

Consolidated Financial Summary

TIS Inc., and consolidated subsidiaries
Years ended March 31

(Millions of yen)

	Fiscal 2009	Fiscal 2010	Fiscal 2011	Fiscal 2012	Fiscal 2013	Fiscal 2014	Fiscal 2015	Fiscal 2016	Fiscal 2017	Fiscal 2018	Fiscal 2019
Net sales	338,302	313,856	323,173	327,417	337,834	346,647	361,025	382,689	393,398	405,648	420,769
Cost of sales	272,944	254,827	261,145	266,159	276,935	283,881	294,927	312,153	317,440	321,286	325,985
Gross profit	65,357	59,029	62,027	61,258	60,899	62,766	66,097	70,535	75,958	84,362	94,784
Gross profit ratio (%)	19.3%	18.8%	19.2%	18.7%	18.0%	18.1%	18.3%	18.4%	19.3%	20.8%	22.5%
Selling, general and administrative expenses	41,569	43,032	49,209	45,636	42,727	43,255	44,976	46,099	48,938	51,618	56,740
Selling, general and administrative expenses ratio (%)	12.3%	13.7%	15.2%	13.9%	12.6%	12.5%	12.5%	12.0%	12.4%	12.7%	13.5%
Operating income	23,787	15,996	12,818	15,621	18,171	19,510	21,121	24,436	27,019	32,743	38,043
Operating income ratio (%)	7.0%	5.1%	4.0%	4.8%	5.4%	5.6%	5.9%	6.4%	6.9%	8.1%	9.0%
Recurring profit	23,604	15,719	12,625	15,393	17,440	18,971	21,251	24,521	27,092	32,795	38,603
Recurring profit ratio (%)	7.0%	5.0%	3.9%	4.7%	5.2%	5.5%	5.9%	6.4%	6.9%	8.1%	9.2%
Net income attributable to owners of the parent company	9,406	7,659	5,985	2,135	5,868	7,913	10,275	12,678	16,306	20,620	26,034
Net income ratio (%)	2.8%	2.4%	1.9%	0.7%	1.7%	2.3%	2.8%	3.3%	4.1%	5.1%	6.2%
Current assets	140,799	141,967	128,455	142,442	138,219	143,519	140,450	166,666	152,162	162,064	176,231
Fixed assets	154,527	171,109	172,620	167,560	164,083	170,091	205,401	169,828	185,459	204,889	194,426
Total assets	295,327	313,077	301,076	310,003	302,302	313,610	345,851	336,495	337,622	366,954	370,657
Current liabilities	82,051	86,255	73,090	83,065	91,063	72,790	77,666	91,508	78,676	81,310	91,126
Non-current liabilities	67,058	71,746	76,875	75,972	53,079	76,316	79,395	64,447	59,743	59,344	45,121
Total liabilities	149,110	158,001	149,965	159,038	144,143	149,107	157,062	155,955	138,420	140,655	136,248
Net assets	146,216	155,075	151,110	150,965	158,159	164,502	188,789	180,539	199,202	226,298	234,408
Total liabilities and net assets	295,327	313,077	301,076	310,003	302,302	313,610	345,851	336,495	337,622	366,954	370,657
Total interest-bearing debt	80,532	91,646	77,454	76,515	60,550	58,869	52,114	46,158	35,144	32,876	29,893
Interest-bearing debt ratio (%)	27.3%	29.3%	25.7%	24.7%	20.0%	18.8%	15.1%	13.7%	10.4%	8.9%	7.3%
Cash flow from operating activities	34,311	31,400	27,236	23,658	21,515	25,770	22,938	25,496	18,952	36,386	37,558
Cash flow from investing activities	(20,079)	(25,726)	(18,957)	(15,158)	(14,391)	(5,334)	(17,744)	8,688	(23,488)	(14,202)	(1,213)
Cash flow from financing activities	(6,877)	6,139)	(18,755)	(4,230)	(19,883)	(5,872)	(19,067)	(14,979)	(18,327)	(10,543)	(16,773)
Cash and cash equivalents at the end of the term	35,104	46,987	36,492	41,119	28,433	43,142	29,485	48,651	25,730	37,545	57,083
Free cash flow	14,232	5,674	8,279	8,500	7,124	20,436	5,194	34,184	(4,536)	22,184	36,345
Capital expenditures	13,139	15,676	18,325	14,096	12,287	12,544	16,873	14,210	15,159	16,907	13,334
Depreciation	10,996	11,978	12,308	12,745	12,920	12,454	12,809	11,952	11,801	12,572	12,783
Research and development expenses	946	912	1,062	962	1,002	853	1,097	1,086	1,178	996	1,003
Amortization of goodwill	1,149	1,389	1,901	1,882	1,741	1,166	1,052	339	326	289	289
Goodwill balance at the end of the term	5,053	6,863	5,551	3,672	1,914	830	2,021	1,393	1,332	1,118	503
Number of employees at the end of the term	15,259	20,476	20,831	20,347	19,553	19,081	19,090	19,393	19,843	19,877	19,483
Number of new-graduate recruits	919	974	928	649	356	455	620	688	674	712	892
Number of regular recruits	1,117	512	370	450	379	549	499	687	575	840	661
Order Status (Software development)											
Orders received during the term	156,385	146,621	162,287	174,680	179,352	172,721	199,842	207,345	208,307	219,225	238,298
Order backlog at year-end	52,808	49,569	47,967	57,778	62,055	58,869	71,095	69,961	64,751	67,716	75,549

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.
3. From the first quarter of fiscal 2019, TIS applies "Partial Amendments to Accounting Standard for Tax Effect Accounting" (Accounting Standards Board of Japan, Statement No. 28, February 16, 2018). Figures for fiscal 2018 have been retrospectively restated in line with the aforementioned partial amendments.

	Fiscal 2009	Fiscal 2010	Fiscal 2011	Fiscal 2012	Fiscal 2013	Fiscal 2014	Fiscal 2015	Fiscal 2016	Fiscal 2017	Fiscal 2018	Fiscal 2019
Equity ratio (%)	44.4%	44.2%	47.7%	46.3%	49.8%	49.9%	53.3%	52.5%	57.8%	60.4%	62.0%
Net income to equity capital ratio (ROE) (%)	7.4%	5.7%	4.2%	1.5%	3.9%	5.1%	6.0%	7.0%	8.8%	9.9%	11.5%
Net income ratio (%)	2.8%	2.4%	1.9%	0.7%	1.7%	2.3%	2.8%	3.3%	4.1%	5.1%	6.2%
Total asset turnover ratio	1.16	1.03	1.05	1.07	1.10	1.13	1.09	1.12	1.17	1.15	1.14
Financial leverage	2.28	2.26	2.18	2.13	2.08	2.01	1.93	1.89	1.81	1.69	1.63
Recurring profit to total assets ratio (ROA) (%)	8.0%	5.2%	4.1%	5.0%	5.7%	6.2%	6.4%	7.2%	8.0%	9.3%	10.5%
Net income per share—basic (yen)	110.74	89.25	68.19	24.33	66.86	90.16	117.40	145.22	189.02	241.44	307.83
Net income per share—diluted (yen)	110.72	—	—	24.33	66.83	90.12	—	—	—	—	—
Annual dividends per share (yen)	32.00	32.00	32.00	18.00	21.00	25.00	30.00	33.00	36.00	40.00	70.00
Payout ratio (%)	28.9%	35.9%	46.9%	74.0%	31.4%	27.7%	25.6%	22.7%	19.0%	16.6%	22.8%
Total return ratio (%)	28.9%	35.9%	46.9%	74.0%	31.4%	27.7%	30.4%	35.3%	31.9%	30.5%	39.0%
Net assets per share (yen)	1,541.17	1,602.77	1,636.56	1,636.72	1,714.88	1,782.23	2,108.19	2,031.07	2,265.76	2,602.07	2,719.79
Stock price at fiscal year-end (yen)	1,134	1,138	870	968	1,243	1,694	2,193	2,664	2,832	4,210	5,240
Highest stock price during the term	2,355	1,995	1,377	978	1,328	1,854	2,257	3,085	2,959	4,410	6,040
Lowest stock price during the term	900	952	655	654	798	1,020	1,524	2,156	2,180	2,742	4,060
Price earning ratio (PER) (times)	10.2	12.8	12.8	39.8	18.6	18.8	18.7	18.3	15.0	17.4	17.0
Price book-value ratio (PBR) (times)	0.74	0.71	0.53	0.59	0.72	0.95	1.04	1.31	1.25	1.62	1.93
Aggregate market value (millions of yen)	97,946	98,293	76,376	84,979	109,121	148,714	192,521	233,870	248,618	369,592	460,014
Number of outstanding shares at fiscal year-end (thousands)	86,372	86,373	87,789	87,789	87,789	87,789	87,789	87,789	87,789	87,789	87,789
Number of treasury stock at fiscal year-end (thousands)	1,337	22	15	16	19	4	320	864	1,701	2,613	3,358
Average number of shares during the term (thousands)	84,943	85,821	87,772	87,773	87,771	87,774	87,522	87,305	86,268	85,406	84,574
Total shareholder return (TSR) (%)	62.2%	64.1%	51.5%	57.7%	73.5%	98.9%	127.1%	154.0%	164.9%	240.5%	295.9%
Comparison index: dividend included TOPIX (%)	65.2%	83.8%	76.1%	76.5%	94.7%	112.3%	146.8%	130.9%	150.1%	173.9%	165.2%
Sales by Client Sector											(Millions of yen)
Net sales	338,302	313,856	323,173	327,417	337,834	346,647	361,025	382,689	393,398	405,648	420,769
Credit card	71,761	57,151	52,614	45,084	48,846	49,402	53,743	59,274	65,006	73,314	73,648
Banking	26,862	23,480	25,819	26,702	26,230	29,049	25,444	27,867	28,233	27,452	26,583
Insurance	22,084	21,088	23,448	22,931	23,836	25,269	24,972	26,339	25,356	26,262	27,279
Other finance	19,857	19,062	19,178	23,416	21,337	23,481	23,312	20,406	20,857	22,127	19,502
Assembly-based manufacturing	44,977	40,196	46,323	40,363	38,824	40,904	45,785	49,455	42,723	43,777	46,028
Processing-based manufacturing	32,764	29,630	26,135	31,074	38,468	33,843	34,960	35,061	36,953	38,366	38,081
Distribution	26,602	24,983	22,870	26,267	27,398	30,009	31,775	32,702	31,773	28,872	32,908
Services	55,296	61,874	70,017	71,012	73,425	72,666	77,535	79,601	89,607	93,258	103,531
Public institutions	29,046	28,217	28,015	30,107	28,225	30,393	29,891	36,603	37,002	35,923	34,863
Others	9,055	8,175	8,754	10,456	11,241	11,626	13,604	15,376	15,882	16,292	18,343

Board of Directors, Audit & Supervisory Board Members and Executive Officers

(As of June 25, 2019)



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



Standing Audit & Supervisory Board Members, front row from the left, Katsuhiko Ishii, and Tatsufumi Matsuoka. External Audit & Supervisory Board Members, back row from the left, Muneaki Ueda, Taigi Ito, and Sadahei Funakoshi.

Chairman and President	Toru Kuwano
Representative Director, Executive Vice President	Masahiko Adachi
Director and Senior Managing Executive Officer	Yasushi Okamoto
Director and Senior Managing Executive Officer	Josaku Yanai
Director	Takayuki Kitaoka (President and Representative Director of INTEC Inc.)
Director	Akira Shinkai (Director, Executive Vice President of INTEC Inc.)
External Director	Koichi Sano*
External Director	Fumio Tsuchiya*
External Director	Naoko Mizukoshi* (Partner of Leftright Law & IP)
Standing Audit & Supervisory Board Member	Katsuhiko Ishii
Standing Audit & Supervisory Board Member	Tatsufumi Matsuoka
External Audit & Supervisory Board Member	Taigi Ito* (Certified Public Accountant and President, Ito Office)
External Audit & Supervisory Board Member	Muneaki Ueda* (Chairman, Professional Bank, Inc.)
External Audit & Supervisory Board Member	Sadahei Funakoshi*

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

Senior Managing Executive Officer	Jun Ikimune	
Managing Executive Officer	Masahiro Hosokawa	Tetsuya Asano
	Takashi Mori	Kiyotaka Nakamura
	Saburo Kato	Tsuyoshi Fukuda
	Hiroyuki Kodake	Kei Ando
	Shinichi Horiguchi	Naoto Kita
	Masahiro Ueda	
Executive Officer	Fumiyasu Mase	Hidehiko Shimoyama
	Teruaki Akutsu	Kyoko Takayanagi
	Akira Ogane	Tsuneoyoshi Ito
	Satoru Tayasu	Yasushi Tajima
	Thanawat Lertwattanak	Ikuo Shimizu
	Hiroto Ito	Isao Otokita
	Manabu Yano	Yoshiyuki Hayashi

TIS INTEC Group (As of July 1, 2019)

Domestic Group Companies

[Principal Companies]

TIS Inc.

- INTEC Inc.
- AGREX INC.
- QUALICA INC.
- AJS Inc.

- IUK Inc.
- INTEC Solution Power Inc.
- KOUSHI INTEC Inc.
- SKY INTEC INC.
- SorunPure Inc.
- Chuo System Corporation
- TIS System Service Inc.
- TIS Solution Link Inc.
- TIS Tohoku Inc.
- TIS Total Service Inc.
- TIS Nagano Inc.
- TIS West Japan Inc.
- TIS Business Consultants Inc.
- TIS Beijing Inc.
- TIS Hokkaido Inc.
- Registration Network, Ltd.
- NEOAXIS Co., Ltd.
- Nexway Co., Ltd.
- HOKKOKU INTEC SERVICE Inc.
- MicroMates Corp.

Overseas Subsidiaries

[China]

- INTEC Information Technology (Wuhan) Co., Ltd.
- QUALICA (SHANGHAI) Inc.
- TISI (Shanghai) Co., Ltd.

[Singapore]

- QUALICA Asia Pacific Pte. Ltd.
- TISI (Singapore) Pte. Ltd.

[Thailand]

- Baseline Technology Consultants Co., Ltd.
- CODE IT Consulting Co., Ltd.
- ECM Consulting Co., Ltd.
- I-AGREX (Thailand) Co., Ltd.
- I AM Consulting Co., Ltd.
- i Coach Co., Ltd.
- iHR Consulting Co., Ltd.
- ITS-Tradeship Co., Ltd.
- PromptNow Co., Ltd.
- TISI (Thailand) Co., Ltd.

[Vietnam]

- AGREX (Vietnam) Co., Ltd.
- INTEC Vietnam Co., Ltd.

[Myanmar]

- PromptNow (Myanmar) Co., Ltd.

[United States]

- INTEC Innovative Technologies USA, Inc.
- TIS Ventures, Inc.

- Consolidated Subsidiaries
- Non-Consolidated Subsidiaries

Domestic Business Hubs

We have an extensive business presence, particularly in Tokyo, Nagoya, Osaka and Toyama. We have the largest data center network in Japan, with locations in major urban centers.



International Business Hubs

We are pursuing development mainly in the ASEAN region. (Shifting from offshore development hub to business hub)



The TIS INTEC Group has data centers in major cities in Japan, including Tokyo, Nagoya, Osaka and Toyama, as well as in Asian major cities. The Group, as a whole, has earned a solid reputation for reliability from clients for providing a cloud environment that boasts the experience and know-how accumulated over more than 40 years through round-the-clock, 365-day operation of data centers equipped with state-of-the-art facilities and highly secure features to protect against the risk of natural disasters and power failures.

Key Features of the TIS INTEC Group Data Center Network

- High operating quality and latest equipment
- Enables clients to achieve business continuity through access to Japan's largest data center network
- Highly reliable cloud environment platform

Corporate Data

(As of June 30, 2019)

Company name	TIS Inc.
Founded	April 28, 1971
Established	April 1, 2008
Main business	Outsourcing services, software development, and solution services regarding investments in information technology. Management and business execution of group companies that carry on information and communication business
Head office	Sumitomo Fudosan Shinjuku Grand Tower, 17-1, Nishi-shinjuku 8-chome, Shinjuku-ku, Tokyo, 160-0023, Japan TEL. +81-3-5337-7070 FAX. +81-3-5337-7555
Paid-in capital	¥10 billion
Number of shares authorized	280,000,000 shares
Number of shares issued	87,789,098 shares (As of March 31, 2019)
Number of shareholders	10,759 (As of March 31, 2019)
Stock listing	Tokyo Stock Exchange, First Section (Securities code: 3626)
Number of employees (consolidated)	19,483 (full-time employees) (As of March 31, 2019)

Major Shareholders

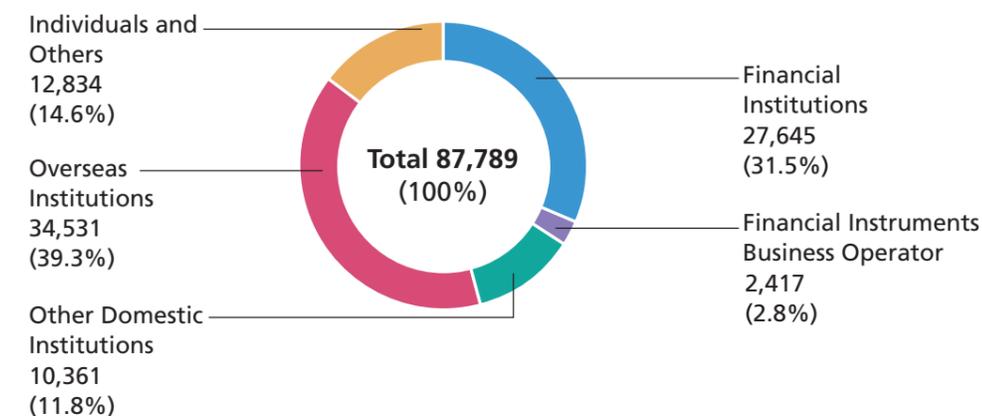
(As of March 31, 2019)

Name	Number of shares (Thousands)	Shareholding ratio (%)
ICHIGO TRUST PTE. LTD.	5,798	6.83
The Master Trust Bank of Japan, Ltd. (Trust Account)	4,560	5.37
Japan Trustee Services Bank, Ltd. (Trust Account)	3,458	4.07
Japan Trustee Services Bank, Ltd. (Trust Account 9)	2,509	2.96
Employees' Shareholding Association of TIS INTEC Group	2,226	2.62
Nippon Life Insurance Company	2,073	2.44
MUFG Bank, Ltd.	1,654	1.95
The Master Trust Bank of Japan, Ltd. (Retirement Benefit Trust Account, Mitsubishi Electric Corporation Account)	1,598	1.88
BNYM SA/NV FOR BNYM FOR BNYM GCM CLIENT AC (M) LBM FE	1,500	1.77
Japan Trustee Services Bank, Ltd. (Trust Account 5)	1,283	1.51

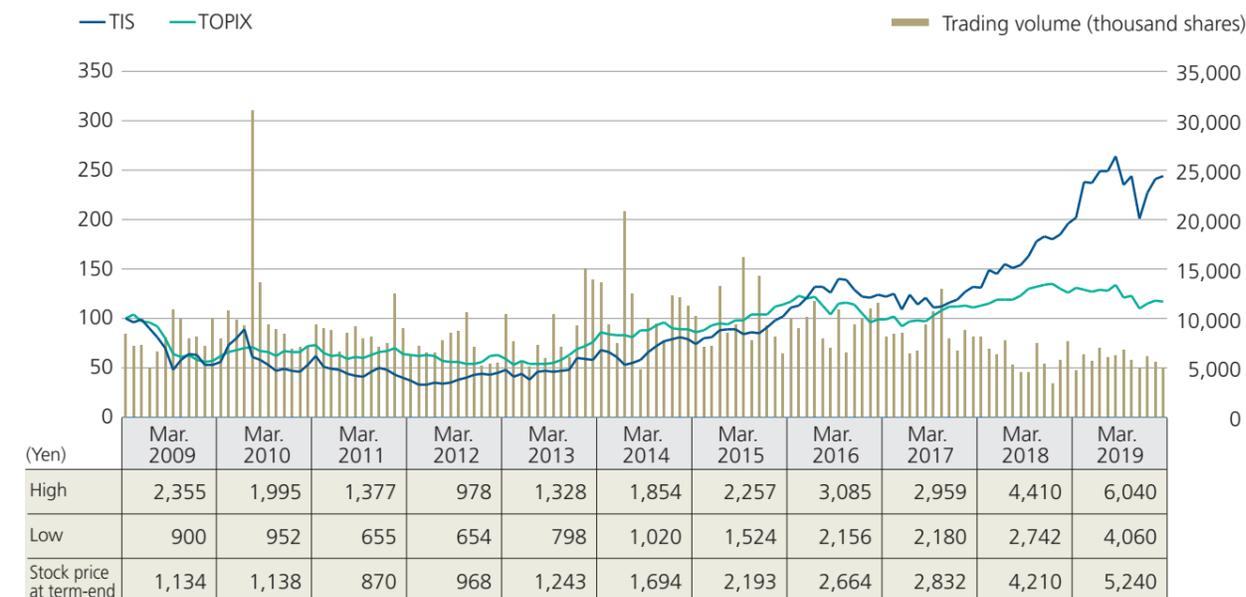
Notes: 1. The Company holds 2,908 thousand shares of treasury stock. These are excluded from the table of major shareholders above. The 2,908 thousand shares of treasury stock do not include 365 thousand shares of Company stock held by TIS INTEC Group Employees' Shareholding Association Exclusive Trust, and 84 thousand shares of Company stock held by Board Incentive Plan (BIP) Trust.
2. Percentage shareholdings are calculated after deducting treasury stock.
3. Regarding 1,598 thousand shares held by The Master Trust Bank of Japan, Ltd. (Retirement Benefit Trust Account, Mitsubishi Electric Corporation Account), Mitsubishi Electric Corporation reserves exercise of voting rights by Instruction.

Share Composition by Shareholder

(As of March 31, 2019; Thousands of Shares)



Stock Price Range



Note: The TIS stock price and TOPIX (Tokyo Stock Exchange Price Index) are indexed at 100 based on the closing price of stock on April 30, 2008.



TIS INTEC GROUP

Go Beyond

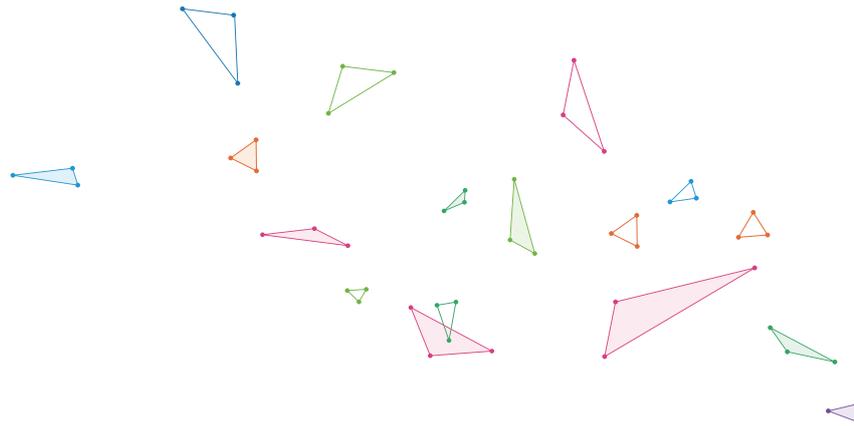
TIS INTEC Group Logo

Underlying Concepts

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

Brand Message

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



TIS Inc.

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