will be implementing strategies in great earnest.

Communication with Employees

Create environment in which each and every employee can fully demonstrate respective capabilities

For the TIS INTEC Group, the cornerstone of business, from an administrative perspective, is none other than employees—each and every one. We strive to maintain an environment that facilitates diverse approaches to work, which enables employees to feel they are contributing to society through their jobs and thus encourages personal pride and fuels motivation. Through the third medium-term management plan, we emphasized the key measures described below as pursuits common groupwide.

Key Measure	Content
Encourage women to seek management positions	Address national policies, including the Act Concerning the Promotion of Women's Career Activities, and promote diversity in hiring.
Utilize human resources and upgrade skills	Consider utilization and training of employees from groupwide perspective to achieve sharper business edge at all Group companies.
Promote hiring of disabled persons	Achieve mandated 2.0% ratio as quickly as possible and maintain it, and develop further steps to promote hiring.
Address aging of workforce	Address issue of shrinking working-age population that parallels falling birthrate and rising number of seniors in society as well as associated increase in age composition of employees, and promote continuous recruitment activities and establishment of appropriate personnel system matched to employee age composition.
Create comfortable work environment where employees feel appreciated	Create structure for comfortable workplace by boosting the acquisition rate of paid holiday time (goal at each company is rate above 80%) and trimming overtime work (goal to keep overtime under 20 hours at each company).
Cultivate sense of unity groupwide	Implement programs that cut laterally across the Group, highlighting "management," "global," "services" and "technology," to cultivate united perspective and to reinforce the skills of human resources.
Collect/organize human resources information	Realign functions within the Group and, as a strategy for job mobility, collect and organize human resources information, not only basic personnel data but also skills, and share the information.

We realize that sustainable growth requires multifaceted perspectives and value perceptions, based on different experience, skills and attributes, and we will strive to ensure diversity in human resources, including efforts to encourage women to take on positions with more responsibility. Getting women to be more active members of the workforce is an issue of particular importance in Japan these days, and the ratio of women in management positions at the seven principal companies under the TIS INTEC Group umbrella averages around 6%. We recognize the pressing need to establish and maintain structures and a work environment that enable female employees to demonstrate even greater potential. Under the leadership of top management, we will promote measures throughout the Group toward this end, emphasizing skill development, career formation and consideration of various workstyles.

Activities at Principal Group Companies to Promote Greater Involvement of Women in the Workplace

In April 2016, the Act Concerning the Promotion of Women's Career Activities came into force in Japan, obligating employers to formulate a plan of action with specific details on duration, targets, measures and schedule, to submit this action plan to the relevant government office and to make the content publicly available. Against this backdrop, 10 principal companies* in the TIS INTEC Group began a process of discussions. A summary of the plans formulated by five of these companies is presented below.

* Companies with 301 or more regular employees are required to formulate an action plan for promoting women to leadership positions, to submit the plan to the relevant government office, and to publicly disclose the content of the plan. There are 10 companies in the TIS INTEC Group subject to the new legislation: TIS, INTEC, AGREX, QUALICA, AJS, Chuo System, TIS Solution Link, TIS System Service, INTEC Solution Power and KOSHU INTEC.

Company Name	Plan Duration (Years)	Plan Targets	Measures
TIS	4	<ul style="list-style-type: none"> Ratio of women in management positions: 10% (186 women) Ratio of women promoted to manager level: 17% on average Ratio of women taking training courses prior to promotion to manager salary level: More than 20% 	<ul style="list-style-type: none"> Set promotion ratio target for women in each fiscal year of the four-year action plan Set quota for women participating in training courses prior to promotion to manager salary level Provide training for women with potential to become managers through enhanced career education for women
INTEC	5	<ul style="list-style-type: none"> Ratio of women in management positions: More than 7% 	<ul style="list-style-type: none"> Hold meetings that cross division or section boundaries to exchange information Talk with employees before and after they return to work from leaves of absence Set medium- and long-term goals for young female employees and expand content of discussions
AGREX	2 *5-year target	<ul style="list-style-type: none"> Ratio of women in management positions: More than 20%* Motivate women to seek promotions and encourage supervisors to acknowledge potential (Goal to train 60 women for management positions) 	<ul style="list-style-type: none"> Establish project to promote greater involvement of women in the workplace Roll out programs that raise awareness about greater involvement of women in the workplace Utilize employees with time constraints in management positions
QUALICA	5	<ul style="list-style-type: none"> Ratio of women among recently graduated newly hired employees: More than 30% Ratio of female employees: More than 20% Ratio of women in management positions: More than 8.5% (15 women) 	<ul style="list-style-type: none"> Enhance disclosure of information to female students Support career advancement and network creation for female employees Create comfortable working environment and offer human resources management training to supervisors
AJS	5	<ul style="list-style-type: none"> Encourage female employees to pursue management positions Ratio of women taking promotion-oriented training in preparation for a management position: Up 10% 	<ul style="list-style-type: none"> Initiate project to promote greater involvement of women in the workplace Implement various programs to cultivate perception conducive to greater involvement of women in the workplace Make content of promotion requirements course (at Globis University) widely known and encourage women to take the course

To provide an environment in which employees can fully demonstrate their capabilities and stay on a career path with confidence and no work/life balance concerns, companies within the TIS INTEC Group implement measures from the various perspectives.

Major Activities

Noteworthy pursuits undertaken at Group companies are presented below.

1. Work/life balance, diversity (includes promoting role of women in the workplace)

- Promoting better structures for work at home and shorter working hours (expand number of hours possible, extend period of applicability)
- Promoting reduction in overtime through no overtime days and other approaches
- Encouraging employees to take allocated annual paid leave
- Special paid leave categories, including refreshment leave, convalescent leave following injury or illness, and childcare/nursing care leave
- Visit-the-office opportunities for families
- Morning flextime work structure with 9am-11am core time
- Program for return to work after maternity leave
- Office-based daycare facilities for children of employees
- Committee set up to explore the issue of creating a corporate culture in which women feel empowered to work
- Promoting projects aimed at improving the work environment
- Promoting "Thin Office" to raise administrative efficiency
- Acquired "Kurumin" mark from Ministry of Health, Labour and Welfare in Japan for efforts supporting development of the next generation
- Information exchange opportunities for women on childcare leave (includes other employees on leave as well)
- Starts of part-time permit system
- Participated in comfortable commute movement "Jisa Biz"

2. Training and utilization of human resources, and fair evaluation and treatment

- Talent management to systematically execute such processes as hiring, assignment, skill development and performance evaluation
- System to invite applications for job openings in-house, a system that allows individuals to apply for preferred positions, a system to monitor goals determined through discussions with superiors once every six months on job-related goals, a specialist system (type of multi-track personnel system tapping people with specialized know-how for suitable positions), and a non-territorial office (where employees do not have their own desks)
- Occupation-specific courses, e-learning, correspondence education and other training opportunities
- President's award program for employees (recognizing noteworthy individuals, projects and activities)
- Evaluation training to ensure that evaluations are fair and equitable
- Debuted "coming home" system that enables retired employees to return to work
- Incentive awards and financial assistance to help employees acquire new qualifications
- Establishment of career consulting office

3. Health management, other programs

- Consultation point for physical and mental health questions, and mental stress checks
- "Pink Vouchers" available through the TIS INTEC Group Health Insurance Association to offset some of the costs incurred to refresh the body and mind
- Employee awareness surveys and human rights education

Topics

POSITIVE ACTION Promotes Involvement of Women

In 2013, TIS set up a voluntary team—POSITIVE ACTION—with key participation from female employees. Specific activities based on activity suggestions from this team have been implemented to enhance the workplace environment, including steps to encourage female employees to pursue career options with more responsibility. For the action plan that runs from April 2016 to April 2020, we aim to push the ratio of women in management positions above 10%—up from 7.4% as of July 2016—and are promoting several initiatives, including the establishment of a target for the ratio of women in senior management positions, career training for women, and support for women pursuing career advancement.

Providing Employment Opportunities to the Disabled

Through SorunPure Inc, a special subsidiary, the TIS INTEC Group supports the creation of work environments where as many disabled people as possible can find employment. As of June 2018, SorunPure had a staff of 61, including nine guides, who undertake office management services, and help employees maintain good health (in-house physiotherapist), at the Tokyo headquarters, the Osaka office, the Nagoya office and the Matsumoto office.

As of June 2018, the TIS INTEC Group had achieved a disabled employee ratio of 2.18%, based on 186.0 disabled persons at five companies, including TIS, SorunPure and specially recognized companies.

Communication with Employees

Workstyle Reform and Health Management at TIS

A core goal of the “Transformation to 2020” medium-term management plan launched in April 2018 is to enable employees to achieve personal career goals, and we are working toward developing the conditions, corporate culture, and programs that will allow diverse employees to experience real job satisfaction. A Diversity & Health Management Promotion Committee headed by the president and staffed largely by personnel from the Human Resources SBU’s Workstyle Reform Promotion Office has been established to work toward achieving this goal, and this committee is now pursuing action on workstyle reform and health management to help employees find self-fulfillment and achieve more through their work. (See also “Human Resources SBU Roundtable Discussion” on page 37.)

Arrangements to create a company where motivation levels are high



1. Workstyle Reform

The purpose of workstyle reform is to improve work quality and speed and reduce overheads. This is achieved by giving individuals greater choice regarding how they work (such as their places and hours of work) and creating the conditions that will let them deliver their best performances. Employees’ awareness and control of workstyle reform is enhanced by allowing them to decide for themselves how and when they want to use these arrangements so that they can pace themselves and their work according to their needs.

In the year ending March 2019, we will be reviewing current teleworking and flextime arrangements and expanding the scope of work that can be performed remotely to keep pace with infrastructure and hardware developments and meet employees’ diverse workstyle needs.

2. Health Management

Both companies and society benefit if employees are physically and mentally healthy and can make the most of their abilities in safe, comfortable working conditions. To raise employees’ quality of life (QOL) as individuals, therefore, we are committed to practicing “health management” to ensure employees’ good physical and mental health and enhance their job satisfaction and independence.

As Chief Health Officer (CHO), the president is leading the development of arrangements to enhance QOL, and the company is working on various initiatives in partnership with its health insurance society, employees’ association, health committee, and other relevant bodies. These include the introduction of compulsory intervals between shifts to counter the problem of long working hours, addition of work-life balance support for employees with ongoing medical needs (mainly for cancer) to existing childcare and nursing care arrangements, improvement of health literacy, and enhancement of fringe benefits.

Communication with Shareholders


Fast, fair and impartial information disclosure

We provide performance results and the latest news on our business activities to analysts as well as institutional and individual investors through events, such as information meetings, the production of pamphlets and other materials, and also in the investor relations section on the TIS website.


IR Events in Fiscal 2018	Frequency	Content
Results briefings for analysts and institutional investors	4 times	Quarterly briefings
Small meetings for analysts and institutional investors	176 times	Provide IR-oriented information for analysts and institutional investors. Of these meetings, 33 were for overseas investors. Total coverage: 212 companies (278 people)
Small meetings	2 times	President held one meeting with sell-side analysts, and one meeting with buy-side analysts.
Overseas roadshows	3 times	President, director responsible for overseas IR and other members of senior management met with shareholders and investors in Europe, United States, and Asia
IR conferences	2 times	Participated in conference organized by securities firm in Tokyo
Production of materials for individual investors	2 times	Issued “Business Report”

TIS’ IR Activities Recognized with Awards from External Organizations


At TIS, we believe that timely and objective information disclosure to shareholders and investors is an important obligation that any listed company must fulfill. Therefore, we strive to enrich our IR activities and improve the content and function of the IR pages on our website. The success of our efforts is substantiated in part by the following awards.



2017 Internet IR Commendation Award (Daiwa Investor Relations Co., Ltd.)
Received 2017 award for good IR site company, following wins award for excellence from 2013 in fourth consecutive year.



Fiscal 2017 Homepage Quality Ranking Survey of All Listed Companies (Nikko Investor Relations Co., Ltd.)
Received highest award as excellent website in comprehensive ranking, from Fiscal 2015 in third consecutive year.




Gomez IR Site Comprehensive Ranking 2017 (Morningstar Japan K.K.)
Received 2017 silver medal, following wins bronze medal from 2015 in third consecutive year.

Selected for inclusion in the MSCI Japanese Women in Leadership Total Return Index (WIN)

Selected for candidates, 500 companies, of the 6th Corporate Value Improvement Award in fiscal 2017

Selected for inclusion in the JPX-Nikkei index 400





We have high expectations that TIS’ IT capabilities will support a Japanese productivity revolution.

Scott Callon, CEO, Ichigo Asset Management Ltd.

As TIS shareholders, we are deeply grateful for the extraordinary growth that TIS generated during its most recent medium-term business plan “Beyond Borders 2017,” including doubling its earnings per share (EPS) in just three years.

Ichigo’s name comes from *Ichigo Ichie* (literally “one lifetime, one encounter”), an ancient Japanese proverb with roots in the tea ceremony. We seek to build trusted relationships with TIS and our other investee companies in order to fulfill our triple mission of “Serve Our Investee Companies, Serve Our Clients, Serve Japan.”

Given its aging population, Japan’s future dynamism is dependent on making best use of its key resources, starting with the Japanese people. We believe Information Technology, TIS’ core business expertise, can be a critical linchpin of an impending Japanese Productivity Revolution, and we look forward to TIS’ many contributions in this area. Through its support for innovation and positive change at work, TIS can contribute both to increasing Japan’s productivity and resolving its social challenges.

Ichigo fully supports TIS’ “Group Vision 2026” and its actions to sustainably strengthen its capabilities as a company and grow value for its customers, society, and shareholders.



The importance of IT is increasing as a key to solving social issues.

Fumiaki Kuroki, Chief Analyst, Investor Research Office, Equity Investment Department, Nissay Asset Management

At Nissay Asset Management, we apply ESG (environment, society and governance) criteria in our investment process and evaluate companies based on the ability to generate cash flow over the medium to long term. I was happy to accept this opportunity to contribute to TIS’ integrated report, which I use on a daily basis as a source of information on ESG and management strategies at TIS and within the TIS INTEC Group. It reminded me of the importance of building long-term relationships.

I have been covering TIS for more than 10 years, and over this time, I have been involved in dialogue on various themes, including the image the Group wants to present, key performance indicators, stakeholder relations and the best approach to information disclosure. The success of steps taken up to now is reflected in today’s business results and corporate value, and the slogan for the new medium-term management plan—transform the TIS INTEC Group into a cohesive corporate family that takes the lead in finding solutions to social issues—so very clearly expresses the position that TIS seeks to establish.

The importance—maybe even necessity—of IT is increasing from many perspectives, particularly as a tool for addressing social issues. In this environment, TIS is sure to encounter more and more opportunities to demonstrate its excellent management resources and the bold and enterprising spirit that has triumphed on difficult projects. I expect future activities will lead to continued value creation.

Communicating with Clients

Making ourselves indispensable as a business partner

Fiscal 2018 Customer Satisfaction Survey

TIS conducts annual questionnaire surveys of customer satisfaction. These target customers with which we do business on an ongoing basis, and the results are used to identify areas for improvement from a customer perspective. For our fiscal 2018 (ended March 31, 2018) survey, we asked respondents to assess activities designed to make us a “business partner that contributes to customers’ business growth.” Feedback revealed strong satisfaction with our quality and non-nonsense, sincere approach, and also demand for more positive proposals and a greater sense of urgency. We will continue to take on board customer feedback like this to further improve our activities and enhance our contribution as a business partner.

TIS Exciting Future Business Summit 2018

In July 2018, TIC staged the TIS Exciting Future Business Summit 2018 with the backing of the rest of the TIS INTEC Group. Taking as its theme “The Future We Want to Create,” the event was attended by 978 customers and featured a variety of seminars and solutions from the group.



Recent Major Award Activities

- Recognized by APN as “AWS Premier Consulting Partner”
- Acquired “SAP Competency” under APN Competency Program
- Recognized as “Robo App Partner” under Pepper Partner Program
- Selected as “Technology Partner” under IBM Watson Ecosystem Program
- Received “Specialized Partner of the Year: SaaS-Japan” at Oracle Excellence Awards 2018
- Received “Specialized Partner of the Year: HCM Cloud-Japan” at Oracle Excellence Awards 2018
- Received “Specialized Partner of the Year: SCM Cloud-Global” at Oracle Excellence Awards 2017
- Received “Japan Partner of the Year 2018” at Rapid7 2018 Asia Pacific partner Conference
- Recognized by PCI SSC as “ASV (Approved Scanning Vendors)”
- Recognized by UiPath as “Gold Partner”
- Received “Most Excellent Partner” at mcframe Award 2018
- Received “Sales Award” at SuperStream Partner Awards 2016
- Received “Product Award” at SuperStream Partner Award 2017
- Received “Promotion Award” at SuperStream Partner Award 2018
- Received “Solution of the Year” at GRANDIT AWARD 2016
- Named “Implementation Partner of the Year” at Salesforce Partner Awards 2016
- Received “Top Growth Partner of the Year 2017” under FireEye Japan Partner Award Program
- Recognized by FireEye Fuel Partner Program as “Platinum Partner”
- JISA Awards
2015 Finalist: CareQube remote monitoring/preventative maintenance system
2014 Winner: DebitCube+ and PrepaidCube+ payment settlement systems
2013 Winner: AtoMsQube production control system



To provide safe and secure retail settlement services Ichiro Hamakawa, President and CEO, JCB Co., Ltd.

JCB currently issues cards to about 120 million members in 24 countries and regions. Providing safe and secure settlement services 24 hours a day, 365 days a year, is a vital social duty, and systems are indispensable to this objective.

You cannot talk about JCB systems without referencing TIS. Our two-generation platform systems—JET, which went into service in 1989; and JENIUS, an upgraded version that debuted in 2008—were the result of a huge, long-running project between TIS and JCB. You might say that our history of growth is the story of joint efforts with TIS to develop such systems as our authorization system and, most recently, a mobile payments system.

In the past few years, progress in information and communications technology is having a major impact on the retail payment business. Even in Japan, where credit cards were once the only kind of payment product, options have diversified to include debit cards and prepaid cards, and gone mobile with such wireless technologies as NFC (near field communication) and QR. Going forward, our partnership with TIS will become all the more important as we strive to constantly provide value to our customers. This is a relationship we aim to maintain.

Communicating with Business Partners

Seeking stronger relationships with partners across wide spectrum

TIS Business Partner Socials

July 2018 saw TIS host socials for business partners in Tokyo, Osaka, and Nagoya. Attended by 299 participants from 154 key business partners, these events provided an opportunity for us to show our appreciation to our partners for their continuous cooperation, strengthen ties with them, introduce our new medium-term business plan, and share with them our goals for the future.



Communication with Community/Society

Through activities involving all Group companies

We undertake multifaceted activities in cooperation with regional communities, including Smile Kids Camp, support for international conferences on local revitalization, a forest conservation project and lunchtime concerts.

Topics

First use in Japan of an overseas platform for e-payment of fares at ticket gates Trial of Alipay on Okinawa’s Yui Rail monorail

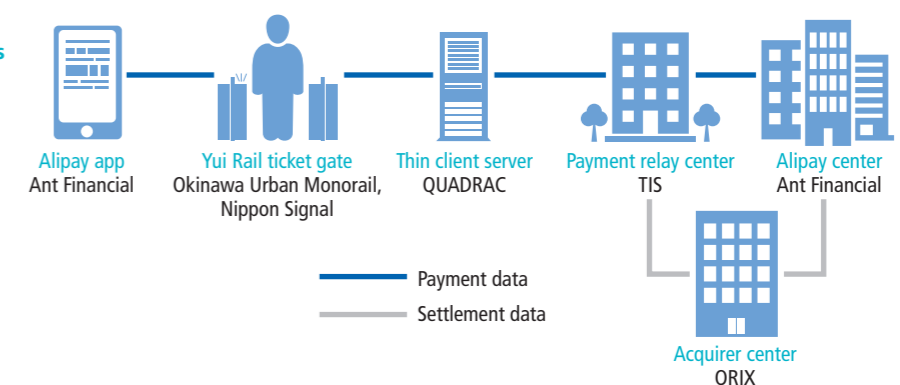
June 2018 saw TIS and five other companies—ORIX Corporation, Ant Financial Japan, Nippon Signal Co., Ltd., QUADRAC Co., Ltd., and Okinawa Urban Monorail—launch a real-world trial of direct use of the Alipay¹ e-payment service at ticket gates on the Yui Rail monorail line operated by Okinawa Urban Monorail.

Data from the Japan Tourism Agency shows that visitors from China accounted for 7,350,000 (25.6%) of the 28,690,000 foreign visitors to Japan in 2017, and the proportion of independent travelers has risen sharply in recent years. As the commonest problem encountered by foreign visitors after the language barrier concerns transport, improvements are needed in areas such as methods of using public transport.²

Because of its convenience, Alipay is widely used not only in China but elsewhere too, including by commercial facilities in Japan. The aim of this trial of high-speed payment using Alipay on Yui Rail is to make transport more user-friendly for Chinese tourists by making it possible for fares to be paid directly at ticket gates using Alipay.

1. Mobile payment service launched in China in 2004. Alipay has over 600 million users worldwide, making it one of the world’s top payment platforms. Alipay is accepted by more than 50,000 merchants in Japan.
2. Source: Japan Tourism Agency website (<http://www.mlit.go.jp/common/000190659.pdf>).

Payment process using Alipay at Yui Rail ticket gates



Selection of Major Activities

Smile Kids Camp—Supporting Seriously Ill and Disabled Children and Their Families

This traveling event is planned and executed by a committee of volunteers from TIS for children with serious illnesses or disabilities and their families. Employees from TIS INTEC Group companies volunteer their time to staff the event, providing a valuable opportunity to contemplate the real significance of CSR and volunteer activities.



Taking Part in Asahi no Mori Forest Conservation Project

Since 2010, AJS has supported the Asahi no Mori forest conservation project in the northern part of Miyazaki Prefecture. This project was spearheaded by Asahi Kasei Corporation to prevent global warming, protect the natural environment and also contribute to the prefecture where it has an established business presence.



Performances by Friends of Music Society

TIS INTEC Group *Gakuyukai* (Friends of Music Society) is a registered ensemble mainly comprising employees of the TIS INTEC Group and family of employees. The ensemble reflects the Group's unified objective to be a good corporate citizen, through lunchtime concerts in the Tokyo head office building and performances at local recital halls. The musical emphasis is on orchestral, wind-instrument and choral pieces.



Taking Part in SDGs Future Cities Project

SDGs Future Cities is an initiative broached by Japan to achieve Sustainable Development Goals (SDGs) adopted at the United Nations Summit in September 2015. In June 2018, a selection process tapped 29 local governments in Japan, including the city of Toyama where INTEC is headquartered, as Future Cities. Moreover, 10 of these local governments, including Toyama, have been certified as model projects.

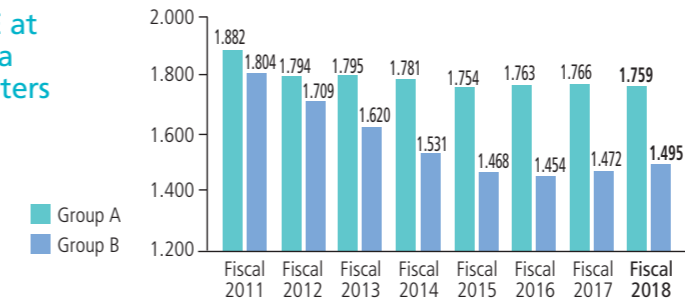
In Toyama, the Toyama SDGs Future Cities Strategy Council was established to promote this project, with INTEC among the committee members. Support has been extended to promote model projects, such as building an integrated city along the north and south from Toyama Station, developing egoma perilla—a member of the mint family—under the sixth-sector industrialization concept, and turning farming and mountain villages into low-carbon communities.

The TIS INTEC Group is involved in various activities that bring employees together with local communities. For details, go to <http://www.tis.com/group/csr/>

Contributing to Global Environment

We actively embrace measures through our business activities to address environmental issues. At our newest data center, we have taken an environment-conscious approach, emphasizing renewable energy and resources and utilize geothermal sources for heating, outside air for cooling, rainwater for uses other than drinking water, and solar power for electricity.

PUE at Data Centers



* PUE (Power Usage Effectiveness)=Electric consumption by whole facilities/Electric consumption by facilities related to information technology.
 * Group A graph data includes amounts recorded by Tokyo 1st/2nd/3rd centers, GDC Gotenyama, Nagoya Center, Osaka Center, Shinsaibashi gDC, and Shinsaibashi gDC-EX.
 * Group B graph data includes amounts recorded by GDC Gotenyama, Shinsaibashi gDC, and Shinsaibashi gDC-EX.
 * The Company reviewed its data center strategies in September 2015, and plans to integrate data centers in Tohan area into the high-spec centers; GDC Gotenyama, GDC Osaka, Shinsaibashi gDC, and Shinsaibashi gDC-EX.

The TIS INTEC Group is taking an environment-conscious approach at offices and data centers, which form the bedrock of corporate activities, by introducing measures to save energy and cut greenhouse gas emissions.

Examples of Environment-Conscious Activities at Data Centers

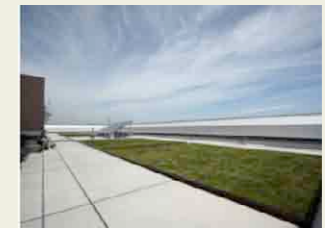
- Outdoor air for cooling
- Use of geothermal energy
- Use of rainwater
- Use of well water
- Lighting equipment run on solar power
- Green power procurement
- Natural lighting
- LED lighting
- Optimized lighting with motion sensors and ambient light sensors
- High-efficiency equipment
- Rooftop greenery
- Landscaping
- External appearance in harmony with the local surroundings
- Noise-damping, heat-insulating sashes



Natural light (solar tracking equipment)



Solar power generation monitor



Rooftop greenery

Examples of Environment-Conscious Activities at Offices

- Cool Biz
- Go paperless (monitors set up in meeting rooms)
- Recycle PCs
- Confidential documents are solution-treated by a provider
- Garbage is sorted for disposal
- Participate in eco-cap movement
- Partner in Table for Two program
- Lights turned off in work areas during lunch hour
- Reduced use of lighting (some lights not turned on)
- Uniform air conditioner setting (in principle, "blower")
- Stop running air barrier fans
- Power switched off on machine, such as copiers and shredders, during periods of non-use
- No heating in washrooms, and hot water setting disabled
- Absolutely no vehicle idling
- Water tap frequently closed
- Encourage use of stairs (instead of elevator)
- End over-wrapping
- Encourage employees to use personal thermos bottles, and reusable shopping bags.
- Encourage employees to take vacation days during summer

We will contribute to the maximization of corporate value for the TIS INTEC Group from a stakeholder perspective.



Fumio Tsuchiya, External Director



Taigi Ito, External Audit & Supervisory Board Member

How do you rate corporate governance efforts by the TIS INTEC Group?

Tsuchiya: Through efforts in recent years (see page 49), TIS has provided external officers with better information, such as background to proposals that will be voted on by the Board of Directors, before those meetings take place. I give this high marks. From a groupwide corporate governance perspective, the fact that TIS has clarified the direction that the Group as a whole will take through Group Vision 2026 is very good. Going forward, the role that each company under the Group umbrella plays has to be clarified a little further, and management decisions have to be more thorough from a total optimization perspective. By doing this, TIS will certainly acquire the capacity to reach beyond its targets. As an external director, I will actively voice my thoughts from a stakeholder perspective.

Ito: Corporate governance has two functions. One is legality—to maintain the legality of operations and underpin fair and transparent decision-making; and the other is efficiency—or proactive governance—to improve efficiency and promote fast, decisive decision-making. In recent years, TIS has improved its corporate governance structure to a generally fine level on both fronts with progressive measures, including an enhanced supervisory/monitoring function to gauge the status of duties executed by the management team, ensuring that the roster of directors comprises one-third from outside the Company, and the appointment of a female external director. However, corporate governance has to go deeper to address changes in the business environment, and management at TIS must be mindful of the need for constant review.

The new medium-term management plan highlights structural transformation of the TIS INTEC Group.

Ito: The new medium-term management plan has great content, I believe. The key now is how to enhance effectiveness. Toward this end, it is imperative for each company in the Group and each business unit or department at these companies to pinpoint yearly targets and define specific measures to implement as well as the people responsible for promoting strategies, given the intent of basic policy. Management must also firmly instill a perspective groupwide that calls on each company under the Group umbrella and each division at these companies to confirm the status of progress on measures, consider points in need of improvement and draft responses fine-tuned to status and, if the business environment changes a lot, to think about the need to revise targets.

Tsuchiya: On the issue of pursuing new lines of business, I believe, on the basis of experience related to corporate management, it is extremely important for TIS to be aware of the need to pinpoint strengths and accumulated know-how within the TIS INTEC Group and cultivate frontiers by building on these assets. TIS must always consider the end user—that is, look beyond the client company and must maintain a deeply rooted commitment to the basics of providing systems that improve corporate value for client companies that will lead to a higher level of involvement in business. This will fuel growth in the strategic partnership business, which is one of the strategic domains that TIS has tapped for the future.

Also, TIS implemented a wage and compensation system, effective from fiscal 2019, matching fields, such as service-oriented operations, that differ from its conventional businesses. What's really key, though, is that the system clearly lays out requests that project leaders have on the frontlines, the time axis and evaluation standards. If TIS takes a long-term

approach in pursuing new lines of business, along its chosen path, success can certainly still be assessed even if business results and numbers do not rise in any given fiscal year.

Ito: The pursuit of new lines of business also requires some risk-taking, and there are techniques to support this effort once certain limits, like that for R&D expenses, have been determined. Also, structural transformation is important, of course, but so is evaluation of business results—achievement of targets—as well as evaluation of business results based on the status of both, including the positives of trying out new lines of business.

TIS established the Human Resources SBU in April 2018, and this business unit created a manifesto (see page 37). The fact that a company announced a manifesto designed to help employees reach personal career goals is a wonderful approach that shows a tremendously progressive attitude and gives employees the power to dream. TIS has highlighted concrete measures to become a company where employees enjoy their work, to optimize deployment of human resources, to create an environment that enables employees to achieve career goals, to ensure labor-related compliance and to realize a safe and comfortable corporate atmosphere. But I'd like to see greater exchange of ideas with all employees as the manifesto is steadily rolled out and its objectives reached.



Fumio Tsuchiya, External Director (left photo), and Taigi Ito, External Audit & Supervisory Board Member

What do you expect the TIS INTEC Group to accomplish?

Tsuchiya: The biggest strength is the power of the individual working as part of a team that stacks up results and completes a job through an extremely sincere and honest approach. This is precisely why client companies place such trust in TIS and members of the TIS INTEC Group. But don't get bogged down in elaborate perfection. TIS must maintain management decision-making and execution with a sense of speed. This does not negate diligence—that is, hard work—expended to date. Companies are only as successful as their people, so the saying goes. The key to the challenging medium-term management plan that emphasizes structural transformation is none other than people. I hope to see the leader class, including top management, embrace reforms on a personal level and really demonstrate leadership skills. I also hope more effort will be directed into training and education for human resources to cultivate future leaders.

Ito: An external member of the Audit & Supervisory Board has no authority to make decisions for the Board of Directors but rather checks to ensure that duties are being properly performed. I feel that one of the most important functions of an external officer is as a keen observer, carefully watching the actions of the management team from a stakeholder perspective. The Compensation Committee, which was established in April 2018 as a structure to assess the management team, will steadily reinforce corporate governance. I expect that the activities of the committee will be enhanced as time goes on. With regard to information provided to external officers, I believe that further improvements, such as greater clarity of points in materials related to proposals, will promote more robust discussion when the Board of Directors meets.

For myself, I will offer opinions and advice based on the experience and insights I have acquired as an accountant at quite a number of companies over the past 40 years. I expect my participation will help grow the TIS INTEC Group.



Message from new external director

I will draw on my experience as a lawyer to help raise the corporate value of the TIS INTEC Group.
Naoko Mizukoshi, Outside Director (Attorney, Endeavour Law Office)

Right now, a digital transformation is unfolding in all industry sectors. The TIS INTEC Group has established a structure to facilitate quick decision-making and has kicked off its own process of transformation while steadily delivering services matched to customer needs, now in the midst of change, and respective IT budgets.

The current medium-term management plan, which runs from 2018 through 2020 (fiscal 2019 to fiscal 2021), highlights TIS' goal of structural transformation, which includes the transition to service-style business. To create services that become a source of competitive strength, management will have to emphasize flexible

thinking to better utilize knowledge acquired from real data and experience accumulated by employees. In addition, TIS has to turn such knowledge and experience into tangible intellectual property, including patents, copyrights and know-how, and generate a virtuous cycle to effectively use these assets within the TIS INTEC Group and on a global scale with partners. What supports this kind of virtuous cycle is none other than a corporate environment in which diverse employees are enthusiastically engaged through flexible thinking. I will draw on my knowledge as an attorney dealing with intellectual property and international relations as well as experience as an in-house lawyer for global corporations to offer suggestions and participate in animated discussions by the Board of Directors. I hope my approach will help to raise corporate value for the TIS INTEC Group even higher.

Based on our Group Management Policy and Group Vision, we have formulated basic corporate governance policies aimed at improving the Group's corporate value over the medium and long terms. We are working constantly to enhance corporate governance.

Initiatives to Strengthen Corporate Governance

Initiatives in the year ending March 2018

- Addition of "consultation" to "referral for discussion" and "reporting" in order to enhance depth of discussion of medium- and long-term policies.
- Convening of roundtable discussions attended by the president and external directors.
- Commencement of liaison meetings attended solely by external directors following preliminary briefing of external directors.
- Formulation and rollout of guide to placing matters on the agenda for meetings of the Board of Directors in order to standardize submission requirements and composition, etc.
- Commencement of paperless meetings of the Board of Directors.

Initiatives in the year ending March 2019

- Establishment of Nomination Committee and Compensation Committee.
- Revision of standards for placing matters on the agenda for meetings of the Board of Directors.
- Decision on introduction of performance-linked stock remuneration system for directors, etc.
- Reduction of number of directors from ten to nine and maintenance of number of external directors at three to increase proportion of external directors to one third.

Basic Policy

TIS will constantly strive to pursue, sustain, and enhance the highest level of corporate governance.

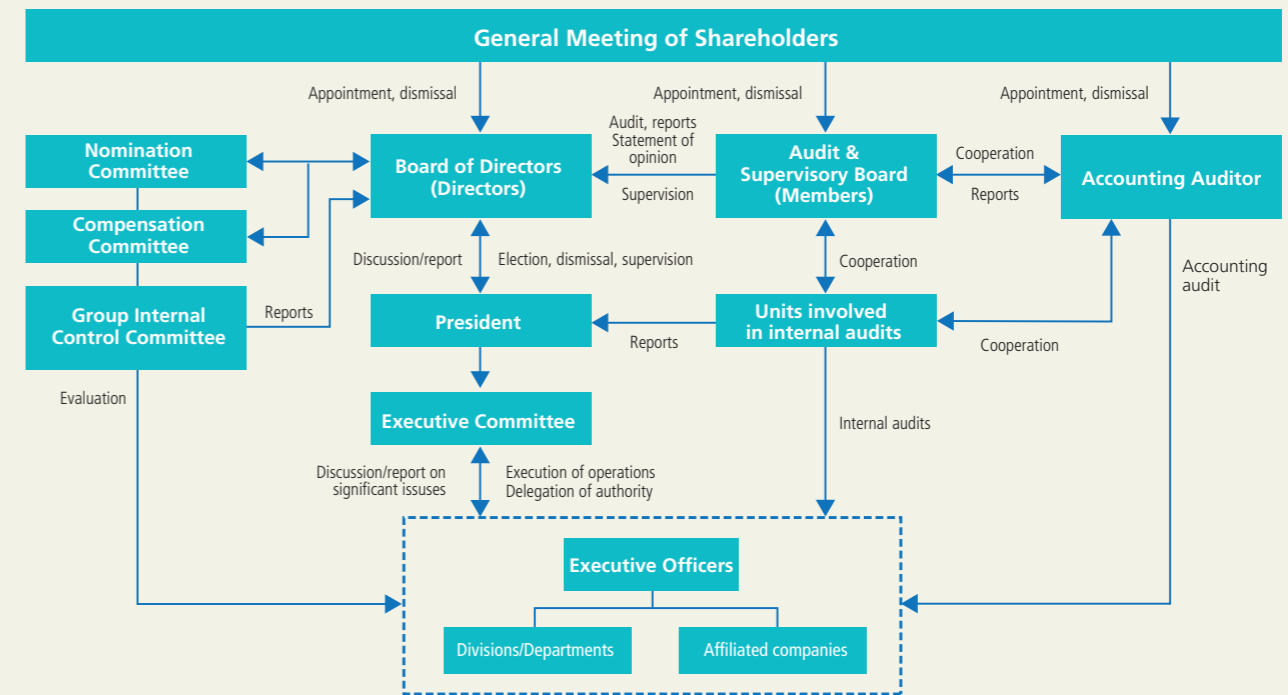
TIS believes that the key to corporate governance is to ensure transparency and fairness in decision-making, make full and effective use of its management resources, and increase the vitality of management through swift and accurate decision-making, from the viewpoint of ensuring the Company's sustainable growth and enhancing its medium- and long-term corporate value. Accordingly, TIS will strive to enhance its corporate governance in line with the following basic principles.

1. To respect the rights of shareholders and to ensure their equality.
2. To consider the interests of stakeholders including shareholders, and to cooperate appropriately with them.
3. To disclose corporate information appropriately and to ensure its transparency.
4. To engage in constructive dialogue with shareholders based on a medium- to long-term investment policy.

Corporate Governance Structure

Organizational Structure	Company with Audit & Supervisory Board
Chairman of the Board	Chairman and president
Number of Directors	Nine, including three external directors
Director's Term of Office	One year
Number of Audit & Supervisory Board Members	Five, including three external audit & supervisory board members
Term of Office for Audit & Supervisory Board Members	Four years
Number of Independent Directors	Six, including three external directors and three external audit & supervisory board members

Organizational Chart



Reason for Selection of Current Corporate Governance Organization

The Company has selected the organization of a company with an audit & supervisory board, which has the double-check function through which business execution is overseen by the Board of Directors, while the Audit & Supervisory Board conducts audits of legality and appropriateness. In addition, the Company aims to strengthen the supervisory function of the Board of Directors by electing external directors with experience and insights regarding industry and corporate management and by providing advice and recommendations to ensure the validity and appropriateness of the decision-making of the Board of Directors from an independent standpoint.

Directors and Board of Directors

As stipulated in its Articles of Incorporation, the Company's Board of Directors will comprise at least three and no more than 15 directors, and to strengthen the supervisory functions of the Board of Directors, a policy has been established that two or more of the directors must be independent external directors. At present, three independent external directors have been appointed.

For swift and dynamic decision-making by the Board of Directors, the Board of Directors convenes in principle once monthly and also meets on an ad hoc basis whenever necessary.

Furthermore, the Company provides sufficient information to the Board of Directors in the following

ways. It provides explanations in advance to the external directors and external auditors regarding agenda items raised in Board of Directors meetings. In addition, it holds study groups conducted by external knowledgeable persons, on-site inspections of the Group's facilities and offices, and other such events for external directors and external auditors. The Company also provides support to enable smooth and active discussion at Board of Directors meetings by holding meetings to exchange opinions between external directors and the President, and meetings to exchange opinions between external directors and external auditors only.



Front row from the left, Yasushi Okamoto, Director and Senior Managing Executive Officer, Toru Kuwano, Chairman and President, Masahiko Adachi, Representative Director and Executive Vice President, and Josaku Yanai, Director and Senior Managing Executive Officer. Back row from the left, Fumio Tsuchiya, External Director, Akira Shinkai, Director, Takayuki Kitaoka, Director, Koichi Sano, External Director, and Naoko Mizukoshi, External Director.



Audit & Supervisory Board Members, from the left, Muneaki Ueda, Katsuhiko Ishii, Kei Ando, Taigi Ito, and Sadahei Funakoshi.

Board of Directors

Toru Kuwano, Chairman and President

Date of Birth: May 3, 1952
 April 1976 Joined Toyo Information Systems Co., Ltd. (currently TIS Inc.)
 June 2000 Director of the company
 April 2004 Executive Director of the company
 April 2008 Executive Managing Director of the company
 April 2010 Executive Vice-President and Representative Director and General Manager of Financial Industry HQ of the company
 April 2011 President and Representative Director of the company
 April 2013 Chairman, President and Representative Director of the company
 June 2013 Chairman, President and Representative Director of the company
 June 2016 Chairman, President and Representative Director of the company
 President and Representative Director of the Company
 July 2016 President and Representative Director of the Company, in charge of Auditing Dept.
 June 2018 Chairman, President and Representative Director of the Company, in charge of Auditing Dept. (to present)

Masahiko Adachi, Representative Director and Executive Vice President

Date of Birth: May 9, 1956
 April 1981 Joined Sanwa Bank, Limited (currently MUFG Bank, Ltd.)
 April 2001 General Manager of Sugamo Branch and General Manager of Corporate Sales Department of the bank
 January 2006 Deputy General Manager of Human Resources Department of Bank of Tokyo-Mitsubishi UFJ, Ltd. (currently MUFG Bank, Ltd.)
 October 2006 General Manager of Osaka Sales Department No. 1 of Osaka Sales Division of the bank
 January 2010 Manager of Corporate Planning and Management Department of UFIT Co., Ltd.
 April 2010 Executive Officer, Department Manager of Corporate Planning and Management Department of the company
 June 2010 Director and Executive Officer, Department Manager of Corporate Planning and Management Department of the company
 April 2011 Executive Officer, Division Manager of Corporate Management Division of TIS Inc.
 April 2013 Managing Executive Officer, Division Manager of Financial Industry SBU. 1 of the company
 April 2016 Senior Managing Executive Officer, Division Manager of Financial Industry SBU. 1 and Division Manager of Financial Industry SBU. 3 of the company
 July 2016 Senior Managing Executive Officer, Division Manager of Financial Industry SBU. 1 and Division Manager of Financial Industry SBU. 3 of the Company
 April 2018 Executive Vice President, in charge of Corporate Planning SBU, Human Resources SBU, Corporate Management SBU, Division Manager of Corporate Planning SBU of the Company
 June 2018 Representative Director, Executive Vice President, in charge of Corporate Planning SBU, Human Resources SBU, Corporate Management SBU, Division Manager of Corporate Planning SBU of the Company (to present)

Yasushi Okamoto, Director and Senior Managing Executive Officer

Date of Birth: March 3, 1962
 April 1985 Joined Toyo Information Systems Co., Ltd. (currently TIS Inc.)
 April 2010 Managing Executive Officer, Department Manager of Corporate Planning and Management Department of SORUN CORPORATION
 April 2011 Executive Officer, Department Manager of Corporate Planning & Control Dept. of TIS Inc.
 October 2011 Executive Officer, Department Manager of Corporate Planning & Control Dept. and Section Manager of Global Business Planning Office of the company
 January 2012 Executive Officer, Department Manager of Corporate Planning & Control Dept. and Section Manager of Global Business Planning Office of the company
 Managing Director of TISI (Singapore) Pte. Ltd.

April 2013 Managing Executive Officer, Division Manager of IT Solutions Services SBU. of the company
 April 2016 Senior Managing Executive Officer, Division Manager of Industries & Solutions SBU of the company
 July 2016 Senior Managing Executive Officer, Division Manager of Industries & Solutions SBU of the Company
 April 2017 Senior Managing Executive Officer, in charge of Industries & Solutions SBU, Business Innovation Div., Division Manager of Business Innovation Div. of the Company
 April 2018 Senior Managing Executive Officer, Sector Manager of Service Strategy Sector of the Company
 June 2018 Director, Senior Managing Executive Officer and Sector Director of Service Strategy Sector of the Company (to present)

Josaku Yanai, Director and Senior Managing Executive Officer

Date of Birth: November 14, 1963
 April 1987 Joined the Long-Term Credit Bank of Japan, Limited
 January 2000 Joined Toyo Information Systems Co., Ltd. (currently TIS Inc.)
 April 2009 Executive Officer, Department Manager of Corporate Planning & Control Department., Corporate Planning & Control Division of the company
 April 2011 Executive Officer, Division Manager of Corporate Planning Division of the Company
 May 2015 Managing Executive Officer, Division Manager of Corporate Planning Division of the Company
 June 2016 Director, Managing Executive Officer and Division Manager of Corporate Planning SBU of the Company
 July 2016 Director, Managing Executive Officer, in charge of Corporate Planning SBU and Corporate Management SBU of the Company
 April 2018 Division Manager of Corporate Planning SBU of the Company
 Director, Senior Managing Executive Officer and Sector Director of Industry Strategy Sector of the Company (to present)

Takayuki Kitaoka, Director

Date of Birth: December 14, 1960
 April 1984 Joined INTEC Inc.
 January 2005 General Manager of Product Solutions Marketing Dept. of the company
 April 2008 Manager of N&O Business Promotion Dept. of the company
 April 2012 Manager of Corporate Planning Department of the Company
 April 2015 General Manager of BPO Division of INTEC Inc.
 April 2016 Executive Officer, General Manager of Corporate Planning Division of INTEC Inc.
 April 2017 Managing Executive Officer, General Manager of Corporate Planning Division of the company
 April 2018 President and Representative Director of the company (to present)
 June 2018 Director of the Company (to present)

Akira Shinkai, Director

Date of Birth: March 24, 1959
 February 1986 Joined Yokogawa U System Corporation
 April 2000 Joined YDC Corporation
 June 2001 Director of the company
 October 2009 Joined Nippon System Gijutsu Co., Ltd.
 June 2010 Director and Managing Executive Officer of the company
 April 2011 Joined INTEC Inc.
 Deputy General Manager of NSG Department of the company
 June 2012 Executive Officer, General Manager of NSG Department of the company
 May 2015 Managing Executive Officer, General Manager of Industrial Solutions Business Division of the company
 April 2016 Managing Executive Officer, General Manager of Metropolitan Social Service Headquarters of the company

April 2018 Director, Executive Vice President, in charge of Corporate Information Department, Business Strategy Promotion Division, and Metropolitan Distribution Service Headquarters, and General Manager of Metropolitan Distribution Service Headquarters of the company (to present)
 June 2018 Director of the Company (to present)

Koichi Sano*, External Director

Date of Birth: August 30, 1948
 April 1971 Joined Mitsui Petrochemical Industries, Ltd. (currently Mitsui Chemicals, Inc.)
 June 2003 Executive Officer and Manager of Finance Department of the company
 June 2005 Executive Director of the company
 June 2009 Executive Vice-President and Representative Director of the company
 June 2013 Special Councilor of the company
 June 2015 Retired from the company
 June 2016 Director of the Company (to present)

Fumio Tsuchiya*, External Director

Date of Birth: May 10, 1948
 July 1971 Joined Japan Airlines Co., Ltd.
 July 1995 Regional Manager of Madrid Branch of the company
 May 1999 Director and Section Manager of Corporate Planning Section of JAL Hotels Co., Ltd. (currently Okura Nikko Hotel Management Co., Ltd.)
 April 2001 Manager of Corporate Planning of Japan Airlines Co., Ltd.
 October 2002 Executive Officer, Deputy Section Manager of Corporate Planning Section, Integration Promotion Office of Japan Airlines System, Inc. (currently Japan Airlines Co., Ltd.)
 April 2004 Executive Officer and Section Manager of Corporate Planning Section of the company
 June 2004 Director and Section Manager of Corporate Planning Section of Japan Airlines Corporation (currently Japan Airlines Co., Ltd.)
 April 2006 Managing Director, in charge of PR & IR, Legal Affairs and General Affairs of the company
 June 2007 President & CEO of JALCard, Inc.
 June 2010 Retired from the company
 August 2010 Section Manager of Internal Auditing Office of Faith, Inc.
 June 2011 Full-time Audit & Supervisory Board Member of the company
 June 2017 Director of the Company (to present)

Naoko Mizukoshi*, External Director

(Partner of Endeavour Law Office)
 Date of Birth: September 23, 1967
 April 1993 Joined Legal Training and Research Institute of Supreme Court of Japan
 April 1995 Registered as a lawyer with Osaka Bar Association
 Joined Miyazaki Sogo Law Office (currently Legal Professional Corporation Miyazaki Sogo Law Office)
 April 1998 Registered as a lawyer with Yokohama Bar Association (currently Kanagawa Bar Association)
 Joined Legal Department of Nomura Research Institute, Ltd.
 September 1999 Registered as a lawyer with Daini Tokyo Bar Association
 Joined Legal Department of Autodesk, Ltd.
 September 2002 Joined Legal Headquarters of Microsoft Co., Ltd.
 Registered as a lawyer in the State of California, U.S.A.
 November 2006 Joined TMI Associates
 January 2008 Partner of TMI Associates
 March 2010 Founded Endeavour Law Office
 Partner of Endeavour Law Office (to present)
 June 2018 Director of the Company (to present)

Audit & Supervisory Board Members

Kei Ando, Standing Audit & Supervisory Board Member

Date of Birth: July 25, 1961
 April 1984 Joined Sanwa Bank, Limited (currently MUFG Bank, Ltd.)
 July 2003 General Manager of Totsuka Branch of UFJ Bank Limited (currently MUFG Bank, Ltd.)
 May 2009 General Manager of Corporate Settlement Business Department of Bank of Tokyo-Mitsubishi UFJ, Ltd. (currently MUFG Bank, Ltd.)
 June 2010 Executive Officer, General Manager of Corporate Settlement Business Department of Bank of Tokyo-Mitsubishi UFJ, Ltd. (currently MUFG Bank, Ltd.)
 May 2011 Executive Officer, in charge of branches in the East Japan area of the bank
 May 2013 Executive Officer, Head Office Associate Director-General of Bank of the bank
 June 2013 President and Representative Director of Mitsubishi UFJ Capital Co., Ltd.
 June 2016 Senior Managing Director, General Manager of Product Department of Mitsubishi UFJ Kokusai Asset Management Co., Ltd.
 June 2018 Full-time Audit & Supervisory Board Member of the Company (to present)

Katsuhiko Ishii, Standing Audit & Supervisory Board Member

Date of Birth: November 5, 1953
 April 1976 Joined the Long-Term Credit Bank of Japan, Limited
 October 2001 Joined SORUN Corporation
 June 2007 Director and Executive Officer of the company
 April 2011 Managing Executive Officer, Division Director of the Financial Industry SBU., Financial Industry HQ. and Division Manager of the Financial Systems Div. 3 of TIS Inc.
 October 2011 Managing Executive Officer and Deputy Division Manager of Financial Industry SBU. of the company
 April 2012 Managing Executive Officer and Deputy Division Manager of Corporate SBU. of the company
 June 2012 Director of the Company
 June 2013 Deputy General Manager of Corporate SBU of TIS Inc.
 April 2014 Deputy General Manager of Corporate SBU of the company
 Managing Executive Officer and Division Manager of Corporate SBU. of the company
 April 2016 Advisor to the company
 June 2016 Full-time Audit & Supervisory Board Member of the Company (to present)

Taigi Ito*, External Audit & Supervisory Board Member

(Certified Public Accountant and President, Ito Office)
 Date of Birth: October 13, 1946
 January 1970 Joined Tsuji Audit Corporation
 February 1989 Representative Partner of MISUZU Audit Corporation
 July 2004 Deputy Chairman of the Japanese Institute of Certified Public Accountants
 August 2007 Chief of Ito CPA Firm (to present)
 April 2009 Professor at Graduate School of Accountancy, Waseda University
 June 2012 Audit & Supervisory Board Member of the Company (to present)

Muneaki Ueda*, External Audit & Supervisory Board Member

(Chairman, Professional Bank, Inc.)
 Date of Birth: January 1, 1948
 August 1983 Joined Temporary Center Inc. (currently, Pasona Inc.)
 January 1988 Executive Director and Manager of International Division and Manager of Business Development Dept. of Pasona Inc.
 President and Representative Director of Pasona N A, Inc.
 April 1991 Executive Managing Director and General Manager of Sales Division of Pasona Inc.
 June 1993 Director and Vice-President of Pasona Inc.
 June 2000 President and Representative Director of Pasona Inc.
 August 2004 President and Representative Director of Professional Bank Inc.
 April 2007 Chairman and Representative Director of Professional Bank Inc. (to present)
 June 2012 Audit & Supervisory Board Member of the Company (to present)

Sadahei Funakoshi *, External Audit & Supervisory Board Member

Date of Birth: August 15, 1954
 April 1977 Joined Mitsubishi Corporation
 March 2003 Transferred to Mitsubishi Corporation Financial & Management Services (Japan) Ltd. as Director and Vice-President
 April 2009 Transferred to Mitsubishi Corporation LT, Inc. as Advisor
 June 2009 Director and Managing Executive Officer of Mitsubishi Corporation LT, Inc.
 June 2011 Director and Senior Managing Executive Officer of Mitsubishi Corporation LT, Inc.
 January 2013 Representative Director and Senior Managing Executive Officer of Mitsubishi Corporation LT, Inc.
 May 2013 Statutory Auditor of IT Frontier Corporation
 July 2014 Statutory Auditor of TATA Consultancy Services Japan, Ltd.
 June 2016 Full-time Audit & Supervisory Board Member of the Company (to present)

* As of June 26, 2018

* Designated for Independent Director/Auditor as specified by the Tokyo Stock Exchange in Japan.

* As of July 1, 2016, the Company (previous name, IT Holdings Corporation) changed its name to TIS Inc. due to the absorption-type merger with the previous TIS Inc. (an absorbed company), wholly-owned subsidiary of the IT Holdings Corporation (a surviving company).

Nomination Committee and Compensation Committee

The Nomination Committee and the Compensation Committee were established as advisory bodies to the Board of Directors to ensure objectivity and transparency in decision-making processes pursuant to appointment of directors and associated compensation and to strengthen

the corporate governance structure.
The president and representative director chairs the committee, with the majority of members, including the committee chair, being independent outside directors.

Management Committee

The Company has established the Management Committee to deliberate and report on important matters

affecting business execution at the Company and the Group as a whole.

Executive Officer System

The Company has adopted an executive officer system to accelerate management decision-making and supervisory functions of the Board of Directors. Directors delegate

business execution to Executive Officers, and these Executive Officers provide specific direction, orders, and supervision to each business unit head.

Audit & Supervisory Board Members and Audit & Supervisory Board

The Audit & Supervisory Board comprises five auditors (of which three are external auditors). Each auditor will perform audits of directors' business execution in accordance with the audit & supervisory policies established by the Audit & Supervisory Board. In addition, the Company works closely with its financial auditors, exchanging information and sharing opinions on a regular basis in addition

to receiving the annual financial audit plan and reporting on results of financial audits from Ernst & Young ShinNihon LLC, with which the Company has entered and auditing contract. Furthermore, the Audit & Supervisory Board receives the audit reports of the auditing department and exchanges opinions on a regular basis.

Viewpoint regarding Composition of Board of Directors

The Board of Directors shall be composed of no more than 15 directors, at least two of whom shall be independent external directors. The Board of Directors recognizes its fiduciary responsibility toward shareholders, supervises management strategy, management plans and other important decision-making and business execution of the Company, as prescribed by laws and regulations, the Articles of Incorporation and Company regulations, and

bears a responsibility to ensure sustainable growth and enhance medium- to long-term corporate value. In the case of directors that constitute the Board of Directors, after engaging in discussion at meetings of the Board of Directors, the Company shall nominate persons who have extensive experience, strong insights and a high level of specialization that is appropriate for these obligations based on the election criteria prescribed by the Company.

Summary of Results of Analysis and Evaluation of Effectiveness of Entire Board of Directors

Since fiscal 2016, ended March 31, 2016, the Company has evaluated the effectiveness of the Board of Directors each fiscal year in order to reveal issues and points for improvement that will lead to initiatives to increase the effectiveness of the Board of Directors. With respect to the evaluation in fiscal 2018, the Company provided an anonymous questionnaire to comprehensively conduct self-evaluation and self-analysis regarding the composition and operation of the Board of Directors to all directors and auditors, and the Board of Directors held discussions based on the results of the questionnaire. The method of evaluation, results of the evaluation, as well as current and future issues and responses to them in light of the evaluation are described below.

1. Method of evaluation

The Company distributed a questionnaire regarding the effectiveness of the Board of Directors to all directors and auditors, and obtained responses. Based on these responses, the Company's Board of Directors analyzed and evaluated the effectiveness of the Board of Directors.

Note that the Company conducted this effectiveness evaluation based on verification by an external attorney.

2. Results of analysis and evaluation of effectiveness of the Board of Directors

The Company's Board of Directors concluded that a certain degree of effectiveness had been ensured to appropriately supervise the approval of important management matters and business execution, such as the state of business implementation and investments at the Company and Group companies, through deliberation based on collective decision-making regulations and Group administration regulations. In addition, it concluded that effectiveness was tending to improve as a result of improvement measures based on the results of the evaluation of the effectiveness of the Board of Directors in the previous fiscal year.

On the other hand, the Company's Board of Directors confirmed that it was necessary to concentrate on themes that should be taken up in Board meetings and to further enhance the efficiency of explanations at Board meetings in order to conduct Board meetings more effectively and efficiently. Moreover, the Board acknowledged that it was necessary to further strengthen the supervisory function of Group companies.

3. Current and future issues and responses to them based on analysis and evaluation

In light of the analysis and evaluation previously mentioned, the Company will focus its efforts on tackling the following issues especially.

(1) Concentration on important themes at the Board of Directors

The Company will concentrate on discussing themes that should be focused on at meetings of the Board of Directors and manage Board meetings effectively. Since fiscal 2018 the Company has been implementing the new medium-term management plan that it endeavored to formulate last fiscal year, and it will continue to discuss important issues such as business strategy, human resource strategy and investment strategy in light of the state of competition and market trends.

(2) Effective and efficient management of meetings of the Board of Directors

We will encourage explanation at meetings of the Board of Directors to enable Board meetings to be conducted more effectively and efficiently.

(3) Enhancement of supervisory function for execution of important business at Group companies

We will continuously strengthen management of Group companies at the Board of Directors and enhance supervisory functions.

Policy and Procedures for Election and Nomination of Directors, etc.

When nominating candidates for director, auditor and other such positions, the Company shall conduct discussions at meetings of the Board of Directors regarding people who have extensive experience, strong insights and a high level of specialization that is appropriate as a director or auditor, after receiving a report at Board meetings from the Nomination Committee, which

comprises several corporate officers, including a majority of independent external corporate officers, based on the selection criteria that the Company prescribes. The purpose of this is to realize effective corporate governance and contribute to the Company's sustainable growth as well as the enhancement of its medium- to long-term corporate value.

Reason for Election of Directors and Audit & Supervisory Board Members

Directors

Toru Kuwano	<p>After assuming the office of President and Representative Director of the Company's Group company, Mr. Kuwano was appointed as a Director of the Company in June 2013. Since June 2016, he has assumed the office of President and Representative Director of the Company. He has a wealth of experience and knowledge about the Company's and its Group's business, as well as in business administration.</p> <p>He had also been assuming duties in the execution of the previous Medium-term Management Plan (from fiscal 2016 to fiscal 2018) to fulfill the function as an operating holding company. He was appointed as a Director since he is highly expected to continue to promote the new Medium-term Management Plan and fulfill the duties of significant decision-making for the Company's Group as well as the administration and oversight of business management.</p>
Masahiko Adachi	<p>Mr. Adachi has been in the office of Executive Vice President since April 2018 following the office of Division Manager of corporate department and financial system department of a financial institution and the Company's Group company. Based on these experiences, he was appointed as a Director since he is highly expected to promote group governance on corporate function of the new Medium-term Management Plan of the Company's Group, and fulfill the duties of significant decision-making for the Company's Group and oversight of business management.</p>
Yasushi Okamoto	<p>Mr. Okamoto had been engaged in corporate business in the corporate planning department of the Company for many years and has been serving as Senior Managing Executive Officer and Division Manager of the planning and development department of industrial systems since July 2016. Based on these experiences, he was appointed as a Director since he is highly expected to promote the new Medium-term Management Plan, and fulfill the duties of significant decision-making for the Company's Group and oversight of business management.</p>
Josaku Yanai	<p>Mr. Yanai was mainly engaged in corporate section in the corporate planning department of the Company and its Group company for many years. He assumed the office of Executive Officer and Division Manager of corporate planning division of the Company in April 2011. Since June 2016, he has been serving as a Director of the Company. He has a wealth of experience and knowledge about the Company's and its Group's business, as well as in business administration.</p> <p>Based on these experiences, he was appointed as a Director since he is highly expected to continue to promote the new Medium-Term Management Plan, and fulfill the duties of significant decision-making for the Company's Group and the administration and oversight of business management as a Director.</p>
Takayuki Kitaoka	<p>Mr. Kitaoka was engaged in business related to IT infrastructure of INTEC Inc., the Company's major subsidiary, and had served for management administration of the Group companies at the Company for three years since April 2012.</p> <p>Furthermore, he has assumed the office of President and Representative Director of INTEC Inc. since April 2018. Based on these experiences and with his sight on the Group management, he was appointed as a Director since he is highly expected to promote the duties of INTEC Inc. assigned by the new Medium-term Management Plan, and fulfill the duties of significant decision-making for the Company's Group and the administration and oversight of business management.</p>
Akira Shinkai	<p>Mr. Shinkai was engaged in business of new service planning and marketing and has assumed the office of Director and Executive Vice President of INTEC Inc., the Company's major subsidiary, since April 2018.</p> <p>Based on these experiences, he was appointed as a Director since he is highly expected to promote the new Medium-term Management Plan, and fulfill the duties of significant decision-making for the Company's Group and the administration and oversight of business management.</p>

External Directors

To help the Group post constant growth and achieve higher corporate value over the medium to long term, TIS strives to keep participation of external directors in good balance with inside directors and looks for people who possess diverse knowledge, experience and capabilities.

Koichi Sano ■ Corporate management ■ Financial accounting	<p>Mr. Sano worked mainly in the finance and accounting departments, and served as Executive Vice-President and Representative Director of Mitsui Chemicals, Inc., and has a wide range of experience and a wealth of expertise in corporate management. He was appointed as an External Director since his advice and suggestions from an independent perspective by utilizing these experiences and expertise in the Company's business will ensure that the decisions to be made by the Company's Board of Directors will be reasonable and appropriate, and he is highly expected to be a person who will contribute to the enforcement of the corporate governance of the Company.</p>
Fumio Tsuchiya ■ Corporate management ■ Industry knowledge ■ International experience	<p>Mr. Tsuchiya previously worked in an important position in overseas offices and the Corporate Planning Department of Japan Airlines Co., Ltd. After having assumed the office of Director of Japan Airlines in June 2004, he served as Managing Director and was thereafter appointed as President & CEO of JALCard, Inc. in June 2007, which is a group company of Japan Airlines. He has a wide range of experience and a wealth of expertise in corporate management.</p> <p>He was appointed as an External Director since his advice and suggestions from an independent perspective by utilizing these experiences and expertise in the Company's business will ensure that the decisions to be made by the Company's Board of Directors will be reasonable and appropriate, and he is highly expected to be a person who will contribute to the enforcement of the corporate governance of the Company.</p>
Naoko Mizukoshi ■ International experience ■ Legal work ■ ICT	<p>Ms. Mizukoshi is a qualified lawyer and has a wealth of professional knowledge and experiences on intellectual property, ICT and international transactions.</p> <p>Her advice and suggestions from an independent perspective will ensure that the decisions to be made by the Company's Board of Directors will be reasonable and appropriate by utilizing these experiences and expertise in the Company's business, and she is highly expected to be a person who will contribute to the enforcement of the corporate governance of the Company.</p> <p>She has not participated in the corporate management but has expertise on corporate legal works. Therefore, she was appointed as a External Director since she could discharge duly duties of External Director.</p>

Audit & Supervisory Board Members

Kei Ando	Mr. Ando has a wealth of expertise in finance and accounting as well as corporate management based on experience accumulated through his service at financial institutions and management of companies over many years. He was appointed as an Audit & Supervisory Board Member, as he is expected to discharge audit and supervisory duties regarding the execution of duties of the Company's directors in a fair and appropriate manner.
Katsuhiko Ishii	Mr. Ishii worked for a financial institution and served as General Manager of the Corporate Department of a Group company. He also served as an advisor at the same Group company. Based on these experiences, he was appointed as an Audit & Supervisory Board Member as he can be expected to oversee the execution of duties of the Company's Directors in a fair and appropriate manner.

External Audit & Supervisory Board Members

To help the Group post constant growth and achieve higher corporate value over the medium to long term, TIS strives to keep participation of external audit & supervisory board members in good balance with inside members and looks for people who possess diverse knowledge, experience and capabilities.

Taigi Ito ■ Corporate management ■ Financial accounting	Mr. Ito is a licensed Certified Public Accountant. His expertise and knowledge in the field of finance and accounting and professional experience are beneficial to the Company in enforcing its audit system. Although he was not directly involved in corporate management, he was appointed as an External Audit & Supervisory Board Member as he was considered to be well qualified to appropriately perform the duties of Audit & Supervisory Board Members given the above credentials.
Muneaki Ueda ■ Corporate management ■ International experience	Mr. Ueda has a wealth of experience and wide-ranging insight as a corporate executive. He was appointed as an External Audit & Supervisory Board Member in expectation of obtaining his overall management advisory and management oversight on execution of duties from an external perspective.
Sadahei Funakoshi ■ Industry knowledge ■ International experience	Mr. Funakoshi has a wealth of experience and knowledge in corporate management, with his experience in the management of investment and loan, credit and administrative departments of Mitsubishi Corporation, as well as his service as an auditor at IT companies. He was appointed as an External Audit & Supervisory Board Member in expectation of obtaining his overall management advisory and management oversight on execution of duties from an external perspective.

Training Policy for Directors and Auditors

For directors and auditors, including external directors and external auditors, the Company will provide and arrange training opportunities that are appropriate for individual directors and auditors and support the cost of such training. The objective of such training is to provide an opportunity to acquire necessary knowledge regarding the

Group's businesses, financial affairs and organization and to understand the duties and responsibilities required for directors and auditors when assuming office, as well as to continuously update these attributes during the term of office.

External Directors and External Auditors

The Company has three external directors and three external auditors. The determination of the independence of external directors and external auditors is prescribed by the requirements of the Companies Act as well as

judgement criteria to ensure the independence of external directors and external auditors as described below, with reference to the rules and regulations of the Tokyo Stock Exchange.

For reference: Criteria Concerning Independence of External Officers

To strengthen the supervisory function of the Board of Directors, the determination of the independence of external directors and external auditors (referred to as "external officers" hereafter) is prescribed by the requirements of the Companies Act as described below, with reference to the rules and regulations of the Tokyo Stock Exchange.

1. External directors (including candidates) are defined by Article 2, Paragraph 15 of the Companies Act (Requirements of External Directors) and have never served as an executive director, manager or other employee of the TIS INTEC Group (Note 1) even in the past.
2. External auditors (including candidates) are defined by Article 2, Paragraph 16 of the Companies Act (Requirements of External Company Auditors) and have never served as a director, manager or other employee of the TIS INTEC Group even in the past.
3. In the current fiscal year and during the past nine fiscal years, none of each of the following items shall apply to external officers.
 - I. A counterparty which has transactions principally with the Company (Note 2) or a person who executes that counterparty's business
 - II. A counterparty which has transactions principally with the TIS INTEC Group (Note 3) or a person who executes that counterparty's business
 - III. A consultant, accounting professional or legal professional who has received a large amount of money or other assets (Note 4) other than remuneration of officers from the Company. In addition, when these are received by an organization such as a corporation or partnership, this includes persons who belong to the applicable organization.
 - IV. A major shareholder of the Company (Note 5). In addition, when the major shareholder is a corporation, this includes a person who executes the business of the corporation.
 - V. A person other than those in (I), (II) and (III) above who executes the business of a counterparty of the Company (Note 6)
 - VI. A person who was formerly a member of a counterparty which is in a situation of cross-assumption of offices of external officers
 - VII. A counterparty or former member of the counterparty that receives donations from the Company
4. External officers must not be a relative within the second degree of a person who falls under each of the following items.
 - I. A person mentioned in (I) to (III) of the previous clause
 - II. A person who executes the business of a subsidiary of the Company
 - III. A non-executive director of a subsidiary of the Company (limited to external auditors)
 - IV. A person who fell under (II) or (III) above or a person who executes the business of the Company (including a non-executive director in the case of an external auditor) recently (in the current business year and during the past four business years)
5. In addition to the above, there exist no circumstances in which duties imposed on an independent external officer are reasonably deemed not to be achieved.

Note 1: The "TIS INTEC Group" means the Company and its subsidiaries.

Note 2: A "counterparty which has transactions principally with the Company" means a counterparty which provides products or services to the Company and whose payments from the Company constitute at least 2% of the sales of such counterpart in one fiscal year. The main bank (MUFG Bank, Ltd.) and the lead managing underwriters (Nomura Securities Co., Ltd., Mitsubishi UFJ Morgan Stanley Securities Co, Ltd., and SMBC Nikko Securities Inc.) of the Company shall also each be a "counterpart which has transactions principally with the Company," regardless of the transaction amount.

Note 3: A "counterparty which has transactions principally with the TIS INTEC Group" means a counterparty with sales exceeding 2% of the total consolidated sales of the TIS INTEC Group.

Note 4: "A large amount of money or other assets" means the total value exceeds 10 million yen per fiscal year. This shall apply also to a consultant, accounting professional or legal professional that enters a consulting agreement or similar arrangement and periodically pays an amount of money or other assets, regardless of the amount.

Note 5: A "major shareholder" means a person or company, and the like, that directly or indirectly holds 10% or more of total voting rights. However, the Company's leading shareholders (the top 10 approximately) shall be treated as "major shareholders."

Note 6: A "counterparty which has transactions with the Company" means the case when transactions with the Company per fiscal year constitute at least 2% of non-consolidated sales of the Company.

Primary Activities of External Directors and External Auditors (Year ended March 31, 2018)

Status	Name	Primary Activities
Director	Yoshinobu Ishigaki	Mr. Ishigaki attended all 16 meetings of the Board of Directors held in fiscal 2018. He provided comments as necessary in discussions of matters for resolution, based on his experience in the industry and in corporate management and the insights thus gained.
Director	Koichi Sano	Mr. Sano attended all 16 meetings of the Board of Directors held in fiscal 2018. He provided comments as necessary in discussions of matters for resolution, based on his experience in corporate management and the insights thus gained.
Director	Fumio Tsuchiya	Mr. Tsuchiya attended 10 of 12 meetings of the Board of Directors held after his appointment on June 27, 2017. He provided comments as necessary in discussions of matters for resolution, based on his experience and insights regarding corporate management.
Auditor	Taigi Ito	Mr. Ito attended 15 of 16 meetings of the Board of Directors and all 13 meetings of the Audit & Supervisory Board held in fiscal 2018. He provided comments as necessary in discussions of matters for resolution, from the specialized perspective of a Certified Public Accountant.
Auditor	Muneaki Ueda	Mr. Ueda attended 15 of 16 meetings of the Board of Directors and all 13 meetings of the Audit & Supervisory Board held in fiscal 2018. He provided comments as necessary in discussions of matters for resolution, based on his experience and insights into corporate management.
Auditor	Sadahei Funakoshi	Mr. Funakoshi attended all 16 meetings of the Board of Directors and all 13 meetings of the Audit & Supervisory Board held in fiscal 2018. He provided comments as necessary in discussions of matters for resolution, based on his experience and insights into corporate management.

Note: Director Yoshinobu Ishigaki completed his term as of the 10th Annual General Meeting of Shareholders convened on June 26, 2018, and retired from his position.

Outline of Liability Agreements

In accordance with Article 427, Paragraph 1 of the Companies Act, each external director and external auditor enters into an agreement with the Company that limits legal responsibility for liability compensation as set forth

under Article 423, Paragraph 1 of the same law. The limit of liability compensation, based on these agreements, is an amount prescribed by the provisions of Article 425, Paragraph 1, of the same law.

Outline of Policy on Officers' Remuneration

To ensure the objectivity and transparency of the remuneration determination process and further strengthen the corporate governance system, the Company has established a voluntary remuneration committee mainly comprising external directors as an advisory body to the Board of Directors.

The basic policy on officers' remuneration is to provide incentives to improve performance through a system of remuneration linked to measures of Company performance, and remuneration is determined based on resolutions adopted by the Board of Directors in light of discussions at the Remuneration Committee and its reports.

The Company's remuneration for directors consists of basic remuneration and performance-linked remuneration. Basic remuneration is paid according to the size of the role

and scope of responsibilities of each position. Performance-linked remuneration is linked to attainment of the measures of company performance established on the basis of the management plan for each fiscal year, and shall not exceed the proportion of basic remuneration (up to a maximum of 30%) determined for each position.

Remuneration paid to external directors consists only of basic remuneration and performance-linked remuneration will not be paid.

In addition, remuneration is paid to auditors after being determined through consultation by auditors. It is not linked to performance and consists solely of basic remuneration in order to ensure a high degree of independence.

Furthermore, based on the viewpoint of reflecting medium- to long-term business performance, directors

(excluding external directors) shall contribute at least a certain portion of their basic remuneration to the purchase of the Company's own stock through the share ownership plan for directors and officers, and they shall retain such stock in full for the duration of their period in office so that the acquired stock shares value with all shareholders.

Note that in order to enhance awareness of contributing to an improvement in medium- to long-term business

performance and an increase in corporate value, as well as to share interests with all shareholders, the Company introduced a performance-linked stock remuneration system targeting the Company's directors, executive officers and executive fellows (excluding external directors, non-executive directors and residents outside Japan) in fiscal 2019.

Remuneration for Directors and Audit & Supervisory Board Members (Year ended March 31, 2018)

	Remuneration (Millions of yen)	Remuneration by type		Recipients (Persons)
		Basic remuneration	Performance-linked remuneration	
Directors (except external directors)	204	159	44	4
Audit & Supervisory Board Members (except external members)	41	41	—	2
External officers	50	50	—	7

Note 1: The Company does not maintain a retirement bonus system for directors, and does not pay any directors' bonuses.

Note 2: Remuneration for directors in fiscal 2018, ended March 31, 2018, does not include the employee portion in the case of directors.

Note 3: As of March 31, 2018, the Company had seven (7) directors, excluding external directors. The discrepancy between the number of directors and the number shown under "Recipients" is due to three (3) directors that received no remuneration.

Note 4: The above includes one (1) external director who retired as of the conclusion of the 9th Ordinary General Shareholders Meeting held on June 27, 2017.

Constructive Dialogue with Shareholders

In the case of dialogue with shareholders, the corporate communication department will strive to ensure that the opinions of shareholders are shared at the entire Board of Directors by responding appropriately after considering

the method of response with the President and Representative Director, the director in charge, and the executive officer in charge.

Strategically Held Shares

1. Policy regarding acquisition and ownership of strategically held shares

The Company holds the shares of other companies only when it believes this is necessary for such purposes as establishing long-term, stable relationships with customers and promoting business that will contribute to the Company's sustainable growth and the enhancement of its medium- to long-term corporate value. Each year, we regularly verify that major strategic holdings will contribute to the Company's sustainable growth and the enhancement of its medium- to long-term corporate value.

2. Policy on exercising voting rights relating to strategically held shares

The Company appropriately exercises voting rights for listed shares that it holds after comprehensively determining whether this will contribute to the Company's sustainable growth and the enhancement of its medium- to long-term corporate value and whether this will contribute to the common interests of the shareholders of the investee company.

Takeover Defense Measures

TIS has not introduced takeover defense measures.

Status of Internal Control Systems and Risk Management Structure

The Company revised its Basic Policies Regarding Internal Control Systems at a meeting of the Board of Directors on June 24, 2016, in order to accommodate the merger by absorption with wholly owned subsidiary TIS Inc. on July 1, 2016. The revisions reflect changes to the management structure resulting from the Company's adoption of an operating holding company structure, and internal control systems have been developed and put into effect based on the new policies.

More specifically, the Company has adopted a "Group Management Philosophy" and "Basic Group Policy on CSR," in accordance with which it is working to ensure business is conducted properly and to make improvements that enhance corporate value by developing group-wide internal control systems (including structures for business administration, compliance, risk management, and internal audits).

Internal control at the Company is organized as follows.

Group Internal Control Committee

The Group Internal Control Committee identifies issues concerning the internal control of the Group as a whole, assesses progress on implementing improvements, and performs other related tasks from the following four standpoints.

Compliance

The Committee deliberates significant compliance issues affecting the Group as a whole and embeds good compliance practices throughout the Group by determining and managing progress on implementation of measures to prevent recurrences of incidents in accordance with compliance regulations.

The Committee has also introduced an internal group-wide whistleblower system and launched a whistleblower support service as means of preventing illegal acts and detecting and rectifying them as soon as possible when they occur, and it is working to raise awareness of legal compliance throughout the Group.

Risk Management

The Committee classifies the risks facing the Group as a whole into hazard risks, operational risks, financial risks, and strategic risks, and it has established structures for managing these risks and systems of accountability should crises arise in accordance with risk management regulations.

The Committee has also drawn up group risk management policies for the Company and the Group as a whole, and it monitors risks, promotes risk mitigation measures, and confirms the state of implementation of risk countermeasures.

Information Security

The Committee ascertains, assesses, and promotes improvements to the standard of information security management throughout the Group in accordance with regulations on promoting group information security. The Committee has also set up investigative committees when information security incidents occur, and it has established systems of accountability and other structures to resolve incidents (including by identifying causes, implementing countermeasures, and pursuing measures to prevent a recurrence).

Assessment of Development and Operation Status of Internal Control Systems

The Committee promotes various measures to maintain and improve group-wide internal controls in accordance with the Basic Policies Regarding Internal Control Systems and other rules and regulations, and it has established processes for monitoring the development and operation status of internal control systems and reporting the findings of deliberation by the Committee to the Board of Directors. Action is then taken to strengthen and improve internal control systems throughout the Group based on the reports made to the Board of Directors.

Business Risks

Risks with the potential to significantly impact the operations—business results and financial position—of the Group are described below. Note that forward-looking statements mentioned in these materials are based on information available to management as of June 27, 2018.

1. Price competition and heightened competition

Competition in the information services industry is fierce and the rising number of entrants from other industries may further increase price competition. The Group seeks to distinguish itself from its competitors by adding greater value to the information services that it provides and by improving productivity. However, the Group's business activities and results may be affected if price competition is greater than expected.

2. Legal systems and compliance

Group companies pursue their business activities in line with prevailing laws and regulations in Japan and overseas. Individual companies have established their own compliance systems and pursue rigorous legal compliance in accordance with the Group's basic policy on CSR. However, the Group's business activities and results may be affected if legal violations occur or additional laws or regulations are put into force.

3. Overseas business

As part of its growth strategy, the Group seeks to expand its presence overseas, especially in the ASEAN region. Overseas business can be affected by a variety of factors, including global economic trends, exchange rate movements, legal regulations pertaining to investment and competition, business practices, and labor-management relations. Steps are being taken to strengthen risk management of overseas business by, among other things, having overseas group companies and operations work hand in hand with TIS's core organizations to keep a close track of circumstances and consult promptly on countermeasures. However, the Group's business activities and results may be affected if these risks materialize in an unexpected form.

4. System development

The Group provides information system services and contracted development services to other companies. Quality control and productivity are being continually improved by thoroughly reviewing project proposals and processes. These reviews are conducted by dedicated teams in accordance with our quality management system. Level-specific training is also being enhanced to improve our management and technological capabilities. Measures to enhance quality and facilitate adoption of production innovations are additionally being implemented throughout the entire Group under the leadership of the Group Production Innovation Committee. As systems development is growing more sophisticated and complex and turnaround times are shortening, however, customer requirements may change in the course of a project and necessitate extra work in order to achieve the planned level of quality or complete the project during the development period. If this occurs, considerably higher than expected costs may be incurred.

We also outsource some systems development work to numerous companies for various reasons, including in order to gain access to more production capacity, improve production efficiency, or make use of other companies' technological resources. While we make every effort to work with partners of good standing in Japan and overseas, the Group's business activities and results may be affected if the productivity or quality of work produced by a partner does not meet expectations and project management is impeded as a result.

5. System operation

The Group delivers 24/7/365 outsourcing and cloud services via data centers and other large IT facilities. Developing these services requires large outlays, ranging from initial investment in equipment to ongoing investment in keeping this equipment running. Although we track business projects and recover capital invested, business results may be adversely affect if capacity utilization is particularly low due to weaker than expected demand. In addition, although system operations are being continuously improved in adherence to our quality management system, the Group's business activities and results may be affected if disruptions caused by hardware failures or human error prevent delivery of the level of service agreed with clients.

6. Investment

The Group invests in businesses (including startups) in Japan and overseas with the aim of achieving business growth and acquiring cutting-edge technologies, and it also invests in software to develop services. Investment decisions are made in line with business plans after careful consideration, and progress is periodically confirmed once an investment has been made. However, investments may not always deliver the planned outcomes due to factors such as unexpected changes in the business environment, and the Group's business results may be affected as a result.

7. Information security

The Group may gain access to confidential information, including personal information held by clients as well as information on clients' systems and technologies, in the course of developing and running systems for them. Efforts are made to properly manage information in accordance with the TIS INTEC Group Information Security Policy. However, the Group's business activities and results may be affected if such information is leaked, altered, or otherwise affected by such means as a computer virus or unauthorized access, and a claim for damages is made against the Group or the Group suffers damage to its reputation as a result.

8. Human resources

The Group relies heavily on human resources and its business activities are significantly influenced by its ability to attract, retain, and train people capable of providing specialized, high value-added services to clients. The Group endeavors to attract and retain talent by such means as creating a corporate culture, personnel systems, and office environment that allow diverse individuals to maximize their potential, and it places a focus on development of human resources by, for example, helping employees to acquire qualifications, systematizing training programs, and setting targets for the number of days that training should be provided. However, the Group's business activities and results may be affected if recruitment, retainment, and training of talented personnel does not proceed as well as expected.

9. Technological innovation

In the information services industry, providers must respond quickly to advances in information technology and to changing market needs that parallel these advances. The Group is constantly exploring and researching information technologies, production, development technologies, and other relevant fields to improve its ability to respond to market needs. Given the pace of innovation in a wide range of fields, however, the Group's business results may be affected if it responds inadequately.

10. Intellectual property rights

The Group applies for and obtains necessary patents on technologies and business models and registers trademarks in Japan and overseas to assist its business operations. Although care is always taken to avoid infringing the intellectual property rights of third parties, a claim for damages may nevertheless be made against the Group for infringement of another company's intellectual property rights. The Group's business activities and results may be affected if this occurs.

11. Natural disasters

The Group offers outsourcing and cloud services through data centers and other large IT facilities. These facilities are equipped with various systems and structures to deal with a range of disasters. However, the Group's business activities and results may be affected in the event of a longer than anticipated power outage, major natural disaster, international conflict, act of terrorism, serious crime, or similar event that interrupts the smooth running of data center operations.

12. Securities portfolio

The Group holds stocks to build stable and long-term relationships with suppliers and promote sales, and bonds to utilize surplus capital. Every effort is made to ensure the security of these investments by checking the financial status, performance, and credit rating of the issuers and other relevant factors. However, the Group's business activities and results may be affected in the event of marked fluctuations in the stock market that lead to accounting losses or other such consequences.

Consolidated Financial Summary

TIS Inc., and consolidated subsidiaries
Years ended March 31

(Millions of yen)

	Fiscal 2011	Fiscal 2012	Fiscal 2013	Fiscal 2014	Fiscal 2015	Fiscal 2016	Fiscal 2017	Fiscal 2018
Net sales	323,173	327,417	337,834	346,647	361,025	382,689	393,398	405,648
Cost of sales	261,145	266,159	276,935	283,881	294,927	312,153	317,440	321,286
Gross profit	62,027	61,258	60,899	62,766	66,097	70,535	75,958	84,362
Selling, general and administrative expenses	49,209	45,636	42,727	43,255	44,976	46,099	48,938	51,618
Operating income	12,818	15,621	18,171	19,510	21,121	24,436	27,019	32,743
Recurring profit	12,625	15,393	17,440	18,971	21,251	24,521	27,092	32,795
Net income attributable to owners of the parent company	5,985	2,135	5,868	7,913	10,275	12,678	16,306	20,620
Current assets	128,455	142,442	138,219	143,519	140,450	166,666	152,162	168,670
Fixed assets	172,620	167,560	164,083	170,091	205,401	169,828	185,459	200,833
Total assets	301,076	310,003	302,302	313,610	345,851	336,495	337,622	369,504
Current liabilities	73,090	83,065	91,063	72,790	77,666	91,508	78,676	81,312
Non-current liabilities	76,875	75,972	53,079	76,316	79,395	64,447	59,743	61,893
Total liabilities	149,965	159,038	144,143	149,107	157,062	155,955	138,420	143,205
Net assets	151,110	150,965	158,159	164,502	188,789	180,539	199,202	226,298
Total liabilities and net assets	301,076	310,003	302,302	313,610	345,851	336,495	337,622	369,504
Total interest-bearing debt	77,454	76,515	60,550	58,869	52,115	46,158	35,144	32,876
Cash flow from operating activities	27,236	23,658	21,515	25,770	22,938	25,496	18,952	36,386
Cash flow from investing activities	(18,957)	(15,158)	(14,391)	(5,334)	(17,744)	8,688	(23,488)	(14,202)
Cash flow from financing activities	(18,755)	(4,230)	(19,883)	(5,872)	(19,067)	(14,979)	(18,327)	(10,543)
Cash and cash equivalents at the end of the term	36,492	41,119	28,433	43,142	29,485	48,651	25,730	37,545
Free cash flow	8,279	8,500	7,124	20,436	5,194	34,184	(4,536)	22,184
Capital expenditures	18,325	14,096	12,287	12,544	16,873	14,210	15,159	16,907
Depreciation	12,308	12,745	12,920	12,454	12,809	11,952	11,801	12,572
Research and development expenses	1,062	962	1,002	853	1,097	1,086	1,178	996
Amortization of goodwill	1,901	1,882	1,741	1,166	1,052	339	326	289
Goodwill balance at the end of the term	5,551	3,672	1,914	830	2,021	1,393	1,332	1,118
Net income per share—basic (yen)	68.19	24.33	66.86	90.16	117.40	145.22	189.02	241.44
Net income per share—diluted (yen)	—	24.33	66.83	90.12	—	—	—	—
Dividends per share (yen)	32.00	18.00	21.00	25.00	30.00	33.00	36.00	40.00
Payout ratio (%)	46.9%	74.0%	31.4%	27.7%	25.6%	22.7%	19.0%	16.6%
Net assets per share (yen)	1,636.56	1,636.72	1,714.88	1,782.23	2,108.19	2,031.07	2,265.76	2,602.07
Interest-bearing debt ratio (%)	25.7%	24.7%	20.0%	18.8%	15.1%	13.7%	10.4%	8.9%
Equity ratio (%)	47.7%	46.3%	49.8%	49.9%	53.3%	52.5%	57.8%	60.0%
Net income to equity capital ratio (ROE) (%)	4.2%	1.5%	3.9%	5.1%	6.0%	7.0%	8.8%	9.9%
Recurring profit to total assets ratio (ROA) (%)	4.1%	5.0%	5.7%	6.2%	6.4%	7.2%	8.0%	9.3%
Number of employees at the end of the term	20,831	20,347	19,553	19,081	19,090	19,393	19,843	19,877
Number of new-graduate recruits	928	649	356	455	620	688	674	712
Number of regular recruits	370	450	379	549	499	687	575	840

Notes: 1. Total interest-bearing debt indicates the total sum of borrowed money and corporate bonds.
2. Free cash flows indicate the total sum of cash flows from operating activities and cash flows from investing activities.