

Growth Strategy for Value Creation

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Taking Long-Term Perspective on Target Trajectory

The society of the future is uncharted territory, shaped by intense but still unfolding changes, and the power of IT will be indispensable to paint this new world in bright colors. By moving forward on structural transformation to address changes in society and demonstrating the composite strengths of the TIS INTEC Group, we will create an enduring presence that helps make society's wishes come true.

Make society's wishes come true through IT.

Using advanced technology and know-how, we will add a new dimension of vitality to society and bring smiles to the faces of more people. Our presence will shape the future of this kind of society. The TIS INTEC Group will continue to make society's wishes come true through the power of IT.

World in 2050

In making assumptions for 2050, we took into account 24 political, economic and social themes, in parallel with technological progress and the impact that such advances might have, and performed PEST analysis.

Politics	<ul style="list-style-type: none"> Predict pension and social security system failure due to changing demographics Trend to limit impact of corporate activities on society, with tougher restrictions on use of fossil fuels and use of resources as measures to deal with climate change
Economy	<ul style="list-style-type: none"> Hub of global economy will shift to emerging countries of Asia that continue to enjoy high economic growth Disparity between countries will shrink, paralleling economic growth, but personal income gap will widen
Society	<ul style="list-style-type: none"> Population growth is particularly noticeable in Asia, where the benefits of economic progress have extended average life expectancy and produced an aging society Technological innovation is fueling economic growth in urban areas while regional economies, impacted by a decrease in population and little promise of a demographic turnaround, are in decline
Technology	<ul style="list-style-type: none"> Technological innovation will accelerate, technological breakthroughs will become more frequent, and technology will have a major impact on political, economic and social activity

*View of the world in 2050 drawn at Sustainability Project in 2019.

Based on long-term trends, we identified four social issues—financial inclusion, urban concentration and rural decline, low-carbon/decarbonized society and health concerns—that we have the capabilities to address.

Four social issues TIS identified as priorities where Group strengths can contribute to solutions

Financial inclusion	Health concerns
Urban concentration and regional decline	Low-carbon/decarbonized society

Medium-Term Management Plan (2021–2023)

Basic Policies

Stakeholder layer
Generate virtuous cycle of value exchange and sustainable growth between society and employees

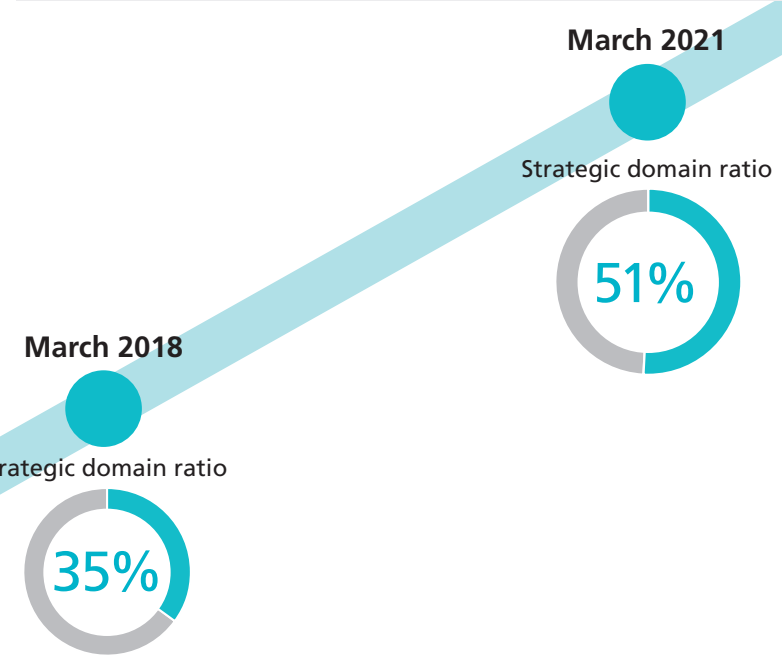
Business layer
Turn SI capabilities into strength that underpins transformation into global DX partner

Resource layer
Shift to human resources composition conducive to structural transformation success

Virtuous cycle of value created jointly by society and employees

Improve value provided by DX | Expand investment to generate strengths | Deepen and extend global operations

Diversification of human resources, sharper skills



Group Vision 2026

2026 Corporate Ideal "Create Exciting Future"
Utilize advanced technologies and know-how to realize business innovation and market creation

Seeking Position on Global Stage

- Be seen by leading companies in different industries as having an appealing presence, always trusted as a strategic partner
- Always embrace reform in existing industries and markets, and earn reputation as market-creating innovator
- Transcend the limits of an IT enterprise; be a leading company with innovative market concepts
- Proudly demonstrate high profile and showcase solid standing as a corporate group chosen by clients, society, employees—everyone

Strategic Domains*

- Strategic Partnership Business: Lay both a revenue base and a technology/know-how base
- IT Offering Services: Prior-investment business functioning as pillar of profit
- Business Function Services: Recognized as Group forte, driver of growth
- Frontier Market Creation Business: Driver of explosive growth through creative destruction of prevailing walls

Business Domains in 2016

Business Creator	Marketable services	Network infrastructure services	BPO services
		IT system configuration and operation	
Supporting clients' businesses	Specific responses	Provide IT engineering expertise	
		IT domains	Service domains

Strategic Domains in 2026

Frontier Market Creation Business	
IT Offering Services	Business Function Services
Strategic Partnership Business	
IT domains	Service domains

Evolution of strategic domains

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

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

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

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



Looking Back on Past Medium-Term Management Plans

We look back on the three medium-term management plans that have led the TIS INTEC Group to the Medium-Term Management Plan (2021–2023).

	Fiscal 2016–Fiscal 2018	Fiscal 2019–Fiscal 2021		
	Beyond Borders 2017	Transformation to 2020		
	Portfolio management	Constant transformation, with sense of speed		
Theme	Portfolio management, in a project sense, blending exceptional businesses and key strengths into a single approach	Achieving structural transformation as a corporate family and taking the lead in finding solutions to social issues		
Basic Concept/ Medium-Term Management Direction	<ul style="list-style-type: none"> Profit emphasis IT brain Portfolio management ⇒ Set ROE as key performance indicator and strive for improved corporate value and sustainable growth	<ul style="list-style-type: none"> Sustainable profit growth Emphasis on employee self-fulfillment Concentrate on core businesses Shift to prior investment style of business development Expand global business 		
Key indicators	Fiscal 2018		Fiscal 2021	
	Estimates	Actual	Estimates	Actual
Net sales	¥400 billion	¥405.6 billion	¥430 billion	¥448.3 billion
Operating income	¥30 billion	¥32.7 billion	¥43 billion	¥45.7 billion
Operating margin	7.5%	8.1%	10.0%	10.2%
ROE	8.0%	9.9%	12.0%	10.8%
Policy on return to shareholders	Strive for total return ratio of 35%		Strive for total return ratio 40%	
Payout ratio	16.6% in fiscal 2018		31.9% in fiscal 2021	
Total return ratio	30.5% in fiscal 2018		42.8% in fiscal 2021	
Reference: Average annual growth rate over three years				
Net sales	+4.0%		+3.4%	
Operating income	+15.7%		+11.8%	
Major priorities in group management	<ul style="list-style-type: none"> Integrate/centralize shared functions with the Group ⇒ Make office procedures more efficient, enhance capital and asset efficiency, raise Group profile, and cultivate corporate culture with sense of solidarity Realize higher level of administrative management ⇒ Promote management with profit emphasis, work to enhance accounting, taxation, finance reporting, and implement Group personnel strategies 	<ul style="list-style-type: none"> Elevate head office functions and promote greater efficiency ⇒ "G20" project to elevate head office functions Integrate groupwide core systems Cut head office costs by 10% 		
Key reflections	<ul style="list-style-type: none"> Expansion in value-added creation style services, along with assignment solution style services geared to client requests, fueled growth. Shift to market-cultivating style services requires faster responses. Profitability steadily improving, and efforts to control unprofitable projects showing results. But low-level control still required. Transition to operating holding company structure and steady implementation of measures, including business realignment, office consolidation and improved capital efficiency, to achieve overall optimization of the Group. Made progress in cultivating corporate culture with sense of solidarity through design of single logo and creation of Group vision. To achieve sustainable growth and improved corporate value, prioritized structural transformation and establishment of resilient management platform through additional reforms within the Group in anticipation of major changes in society. 	<ul style="list-style-type: none"> Posted profit growth and hit operating income and strategic domain ratio targets—two key performance indicators—by leveraging structural transformation and improving productivity. Hit ratio of 51% (exceeded target of 50%) in fiscal 2021. Quantitatively, Service IT Business maintained upfront investment emphasis. Net sales grew but profitability was an issue despite. BPO, Financial IT Business and Industrial IT Business raised added value and productivity and were rewarded with higher profitability. Made progress on strategic domain restructuring and achieved profit growth, but advance on monetizing Service IT Business and achieving qualitative structural transformation through new pillars of business only reached midway point. 		

Outline of Medium-Term Management Plan (2021–2023)

The followings are Outline and progress of medium-term management plan (2021–2023).

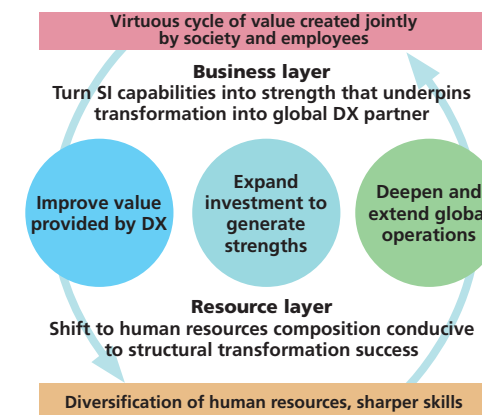


As a second step to achieve Group Vision 2026, the three years of the medium-term management plan will be a time to enhance our value chain by improving the value provided in DX services, and by promoting further structural transformation, we will grow the Group and be better positioned to address social issues. Progress favorable towards achieving the final target by fiscal 2024, ending March 2024.

Basic Policies

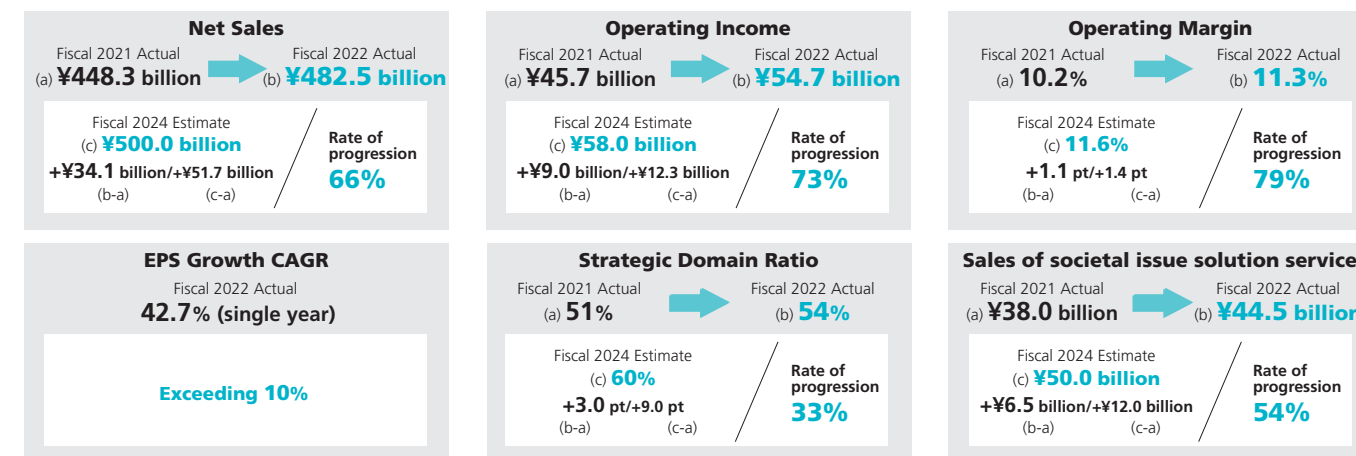
Landmark changes to business landscape

- With heightened importance of DX in new normal world, presence of consulting firms and other providers of DX services is increasing, fueling intense competition.
- Global platformers and enterprise SaaS companies are particularly active, as well, prompting possibility that market for contract development will shrink in long term.
- ESG investment rapidly expanding, and importance of sustainability management based on long-term strategies is gaining ground



Accelerate structural transformation by improving value provided in DX services

Key Performance Indicators



*Rate of progression indicates progress toward fiscal 2024 estimates from perspective of fiscal 2021 actual results.

Fiscal 2022 TIS INTEC Group Management Direction

- Leverage initiatives to improve corporate value and value provided to society through sustainability management
- Reinforce efforts to make services more high-value-added through productivity innovation and improvement in value provided in DX services
- Firmly maintain financial health while emphasizing growth investment to enhance ability to provide DX value
- Leverage growth strategy seeking to become top-class IT group in ASEAN regions and cement strong governance
- Constantly boost employee motivation and develop human resources brimming with diversity to fuel DX shift

Looking back on fiscal 2022

- Strengthened efforts to realize sustainability management, particularly in regard to the environment (TCFD support, SBTi certification), human rights due diligence, and reduction of strategic shareholdings
- Efforts to enhance head office functions and improve efficiency, including wider embrace of DX, moving along as planned
- Raised value in DX services provided to core clients, with transformation of strategic domains on track (strategic domain ratio—target of 54%, now at 54%)
- Gross profit margin hit 26.7%, reflecting tougher measures to boost productivity, including enhancement reform, and ratio still rising
- Controlling unprofitable projects remains an issue of concern
- Leverage co-creation activities with clients and business partners to revitalize operations and achieve growth in societal issue solution services
- Investment to reinforce in-house capabilities, including R&D, rolling out as planned
- Business activities of MFEC, which came under consolidation, moving in favorable direction
- Acquired technology through capital and business alliances with multiple technology partners
- Realized joint creation with ASEAN partners, including joint order capture through MFEC and IAM Consulting on large projects for government-linked companies
- Using DX Strategy Human Resources Conference, held at beginning of fiscal year, as touchstone, promoted job transfers and mid-career hiring to enrich pool of DX consultants
- Improved employee engagement by leveraging groupwide personnel strategies

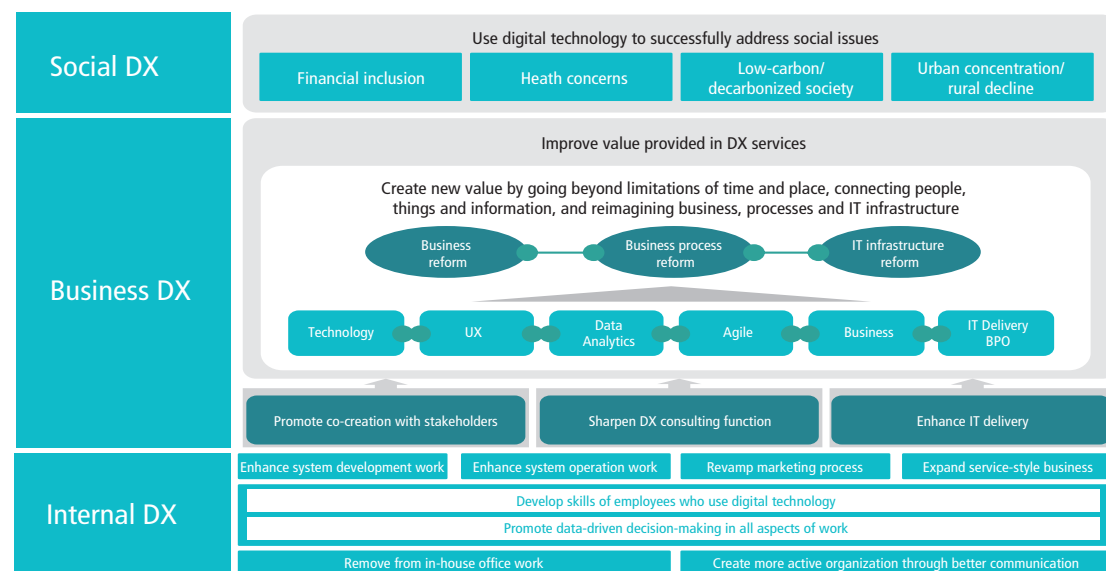
Key Strategy of Medium-Term Management Plan/DX Business Strategies

To give form to the Group's mission "To fill the future with vibrant colors as a mover using digital technology," TIS set a goal to take a digital approach to enhance value exchange with stakeholders.

Overall DX business strategy

The TIS INTEC Group takes on DX across three areas: social DX, to achieve a better society; business DX, to reimagine clients' businesses; and internal DX, to elevate the capabilities of the Group itself.

These areas are not thought of in isolation but rather as a single series in which each category has a reciprocal effect on the others, underpinning initiatives from a comprehensive perspective, and then, drawing on digital technology, driving a virtuous cycle of new value for society, clients' businesses and activities within the Group itself. This is the image of DX that we, the TIS INTEC Group, seek to achieve.



For details on TIS' DX strategy, please go to the corporate website (Japanese only).

<https://www.tis.co.jp/group/policy/dx>

Social DX

TIS will lead efforts within the TIS INTEC Group to harness the power of IT and create various new services on its own to address social issues, particularly the four areas—financial inclusion, health concerns, low-carbon/decarbonized society, and urban concentration/rural decline—where the Group can have a pivotal impact, and thereby support realization of a more comfortable society.

Business DX

The goal is to utilize digital technology to support clients in their efforts to address social issues and respective management issues.

We will complement top-level capabilities in the domestic payment services domain with Group strengths in data analytics, AI and robotics, healthcare, and energy management, combining these capabilities as a partner to help clients grow their businesses and improve corporate value. We will provide a full range of responses, from pinpointing issues and suggesting the right services to implementation and operation of the associated systems.

Internal DX

Using data collected within the Group as well as technology, such as AI and robotics, we will make office work more efficient. This will create a new environment in which employees are more motivated and can concentrate on promoting social DX and business DX.

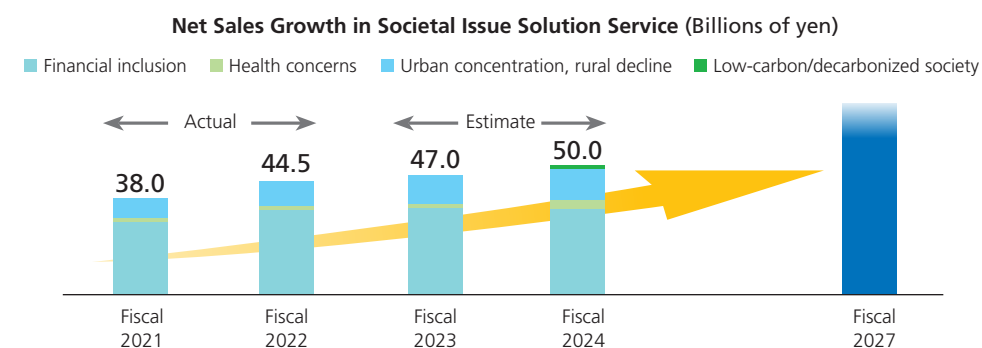
Promotion structure

The person holding the title of Representative Director and Executive Vice President at TIS is responsible for promoting the Group's DX business strategy. In addition, the Digital Transformation Promotion SBU, a business unit set up in April 2022 to focus solely on DX, is taking a central role in DX promotion. Eight themes have been identified, and efforts are under way to promote DX throughout the Group and across divisional lines under a project structure.

TIS is keen to increase value exchange with stakeholders. Toward this end, the Company is working on measures to design the future of the Group through wide-ranging approaches, including enhanced marketing and sales, better system development and operation, and fine-tuned deployment of human resources.

Service-style Business Strategies

We seek to improve profitability across all service-style businesses, including payment services, through careful allocation of management resources to help solve the four social issues that have been highlighted for a groupwide response and through more sophisticated management practices.

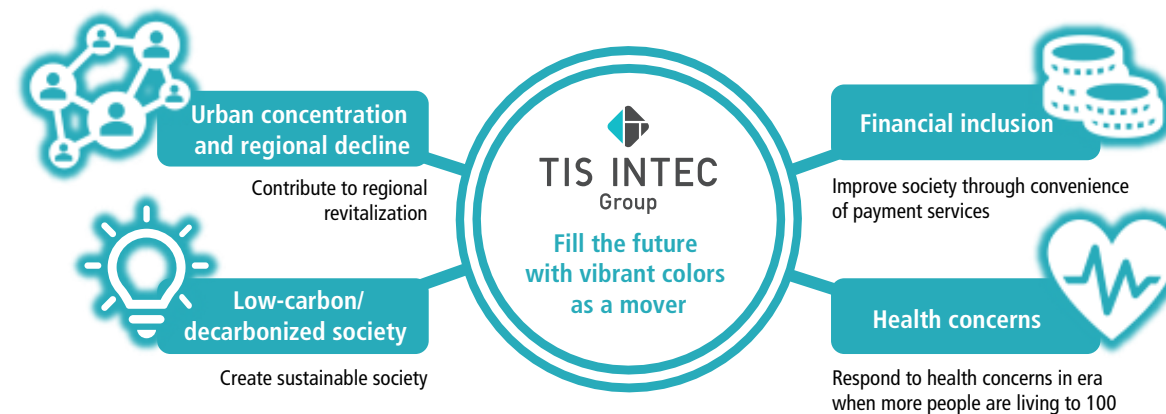


Key Offering Services		Sales (Fiscal 2021 – Fiscal 2022)
Payment	<ul style="list-style-type: none"> Proceeded as planned toward service completion in first half of fiscal 2023 Turned ULTRA, which provides international brand payment services, into consolidated subsidiary New orders for wallet services 	¥28.5 billion → ¥33.5 billion
Societal Issue Solution Service*	<ul style="list-style-type: none"> Launched SustainaCare, a personalized healthcare program to achieve strategic healthcare investment Began providing DX on RoboticBase to realize DX using robotics. 	¥38.0 billion → ¥44.5 billion

* Services that directly provide solutions to financial inclusion, health concerns, low-carbon/decarbonized society, urban concentration, rural decline

Social DX (Societal issue solution services)

Social DX is central to being a mover using digital technology. TIS—and by extension—the whole TIS INTEC Group prioritizes the four social issues described in the image below and develops new businesses to address these issues. Ideas from within the Group, as well as M&A activity, co-creation with other companies and other approaches, generate a steady stream of diverse new services.



Selected examples

- ▶ [Health concerns] Healthcare Passport, a coordinated, medical care / health information service linking patients and providers of medical and health care
- ▶ [Financial inclusion] ultra pay Card, a no-credit-check, prepaid Visa credit card
- ▶ [Financial inclusion, healthcare concerns] Walking app ASTARI
- ▶ [Low-carbon/decarbonized society, rural decline] Capital alliance with Chinese self-driving EV startup.

Topic

TIS held an information meeting in December 2021 highlighting sustainability management and provided details on solution-style services to address social issues. Please follow the link below to see presentation materials from that day.

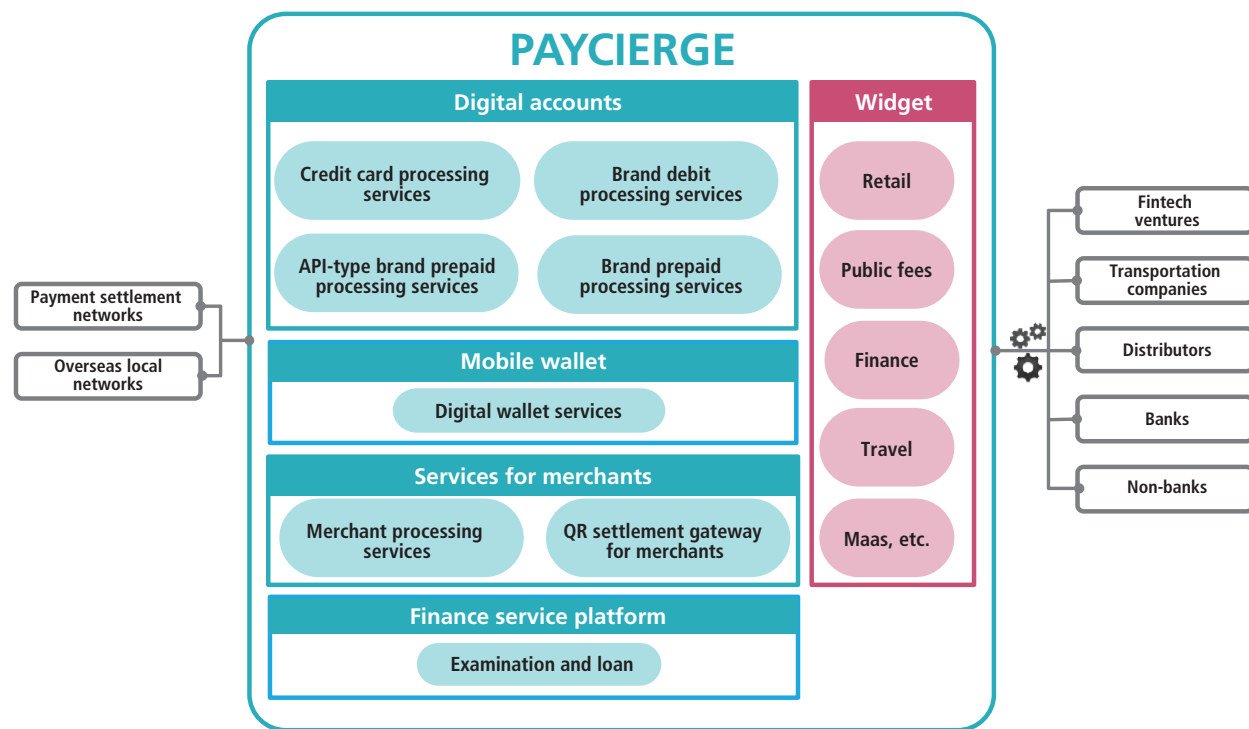
<https://www.tis.com/documents/en/ir/finance/meeting/211201.pdf>

Leveraging our strengths to accelerate business development and realize a cashless society

Through years of support for major credit card companies, TIS INTEC Group has established its position as one of Japan's leading system integrators in the payments field. Currently, the payment business market is undergoing major changes in the environment as the shift to cashless transactions progresses. The Group sees this situation as a new growth opportunity and will accelerate business development through its PAYCIERGE digital payment platform in addition to the development and operation of enterprise systems for major credit card companies, which are an important business platform.

Overview of Payment Services and TIS' Core Focus

Digital accounts facilitate access to processing services for all payment operations, from prepaid accounts for payment prior to purchase and instant withdrawal accounts for debit payments to post-payment credit accounts, and is an area where TIS can demonstrate particular competitive superiority.



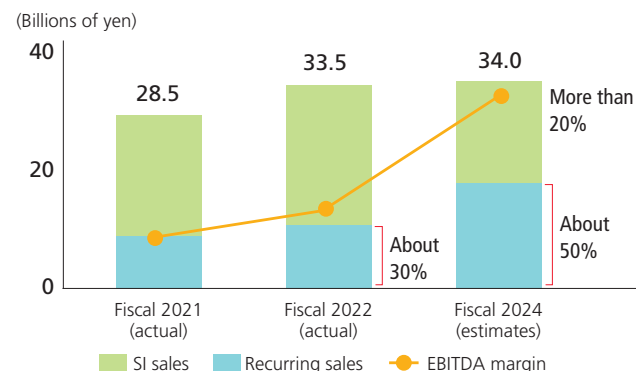
Payment service strategy under Medium-Term Management Plan (2021–2023)

With the cashless market in growth mode, we will target businesses keen to participate in new payment options. High-level specialization will be in demand, providing us with the perfect opportunity to demonstrate competitive superiority, especially in services to our core customer base. We are aiming for net sales of ¥34 billion in fiscal 2024, supported primarily by this core customer segment.

Market Share (Fiscal 2024)

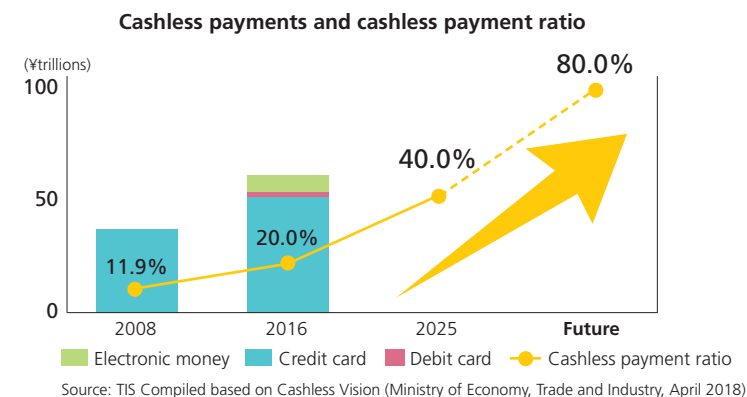
Core area		Front area
Credit core market Credit SaaS ¥20.0 billion	Prepaid core market	Front market for issuers
	Prepaid SaaS ¥2.5 billion	Merchants/QR/Wallet ¥5.5 billion
	Debit SaaS ¥3.5 billion	
	Debit core market	Front market for merchants
New domain creation/common ground ¥2.5 billion		

Payment-related business scale for service-style operations

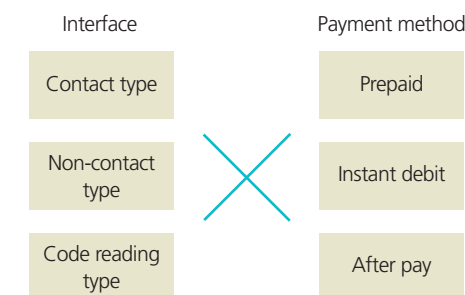


Status of cashless payments in Japan

- The Japanese government is promoting cashless payments, which are expected to become more widespread in the future
- The credit card is a typical tool for making cashless payments, and the credit card transaction volume is expected to increase in the future alongside an increase in mechanisms for linking cards to code-based credit services, such as QR codes and barcodes, that have become popular in recent years.



Combination of cashless payment methods



Topics

Introduction to credit card processing service (CreditSaaS)

CreditSaaS, which is expected to be a growth driver in the credit core market, is progressing as planned toward service completion. After acquiring first users, we continue to promote sales activities to expand the business.

Introduction of API-based BNPL service

We have launched an API-based BNPL service as a new pay-later settlement service for the credit core market. BNPL (buy now, pay-later), for which market needs are rapidly expanding these days, enables low-cost, highly scalable, and speedy entry into the financial business. We support our clients' entry into financial services by providing the necessary core functions on an API basis.

Three features of API-based BNPL services

- (1) A variety of payment methods**
International brand merchant payment (Visa, MasterCard, JCB) is available as standard. Individual IF support enables connection to each company's own payment methods.
- (2) Payment timing can be selected**
Monthly direct debits and real-time repayment are available.
- (3) Abundant repayment methods**
Monthly clear / installment payments / revolving payments are standard. It can be specified per statement.

Making ULTRA a consolidated subsidiary

In March 2022, the Company made ULTRA Inc., which issues ultra pay cards with Visa prepaid functionality, a consolidated subsidiary. By welcoming this company, which provides international brand prepaid settlement services to our Group, we have acquired front-end settlement functions and can now provide a full range of settlement services in combination with our strength in building settlement back-end functions. The Group, aiming to realize financial inclusion, will further promote the resolution of social issues through cashless transactions through the Embedded Finance initiative, which is becoming a global trend.

Topic

TIS held an information meeting in December 2019 highlighting payment services and provided details on areas of focus and strategies. Please follow the link below to see presentation materials from that day.

<https://www.tis.com/documents/en/ir/finance/meeting/191209.pdf>

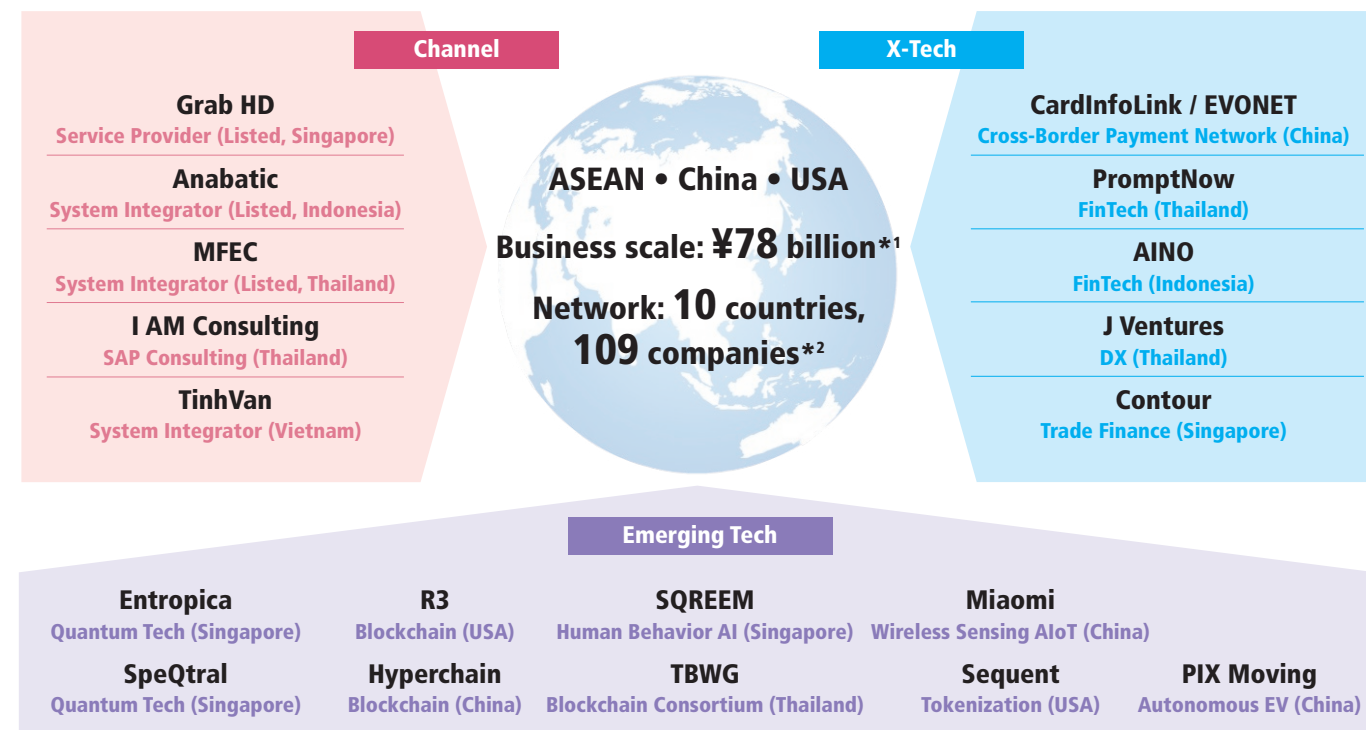


Isao Otokita
TIS Executive Officer,
Deputy Division Director of
Digital Transformation
Business Unit

PAYCIERGE is our unique payment solutions platform launched in 2013, leveraging the wealth of know-how and advanced technology in the payment area that we have cultivated over many years. To date, we have developed a variety of services centered on cashless payment services, always staying ahead of changes in the payment market abreast of technological advancements, and accurately capturing the diversifying needs of our customers. We believe that the coronavirus pandemic will serve as an opportunity to accelerate the trend toward cashless transactions both domestically and internationally. We also expect the diversification of payment methods to further advance. Under these circumstances, as a major player in the payment market, we will continue to strive to enhance the value of PAYCIERGE and expand our business through the creation of advanced services. We believe that this will lead to the safe and secure use of cashless payment by all people, and will serve as the foundation to support a comfortable society in the future.

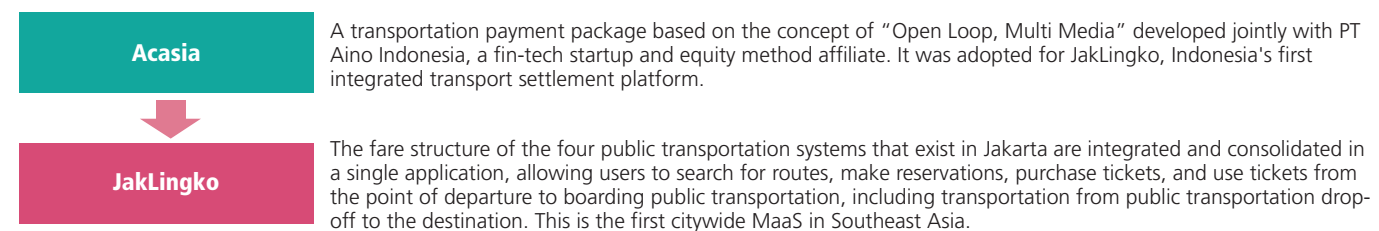
Leverage business domain expansion and strategic investments to become top-class IT group in ASEAN region

As part of its global strategy, TIS is currently seeking to build a top-class group of IT companies in the ASEAN region. To this end, the Company will maximize alliances forged through strategic investments in channels—that is, local markets—and technology, while promoting business development that integrates the respective strengths of each company and expanding business domains through new and reinforced connections across the ASEAN region.



*1. Total sales of subsidiaries and equity method affiliates (fiscal 2021, ended December 31, 2021) are converted at period-end rate.
*2. As of July 2022

Topics: Development and provision of Indonesia's first integrated transportation payment infrastructure



Recent main M&A and capital and business alliances

Initial Investments	Head office	Partners (place in order of the investments)	Relation with TIS	Corporate Profile	Area
2014	TH	MFEC Public Company Limited	Consolidated subsidiary	Thai-listed, leading provider of enterprise IT solutions.	Channel
	TH	I AM Consulting Co., Ltd.	Consolidated subsidiary	Thai-based consulting group producing total SAP-related IT solutions.	Channel
2015	ID	PT Anabatic Technologies Tbk	Equity method affiliate	Indonesia-listed, top-tier local IT company.	Channel
2016	TH	PromptNow Co., Ltd.	Consolidated subsidiary	Thai-based leading FinTech company with multiple proprietary mobile services for financial institutions.	X-Tech
2017	CN	Shanghai CardInfoLink Data Service Co., Ltd.	Equity method affiliate	FinTech company developing presence in China and around the world, with particular strength in payment gateway solutions and other services.	X-Tech
	VN	TinhVan Technologies JSC.	Capital & business alliance	Leading IT service provider with considerable experience introducing solutions to the Vietnamese government and financial institutions.	Channel
2018	US	R3 HoldCo LLC	Capital & business alliance	U.S. technology startup boasting global-caliber results and brand in blockchain-related technology for corporate users.	Emerging Tech
	ID	PT AINO Indonesia	Equity method affiliate	FinTech provider of payment services for transportation infrastructure in Indonesia.	X-Tech
2019	SG	SQREEM Technologies Pte. Ltd.	Capital & business alliance	A Singaporean startup—the world's largest behavioral pattern data aggregator—growing very fast in fields of digital marketing and data analytics using proprietary AI technology based on massive data collection.	Emerging Tech
	SG	Grab Holdings Inc.	Capital & business alliance	Top-class super app provider in ASEAN region. Expands into one business after another across wide range of sectors, including ride-hailing services, food delivery and financial services. Boasts 203 million downloads on aggregate basis.	Channel
2020	SG	GrabLink Pte. Ltd.	Capital & business alliance	Joint venture—IT platform provider for Grab's payment services.	X-Tech
	SG	Entropica Labs Pte. Ltd.	Capital & business alliance	A Singaporean startup—provider of quantum computing software.	Emerging Tech
	US	Sequent Software Inc.	Consolidated subsidiary	One of very few tokenization vendors in the world, and recognized by multiple international brands.	Emerging Tech
	TH	J Ventures Co., Ltd.	Equity method affiliate	A DX subsidiary of Thailand major retailer Jaymart. Provide DX platform for retail ad and finance business.	X-Tech
2021	SG	SpeQtral Pte. Ltd.	Capital & business alliance	A Singaporean startup—provider of quantum computing software.	Emerging Tech
	CN	Hangzhou Qulian Technology Co., Ltd.	Capital & business alliance	A blockchain company—originally developed to provide application, hardware, and data linkage services with other systems	Emerging Tech
	SG	Contour Pte. Ltd.	Capital & business alliance	Singaporean company, provider of a trade finance platform utilizing blockchain technologies	X-Tech
2022	CN	PIXMOVING, INC.	Capital & business alliance	An autonomous EV startup in China, United States, and Italy	Emerging Tech

Aiming for global consolidated sales of ¥100 billion in fiscal 2026, to become the top-class IT group in the ASEAN region

Topic | TIS held an information meeting in December 2020 highlighting global operations and provided details on areas of focus and strategies. Please follow the link below to see presentation materials from that day.
<https://www.tis.com/documents/en/ir/finance/meeting/201204.pdf>

Kensaku Furusho
TIS Executive Officer, Division Manager of Global Division

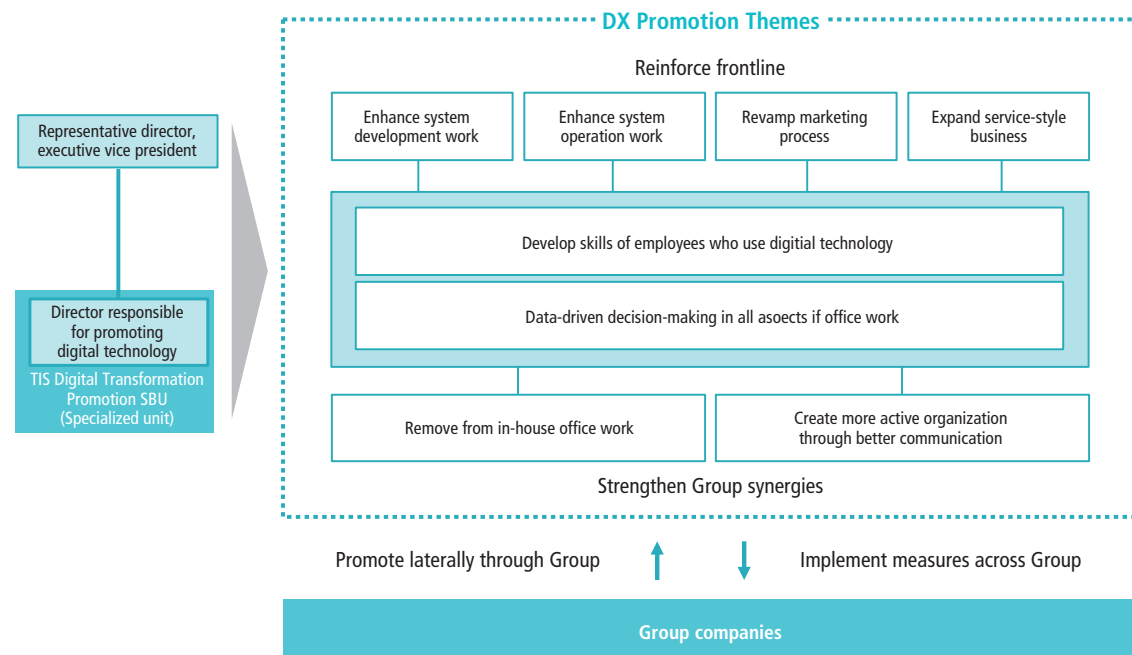
Over the past eight years since 2014, the Group's has accelerated investment in its global operations and expanded its network to include to 17 overseas partners. To enter the local market in each country, we have formed partnerships with leading local system integrators and have worked with them to solve local social issues by introducing cutting-edge services and technologies to the market. As a result, the scale of our business is approximately ¥78 billion, and we are making steady progress toward our target of ¥100 billion in consolidated sales in the ASEAN region by fiscal 2026. At the same time, we are strengthening our governance structure in line with the expansion of our business scale. Specifically, we dispatch directors and second personnel to investee companies and hold regular steering committees among top management. We are also working to strengthen governance by establishing seamless communication between the headquarters and local offices, including the establishment of a Global Financial Planning Office at the head office. While we have been focusing on the ASEAN market, aiming to become the top-class IT group in the ASEAN region, we are also developing new markets and expanding new functions to build a structure capable of providing services on a global scale.

Key Strategy of Medium-Term Management Plan/ Strategy to Enhance of Management Capabilities

We aim to elevate head office functions and promote greater efficiency by centralizing back-office operations, raising the performance of head office operations and promoting the shift toward DX in office work throughout the Group. In addition, we seek to contribute to a sustainable society and realize higher corporate value, and toward this end, we will enhance sustainability management with a more in-depth approach to ESG issues.

Internal DX

To give social DX and business DX activities added momentum, we are working to establish an environment that combines knowledge and human resources across domains within the TIS INTEC Group and fuels greater creativity in operations.



To encourage wider use of shared services and support the shift toward DX in back-office operations groupwide, TIS split off its Group shared services business, which was then merged into TIS Business Service Inc., a wholly owned subsidiary, in April 2022.

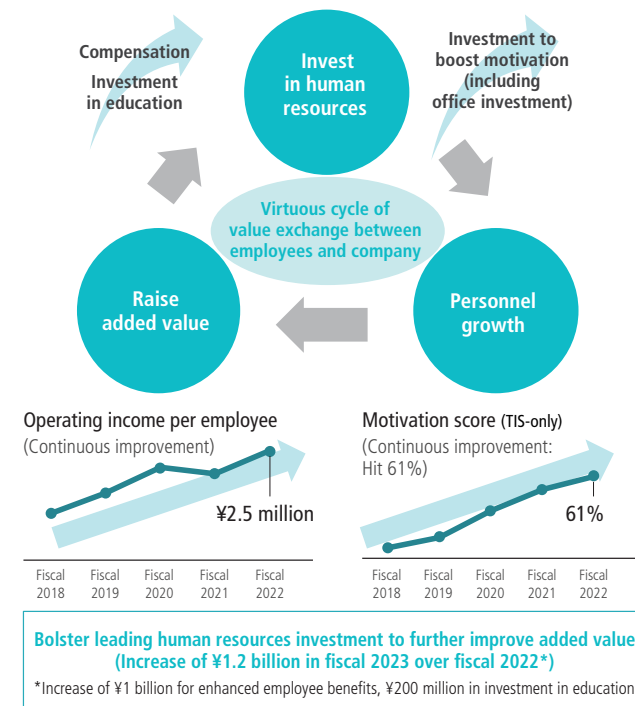
Promoting higher level of ESG

<h3>Environment</h3> <p>Contribute to decarbonized society and recycling society</p> <p>Activities in Fiscal 2022 Obtained SBTi certification (June 2021), captured CDP-B score Committed to TCFD, disclosed information based on recommendation (January 2022) Encouraged use of renewable energy</p> <p>Priority Theme in Fiscal 2023 Explored further reduction of GHG emissions and obtaining various certifications Began looking into water and waste management</p>	<h3>Social</h3> <p>Sustainable improvement in stakeholder engagement</p> <p>Activities in Fiscal 2022 Implemented human rights due diligence in line with Group human rights policy (Plan to disclose results of risk evaluation in first half of 2022) Promote diversity, elevate engagement inside and outside the company</p> <p>Priority Theme in Fiscal 2023 Strengthen and enhance management practices to address latent human rights risk Update human resources strategy and investment level matched to human capital management</p>
<h3>Governance</h3> <p>Constantly pursue level of corporate governance that elicits greater trust from society</p> <p>Activities in Fiscal 2022 Responded to revised Corporate Governance Code and prepared disclosure document (Revised December 2021) Drafted Group Taxation Policy (Disclosed April 2022) Streamlined strategic shareholdings (Total disposal: 8 issues; partial disposal: 1 issue; reduced ¥7.5 billion)</p> <p>Priority Theme in Fiscal 2023 Lift management and governance practices to higher level</p>	

Human Resources Strategy

To improve the value provided by DX and realize structural transformation, TIS prepared a human resources strategy and has been reinforcing investment in human resources, based on this strategy. We seek growth through circular value exchange between employees and company, a process of promoting development through investment in human resources, which underpins higher added value in each individual and then leads to improved earnings that are used as the source of capital to begin the process again.

Ideal Human Resources Strategy



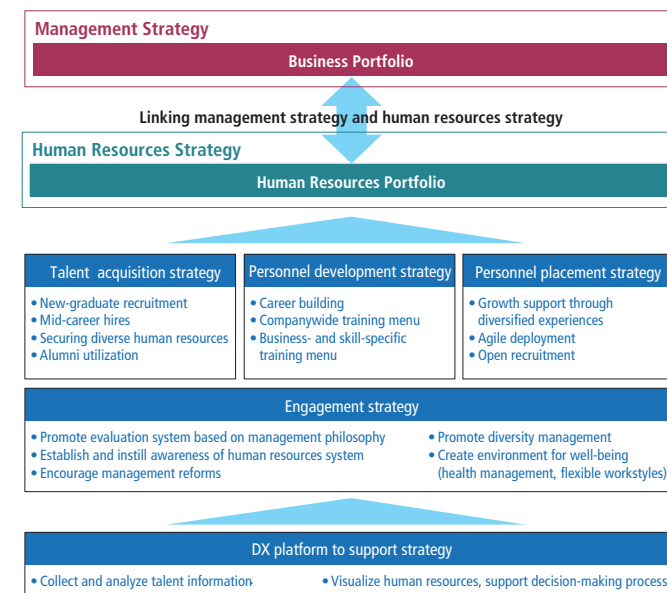
Activities and Results in Priority Areas

<h3>Sharpen/enhance skills of human resources</h3> <ul style="list-style-type: none"> Expanded DX consultant pool to 300 as planned Developed, strengthened skills of IT architects, project managers and others 	Strengthen HRBP system
<h3>Personnel DX</h3> <ul style="list-style-type: none"> Promoted talent management throughout Group Use data to help shape careers, ensure best assignment 	
<h3>Diversity & Inclusion</h3> <ul style="list-style-type: none"> Obtained White 500 status for four consecutive years for health management Continuous awareness activities, including Diversity & Inclusion training 	
<h3>Sustainable engagement</h3> <ul style="list-style-type: none"> Motivation score rose from 56% last year to 61% 	

Priority Themes in Fiscal 2023

- Reinforce human resources investment to boost added value
- Raise human resources business partner capabilities
- Promote diverse individual activities using personnel DX

TIS INTEC Group's Human Resources Strategy Model



Highlight manifesto and vigorously push measures forward

Brand activities launched in the second half of fiscal 2020 emphasized approaches to boost brand recognition through television commercials and other media formats. Our efforts have generated positive results. Going forward, we will strive to become a company—and by extension, a corporate group—that all stakeholders look to first, and we will implement strategies to boost our brand profile.

<p>Knowledge of TV commercial (Among business people) TIS survey on February 2022</p> <p>79%</p>	<p>Group recognition (Among business people) TIS survey on February 2022</p> <p>63% (Up 44 percentage points after television commercial)</p>	<p>IT industry new graduate job seekers</p> <p>Company ranking by popularity</p> <p>Overall: No. 12 Independent: No. 1</p>
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Josaku Yanai

Representative Director,
Executive Vice President



We will utilize leading-edge digital technologies to promote corporate and social change as a strategic partner of our clients.

Josaku Yanai, TIS Representative Director and Executive Vice President, speaks to changes in the business environment for the TIS INTEC Group and the evolving needs of clients as well as growth strategies for businesses hinging on improved value in DX services provided.

Looking back on fiscal 2022

Achieved favorable results on market need for responses from higher upstream phase

Business activity was extremely favorable in fiscal 2022, ended March 31, 2022, substantiated by record-high performance on a consolidated basis. I would say this achievement is primarily due to tremendous IT investment enthusiasm among clients, especially for DX, and the ability of employees to respond appropriately to this heightened interest. In addition, as we leveraged an enhanced frontline—a concept central to the current medium-term management plan—we were also successful in actively identifying client needs through what-if proposals and in polishing our consulting capabilities for bespoke solutions to client needs. Looking back, fiscal 2022 was a year that saw increased demand for IT investment in both back-end and front-end systems. Clients demonstrated an exceedingly high level of interest in DX and were very keen to apply and utilize data as a key management resource, which essentially meant building a data coordination platform. There was also a large number of migration projects to revamp mainframe systems created with old programming languages,

such as COBOL, as clients prepared to ride out a situation that the Ministry of Economy, Trade and Industry has termed the “2025 Digital Cliff.” In addition, we capitalized on booming IT investment activity, including Enterprise Resource Planning (ERP), a shift to cloud-based services, mobility projects—such as MaaS (Mobility as a Service)—reflecting a change to smartphones as the point of contact with customers, and projects involving a global activities or a widespread environment-oriented response. Such a robust appetite for IT investment among our clients has resulted in an increase in the size of development projects for the TIS INTEC Group.

Client needs have evolved such that there is now more demand for upstream interventions. When IT investment was aimed primarily at making operations more efficient, clients decided on system requirements. Now, in the DX age, we are seeing more requests for advice from the design stage to create systems specific to the issues clients face and take them where they want to go. The right consulting skills are imperative to facilitate such advice. Meanwhile, as clients embrace the shift toward DX, they are not outsourcing to IT vendors as much but rather tackling website updates and other simple digital tasks using in-house IT talent, which is

then complemented by advice from external experts, like TIS. Consequently, our relationship with clients is changing, and we are more often required to fulfill the role of strategic partner rather than IT vendor.

As for changes on the technology front, AI embedding and Big Data are becoming more pervasive, and we have noticed an uptick in projects related to XR (Extended Reality), which blends digital environments extending across the realm of immersive technologies, including VR (Virtual Reality) and AR (Augmented Reality), with real-world environments. At the same time, UI (User Interface) and UX (User Experience) design concepts emphasizing end-user perspectives are key. Demand is also rising for agile development, which flexibly incorporates client needs into the process; scrum development, which disperses roles within a team to move development along; and low-code development, which facilitates client-side in-house development, including website maintenance, and is manageable even for non-professional developers.

Developed countries around the world, including Japan, are facing the major social issue of a shrinking workforce, the most effective solution to which is the use of IT. Against a backdrop of dizzying change, accentuated by the crisis in Ukraine and heady inflation, clients are also likely to maintain their emphasis on IT to deal with changes in their own industries at least for a few more years.

Seek optimal Group formation, change management structure

As part of its efforts to achieve a Group formation that demonstrates comprehensive capabilities while recognizing the corporate identity and special features of each company under the TIS INTEC Group umbrella, TIS introduced a new management structure and, in conjunction, restructured its reporting segments, effective from fiscal 2023. There are now five principal segments: Offering Services Business, which will be a driver of service-style business and global operations; Business Process Management, which will make business processes more efficient and realize business reforms; Financial IT Business and Industrial IT Business, which will handle system configuration and system operation as a business partner for clients that are top in their respective industries; and Regional IT Solutions, which will leverage development of regional solutions for a diverse and region-specific client base.

As of March 31, 2022, TIS had 53 consolidated subsidiaries, configured to achieve a balance between diversity and unity as well as a balance between centrifugal (new idea generating) and centripetal (integrating) forces. A decrease in the number of companies through mergers would be a centripetal force, promoting integration but diminishing diversity and innovation. But the pursuit of diversity for its own sake, a centrifugal force in pursuit of innovation, would have the effect of fragmenting the Group and eroding its overall effectiveness. The new formation will involve segment owners, under whom we will realize cohesive management that breaks down the barriers between companies and utilize the strengths of each Group company to underpin growth.

* For details on revision of the Group business portfolio (Group companies and businesses belonging to each reporting segment), go to page 53.

Initiatives under Medium-Term Management Plan (2021–2023)

Strengthen function as strategic partner to clients

As I have already mentioned, in recent years, clients ask that we be more than just a creator of systems. They need us to be a strategic partner. The Ministry of Economy, Trade and Industry's *DX Report 2.1*, issued August 2021, suggests that if companies pivot from a run-the-business approach that maintains and manages current businesses to a value-up approach that targets higher corporate value and then pursues responses aligned to changes in the business environment, the barriers between users and IT vendors will fall. I think so, too, and the role of the TIS INTEC Group must therefore evolve from contracted software development to emphasize active, what-if proposals and delivery of DX services.

In recent years, even core clients seem keen to keep software development in-house, and that raises the question, “Will demand for our services dry up?” No. Our proactive perspective is an attractive quality that client companies seek as they look to us as a partner in their in-house efforts. By continuing to adapt ourselves and offer added value, we will actually create more chances to provide services. For example, in March 2021, TIS established tance CO., LTD., a joint venture with Japan Card Network (CARDNET), which operates a cashless payments network in Japan. tance provides service platforms and DX promotion support to store operators with major credit card companies in mind. The fact that CARDNET, a long-standing client, chose to establish a joint venture with us is a testament to our reputation as a strategic partner with whom it is possible to build new business models.

DX value provided in payment services business

Let me use the payment services business—a forte field for the TIS INTEC Group—as an example of improving the value of DX services provided, a pillar of the current medium-term management plan.

An issue affecting realization of a digital economy in Japan is the low ratio of cashless payments as compared with use of digital payment systems worldwide. The ratio in Japan topped 30% for the first time in 2021 and has been on a steady increase. However, the Ministry of Economy, Trade and Industry has set a target of 40% by 2025 with further expansion to 80%—the world's top level—in the future. The ministry calls the digital payment market a supergrowth market. Meanwhile, TIS has built a tremendous track record of results and enviable strength in the payment services business. In development of mission critical systems for credit cards, the Company boasts a domestic market share of about 50% based on credit card transaction volume, and in provision of services and development related to branded debit card processing, the Company has captured a domestic market share of about 80% based on financial institutions handling such cards. As a company involved in businesses that support realization of a digital economy, it is incumbent upon us to apply our achievements and underlying strength to help promote cashless payments. We believe this domain is one where we can make a considerable contribution, precisely

because of the portfolio and capabilities we have built, and we aim to play an active role.

Specifically, we are providing multifaceted digital account services, making preparations to build digital value platforms for major credit card companies, mobile payment systems for megabanks as well as the laying the groundwork for digital payrolls (digital wage payments), which requires the Ministry of Health, Labour and Welfare to make headway on revisions to current legislation. We are responding to the evolution of cashless day-to-day transactions, including automated expense calculations using scanned receipts.

Meanwhile, the most important factor in providing comprehensive cashless services is safety and security, and we ensure the use of fault-tolerant platforms that operate year-round without downtime and also support efforts to detect fraudulent transactions, including money-laundering activity.

In March 2022, TIS turned ULTRA, an international-brand prepaid payment servicer, into a consolidated subsidiary and thus gained a front-end function for payment services.

Complementing TIS' strength in back-end architecture for payment systems, ULTRA's capabilities make it possible to provide payment services across the full spectrum. Currently, nearly all payment-related services are covered by Group companies, which facilitate the necessary responses to client needs. But through ULTRA, the Group gains the ability to provide overall financial functions, enabling various non-financial institutions, such as companies in the power, telecommunications and distribution sectors, to embed finance functions, particularly a payment function, in their own digital services. This will enhance the Group's ability to help a much broader range of clients to implement DX.

* For details on the payment services business, go to page 35.

Social issue solution services showcasing digital technology

With the digital shift expected to spread more extensively throughout society, the role that IT services will play in addressing social issues is becoming all the more important. Acknowledging this, TIS identified four social issues—financial inclusion, health concerns, urban concentration/rural decline and low-carbon/decarbonized society—that the TIS INTEC Group can help solve through its business activities. Finding solutions to these issues will be a long-term effort utilizing the power of IT and will ultimately lead to the realization of a more equitable society. We are pursuing various activities, including efforts to promote cashless options through our payment services business, HealthTech initiatives, such as our Healthcare Passport that enables both treatment providers and patients to manage medical care and health information, and participation in proof-of-concept projects, including in smart cities initiatives and Mobility as a Service (MaaS). But I would like to highlight a project in the low-carbon/decarbonized society category that began at the end of 2021 and bodes very well for the future.

For Japan to achieve carbon-neutral status, it is imperative for government to reach out to energy-related companies, especially those in the electric power, gas and oil sectors. Drawing on insights acquired through long-standing support for clients in the energy sector, primarily electric power

companies, TIS launched Carbony as a solution brand to realize a decarbonized society. The first solution, Carbony VPP Platform, was made available in April 2022. And there is more to come. We are implementing a diverse array of decarbonizing solutions that includes establishment of environmental value trading transfer and management systems, such as one that awards points to electric vehicle (EV) owners who charge their EVs at home with power generated by a renewable energy system and then discharge the stored energy from their EV to a designated commercial facility. Another example is an energy-saving service for state power companies overseas.

*VPP (Virtual Power Plant): A cloud-based distributed power plant that bundles energy-production sources scattered throughout a region, such as corporate or local government-run production facilities, residential-use power generation equipment and electric vehicles. Digital technology is indispensable to such networks, driven by demand and output forecasts based on AI and device controllers using the Internet of Things.

Future issues and initiatives

My role is to create a virtuous cycle rotating through business units

I oversee all aspects of business, and a key challenge for me is to turn business structures into virtuous cycles that demonstrate the composite capabilities of the TIS INTEC Group. For example, account-based units—divisions or departments—that have built up solid results on made-to-order system configuration are well-acquainted with client-side management issues and associated solutions through many years of business interaction. Service-based units apply this accumulated knowledge as intellectual property and redirect these assets toward industry-standard, service-style businesses, such as CreditSaaS and EneLink. The resulting services then foster contact points with new clients and, never missing a chance to capture such contact points, account-based units draw on strengths to provide multifaceted solutions to management issues that new clients are grappling with. This is a virtuous cycle. Various initiatives are already in the works. For example, in account-style units, account managers are aware that they have a responsibility to take a bird's-eye view of the Group and to look beyond the client-specific structure—be that a department or a section—for which they are responsible and bring in other service-style units or Group company members to formulate broader-ranging account plans from a Group perspective.

Approach to using leading-edge technology at home and abroad over the medium to long term

On the business front, a medium- to long-term objective is to reinforce our presence in consulting, while on the technology front, we will delve deeper into trade finance and digital currency through application of blockchain technology as well as wider use of XR and Metaverse embedding. Of note, Singapore-based Entropica Labs Pte. Ltd., with which TIS formed a capital and business alliance in May 2020, is involved in quantum computing software development. Quantum computing is a revolutionary digital technology that executes algorithms beyond the reach of existing computers and facilitates high-speed processing. TIS will collaborate on

cutting-edge technology with developers of Entropica Labs while pursuing solutions applicable in various fields.

As always, we will take a robust approach to global operations, particularly in the ASEAN region. In recent years, we have accelerated activities, including capital and business alliances with local companies boasting advanced technologies, but overseas Group companies have themselves been involved in joint activities, expanding business opportunities in new directions. Global operations are a notable feature of the TIS INTEC Group that will be developed further. Going forward, we will grow businesses in the ASEAN region, starting with key subsidiaries such as the MFEC Group in Thailand, and promote business development that will underpin our standing as a top-class IT consortium in the ASEAN market.

Demonstrating strength during a time of transition for society, underpinned by diverse human resources

For TIS and other members of the TIS INTEC Group to appeal to clients, whether existing or potential, we must evolve. As the director responsible for DX, it is my duty to promote the Group's DX strategy, including DX in-house. Our DX emphasis is not only on software development operations but also on ordinary operations which will lead to efficient quality improvement through a switch to robotics and AI, highlighted by the introduction of robotic process automation into head office functions. We will continue to foster an environment in which people can be innovative and focus on work that generates added value.

In addition, we have looked beyond mechanical efficiency and, over the past few years, we have directed resources into the establishment of engineering platforms utilizing the knowledge of engineers. For example, we have implemented various approaches to boost productivity, including the use of Nablarch, an application and execution platform developed by the Technology & Innovation SBU; canal, a support site for TIS

INTEC Group engineers; and Fintan, a collection of development know-how. Such initiatives enable employees to perform at higher levels than before, which fuels productivity per person and fosters continuous improvement in profitability.

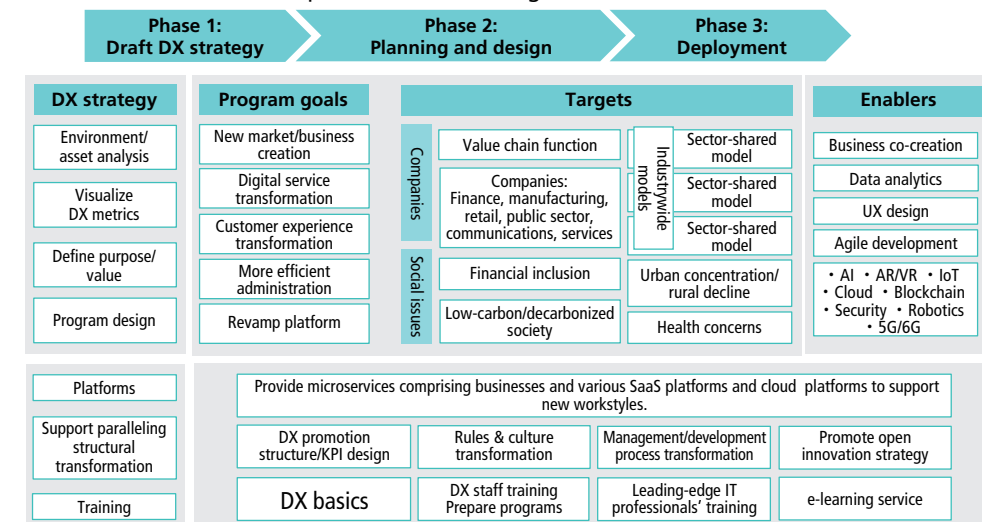
A survey by the Ministry of Economy, Trade and Industry indicates that Japan could have a shortage of 600,000 IT professionals by 2030. Other issues that might impact the business activities of the TIS INTEC Group are possible disruptions to co-creation opportunities with clients and business partners, and potential obstacles to securing and drawing upon a diverse workforce free of gender and nationality bias. To date, TIS has responded proactively by establishing new job categories, notably, data scientist and user interface/user experience (UI/UX) designer, as the centerpiece of an alliance with consolidated subsidiary Miotsukushi Analytics, Co., Ltd., which is engaged in the data analysis and AI consulting business. We have also widened access to employment and created more opportunities for a diverse workforce to thrive through enhanced human resources development, exemplified by MFEC Venture LAB, a startup specialist seeking to cultivate entrepreneurial talent. Going forward, we will focus on enhancing job satisfaction and will also use television commercials and other forms of messaging to convey to as many people as possible the significance—and even the fun factor—inherent in a career at a company under the TIS INTEC Group umbrella.

The TIS INTEC Group has many strengths: independent management free from keiretsu ties, a client base of top-class companies in their respective industries, and a diverse technostructure built through M&A. Global operations present another strength. But our most significant strength is our people. At a time when social values are in transition, the Group will adhere to OUR PHILOSOPHY, and I will push for realization of sustainable growth of the Group while sharing with employees the challenges and enjoyment of steering the corporate ship with personal resolve for the good of society.

Steps Taken by TIS INTEC Group to Realize Digital Transformation

The TIS INTEC Group seeks to be a partner, guiding clients through digital transformation, from drafting a strategy to implementing it.

Steps taken to realize digital transformation



Special Feature Roundtable Discussion: TIS INTEC Group's Human Resources Strategy x Business

Define human resources strategy linked to management strategy

Under Medium-Term Management Plan (2021–2023), the TIS INTEC Group seeks to accelerate structural transformation through an improvement in the value of DX services provided. Realization of this goal hinges on human capital, the Group's most valuable management resource. Efforts to enhance human capital are discussed in this roundtable.



(From left)
At TIS, Executive Officer, Deputy Division Manager, Corporate Planning SBU, and Department Manager, Corporate Planning Dept. **Reiko Oka**
At TIS, Executive Officer, and Division Manager, Human Resources SBU **Kyoko Takayanagi**
At TIS, Director, and HRBP (Human Resources Business Partner), Business Innovation Promotion Dept., Business Innovation Unit. **Sachiko Hara**
At TIS, Department Manager, Data Analytics Business Promotion Dept., Business Innovation Unit; and at Miotsukushi Analytics, Co., Ltd., Director and Division Manager, Consulting Division **Shunsuke Masaki**

* For details on the TIS INTEC Group's human resources strategy, go to page 40.

Speedy response to diverse needs of business divisions is essential for improvement in value of DX services provided



Oka: Right now, the Group is working through Medium-Term Management Plan (2021–2023), which highlights the theme of improvement in the value of DX services provided. Such value is generated through co-creation with clients. Our role is to guide clients in their DX efforts as a digital mover—the mission centerpiece of OUR PHILOSOPHY. Enhanced human capital is essential for us to lead the transformation and earn

the trust of clients, and so I'd say improvement in the value of DX services provided and our human resources strategy are intricately connected.

Takayanagi: TIS has always viewed human resources as its most valuable management resource, and this perspective permeates the Group as well. We have established an environment and systems that enable each and every employee to embrace challenges, and we vigorously invest in human resources. Under OUR PHILOSOPHY, growth is defined as better value exchange with stakeholders, but if this concept is applied to the relationship between employees and company, then growth as a company would be reliant on a strong work ethic among employees and a high level of job satisfaction, achieved through successful planning and implementation of various measures by the Human Resources SBU, including hiring, training and seminars, workstyle reform and compensation.

To co-create with clients as a digital mover brightly coloring the future, as Ms. Oka referenced, we must strive to

elevate and sharpen the skills of our human resources. Each business unit drafts its own business strategy, and for business units to realize their respective goals, the Human Resources SBU had an important part to play, too, developing an organizational structure that facilitates flexible and speedy responses to diverse personnel issues and needs.

In 2021, the Human Resources SBU was split along three functional lines: human resources planning, human resources services and human resources business partner (HRBP). HR planning covers preparation of strategies to elevate and sharpen the skills of employees throughout the Group; HR services plans and manages HR operations, such as recruitment, retirement, transfers and employee welfare programs; and an HRBP is a person who identifies HR issues in a business unit, presents solutions and thereby contributes to enhanced activities in that unit.

The HRBP Office, formally established in fiscal 2022, is building a structure in fiscal 2023 that enables HRBPs belonging to the Human Resources SBU and full-time HRBPs in business execution units to cooperate with one another to promote HR strategies closely aligned with business activities.



Masaki: The Business Innovation Unit, where I work, was quick to connect with an HRBP. As a unit driving the Group's DX business, our activities hinge on consulting operations executed by some 200 people across four teams: DX consulting; project management; AI integration and robot platform creation; and data analysis.

DX has become a buzzword, but many clients are not sure what to do. That is where the consulting team comes in—to identify client needs and issues of concerns and then lay out a strategy that guides clients on how to approach the DX process.

The Data Analytics Business Promotion Department, which I manage, comprises professionals who analyze data, that is, clients' management resources. I hold a concurrent position as the manager responsible for Miotsukushi Analytics operations. Data analysis is key to DX and, as a cohesive unit, the TIS INTEC Group plays a composite role in supporting clients' efforts to realize DX. Under Medium-Term Management Plan (2021–2023), TIS aims to expand the Group's pool of DX consultants to more than 500. But growing the DX business will require more than just consultants. The Group urgently needs data analysts, UX designers and a variety of other DX professionals—a category of human resources not previously well populated within the Group—and so the emphasis is on hiring and training DX talent. As a precursor to restructuring in the Human Resources SBU, the Business Innovation Unit welcomed Ms. Hara as an HRBP to quickly address HR needs within the unit.

*Engaged in data analysis and AI consulting businesses, Miotsukushi Analytics Co., Ltd., became a TIS consolidated subsidiary in August 2020.

Hara: Even before joining TIS in 2021, I worked as an HRBP while fulfilling my role as a director in a human resources division. The duties assigned to an HRBP vary by company, but at TIS, at least in the case of the Business Innovation Unit to which I belong, the role of an HRBP is more than handling general HR affairs. At TIS, an HRBP acts as a strategic HR partner to the head of the unit to achieve the business plan and provide high value to society through services provided, supporting unit growth and implementation of strategies from personnel and organizational perspectives.

The job of an HRBP starts with the business strategy drafted by a business unit. Likening the business unit to a company, the HRBP works alongside business unit management to determine the best way to reinforce structural capabilities so that the business unit can achieve its targets. The HRBP is tasked with planning and promoting HR measures.

As an HR professional, I formulate HR strategy for business units using my HR consulting capability, and I import companywide HR strategy—talent management and initiatives to sharpen and elevate employee skills—into business units, gathering feedback from business units and conveying it to the Human Resources SBU. In this way, I act as a bridge so that we can formulate coordinated responses.

Diversity and sense of unity are TIS INTEC Group strengths

Takayanagi: Business units, like the Business Innovation Unit, in which an expert in HR has been given a dedicated place as the division's HRBP, are still few in number. But there are just over 10 people in business units at TIS where someone fulfills the HRBP role along with divisional responsibilities, and the Human Resources SBU's HRBP Office has just under 10 staff, so about 20 people in total are involved in HRBP duties.

The function of an HRBP is to promote HR measures matched to business diversity and aligned to the needs of the business unit. Take hiring for example. At TIS, hiring new graduates is handled exclusively by the Human Resources SBU, while career recruitment is undertaken mostly by business units. One of an HRBP's primary missions is to support and promote the formulation of career recruitment strategies. In the Business Innovation Unit, the designated HRBP has extensive experience in HR management, which translates into great support for career recruitment. In recent years, the unit has thus been able to attract mid-career hires with remarkably strong qualifications.

Oka: To put it another way, the biggest role that HR plays is in creating an environment where all employees can work with peace of mind, enjoy fair and equitable learning opportunities, and experience new workstyles, because this motivates employees and improves job satisfaction. If you think about HR from a business angle, markets are different for each business unit and so are the human resources best suited to the respective market and thus the recruiting division. In hiring and training new employees, it is important to cultivate a sense of unity. At the same time, HR operations being aligned with the diversification of business activities is also important.

Essentially, HR strategies have to reflect qualities of diversity and unity that characterize the TIS INTEC Group.

Masaki: I think the reason that the Business Innovation Unit spearheaded the HRBP movement was because this unit, more so than any other, is going to be focused on human resources. System development divisions have leverage—knowledge built on experience and know-how accumulated through business activities tracking back to the earliest days of the Group—as well as consulting teams specializing in cashless operations. In comparison, the Business Innovation Unit’s consulting structure does not address services on specific products. Instead, consultants analyze issues and needs that transcend client lines, substantiate results and consider approaches to achieve innovation. This requires not only a high level of specialization but also generalist skills applicable to client-side businesses. Consequently, it is not knowledge so much as the talented people themselves that become leverage. We must also consider projects in domains different from the contract development activities that the TIS INTEC Group has been involved in for many years. In-house personnel transfers and training are not enough. We must actively source good candidates from outside the Company as well.

However, right now, with the employment market booming, a successful hiring program demands that we present recruitment agencies with a clear message about our strategies and the competencies we require. We also have to maintain especially close ties to these agencies: it was impossible to execute the career recruitment process along with regular operations on our own. With HRBPs like Ms. Hara at work, we have most certainly raised the speed and quality of recruitment results.



Hara: Hearing your comments reminds me that ultimately, an HRBP is a partner in the truest sense—someone who is there for the business unit and takes an end-to-end approach, from recruitment all the way through training and organizational culture, so that the unit can provide value to society.

For example, in the Business Innovation Unit, I apply a career development model TIS calls “Career Frame,” and I formulate an HR plan, create an HR development system and roll out concrete measures that underpin a stronger HR structure. The unit has identified eight job categories under the Career Frame that provide value to clients. People in these jobs are referred to as Business Innovation Professionals. I build a portfolio highlighting the number of people the unit requires to execute operations, when they are needed, in which job categories, and at what stage of a project. Based on the portfolio, I also design the HR development system and various measures, including recruitment, so that the unit can successfully carry out its business plan.

The HR strategy specific to each business unit must align with the overall HR strategy set by the Human Resources SBU, and I will work closely with HRBPs assigned to other business units and with Human Resources SBU managers.

Link diverse division-specific characteristics, and maximize value in DX services provided

Oka: Quite a bit of structural transformation is needed to secure the strategic domains described in Group Vision 2026. Strategies and issues that will push structural transformation forward, on the theme of higher value in DX services provided, are the focus of a monthly strategy discussion group. Here, not only HR strategy but all strategies are covered and opinions are shared. For example, it is certainly true that the Business Innovation Unit is a driver of DX, but divisions and Group companies involved in system development—a well-established Group strength—have a significant pool of diverse talent demonstrating extensive business knowledge as well as system configuration experience and know-how. Employees throughout the Group, including human resources in system development operations, must understand the direction that TIS is taking as a mover using digital technology. By the same token, it is also extremely important for the management team to deploy measures to encourage a virtuous cycle that encompasses the whole Group.

Hara: In terms of realizing Group Vision 2026, efforts to strengthen divisional capabilities through greater engagement has taken on renewed importance as a way to boost performance within each division amid diversifying employment formats and evolving perceptions of value.

Individual sections in the Business Innovation Unit, such as those focusing on consulting and data analysis, possess advanced capabilities. But to elicit a higher level of team-like solidarity and give the whole unit the ability to offer higher value, we initiated the BIU Forum, a two-year project launched in 2022 to strengthen HR engagement by promoting mutual awareness of all operations. The forum transcends divisional barriers, regularly engaging 200 people across the unit in conversation about what’s happening. As an initiative, it also promotes efforts to build action plans and promote unilateral unit-specific measures.

TIS provides various corporate and Human Resources SBU-issued information, including topics related to OUR PHILOSOPHY and the results of the employee awareness survey. By analyzing and internalizing this information from a personal perspective, everyone gradually understands the benefit—the joy, if you will—in taking ownership of the process to create a structure that makes work exciting.

Masaki: Unlike recruitment, though, initiatives to promote a better workplace culture take time to produce results. But for me personally, opportunities, particularly the BIU Forum, have granted me access to the honest opinions of young employees, and I realize that executives need to listen to comments from the floor more often. I think the forum will kickstart more opportunities for communication.



Takayanagi: While HRBPs implement various HR measures fine-tuned to each business unit, as Ms. Hara does in the Business Innovation Unit, the Human Resources SBU shares information on programs and initiatives with other business units that can be implemented if applicable or necessary to the individual business unit. The SBU also spearheads companywide measures, such as system revisions based on employee awareness surveys and feedback on existing measures.

In addition, at each company under the Group umbrella, the human resources manager or human resources strategy manager acts as the HRBP for that company. In this position, the manager has access to information on HR issues at other Group companies and can apply the knowledge in-house to formulate and promote HR measures designed to achieve respective business targets. But because business strategies and business models vary from company to company within the Group, measures ideal for TIS are not necessarily right for all Group companies. Nevertheless, the trajectory of fundamental HR strategies follows a common path, and efforts to raise the quality and speed of HR measures aligned to business strategies are thus applied groupwide.

Another example of our work in the Human Resources SBU at present is the revision of HR systems, including performance evaluation and compensation systems, for implementation in fiscal 2024.

Masaki: Improvement in the value of DX services provided is a key theme in the current medium-term management plan, but

the Group’s strength is in its overall ability to provide end-to-end support, from consulting to system development. As a structure cutting across the Group, the Business Innovation Unit has many opportunities to work with account-based units serving clients in the finance and industry sectors and to address concerns regarding client-side DX. We bring strategic consulting skills. They bring insight into client businesses. Add in access to the forte capabilities of Group companies, and now TIS can provide the best possible solutions to clients’ DX needs.

Speaking specifically to the activities undertaken by my team in the Business Innovation Unit, we apply a system coordinated with Miotsukushi Analytics, a TIS subsidiary specializing in data analysis and AI. TIS provides consulting and system development know-how, while Miotsukushi Analytics provides instruction on data analysis and AI. Personnel exchanges, to utilize reciprocal strengths within the Group, also help to accelerate development of DX talent.

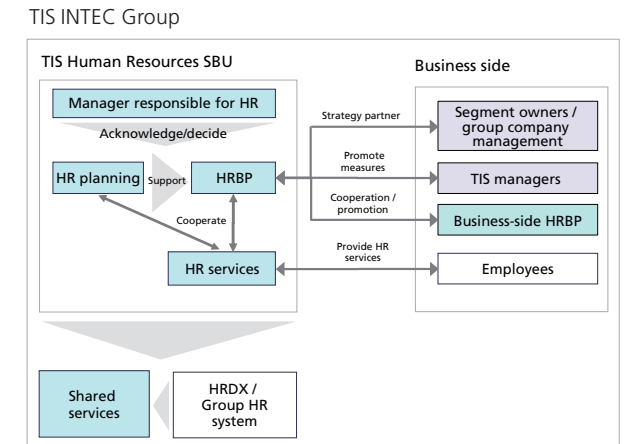
Hara: TIS has taken an extremely robust approach with measures to elevate capabilities groupwide, including in-house recruitment and seconding employees to group companies like Miotsukushi Analytics to reinforce the DX talent pool. Behind this approach is the idea that enhanced collaboration within the Group will not only grow TIS’ businesses but also boost the value of DX services provided in a way unique to the TIS INTEC Group. HRBPs support business growth from both human resources and structural perspectives, walking hand in hand with their assigned business unit to address HR issues while also looking beyond the business unit to align measures along the Group’s primary trajectory.

Takayanagi: The Human Resources SBU also has the back of each and every employee in their embrace of new challenges. Toward that end, with the determination to change the Group through HR, I will work with business units to promote HR investment measures characterized by flexibility and a sense of speed.

TIS Career Frame (Personnel Development Model)

Category	Field (Specialization)	Stage (Differences in role)
Consulting	Business consultant	Job categories of Business Innovation Unit
	Industry consultant	
	Business function consultant	
Business innovation	Producer	Job categories of Business Innovation Unit
	UX designer	
Solution design	Solution designer	Job categories of Business Innovation Unit
	AI Robotics ...	
Data science	Data scientist	Job categories of Business Innovation Unit
Implementation	Project manager	
	Architect	
	Application specialist IT specialist	
Sales	Marketing	Define role and skills by field and stage
Corporate	Corporate planning	

Human Resources Structure/HRBP-Related Chart



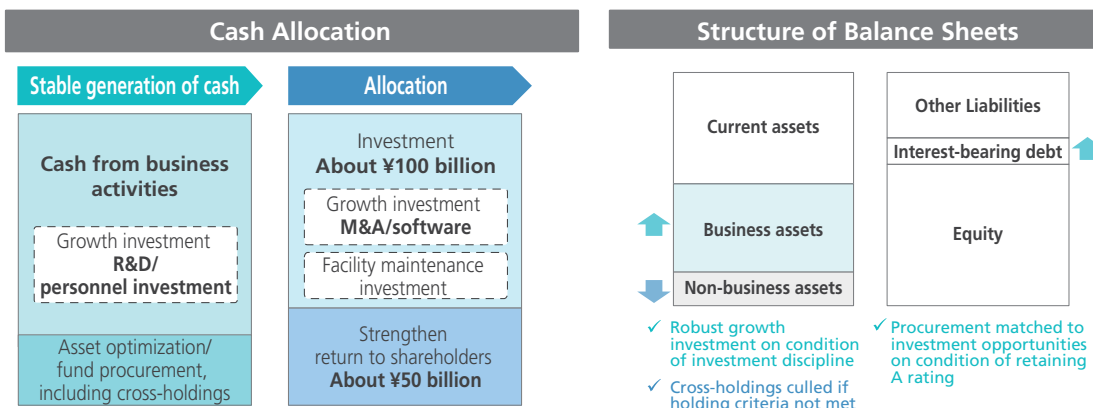
Growth Investment

We will improve the value provided in DX services and underpin efforts to acquire new technology through robust investment of about ¥100 billion.

Growth Investment		Investment Policy			
M&A (capital contribution) ¥70 billion	<ul style="list-style-type: none"> Implement strategic M&As Contribute capital to access technology and know-how and promote joint business pursuits 	Channel New SPB ASEAN			
Internal reinforcement ¥30 billion	Software	Robust investment themes: Social issues where we can contribute solutions			
	R&D	Financial inclusion Urban concentration/rural decline Low-carbon/decarbonized society Health concerns			
	Human resources	Stronger value chain Emerging Tech Joint creation X-Tech DX Offering Tech Innovation			
		(Billions of yen)	Medium-Term Management Plan (Three years total)	Fiscal 2022 (actual)	Fiscal 2023 (estimates) (*Rough calculation)
Software investment to create new services		10.0	5.7	3.0	
Investment in human resources to fuel structural transformation		8.0	2.0	2.5	
Investment in R&D to acquire advanced technologies		12.0	2.7	3.5	
Sub-total		30.0	10.6	9.0	
Investment to expand strategic domain business		70.0	2.4	undecided	
Total		100.0	13.0	-	

Cash Allocation, Structure of Balance Sheets

We will balance robust growth investment with stronger return to shareholders, based on cash from business activities.



ROE Growth Structure

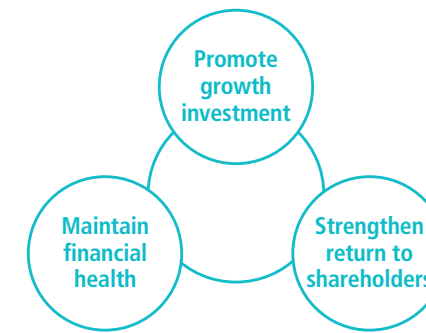
	Fiscal 2021 (actual)	Fiscal 2024 (estimates)	Fiscal 2022 (actual)
ROE	10.8%	12.5%~13%	14.0%
Net income ratio	6.2%	7.8% Structural transformation, investment results	8.2%
Total asset turnover ratio	1.08	Slight drop Increase in business assets paralleling growth investments	1.04
Financial leverage	1.63	On a par Maintain financial health	1.65

Basic Policy on Return to Shareholders

Total return ratio* 45%	Dividends per share Constantly enrich the dividend	Upper limit on treasury stock holdings at 5%
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* Based on profit (after income taxes and income attributable to non-controlling interests)

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



Promote growth investment

- Take vigorous approach to investment in human resources as well as upfront investment, M&As and other growth investment opportunities. Respect investment discipline ROIC of 8%, with maximum investment of ¥100 billion over three years. Provide higher level of DX value and work to acquire new technology to achieve strategic domain ratio of 60% and operating margin of 11.6%.

Maintain financial health

- Have cash and deposits equivalent to two months' worth of monthly sales, mindful of maintaining A rating.

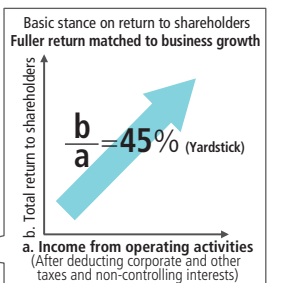
Strengthen return to shareholders

- With yardstick of 45% for total shareholders' return ratio, goal is to continuously enrich dividend per share.
- The amount of treasury stock held by TIS will, in principle, be no more than 5% of total number of shares issued, and any shares exceeding this limit will be canceled.

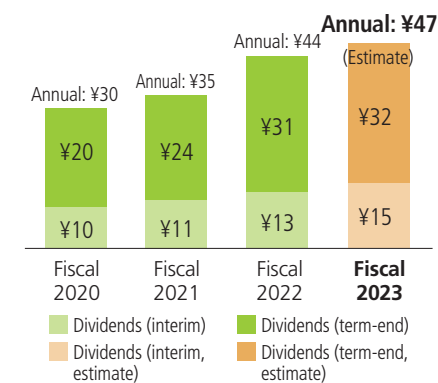
Status for Return to Shareholders

- Implemented ¥4 increase in year-end dividend for fiscal 2022. In line with policy on total return ratio (after adjustment) of 45%.
- In fiscal 2023, TIS will complement normal portion of return to shareholders with treasury stock buyback of ¥24.5 billion.

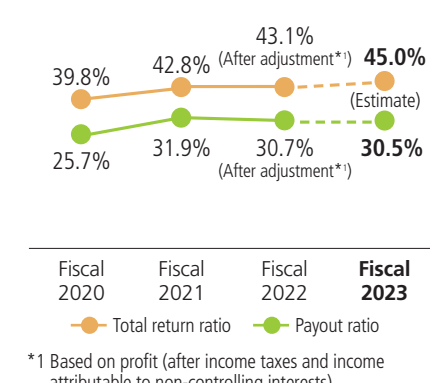
	Fiscal 2022 (actual)	Fiscal 2023 (estimates)		
Annual dividend per share	¥44 (Compared with estimate +¥4)	(Normal) ¥47 (YOY change +¥3)	(Capital optimized) -	(Total) ¥47
Total dividends	¥11.0 billion	¥11.3 billion	-	¥11.3 billion
Payout ratio (After adjustment *)	27.9% (30.7%)	30.5%	-	30.5%
Acquired treasury shares	¥4.47 billion	¥5.5 billion	¥24.5 billion	¥30.0 billion *2
Total return ratio (After adjustment *)	39.3% (43.1%)	45.0%	-	110.3%



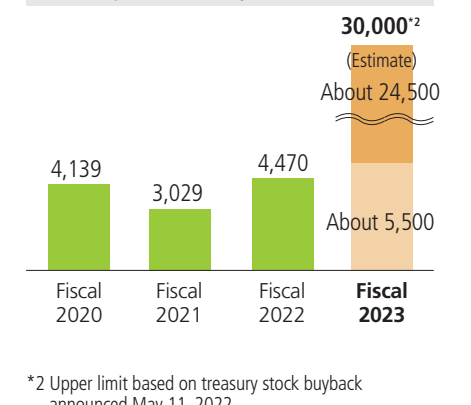
Changes in Dividends per Share



Total Return Ratio and Payout Ratio



Total Acquired Treasury Shares (Millions of yen)



Cancellation of Treasury Stock

Date of cancellation	Number of shares cancelled	Percentage of total number of issued shares prior to cancellation
September 28, 2021	12,206,400	4.6%

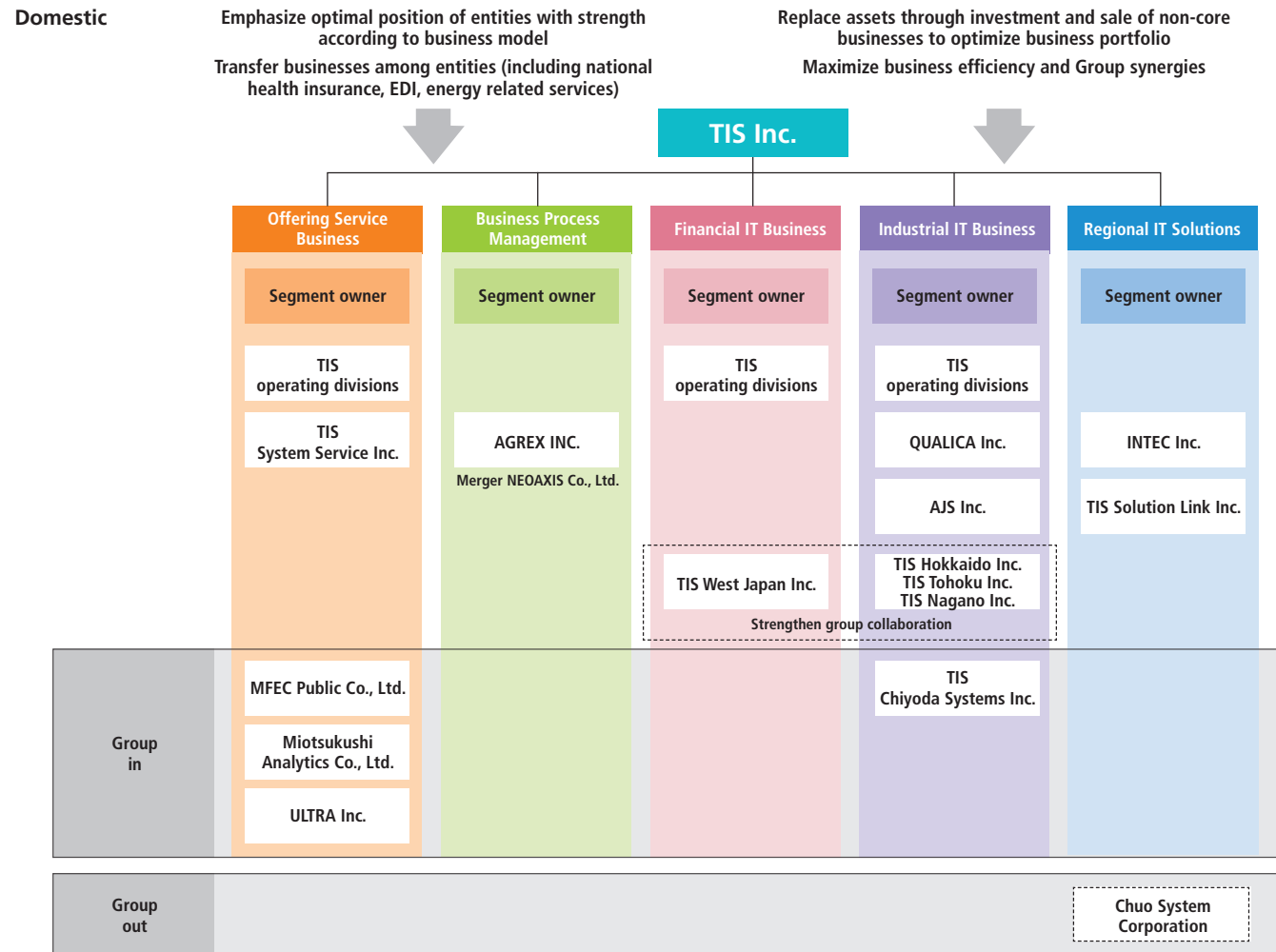
Treasury shares (approximately ¥24.5 billion) planned for acquisition in fiscal 2023 as part of a process to improve capital structure will be canceled, in view of corporate policy and issues, namely, dispelling concerns about future stock dilution.

Business Strategies by Segment

Change in Reporting Segments

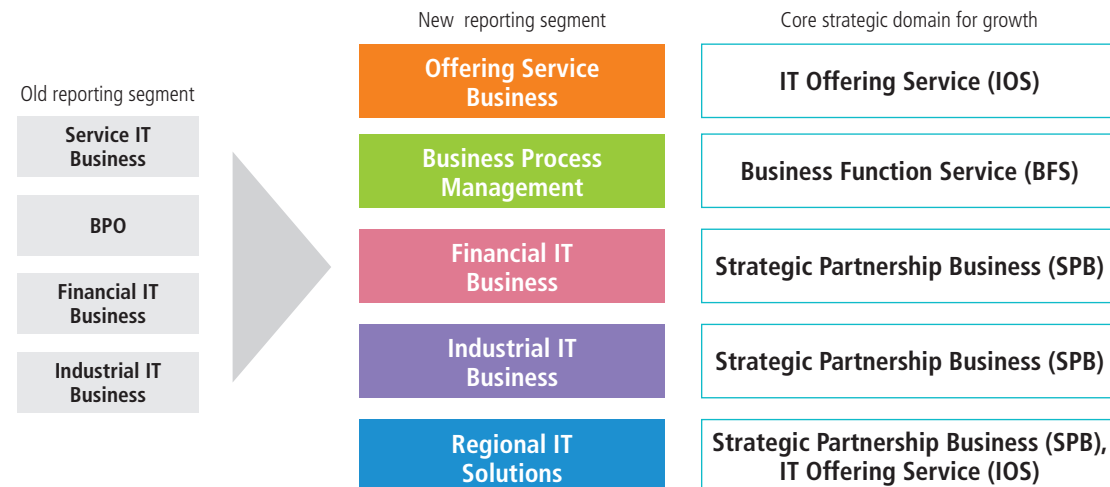
To promote further structural transformation, TIS implemented a change in the management structure of the TIS INTEC Group, and paralleling this change, the Company implemented a business model-specific management approach in revising its reporting segments, effective from fiscal 2023. The new reporting structure comprises six segments: Offering Services, Business Process Management, Financial IT, Industrial IT, Regional IT Solutions and Other. Through these changes in reporting segments, we have clarified the authority and responsibilities of segment owners and set the stage for achievement of growth strategies utilizing the strengths of each Group company.

Group Formation (As of April 1, 2022)



Key Points of Change

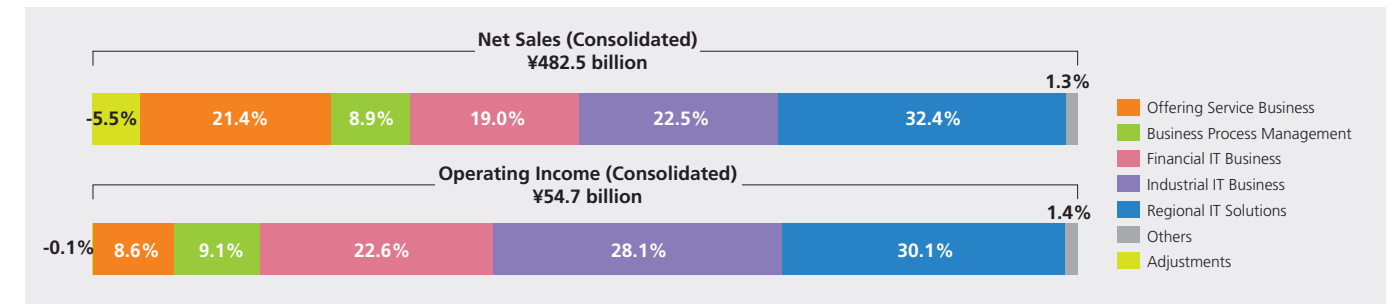
- Promote growth strategies more effectively by meticulously applying a business model-specific management approach to operations
- Turn offering services, representative of an upfront investment-style business model, into a business category, and accelerate shift toward service status
- Turn regional IT solutions into a business category with a broad client base and promote IT professional services and solutions



*In addition to segments noted above, there is the Other segment.

Business Results by Segment (Year ended March 31, 2022)

*Segment sales include intersegment sales.



Segments	Net sales	Operating income [operating margin]	Net sales by business category	Strategic domain image
Offering Service Business Configures services through own investment based on best practices accumulated groupwide and provides knowledge-intensive IT services.	¥103.1 billion	¥4.6 billion [4.5%]		
Business Process Management Addresses issues related to business processes with IT technology, business know-how and skilled human resources to provide more sophisticated, more efficient outsourcing services.	¥42.9 billion	¥4.9 billion [11.6%]		
Financial IT Business Considers business and IT strategies together and leverages both, and supports business progress using expert business and operating know-how specific to the finance industry.	¥91.6 billion	¥12.3 billion [13.5%]		
Industrial IT Business Considers business and IT strategies together and leverages both, and supports business progress using expert business and operating know-how specific to industry sectors other than finance.	¥108.7 billion	¥15.3 billion [14.1%]		
Regional IT Solutions Provides IT professional services extensively, across regions and client sites, and collects and develops this know-how as the source of solutions to support efforts to address issues and promote business activities.	¥156.2 billion	¥16.4 billion [10.6%]		
Other *A business segment for business activities that do not fall under other reporting segments. Consists mainly of ancillary businesses providing all sorts of IT services.	¥6.3 billion	¥0.7 billion	<ul style="list-style-type: none"> Software development Operation and Cloud Services Product and software sales 	<ul style="list-style-type: none"> SPB IOS BFS
Adjustments	-¥26.5 billion	¥0 billion		
Consolidated Results	¥482.5 billion	¥54.7 billion		

Number of companies

- Offering Service Business: TIS, 27 consolidated subsidiaries (domestic 4, overseas 23), and 72 equity method affiliates (domestic 1, overseas 71)
- Business Process Management: Four consolidated subsidiaries (domestic 3, overseas 1)
- Financial IT Business: TIS, one consolidated subsidiary (domestic 1), and two equity method affiliates (domestic 2)
- Industrial IT Business: TIS, nine consolidated subsidiaries (domestic 6, overseas 3)
- Regional IT Solutions: Seven consolidated subsidiaries (domestic 7), and two equity method affiliates (domestic 2)
- Other: Five consolidated subsidiaries (domestic 4, overseas 1)

Offering Services Business



Kiyotaka Nakamura

TIS Senior Managing Executive Officer,
Division Director of Digital Transformation Business Unit

We will accelerate the shift toward service-style business by leveraging an upfront investment-style business model.

The Offering Services Business covers multiple domains, including payment services, which turn knowledge gained through systems integration for financial institutions into a service, along with digital marketing, healthcare and business management information services. This segment is also involved in global operations, a priority area for TIS. *For details, please go to page 37.

Among TIS' social issue solution services, which target social transformation using digital technology, the Offering Services Business makes a significant contribution in the fields of financial inclusion and health concerns.

In fiscal 2022, the segment turned in favorable results, underpinned by payment services, which benefited from solid demand for services to address the growing popularity of cashless payment options. The upfront investment phase has concluded, and now we can look forward to enhanced profitability.

To achieve targets under the current medium-term management plan, the Offering Services Business will promote service-style businesses that will become a hallmark feature of the Group's structural transformation. The segment will function as a driver of growth, fueled by higher profits.

Strengths

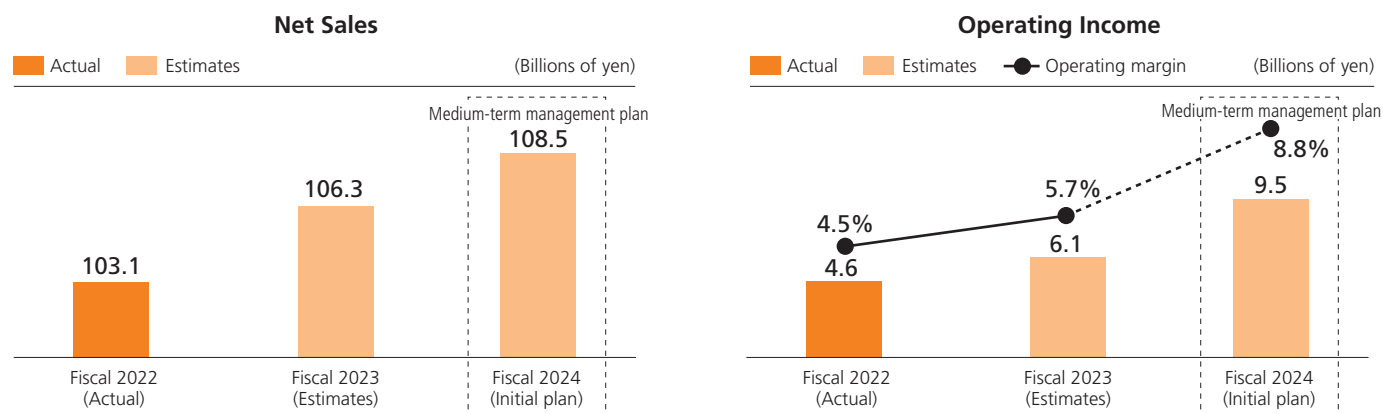
- Ability to utilize industry knowledge accumulated through systems integration operations and provide upfront investment-style services incorporating universal services as standard features.
- Quality, cost and delivery (QCD) management capabilities built on experience in large-scale systems configuration.

Business environment

- Cashless market continues to grow. Government continues to back FinTech, Big Data, AI and data use and application.
- Active trends in financial and non-financial approaches, increasing foreign presence in domestic cashless market, and wider application of digital currency.
- Despite positive impact of ASEAN recovery, negative impact of slowing Chinese economy is reverberating in Japan, dampening economic outlook.

Toward achievement of medium-term management plan (growth strategies)

- Seek growth in payment services, which hinge on CreditSaaS, shift toward recurring business, and improve profitability.
- Seek growth through synergies among payment services, digital marketing and healthcare, and improve added value through vertical integration of cloud and security structures.



Topics

For press releases related to this segment, please visit the following pages:

- TIS turns ULTRA Inc., an international prepaid payment servicer, into a consolidated subsidiary (Japanese only)
https://www.tis.co.jp/news/2022/tis_news/20220509_1.html
- TIS' RoboticBase®, software that facilitates operation of multiple service robots, including those for delivery service, to be installed at Tokyo Midtown Yaesu (Japanese only)
https://www.tis.co.jp/news/2022/tis_news/20220422_1.html
- TIS teams up with University of Occupational and Environmental Health, Japan, for joint research on structure to realize strategic health investment and provides Sustainacare personalized healthcare program (Japanese only)
https://www.tis.co.jp/news/2021/tis_news/20220328_1.html

Business Process Management (BPM)



Tatsuro Unemori

AGREX President

We will actively strive to expand business, paralleling structural transformation, and aim for higher added value through digitization of business processes.

Based in digital technology and business know-how, from an administrative perspective, BPM is a segment that helps clients make the most of business processes. It comprises outsourcing, contact center operations and system configuration as well as DX support paralleling use of IT solutions.

To achieve the targets laid out in the medium-term management plan launched in April 2021, AGREX will lead the segment in actively striving to expand business paralleling structural transformation. Fiscal 2022, the first year of the plan, was marked by higher sales and higher income, thanks to wider demand for contact center operations and DX support.

Going forward, as the workforce shrinks due to the graying of society and a declining birthrate, companies will increasingly look to outsourcing as a way to deal with expanding and diversifying business process needs. We will respond proactively with high-value-added business process services that combine industry and operational know-how accumulated groupwide with the digitization of business processes, and thereby help clients reinforce and grow their businesses. In conjunction, we will contribute to solutions that address social issues through access to services that boost productivity.

Strengths

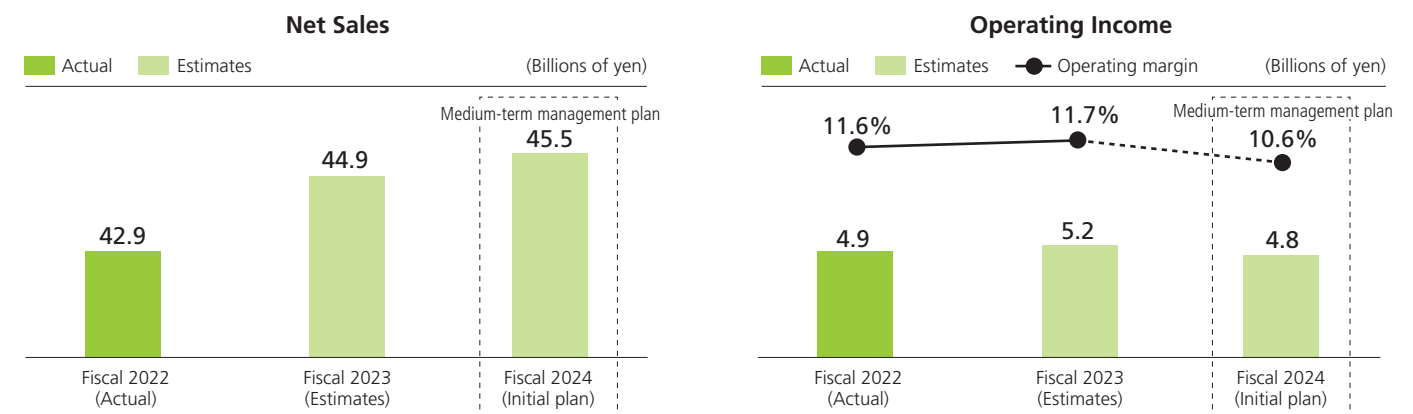
- Unique methodology integrating business process know-how built on more than half a century of hands-on experience.
- Comprehensive capabilities optimizing full spectrum of business processes through fusion of business process outsourcing (BPO) and systems integration services.
- Business knowledge based on track record of outsourcing services for insurance sector.

Business environment

- Labour shortages and workstyle reforms are unlikely to change, fueling gradual growth of the BPO market.
- Demand is solid in the insurance sector, which comprises about 50% of AGREX's BPO business.
- Demand for digitization of business processes is growing.

Toward achievement of medium-term management plan (growth strategies)

- Boost added value beyond simple outsourcing through digitization of business processes.
- Augment presence in forte sectors, such as insurance and securities, by working to cultivate position in new markets.
- Invest in next-generation BPO production platform and translate results into future growth.



Topics

For press releases related to this segment, please visit the following pages:

- Opened Digitization Center as first stage in Evolution BPO concept to turn back-office operations into digital, shared services (Japanese only)
<https://www.agrex.co.jp/news/pdf/508>

Financial IT Business



Shinichi Horiguchi

TIS Senior Managing Executive Officer,
Division Director of Financial Industry SBU and IT Platform SBU

As a true business partner to clients, we will co-create new businesses and contribute to solutions that address social issues.

The Financial IT Business provides one-stop support for the entire system lifecycle based on specialized insights into the finance sector. This segment strengthens partnerships with clients in the finance sector, which represents a core client base, and helps them find solutions to management issues.

In fiscal 2022, the Financial IT Business achieved higher sales and higher income year on year, reflecting an aggressive stance on IT investment, particularly DX, by many clients seeking to hone a sharper competitive edge and restructure their businesses in response to major changes in their business environments caused by the COVID-19 pandemic.

As we address the growing need for IT in business operations where we can showcase insights gained over many years, we will also engage clients in a process of business co-creation, guided by the medium-term management plan. By creating new businesses, we help clients expand business content and, by extension, provide solutions to social problems.

We will strive harder to become a true business partner of our clients.

Strengths

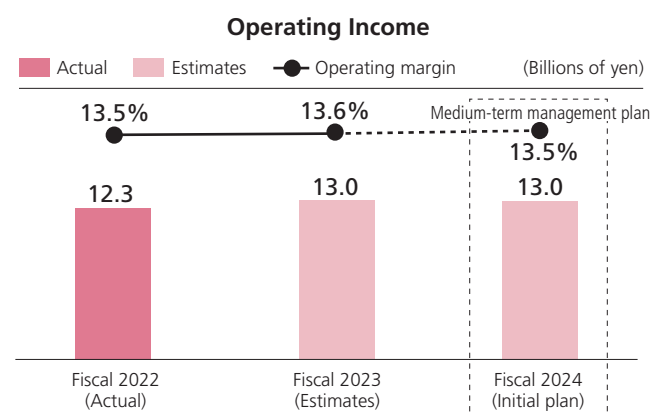
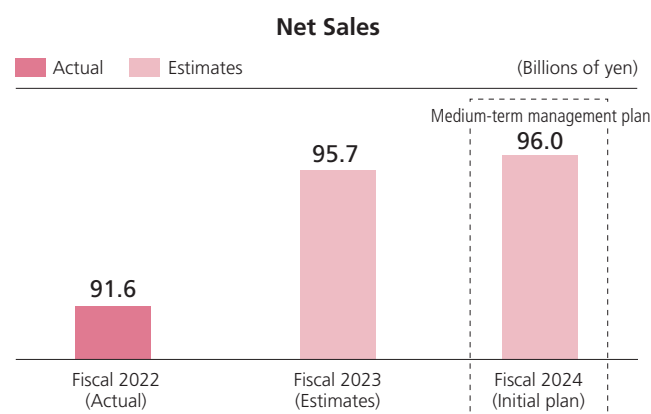
- Overwhelming market share in services related to core system development for credit card companies and branded debit cards.
- Technologies and know-how accumulated in handling core system development and operation for major credit card companies.
- Solid relationships of trust with core clients built through ability to respond to need for high-quality systems.

Business environment

- As a business that supports social infrastructure, this segment enjoys solid demand, underpinned by brisk financial IT market activity.
- Upswing in IT investment, especially for DX.
- Intensifying competition among Fintech and SaaS providers.

Toward achievement of medium-term management plan (growth strategies)

- Respond to IT demand from core clients, particularly that related to credit cards, and improve value provided in DX services.
- Establish various revenue models based on co-creation activities with clients.



Topics

For press releases related to this segment, please visit the following pages:

- TIS establishes tance Co., Ltd., a joint venture, with Japan Card Network (Japanese only)
https://www.tis.co.jp/news/2020/tis_news/20210310_1.html
- Initiated proof of concept on self-sovereign identity (SSI) at facility in Shirahama, Wakayama Prefecture (Japanese only)
https://www.tis.co.jp/news/2021/tis_news/20211109_1.html

Industrial IT Business



Masahiro Hosokawa

TIS Senior Managing Executive Officer,
Division Director of Industries & Public Solutions SBU
and Enterprise Consulting Business Unit

We will earn deeper trust from clients and expand business by cultivating industry knowledge and pursuing lateral development of solutions.

The Industrial IT Business supports clients across a broad base of industries and the public sector in all aspects of system lifecycle, from consulting through system configuration, system enhancement and system operation.

Our track record includes projects for members of the energy, processing- and assembly-based manufacturing and engineering sectors, and we bring our strengths in ERP consulting and modernization services to our clients.

In fiscal 2022, the segment posted higher sales and higher income against a backdrop of brisk IT investment by clients in their efforts to embrace DX.

The value we provide is steeped in a deep understanding of all industries, and it has earned high praise from our clients. In combination with measures to boost productivity, value drives profitability on a groupwide basis. To achieve our targets under the medium-term management plan, we will cultivate knowledge specific to each sector and pursue lateral development of solutions to secure the trust of clients and expand business opportunities.

Strengths

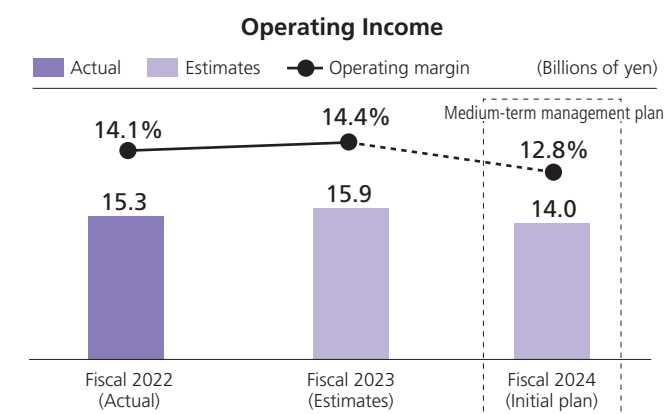
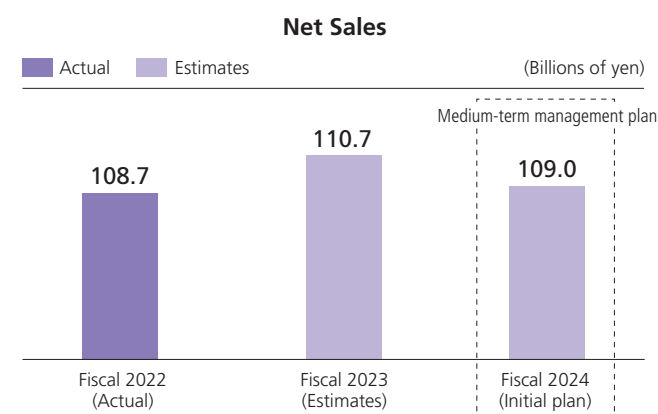
- Knowledge accumulated in processing- and assembly-based manufacturing and energy sectors.
- Platform-building capabilities for ERP templates using accumulated know-how.
- Solid relationships of trust with core clients built through ability to respond to need for high-quality systems.

Business environment

- Favorable IT investment demand driven by active interest in DX, especially among large corporations.
- Electric power sector still on recovery track but impact of high price of oil requires careful monitoring.

Toward achievement of medium-term management plan (growth strategies)

- Respond to IT demand from core clients, and improve value provided in DX services.
- Cultivate industries through lateral application of insights about processing- and assembly-based manufacturing, and establish various revenue models based on co-creation activities with clients.



Topics

For press releases related to this segment, please visit the following pages:

- With Carbony VPP platform, TIS supports electric vehicle (EV) introduction and total service expansion by Hokuriku Electric Power (Japanese only)
https://www.tis.co.jp/news/2022/tis_news/20220628_1.html

Regional IT Solutions



Takayuki Kitaoka
INTEC President

We will reinforce and expand business content by providing IT-driven professional services and solutions and integrate both aspects of business while promoting a virtuous cycle.

Hinging on INTEC, which is headquartered in Toyama Prefecture, Regional IT Solutions provides IT-driven professional services over a wide area, such as a whole community or across client company office networks within the prefecture and beyond, and also accumulates and develops associated know-how, turning it into solutions that support clients' efforts to address issues of concern and help promote business.

With offices all over Japan, not just in the area around Tokyo, INTEC contributes to regional renaissance and community revitalization by providing original solutions and pursuing lateral development of solutions, which complement the strength of network integration, and by engaging in joint activities with local governments on IT issues related to smart cities.

In fiscal 2022, demand for IT-driven professional services for clients in the finance sector was brisk, leading to year-on-year increases in sales and income.

To build our IT-driven professional services, we will collect business insights through close ties with our clients, turn the knowledge into solutions, and leverage lateral development of these solutions. On the solutions-side of business, we will enhance user structure support solutions and strive to expand our share of the national development-style solutions market. As we reinforce and expand both the solution and service sides of business and concurrently integrate these aspects of business while promoting a virtuous cycle for top-line growth, we will achieve the targets stated in the medium-term management plan.

Strengths

- Extensive industry representation in client base, including local governments, financial institutions, manufacturers, service providers and aerospace companies from across Japan.
- Solution development capability underpinned by network integration across the country and synergistic effect with original services.
- Track record includes integrated information solution F3 for financial institutions; system implementation and operation for Federation of National Health Insurance Associations; and implementation of solutions for regional banks and local governments.

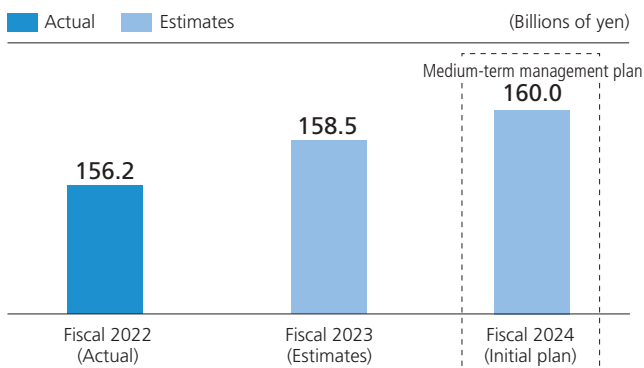
Business environment

- Operating environment for regional financial institutions increasingly more challenging due to low interest rates and sluggish local economic conditions, leading to mergers and accelerating polarization of scale.
- Tangible trend among local governments to implement national government-led standardized system, with standard specifications announced in fiscal 2022.
- Despite variation by industry and company, IT demand is on a recovery track, especially in medical-related fields.

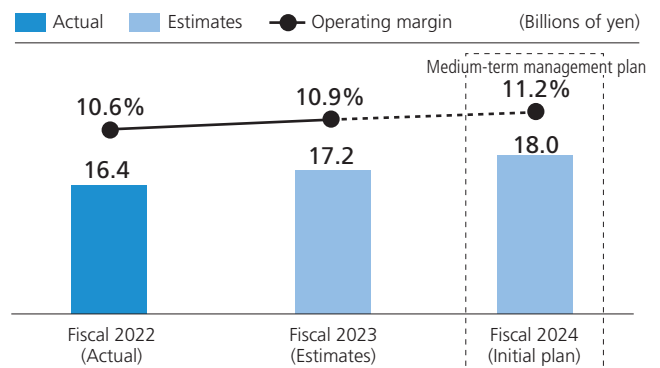
Toward achievement of medium-term management plan (growth strategies)

- Collect business insights through close ties with clients, turn the knowledge into solutions, and leverage lateral development of these solutions.
- Enhance user structure support solutions and expand share of the national development-style solutions market.

Net Sales



Operating Income



Topics

For press releases related to this segment, please visit the following pages:

- INTEC begins joint operation with two Toyama Prefecture-based cable networks (NICE TV and TST) on IoT platform for local governments using regional network infrastructure (Japanese only)
https://www.intec.co.jp/news/2022/0413_1.html