

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	Fiscal 2019	Fiscal 2020	Fiscal 2021
Performance Status											
Net sales	323,173	327,417	337,834	346,647	361,025	382,689	393,398	405,648	420,769	443,717	448,383
Cost of sales	261,145	266,159	276,935	283,881	294,927	312,153	317,440	321,286	325,985	337,820	334,671
Gross profit	62,027	61,258	60,899	62,766	66,097	70,535	75,958	84,362	94,784	105,896	113,712
Gross profit ratio (%)	19.2%	18.7%	18.0%	18.1%	18.3%	18.4%	19.3%	20.8%	22.5%	23.9%	25.4%
Selling, general and administrative expenses	49,209	45,636	42,727	43,255	44,976	46,099	48,938	51,618	56,740	61,057	67,963
Selling, general and administrative expenses ratio (%)	15.2%	13.9%	12.6%	12.5%	12.5%	12.0%	12.4%	12.7%	13.5%	13.8%	15.2%
Operating income	12,818	15,621	18,171	19,510	21,121	24,436	27,019	32,743	38,043	44,839	45,748
Operating margin (%)	4.0%	4.8%	5.4%	5.6%	5.9%	6.4%	6.9%	8.1%	9.0%	10.1%	10.2%
Recurring profit	12,625	15,393	17,440	18,971	21,251	24,521	27,092	32,795	38,603	46,070	39,257
Recurring profit ratio (%)	3.9%	4.7%	5.2%	5.5%	5.9%	6.4%	6.9%	8.1%	9.2%	10.4%	8.8%
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	26,034	29,411	27,692
Net income ratio (%)	1.9%	0.7%	1.7%	2.3%	2.8%	3.3%	4.1%	5.1%	6.2%	6.6%	6.2%
Financial Position											
Current assets	128,455	142,442	138,219	143,519	140,450	166,666	152,162	162,064	176,231	181,543	229,965
Fixed assets	172,620	167,560	164,083	170,091	205,401	169,828	185,459	204,889	194,426	201,356	221,106
Software assets	11,337	12,197	11,769	12,928	13,252	15,428	16,056	16,866	19,177	22,887	27,797
Total assets	301,076	310,003	302,302	313,610	345,851	336,495	337,622	366,954	370,657	382,899	451,072
Current liabilities	73,090	83,065	91,063	72,790	77,666	91,508	78,676	81,310	91,126	88,479	100,915
Non-current liabilities	76,875	75,972	53,079	76,316	79,395	64,447	59,743	59,344	45,121	46,462	70,726
Total liabilities	149,965	159,038	144,143	149,107	157,062	155,955	138,420	140,655	136,248	134,942	171,642
Net assets	151,110	150,965	158,159	164,502	188,789	180,539	199,202	226,298	234,408	247,957	279,429
Total liabilities and net assets	301,076	310,003	302,302	313,610	345,851	336,495	337,622	366,954	370,657	382,899	451,072
Total interest-bearing debt	77,454	76,515	60,550	58,869	52,114	46,158	35,144	32,876	26,893	22,294	43,629
Cash Flow Status											
Cash flow from operating activities	27,236	23,658	21,515	25,770	22,938	25,496	18,952	36,386	37,558	38,569	33,345
Cash flow from investing activities	(18,957)	(15,158)	(14,391)	(5,334)	(17,744)	8,688	(23,488)	(14,202)	(1,213)	(26,437)	(17,522)
Cash flow from financing activities	(18,755)	(4,230)	(19,883)	(5,872)	(19,067)	(14,979)	(18,327)	(10,543)	(16,773)	(14,544)	12,484
Free cash flow	8,279	8,500	7,124	20,436	5,194	34,184	(4,536)	22,184	36,345	12,132	15,823
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	57,083	54,684	82,924
Others											
Capital expenditures	18,325	14,096	12,287	12,544	16,873	14,210	15,159	16,907	13,334	16,702	25,085
Depreciation	12,308	12,745	12,920	12,454	12,809	11,952	11,801	12,572	12,783	12,020	13,318
Research and development expenses	1,062	962	1,002	853	1,097	1,086	1,178	996	1,003	1,702	1,789
Amortization of goodwill	1,901	1,882	1,741	1,166	1,052	339	326	289	289	171	312
Goodwill balance at the end of the term	5,551	3,672	1,914	830	2,021	1,393	1,332	1,118	503	355	2,550

- Notes: 1. Software assets indicates the total sum of software and software in progress.
2. Total interest-bearing debt indicates the total sum of borrowed money and corporate bonds.
3. Free cash flows indicate the total sum of cash flows from operating activities and cash flows from investing activities.
4. 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.

(Millions of yen)

	Fiscal 2011	Fiscal 2012	Fiscal 2013	Fiscal 2014	Fiscal 2015	Fiscal 2016	Fiscal 2017	Fiscal 2018	Fiscal 2019	Fiscal 2020	Fiscal 2021
Order Status (Total)											
Orders received during the term									427,210	439,748	452,284
Order backlog at year-end								122,067	132,935	133,121	147,214
Order Status (Software development)											
Orders received during the term	162,287	174,680	179,352	172,721	199,842	207,345	208,307	219,225	238,298	246,330	237,323
Order backlog at year-end	47,967	57,778	62,055	58,869	71,095	69,961	64,751	67,716	75,549	79,277	83,797
Financial Indicators											
Equity ratio (%)	47.7%	46.3%	49.8%	49.9%	53.3%	52.5%	57.8%	60.4%	62.0%	63.3%	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%	11.5%	12.5%	10.8%
Total asset turnover ratio	1.05	1.07	1.10	1.13	1.09	1.12	1.17	1.15	1.14	1.16	1.08
Financial leverage	2.18	2.13	2.08	2.01	1.93	1.89	1.81	1.69	1.63	1.58	1.66
Recurring profit to total assets ratio (ROA) (%)	4.1%	5.0%	5.7%	6.2%	6.4%	7.2%	8.0%	9.3%	10.5%	12.2%	9.4%
Interest-bearing debt ratio (%)	25.7%	24.7%	20.0%	18.8%	15.1%	13.7%	10.4%	9.0%	7.3%	5.8%	9.7%
Payout ratio (%)	46.9%	74.0%	31.4%	27.7%	25.6%	22.7%	19.0%	16.6%	22.8%	25.7%	31.9%
Total return ratio (%)	46.9%	74.0%	31.4%	27.7%	30.4%	35.3%	31.9%	30.5%	39.0%	39.8%	42.8%
Per share data											
Net income per share—basic (yen)*	68.19	24.33	66.86	90.16	117.40	145.22	189.02	241.44	307.83	350.35	110.51
Net income per share—diluted (yen)*	—	24.33	66.83	90.12	—	—	—	—	—	—	—
Annual dividends per share (yen)*	32.00	18.00	21.00	25.00	30.00	33.00	36.00	40.00	70.00	90.00	35.00
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	2,719.79	2,890.27	1,078.60
Stock information											
Stock price at fiscal year-end (yen)	870	968	1,243	1,694	2,193	2,664	2,832	4,210	5,240	5,361	2,641
Highest stock price during the term	1,377	978	1,328	1,854	2,257	3,085	2,959	4,410	6,040	7,320	2,670
Lowest stock price during the term	655	654	798	1,020	1,524	2,156	2,180	2,742	4,060	4,045	1,723
Price earning ratio (PER) (times)	12.8	39.8	18.6	18.8	18.7	18.3	15.0	17.4	17.0	15.3	23.9
Price book-value ratio (PBR) (times)	0.53	0.59	0.72	0.95	1.04	1.31	1.25	1.62	1.93	1.85	2.45
Aggregate market value (millions of yen)	76,376	84,979	109,121	148,714	192,521	233,870	248,618	369,592	460,014	470,637	695,553
Number of outstanding shares at fiscal year-end (thousands)	87,789	87,789	87,789	87,789	87,789	87,789	87,789	87,789	87,789	87,789	263,367
Number of treasury stock at fiscal year-end (thousands)	15	16	19	4	320	864	1,701	2,613	3,358	3,952	12,595
Average number of shares during the term (thousands)	87,772	87,773	87,771	87,774	87,522	87,305	86,268	85,406	84,574	83,948	250,574
Sales by Client Sector											
Net sales	323,173	327,417	337,834	346,647	361,025	382,689	393,398	405,648	420,769	443,717	448,383
Credit card	52,614	45,084	48,846	49,402	53,743	59,274	65,006	73,314	73,648	75,118	79,265
Banking	25,819	26,702	26,230	29,049	25,444	27,867	28,233	27,452	26,583	30,100	30,648
Insurance	23,448	22,931	23,836	25,269	24,972	26,339	25,356	26,262	27,279	29,274	30,140
Other finance	19,178	23,416	21,337	23,481	23,312	20,406	20,857	22,127	19,502	24,289	17,863
Assembly-based manufacturing	46,323	40,363	38,824	40,904	45,785	49,455	42,723	43,777	46,028	45,739	45,103
Processing-based manufacturing	26,135	31,074	38,468	33,843	34,960	35,061	36,953	38,366	38,081	38,998	42,424
Distribution	22,870	26,267	27,398	30,009	31,775	32,702	31,773	28,872	32,908	33,976	31,679
Services	70,017	71,012	73,425	72,666	77,535	79,601	89,607	93,258	103,531	112,722	118,517
Public institutions	28,015	30,107	28,225	30,393	29,891	36,603	37,002	35,923	34,863	36,286	33,649
Others	8,754	10,456	11,241	11,626	13,604	15,376	15,882	16,292	18,343	17,209	19,090

*The Company executed a stock split, with each share of common stock split into three shares, effective April 1, 2020.

Non-Financial Summary

TIS Inc., and consolidated subsidiaries
Compilation period: April 1 to March 31 of each year or the base date

	Scope of data collection	Related materiality	Fiscal 2017	Fiscal 2018	Fiscal 2019	Fiscal 2020	Fiscal 2021	Independent Practitioner's Assurance
Employee-related data (Note 1) *Averages are calculated as simple combined averages or weighted averages.								
Number of employees	C-1	/	15,357	15,638	15,948	16,109	17,497	
Number of male employees	C-1	1-a	11,306	11,435	11,529	11,560	12,342	
Number of female employees	C-1	1-a	4,051	4,203	4,419	4,549	5,155	
Percentage of female employees	C-1	1-a	26.38%	26.88%	27.71%	28.24%	29.46%	
Number of non-Japanese employees	C-1	1-a	141	156	155	155	1,161	
Average age	C-2	1-a	38.35	38.73	38.85	39.06	39.23	
Average age of male employees	C-2	1-a	39.49	39.87	40.02	40.27	40.50	
Average age of female employees	C-2	1-a	35.22	35.63	35.87	36.04	36.11	
Average length of service (years)	C-2	1-a	13.61	14.40	12.88	12.84	13.34	
Average length of service of male employees (years)	C-2	1-a	14.21	15.49	13.69	13.95	14.24	
Average length of service of female employees (years)	C-2	1-a	11.03	11.47	10.78	11.04	11.23	
Percentage of employees aged 60 and over	C-2	1-a	1.69%	1.97%	2.17%	1.71%	3.18%	
Number of employees with a disability (Total) (Note 2)	D	1-a	390.5	186.0	202.5	211.5	221.5	
Percentage of employees with a disability (Note 2)	D	1-a	1.97%	2.14%	2.28%	2.35%	2.40%	
Number of employees in management positions	C-2	1-a	3,238	3,328	3,443	3,609	3,782	
Percentage of employees in management positions	C-2	1-a	21.08%	21.28%	21.59%	22.40%	22.90%	
Number of male employees in management positions	C-2	1-a	2,999	3,056	3,147	3,278	3,410	
Number of female employees in management positions	C-2	1-a	239	272	296	331	372	
Percentage of female employees in management positions	C-2	1-a	7.38%	8.17%	8.60%	9.17%	9.84%	
Average total working hours per month	C-2	1-b	171.98	168.37	166.36	162.64	162.89	
Average non-scheduled hours worked per month	C-2	1-b	22.64	20.63	19.87	18.35	19.95	
Percentage of annual paid leave taken	C-2	1-b	56.74%	67.63%	72.99%	75.69%	66.26%	
Number of employees on childcare leave	C-2	1-b	445	463	447	467	537	
Number of male employees on childcare leave	C-2	1-b	29	27	38	53	80	
Number of employees working shorter hours to care for young children	C-2	1-b	549	670	681	679	638	
Number of male employees working shorter hours to care for young children	C-2	1-b	9	12	9	10	9	
Number of employees on nursing care leave	C-2	1-b	8	13	13	19	9	
Number of employees working shorter hours to care for elderly family	C-2	1-b	2	3	3	6	6	
Turnover rate	C-2	1-b	4.17%	4.63%	4.82%	5.03%	3.27%	
Spending on learning and research (millions of yen)	C-2	1-c	/	1,702	1,805	1,915	1,534	
Number of days spent on learning and research per person	F	1-c	7.03	12.54	14.39	14.20	12.5	
Average annual income (10,000 yen)	F	1-c	653.3	668.8	681.3	701.9	706.2	
Results of employee awareness surveys	F	1-c	34%	38%	45%	48%	56%	
Results of employee awareness surveys	C-2	1-c	/	/	/	38%	46%	
Number of new graduate recruits (April 1)	C-2	1-a	521	700	663	720	679	
Number of regular recruits (recruited in each fiscal term)	C-2	1-a	309	266	339	386	271	

<Independent Assurance Report>

Non-financial data marked with a checkmark for the year ended March 2021 in the Integrated Report 2021, has received independent practitioner's assurance from Ernst & Young ShinNihon LLC. to improve data reliability.

https://www.tis.com/documents/en/ir/finance/annual_report/assurance_ar2021.pdf



	Scope of data collection	Related materiality	Fiscal 2017	Fiscal 2018	Fiscal 2019	Fiscal 2020	Fiscal 2021	Independent Practitioner's Assurance
Environmental data								
Scope 1 emissions (metric tons) (Note 3)	B	2-f	976	958	885	745	760	<input checked="" type="checkbox"/>
Scope 2 emissions (metric tons) (Note 3)	B	2-f	83,769	78,125	71,096	64,488	65,867	<input checked="" type="checkbox"/>
Scope 3 emissions (metric tons)	C-2	2-f	/	/	/	365,595	372,053	
Category 1 (purchased goods and services)	C-2	2-f	/	/	/	304,297	287,633	
Category 2 (capital goods)	C-2	2-f	/	/	/	40,986	65,782	
Category 3 (fuel-and energy-related activities)	C-2	2-f	/	/	/	9,900	9,796	
Category 4 (upstream transport and delivery)	C-2	2-f	/	/	/	698	215	
Category 5 (waste generated in operations)	C-2	2-f	/	/	/	1,118	345	
Category 6 (business travel)	C-2	2-f	/	/	/	1,987	2,025	
Category 7 (employee commuting)	C-2	2-f	/	/	/	6,607	6,256	
Energy consumption (Electricity Mwh)	B	2-f	167,907	157,623	149,523	143,383	141,620	
Energy consumption (Heavy oil kL)	B	2-f	26	28	32	25	21	
Energy consumption (Light oil kL)	B	2-f	11	11	10	0	0	
Energy consumption (City gas, km ³)	B	2-f	389	379	343	302	313	
Energy consumption (kerosene kL)	B	2-f	/	/	/	/	1	
Energy consumption (steam GJ)	B	2-f	/	/	/	/	1,301	
Industrial waste (ton)	C-2	2-f	/	/	/	1,035	290	
Other non-financial data								
Social contribution expenses (millions of yen)	F	2-e	20	115	143	99	80	
Political contributions (millions of yen)	F	2-e	—	—	—	—	—	
Development loss rate	A	3-g	2.1%	0.9%	0.9%	0.6%	0.8%	
Results of customer satisfaction surveys (See P.66)	F	3-g	61.3%	69.1%	68.2%	72.7%	69.0%	
Number of directors (Note 4)	F	4-j	10	10	9	9	9	
Number of female directors (Note 4)	F	4-j	0	0	1	1	1	
Percentage of female directors (Note 4)	F	4-j	0.0%	0.0%	11.1%	11.1%	11.10%	
Number of external directors (Note 4)	F	4-j	3	3	3	3	3	
Percentage of external directors (Note 4)	F	4-j	30.0%	30.0%	33.3%	33.3%	33.30%	
Related materiality (See P. 21)								
1. Create a society in which diverse human resources are engaged and thrive a. Promote diversity b. Promote workstyle reforms c. Human resource development and training emphasizing self-fulfillment								
2. Create a comfortable society through innovation and joint activities d. Promote a safe, convenient social foundation that supports people and society e. Connect with stakeholders and promote joint activities f. Reduce environmental impact								
3. Create a safe society through high-quality services g. Continuous quality improvement h. Information security i. Safeguard personal information								
4. Enhance corporate governance and earn the trust of society j. Corporate governance k. Compliance l. Risk management								
Scope of data collection								
A. TIS INTEC Group consolidated								
B. TIS, INTEC, AGREX, QUALICA, AJS, SorunPure, Chuo System, TIS System Service, TIS Solution Link, TIS Tohoku, TIS Total Service, TIS Nagano, TIS West Japan, TIS Hokkaido, and NEOAXIS								
C-1. TIS, INTEC, AGREX, QUALICA, AJS, TIS System Service, TIS Solution Link, and MFEC (non-consolidated basis, from fiscal 2021)								
C-2. TIS, INTEC, AGREX, QUALICA, AJS, TIS System Service, and TIS Solution Link								
D. TIS, SorunPure, and affiliated specially recognized companies under the Group umbrella (11 companies in fiscal 2017 and five companies since fiscal 2018)								
E. TIS and INTEC								
F. TIS parent								

Notes: 1. Figures for fiscal 2017, fiscal 2018, fiscal 2019, fiscal 2020, and fiscal 2021 are based respectively on April 1, 2017; April 1, 2018; April 1, 2019; and April 1, 2020; and April 1, 2021.

2. Figures for fiscal 2017, fiscal 2018, fiscal 2019, fiscal 2020, and fiscal 2021 are based respectively on June 1, 2017; June 1, 2018; June 1, 2019; June 1, 2020; and June 1, 2021.

3. Scope 1, Scope 2 emissions are calculated using the following formulas.

Scope 1 emissions: Fuel consumption x heating value per unit x CO₂ emission factor. CO₂ emission factor based on Law Concerning the Promotion of the Measures to Cope with Global Warming.

Scope 2 emissions: Consumption of electricity/steam x CO₂ emission factor. CO₂ emission factor based on Act on the Rational Use of Energy.

4. Figures for fiscal 2017, fiscal 2018, and fiscal 2019, fiscal 2020, and fiscal 2021 are based respectively on June 30, 2016; June 30, 2017; June 30, 2018; and June 30, 2019; and June 30, 2020.

■ Corporate Profile

(As of March 31, 2021)

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	840,000,000 shares
Number of shares issued	263,367,294 shares
Number of shareholders	13,402
Stock listing	Tokyo Stock Exchange, First Section (Securities code: 3626)
Number of employees (consolidated)	21,817 (full-time employees)

■ TIS INTEC Group

(As of March 31, 2021)

TIS Inc., and 54 consolidated subsidiaries (As of March 31, 2021)

Main consolidated subsidiaries

Domestic subsidiaries

TIS and main group companies	Shareholding ratio	Description of Business	Fiscal 2021, ended March 31, 2021 (Millions of yen, non-consolidated basis)	
			Net sales	Operating income (operating margin)
TIS Inc. (operating holding company)	—	Focuses on credit card companies but pursues business opportunities in a wide range of sectors, including services and manufacturing. Promote to expand payment business. Merged with pure holding company IT Holdings Corporation in July 2016 and became operating holding company. (Incorporated April 1971)	199,355	22,199 (11.1%)
INTEC Inc.	TIS 100%	Focuses on megabanks and life insurers, and assists with CRM for regional banks and offers a wide selection of services to regional public corporations, particularly in the Hokuriku region. (Established January 1964)	110,205	8,708 (7.9%)
AGREX INC.	TIS 100%	Leading company in BPO sector, with emphasis on insurance industry needs. Turned into a wholly owned subsidiary in March 2015, becoming core company for BPO business within the Group. (Established September 1965)	35,135	3,010 (8.6%)
QUALICA Inc.	TIS 80% Komatsu 20%	Formerly, information systems subsidiary of Komatsu. Focuses on assembly-based manufacturers, mainly those under the Komatsu Group umbrella, while expanding business with companies in the distribution and restaurant sectors. (Established November 1982)	20,146	1,759 (8.7%)
AJS Inc.	TIS 51% Asahi Kasei 49%	Formerly, information systems subsidiary of Asahi Kasei. Focuses on companies under the Asahi Kasei Group umbrella. (Established March 1987)	16,501	946 (5.7%)

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 Hokkaido Inc.
Registration Network, Ltd.
NEOAXIS Co., Ltd.*
Nexway Co., Ltd.
HOKKOKU INTEC SERVICE Inc.
MicroMates Corp.

* Merged into AGREX Inc. in April 2021.

Overseas Subsidiaries

- China
QUALICA (SHANGHAI) Inc.
TISI (Shanghai) Co., Ltd.
- Thailand
I AM Consulting Co., Ltd.
(Six subsidiaries under the company)
MFEC Public Company Limited
(11 subsidiaries under the company)
PromptNow Co., Ltd.
TISI (Thailand) Co., Ltd.
QUALICA (Thailand) Co., Ltd.
- Vietnam
AGREX DNP Vietnam Co., Ltd.
- United States
Sequent Software Inc.
TIS Ventures, Inc.

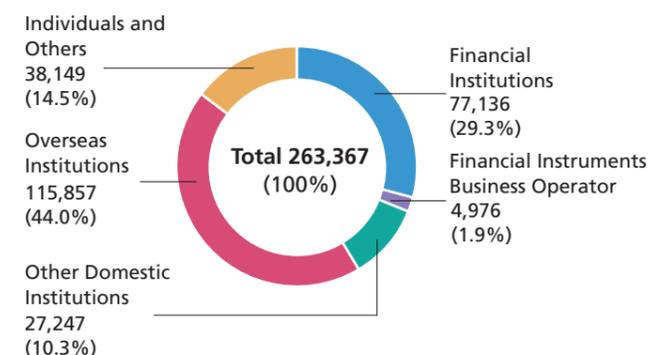
79 Equity Method Affiliates (As of March 31, 2021)

Main equity method affiliates

- China
Shanghai CardInfoLink Data Service Co., Ltd. (CardInfoLink)
(Voting rights ownership ratio 18.2%, 11 subsidiaries under the company)
- Indonesia
PT Anabatic Technologies Tbk
(Voting rights ownership ratio 37.3%, acquired convertible bonds with stock acquisition rights, 53 subsidiaries under the company)

■ Share Composition by Shareholder

(As of March 31, 2021; Thousands of Shares)

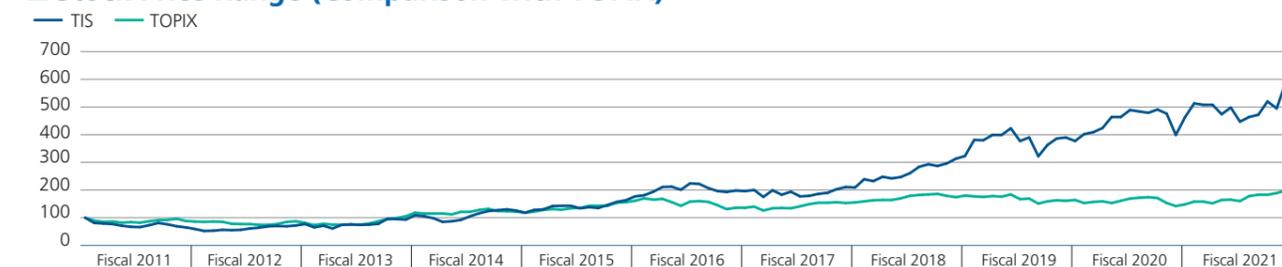


■ Rating

(At November 20, 2020)

Japan Credit Rating Agency, Ltd.	Long-term	A/stable
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■ Stock Price Range (Comparison with TOPIX)



Notes: 1. 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, 2010.
2. The Company executed a stock split, with each share of common stock split into three shares, effective April 1, 2020. Figures before fiscal 2020 are presented assuming this stock split was conducted.

■ Major Shareholders

(As of March 31, 2021)

Name	Number of shares (Thousands)	Shareholding ratio (%)
ICHIGO TRUST PTE. LTD.	22,868	9.05
The Master Trust Bank of Japan, Ltd. (Trust Account)	16,728	6.62
Custody Bank of Japan, Ltd. (Trust Account)	10,926	4.33
Employees' Shareholding Association of TIS INTEC Group	6,717	2.66
Nippon Life Insurance Company	6,219	2.46
MACQUARIE BANK LIMITED DBU AC	5,402	2.14
The Master Trust Bank of Japan, Ltd. (Retirement Benefit Trust Account, Mitsubishi Electric Corporation Account)	4,796	1.90
JPMBL RE CITIGROUP GLOBAL MARKETS LIMITED COLL EQUITY	4,412	1.75
GOVERNMENT OF NORWAY	4,340	1.72
SSBTC CLIENT OMNIBUS ACCOUNT	4,300	1.70

Notes: 1. The Company holds 10,776 thousand shares of treasury stock. These are excluded from the table of major shareholders above. The 10,776 thousand shares of treasury stock do not include 1,602 thousand shares of Company stock held by TIS INTEC Group Employees' Shareholding Association Exclusive Trust, and 217 thousand shares of Company stock held by Board Incentive Plan (BIP) Trust.
2. Percentage shareholdings are calculated after deducting treasury stock.
3. Regarding 4,796 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.

Evaluations from External Parties

■ Inclusion in SRI indexes

FTSE4Good Index Series

The FTSE4Good Index Series, created by global index provider FTSE Russell, is designed to measure the performance of companies demonstrating strong ESG practices.



FTSE Blossom Japan Index

The FTSE Blossom Japan Index, created by global index provider FTSE Russell, is designed to provide market participants with a tool for measuring the performance of Japanese companies demonstrating strong ESG practices.



MSCI Japan Empowering Women Index (WIN)

The MSCI Japan Empowering Women Index, created by U.S.-based MSCI, aims to represent the performance of Japanese companies exhibiting an excellent commitment gender diversity.

2021 CONSTITUENT MSCI JAPAN
EMPOWERING WOMEN INDEX (WIN)

*The inclusion of TIS Inc. in any MSCI INDEX, and the use of MSCI logos, trademarks, service marks or index names herein, do not constitute a sponsorship, endorsement or promotion of TIS Inc. by MSCI or any of its affiliates. The MSCI Indexes are the exclusive property of MSCI. MSCI and the MSCI index names and logos are trademarks or service marks of MSCI or its affiliates.

■ HR-related activities

Grand Prize in Good Career Company Award 2020

TIS earned a grand prize in 2020 in recognition of its "talented management that emphasizes the self-realization of each individual and the provision of career support that encourages women to play active roles."



Certified Health & Productivity Management Outstanding Organizations

The Program, run by the Ministry of Economy, Trade and Industry (METI) and Nippon Kenko Kaigi (NKK), recognizes companies that engage in activities to address health issues and maintain particularly good health management practices to promote well-being. TIS and INTEC are ranked at top 500 companies as Certified Health and Productivity Management Outstanding Organizations (large enterprise category).



Eruboshi (L-Star)

The "Eruboshi (L-Star)" is bestowed by the Minister for Health, Labour and Welfare to corporations that excel in supporting the advancement of women. There are three levels of certification based on five evaluation criteria set by the Ministry: recruitment, continued employment, workstyles (including working hours), proportion of women in managerial roles, and diversity of career options. TIS, INTEC and AGREX captured Grade 3 certification of the top-level grade.



Kurumin, Platinum Kurumin

The "Kurumin" mark is bestowed on companies that have formulated action plans for supporting a balance between work and childcare based on the Act on Advancement of Measures to Support Raising the Next Generation of Children, and achieved the goals of those plans. TIS received "Platinum Kurumin" certification in 2019 as an exceptional child-rearing support company.



Telework Pioneers

Seeking to promote the spread of telecommuting, since fiscal 2015 the Ministry of Internal Affairs and Communications has announced its annual list of "Telework Pioneers". These are companies and organizations that have introduced and are promoting telecommuting. They are selected by a panel of external experts.



Tomonin

The "Tomomin" mark is given to companies by the Ministry of Health, Labour and Welfare in recognition of measures that support improvement and promotion of a workplace environment that enables employees to balance work and nursing care. To prevent a situation where an employee has to quit to care for elderly family members, TIS is creating a workplace environment that makes it easier for employees to balance work and nursing care obligations.



New Diversity Management Selection 100

The Ministry of Economy, Trade and Industry runs the program that recognizes companies that utilize the skills of diverse human resources to create value. This approach has enabled us to raise employee satisfaction and attract and train human resources who will fuel structural transformation, and the results have earned us stellar external recognition.



Nikkei Smart Work Management

The Nihon Keizai Shimbun Group promotes the campaign that aims to grow the Japanese economy by linking workstyle reforms-gained through the introduction of advanced technology, innovation, and structural transformation-to the improvement of corporate productivity. TIS won four stars in the fourth Nikkei Smart Work Management Survey.



White Company Recognition

The Japan Next Generation Enterprise Promotion Organization, known more commonly as the White Foundation, defines companies that have a future and should last for the next generation as those that balance appropriate profits and growth with the trust of customers and employee satisfaction. Such companies are recognized as white companies. TIS earned this title in 2020.



■ IR-related activities

JPX-Nikkei Index 400

TIS has been included in a new index of 400 companies with high appeal for investors that meet criteria required by global investment standards, such as efficient use of capital and investor-focused management perspectives.



■ Other

DX Certification

The DX Certification System is designed to certify companies that are ready to take action in accordance with the "Digital Governance Code" established by the Ministry of Economy, Trade and Industry (METI) and to address social changes brought about by digital technologies through dialogue with stakeholders.



In Issuing the 2021 Integrated Report

The TIS INTEC Group Integrated Report, first issued in 2016, has been produced six times now. The 2021 edition provides a comprehensive picture of key elements pertaining to medium- to long-term growth strategies and the status of initiatives to create corporate value on a group-wide basis, which is the centerpiece of the Group's basic philosophy OUR PHILOSOPHY. In addition, we see the integrated report as a valuable tool for promoting dialogue with all stakeholders, including shareholders and investors, and welcome candid thoughts and opinions that may lead to enhanced disclosure content and greater management transparency.

TIS took advantage of the transition to an operating holding company structure in July 2016 to move vigorously forward on unification of Group management. Efforts on this front have definitely accelerated growth and dramatically improved corporate value. Of note, our gross profit margin—an indicator of business competitiveness—has increased significantly, thanks to steady progress on various measures in line with a management policy to emphasize profitability, including steps to reduce unprofitable projects and to be more thorough and precise in estimating profitability at the time an order is received. A rising gross profit margin is the driving force of a virtuous cycle that enables us to achieve the right balance of robust prior investment and improved profitability for growth into the future.

In April 2021, along with the shift to a new management structure, the TIS INTEC Group embarked on Medium-Term Management Plan (2021–2023) under the tagline "Be a Digital Mover 2023." This three-year plan is the second part of our journey toward realizing Group Vision 2026. Society, overall, is on an uncertain course. To achieve sustainable improvement in corporate value against this backdrop, it is vital that we build a solid management foundation, take a flexible approach to changes in the environment, continue to evolve through quick and bold decision-making, and realize enhanced value exchange through IT configuration capabilities created jointly with society.

Toward this end, we will embrace changes, reflected already in drafting the new medium-term management plan, while promoting management keenly aware of delivering higher value to diverse stakeholders. More to the point, to give shape to our mission—Fill the future with vibrant colors as a mover using digital technology—as stated in OUR PHILOSOPHY, we will accelerate structural transformation with an emphasis on three key strategies: improve the value provided in DX services, boost profitability in service businesses, and expand global operations. In addition, we will strive to elevate the caliber of Environmental (E), Social (S) and Governance (G) initiatives to reinforce the foundation that supports improved corporate value and thereby become a sustainability company, that is, a company—and a corporate group—contributing to a sustainable society through business activities.

I assumed my current position as general manager of the Corporate Planning SBU in April 2021 and now carry a greater level of responsibility as a member of the management team. It is a sobering career development but one that I will embrace with all sincerity. I am committed to sustainable improvement in corporate value of the Group, which will enable TIS and the rest of the TIS INTEC Group to meet the expectations of all stakeholders. My priorities will be to promote exhaustive management practices conscious of capital cost and achieve a good balance between robust investment and fiscal restraint.

But I am also keen to see an increase in the value of intangible assets, which are gaining importance as sources of competitive superiority. Engagement with stakeholders is another area of emphasis. It is a valuable opportunity that I will actively pursue. I look forward to the support and encouragement of stakeholders in this pursuit.



Masakazu Kawamura,
TIS Executive Officer,
Division Manager of
Corporate Planning SBU

■ Evaluations for IR-site



2020 Internet IR Commendation Award
(Daiwa Investor Relations Co., Ltd.)
Awarded for ten consecutive years since 2013.



Fiscal 2020 Homepage Quality Ranking
Survey of All Listed Companies
(Nikko Investor Relations Co., Ltd.)
Received highest award as excellent website in comprehensive ranking for six consecutive years since fiscal 2015.



Gomez IR Site Comprehensive
Ranking 2020
(Morningstar Japan K.K.)
Awarded for six consecutive years since 2015 as an excellent company.