

Corporate Information/Data

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Amid the COVID-19 pandemic and highly uncertain economic conditions, there is increasing demand to make IT investments aimed at transforming business processes and business models. Taking advantage of this situation, we will continue promoting structural transformation to achieve sustainable growth.

Fiscal 2022 Results

Performance Highlights

(Millions of yen)	Fiscal 2021	Fiscal 2022	YOY changes	
Net sales	448,383	482,547	+34,163	(+7.6%)
Operating income	45,748	54,739	+8,990	(+19.7%)
Operating margin	10.2%	11.3%	+1.1 points	—
Net income attributable to owners of the parent company	27,692	39,462	+11,769	(+42.5%)
Net income ratio	6.2%	8.2%	+2.0 points	—
Net income per share (Yen)	110.51	157.69	+47.18	(+42.7%)
ROE	10.8%	14.0%	+3.2 points	—

- Non-operating income: ¥2,572 million (YOY change +¥560 million)
Dividend income: ¥813 million, etc.
- Extraordinary income: ¥11,293 million (YOY change +¥1,583 million)
Gain on sales of shares of subsidiaries: ¥6,362 million
Gain on sales of investment securities: ¥4,910 million, etc.
- Non-operating expenses: ¥1,601 million (YOY change -¥6,900 million)
Equity in losses of affiliates: ¥1,012 million, etc.
- Extraordinary loss: ¥5,521 million (YOY change +¥1,371 million)
Loss on valuation of investment securities: ¥2,593 million, etc.

The first year of Medium-Term Management Plan (2021–2023) got off to a good start, with all performance figures exceeding the targets of the revised plan announced when we disclosed our results for the first half of fiscal 2022.

Net Sales

During the year, we responded appropriately to IT investment needs, including demand among customers for digital transformation. Companies that became subsidiaries in the previous year also performed well. As a result, net sales increased significantly year on year.

Operating Income

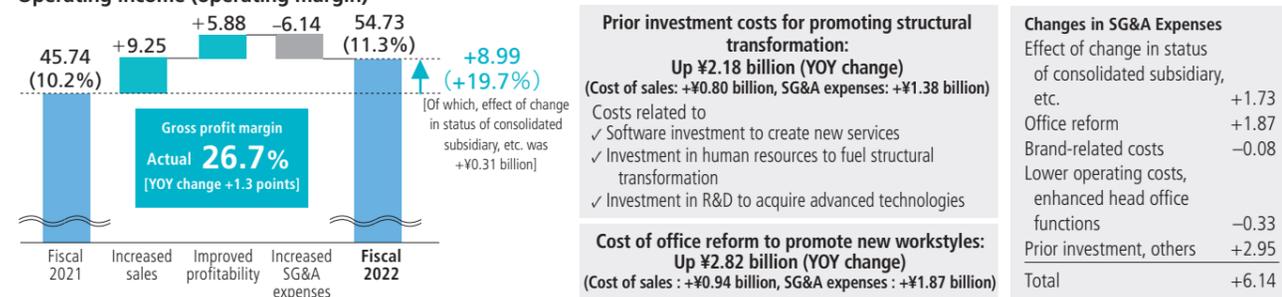
The gross margin improved 1.3 points, to 26.7%, thanks to the Group's provision of high-value-added services and measures to improve productivity, as well as the increase in net sales. This compensated for an increase in selling, general, and administrative expenses, mainly office conversion costs and other investments in future growth. As a result, the operating margin rose 1.1 points, to 11.3%.

Net Income Attributable to Owners of the Parent Company

Net income attributable to owners of the parent company increased year on year. In addition to a rise in recurring profit, this was due to a significant jump in extraordinary income stemming from a ¥6,362 million gain on sales of shares in subsidiaries (transfer of shares of Chuo System Corporation, a consolidated subsidiary) and a ¥4,910 million gain on sales of investment securities (reduction of cross-shareholdings, reported as extraordinary income).

Fiscal 2022: Operating Income Analysis, Increase/Decrease Reasons (YOY change) (Billions of yen)

Operating income (operating margin)



Highlights of Financial Position

(Millions of yen)	Fiscal 2021	Fiscal 2022	YOY changes	
Total assets	451,072	476,642	+25,569	
Total liabilities	171,642	173,649	+2,006	
Interest-bearing debt (Interest-bearing debt ratio)	43,629 (9.7%)	37,517 (7.9%)	-6,112 (-1.8 points)	
Net assets	279,429	302,993	+23,563	
Equity ratio	60.0%	61.5%	+1.5 points	

Assets

Total assets increased ¥25,569 million year on year, to ¥476,642 million. This resulted from a ¥30,875 million rise in cash and deposits, as well as an ¥8,870 million increase in deferred tax assets, mainly due to a gain on transfer of shares for tax purposes stemming from the listing in the U.S. market of an overseas company in which we hold shares through a capital/business alliance. On the other hand, investment securities declined ¥9,181 million due to a reduction of cross-shareholdings.

Liabilities

Total liabilities rose ¥2,006 million, to ¥173,649 million. This was mainly due to a ¥13,034 million increase in income taxes payable stemming from a gain on transfer of shares for tax purposes associated with the listing in the U.S. market of an overseas company in which we hold shares through a capital/business alliance. By contrast, we posted a ¥6,112 million decline in interest-bearing debt.

Net Assets

Net assets increased ¥23,563 million year on year, to ¥302,993 million, mainly due to ¥39,462 million in net income attributable to owners of the parent company, which contrasted with ¥9,327 million in dividend payments. Treasury stock declined ¥15,694 million. This was mainly due to ¥20,527 million in disposal of treasury stock, which contrasted with ¥4,833 million in acquisition of treasury stock. Both treasury stock and capital surplus decreased ¥19,363 million year on year, due to the retirement of treasury stock in accordance with the Company's basic policy on shareholder return. (Please refer to Shareholders' Return on page 52)

Highlights of Cash Flows

(Millions of yen)	Fiscal 2021	Fiscal 2022	YOY changes	
Net cash from operating activities	33,345	56,126	22,781	
Net cash from financing activities	-17,522	-3,424	14,098	
Net cash from investing activities	12,484	-21,948	-34,432	
Free cash flows	15,823	52,702	36,879	
Cash and cash equivalents at the end of the term	82,924	113,820	30,896	

Net cash provided by operating activities amounted to ¥56,126 million, up ¥22,781 million from the previous year. This was mainly due to ¥61,481 million in income before income taxes and ¥15,083 million in depreciation (both non-cash profit/loss items), which contrasted with ¥14,363 million in income taxes paid.

Net cash used in investing activities totaled ¥3,424 million, down ¥14,098 million. This was mainly due to ¥9,048 million in acquisitions of property and equipment and ¥6,231 million in acquisitions of intangible assets. Contrasting factors included ¥7,126 million in proceeds from sale and redemption of investment securities (mainly due to reduction of cross-shareholdings) and ¥7,019 million in proceeds from sales of shares of subsidiaries resulting in change in scope of consolidation.

Net cash used in financing activities was ¥21,948 million, down ¥34,432 million. This was mainly due to ¥9,327 million in dividends paid, ¥7,012 million in repayments of long-term debt and ¥4,833 million in purchase of treasury stock. Contrasting factors included a ¥1,320 million net increase in short-term borrowings.

Free cash flows increased ¥36,879 million year on year, to ¥52,702 million, driven by strong operating cash inflows. We believe this is due to the progress we have made in structural transformation through growth investments, which has improved our ability to increase profits and generate stable cash.

Fiscal 2023 Forecast

(Millions of yen)	Fiscal 2022	Fiscal 2023 (Estimates)	YOY changes	
Net sales	482,547	500,000	+17,453	(+3.6%)
Operating income	54,739	57,000	+2,261	(+4.1%)
Operating margin	11.3%	11.4%	+0.1 points	—
Net income attributable to owners of the parent company	39,462	37,500	-1,962	(-5.0%)
Net income ratio	8.2%	7.5%	-0.7 points	—
Net income per share (Yen)	157.69	154.22	-3.47	(-2.2%)
ROE*	14.0%	12.9%	-1.1 points	—

* ROE for fiscal 2023 is a calculated value.

Fiscal 2023: Operating Income Analysis, Increase/Decrease Reasons [Forecast] (Billions of yen)

Operating income (operating margin)



The targets of Medium-Term Management Plan (2021–2023) are shown above. Our aim is to further improve profitability by providing high-value-added services and conducting productivity improvement measures. At the same time, we will continue making investments in business expansion and future growth by accurately meeting customers' demand for digital transformation. To further instill structural transformation and sustainable growth, meanwhile, we are looking to increase investments in human resources, our driving force in the future. In fiscal 2023 (ending March 2023), we expect net income attributable to owners of the parent company to decline compared with fiscal 2022, when we posted extraordinary income totaling ¥11,293 million.

Consolidated Financial Summary 1

TIS Inc., and consolidated subsidiaries
Years ended March 31

(Millions of yen)

	Fiscal 2012	Fiscal 2013	Fiscal 2014	Fiscal 2015	Fiscal 2016	Fiscal 2017	Fiscal 2018	Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2022	
Performance Status												
Net sales	327,417	337,834	346,647	361,025	382,689	393,398	405,648	420,769	443,717	448,383	482,547	
Cost of sales	266,159	276,935	283,881	294,927	312,153	317,440	321,286	325,985	337,820	334,671	353,699	
Gross profit	61,258	60,899	62,766	66,097	70,535	75,958	84,362	94,784	105,896	113,712	128,848	
Gross profit ratio (%)	18.7%	18.0%	18.1%	18.3%	18.4%	19.3%	20.8%	22.5%	23.9%	25.4%	26.7%	
Selling, general and administrative expenses	45,636	42,727	43,255	44,976	46,099	48,938	51,618	56,740	61,057	67,963	74,108	
Selling, general and administrative expenses ratio (%)	13.9%	12.6%	12.5%	12.5%	12.0%	12.4%	12.7%	13.5%	13.8%	15.2%	15.4%	
Operating income	15,621	18,171	19,510	21,121	24,436	27,019	32,743	38,043	44,839	45,748	54,739	
Operating margin (%)	4.8%	5.4%	5.6%	5.9%	6.4%	6.9%	8.1%	9.0%	10.1%	10.2%	11.3%	
Recurring profit	15,393	17,440	18,971	21,251	24,521	27,092	32,795	38,603	46,070	39,257	55,710	
Recurring profit ratio (%)	4.7%	5.2%	5.5%	5.9%	6.4%	6.9%	8.1%	9.2%	10.4%	8.8%	11.5%	
Net income attributable to owners of the parent company	2,135	5,868	7,913	10,275	12,678	16,306	20,620	26,034	29,411	27,692	39,462	
Net income ratio (%)	0.7%	1.7%	2.3%	2.8%	3.3%	4.1%	5.1%	6.2%	6.6%	6.2%	8.2%	
Financial Position												
Current assets	142,442	138,219	143,519	140,450	166,666	152,162	162,064	176,231	181,543	229,965	259,261	
Fixed assets	167,560	164,083	170,091	205,401	169,828	185,459	204,889	194,426	201,356	221,106	217,381	
Software assets	12,197	11,769	12,928	13,252	15,428	16,056	16,866	19,177	22,887	27,797	26,486	
Total assets	310,003	302,302	313,610	345,851	336,495	337,622	366,954	370,657	382,899	451,072	476,642	
Current liabilities	83,065	91,063	72,790	77,666	91,508	78,676	81,310	91,126	88,479	100,915	139,236	
Non-current liabilities	75,972	53,079	76,316	79,395	64,447	59,743	59,344	45,121	46,462	70,726	34,412	
Total liabilities	159,038	144,143	149,107	157,062	155,955	138,420	140,655	136,248	134,942	171,642	173,649	
Net assets	150,965	158,159	164,502	188,789	180,539	199,202	226,298	234,408	247,957	279,429	302,993	
Total liabilities and net assets	310,003	302,302	313,610	345,851	336,495	337,622	366,954	370,657	382,899	451,072	476,642	
Total interest-bearing debt	76,515	60,550	58,869	52,114	46,158	35,144	32,876	26,893	22,294	43,629	37,517	
Cash Flow Status												
Cash flow from operating activities	23,658	21,515	25,770	22,938	25,496	18,952	36,386	37,558	38,569	33,345	56,126	
Cash flow from investing activities	(15,158)	(14,391)	(5,334)	(17,744)	8,688	(23,488)	(14,202)	(1,213)	(26,437)	(17,522)	(3,424)	
Cash flow from financing activities	(4,230)	(19,883)	(5,872)	(19,067)	(14,979)	(18,327)	(10,543)	(16,773)	(14,544)	12,484	(21,948)	
Cash and cash equivalents at the end of the term	41,119	28,433	43,142	29,485	48,651	25,730	37,545	57,083	54,684	82,924	113,820	
Free cash flow	8,500	7,124	20,436	5,194	34,184	(4,536)	22,184	36,345	12,132	15,823	52,702	
Others												
Capital expenditures	14,096	12,287	12,544	16,873	14,210	15,159	16,907	13,334	16,702	25,085	13,783	
Depreciation	12,745	12,920	12,454	12,809	11,952	11,801	12,572	12,783	12,020	13,318	15,083	
Research and development expenses	962	1,002	853	1,097	1,086	1,178	996	1,003	1,702	1,789	2,784	
Amortization of goodwill	1,882	1,741	1,166	1,052	339	326	289	289	171	312	497	
Goodwill balance at the end of the term	3,672	1,914	830	2,021	1,393	1,332	1,118	503	355	2,550	1,556	

- Notes: 1. Software assets indicates the total sum of software and software in progress.
2. Total interest-bearing debt indicates the total sum of borrowed money and corporate bonds.
3. Free cash flows indicate the total sum of cash flows from operating activities and cash flows from investing activities.
4. From the first quarter of fiscal 2019, TIS applies "Partial Amendments to Accounting Standard for Tax Effect Accounting" (Accounting Standards Board of Japan, Statement No. 28, February 16, 2018). Figures for fiscal 2018 have been retrospectively restated in line with the aforementioned partial amendments.
5. From the first quarter of fiscal 2022, TIS applies "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, issued March 31, 2020).

Consolidated Financial Summary 2

TIS Inc., and consolidated subsidiaries
Years ended March 31

(Millions of yen)

	Fiscal 2012	Fiscal 2013	Fiscal 2014	Fiscal 2015	Fiscal 2016	Fiscal 2017	Fiscal 2018	Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2022
Order Status (Total)											
Orders received during the term								427,210	439,748	452,284	493,755
Order backlog at year-end							122,067	132,935	133,121	147,214	161,453
Order Status (Software development)											
Orders received during the term	174,680	179,352	172,721	199,842	207,345	208,307	219,225	238,298	246,330	237,323	271,350
Order backlog at year-end	57,778	62,055	58,869	71,095	69,961	64,751	67,716	75,549	79,277	83,797	94,016
Financial Indicators											
Equity ratio (%)	46.3%	49.8%	49.9%	53.3%	52.5%	57.8%	60.4%	62.0%	63.3%	60.0%	61.5%
Net income to equity capital ratio (ROE) (%)	1.5%	3.9%	5.1%	6.0%	7.0%	8.8%	9.9%	11.5%	12.5%	10.8%	14.0%
Total asset turnover ratio	1.07	1.10	1.13	1.09	1.12	1.17	1.15	1.14	1.16	1.08	1.04
Financial leverage	2.13	2.08	2.01	1.93	1.89	1.81	1.69	1.63	1.58	1.63	1.65
Recurring profit to total assets ratio (ROA) (%)	5.0%	5.7%	6.2%	6.4%	7.2%	8.0%	9.3%	10.5%	12.2%	9.4%	12.0%
Interest-bearing debt ratio (%)	24.7%	20.0%	18.8%	15.1%	13.7%	10.4%	9.0%	7.3%	5.8%	9.7%	7.9%
Payout ratio (%)	74.0%	31.4%	27.7%	25.6%	22.7%	19.0%	16.6%	22.8%	25.7%	31.9%	27.9%
Total return ratio (%)	74.0%	31.4%	27.7%	30.4%	35.3%	31.9%	30.5%	39.0%	39.8%	42.8%	39.3%
Per share data											
Net income per share—basic (yen)*	24.33	66.86	90.16	117.40	145.22	189.02	241.44	307.83	350.35	110.51	157.69
Net income per share—diluted (yen)*	24.33	66.83	90.12	—	—	—	—	—	—	—	—
Annual dividends per share (yen)*	18.00	21.00	25.00	30.00	33.00	36.00	40.00	70.00	90.00	35.00	44.00
Net assets per share (yen)*	1,636.72	1,714.88	1,782.23	2,108.19	2,031.07	2,265.76	2,602.07	2,719.79	2,890.27	1,078.60	1,173.60
Stock information											
Stock price at fiscal year-end (yen)	968	1,243	1,694	2,193	2,664	2,832	4,210	5,240	5,361	2,641	2,877
Highest stock price during the term	978	1,328	1,854	2,257	3,085	2,959	4,410	6,040	7,320	2,670	3,630
Lowest stock price during the term	654	798	1,020	1,524	2,156	2,180	2,742	4,060	4,045	1,723	2,466
Price earning ratio (PER) (times)	39.8	18.6	18.8	18.7	18.3	15.0	17.4	17.0	15.3	23.9	18.2
Price book-value ratio (PBR) (times)	0.59	0.72	0.95	1.04	1.31	1.25	1.62	1.93	1.85	2.45	2.45
Aggregate market value (millions of yen)	84,979	109,121	148,714	192,521	233,870	248,618	369,592	460,014	470,637	695,553	722,589
Number of outstanding shares at fiscal year-end (thousands)	87,789	87,789	87,789	87,789	87,789	87,789	87,789	87,789	87,789	263,367	251,160
Number of treasury stock at fiscal year-end (thousands)	16	19	4	320	864	1,701	2,613	3,358	3,952	12,595	1,394
Average number of shares during the term (thousands)	87,773	87,771	87,774	87,522	87,305	86,268	85,406	84,574	83,948	250,574	250,246
Sales by Client Sector											
Net sales	327,417	337,834	346,647	361,025	382,689	393,398	405,648	420,769	443,717	448,383	482,547
Credit card	45,084	48,846	49,402	53,743	59,274	65,006	73,314	73,648	75,118	79,265	90,314
Banking	26,702	26,230	29,049	25,444	27,867	28,233	27,452	26,583	30,100	30,648	36,394
Insurance	22,931	23,836	25,269	24,972	26,339	25,356	26,262	27,279	29,274	30,140	31,520
Other finance	23,416	21,337	23,481	23,312	20,406	20,857	22,127	19,502	24,289	17,863	16,000
Assembly-based manufacturing	40,363	38,824	40,904	45,785	49,455	42,723	43,777	46,028	45,739	45,103	44,345
Processing-based manufacturing	31,074	38,468	33,843	34,960	35,061	36,953	38,366	38,081	38,998	42,424	53,368
Distribution	26,267	27,398	30,009	31,775	32,702	31,773	28,872	32,908	33,976	31,679	32,904
Services	71,012	73,425	72,666	77,535	79,601	89,607	93,258	103,531	112,722	118,517	132,094
Public institutions	30,107	28,225	30,393	29,891	36,603	37,002	35,923	34,863	36,286	33,649	32,075
Others	10,456	11,241	11,626	13,604	15,376	15,882	16,292	18,343	17,209	19,090	13,527

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

Non-Financial Summary

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

	Scope of data collection		Fiscal 2018	Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2022	Independent Practitioner's Assurance
	2018~2021	Fiscal 2022						
Employee-related data (Note 1) *Averages are calculated as simple combined averages or weighted averages.								
Number of employees	D	D	15,638	15,948	16,109	17,497	17,265	
Number of employees		B					19,498	☑
Number of male employees	D	B	11,435	11,529	11,560	12,342	14,017	☑
Number of female employees	D	B	4,203	4,419	4,549	5,155	5,481	☑
Percentage of female employees	D	B	26.9%	27.7%	28.2%	29.5%	28.1%	☑
Percentage of career hires		B					24.0%	
Number of non-Japanese employees	D	D	156	155	155	1,161	1,379	
Average age	E	E	38.7	38.9	39.1	39.2	40.0	
Average age of male employees	E	E	39.9	40.0	40.3	40.5	41.3	
Average age of female employees	E	E	35.6	35.9	36.0	36.1	37.0	
Average length of service (years)	E	E	14.4	12.9	12.8	13.3	14.2	
Average length of service of male employees (years)	E	E	15.5	13.7	14.0	14.2	15.0	
Average length of service of female employees (years)	E	E	11.5	10.8	11.0	11.2	12.2	
Percentage of employees with a disability (Note 2)	F	F	2.14%	2.28%	2.35%	2.40%	2.30%	
Number of employees in management positions	E	E	3,328	3,443	3,609	3,782	3,836	☑
Number of male employees in management positions	E	E	3,056	3,147	3,278	3,410	3,440	☑
Number of female employees in management positions	E	E	272	296	331	372	396	☑
Percentage of female employees in management positions	E	E	8.2%	8.6%	9.2%	9.8%	10.3%	☑
Percentage of career hires in management positions		G					29.2%	
Average total working hours per month	E	E	168.4	166.4	162.6	162.9	164.0	
Average monthly overtime hours		E					17.5	
Average monthly overtime hours exceeding 45 hours (persons)		E					931	
Percentage of annual paid leave taken	E	E	67.6%	73.0%	75.7%	66.3%	64.4%	
Number of employees on childcare leave	E	E	463	447	467	537	589	
Number of male employees on childcare leave	E	E	27	38	53	80	106	
Number of employees working shorter hours to care for young children	E	E	670	681	679	638	677	
Number of male employees working shorter hours to care for young children	E	E	12	9	10	9	13	
Number of employees on nursing care leave	E	E	13	13	19	9	19	
Number of employees working shorter hours to care for elderly family	E	E	3	3	6	6	2	
Turnover rate	E	E	4.6%	4.8%	5.0%	3.3%	3.7%	
Absenteeism (Note 3)		E					1.0%	
Spending on learning and research (millions of yen)	E	E	1,702	1,805	1,915	1,534	1,863	
Number of days spent on learning and research per person	E	E		8.1	10.8	11.2	13.3	
Average annual income (10,000 yen)	G	G	668.8	681.3	701.9	717.4	741.0	
Average male annual income		G					777.4	
Average female annual income		G					625.6	
Results of employee awareness surveys (Note 4)	G	G	38%	45%	48%	56%	61%	
Results of employee awareness surveys (Note 4)	E	E			38%	46%	51%	
Number of new graduate recruits (Note 5)	E	E	700	663	720	679	679	
Number of career hires	E	E	266	339	386	271	233	
Percentage of female recruits (new graduates and career)		E					34.0%	

<Independent Assurance Report>

Non-financial data marked with a checkmark ☑ for the year ended March 2022 in the Integrated Report 2022, has received independent practitioner's assurance from Ernst & Young ShinNihon LLC. to improve data reliability.

https://www.tis.com/documents/en/ir/finance/annual_report/assurance_ar2022.pdf

	Scope of data collection		Fiscal 2018	Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2022	Independent Practitioner's Assurance
	2018~2021	Fiscal 2022						
Environmental data								
Scope 1 emissions (t-CO ₂) (Note 6)	C	C	958	885	745	760	513	☑
Scope 2 emissions (t-CO ₂) (Note 6)	C	C	78,125	71,096	64,488	65,867	64,157	☑
Scope 3 emissions (t-CO ₂) (Note 7)	E	E			365,595	372,051	361,415	
Category 1 (purchased goods and services)	E	E			304,297	287,633	300,905	☑
Category 2 (capital goods)	E	E			40,986	65,782	42,690	☑
Category 3 (fuel-and energy-related activities)	E	E			9,900	9,794	9,987	☑
Category 4 (upstream transport and delivery)	E	E			698	215	405	
Category 5 (waste generated in operations)	E	E			1,118	345	651	
Category 6 (business travel)	E	E			1,987	2,025	2,000	
Category 7 (employee commuting)	E	E			6,607	6,256	4,778	
Energy consumption (Electricity MWh)	C	C	157,623	149,523	143,383	141,620	139,560	
Energy consumption (Heavy oil KL)	C	C	28	32	25	21	25	
Energy consumption (Light oil KL)	C	C	11	10	0	0	0	
Energy consumption (City gas, km ³)	C	C	379	343	302	313	199	
Energy consumption (LPG km ³)	C	C					0	
Energy consumption (kerosene KL)	C	C				1	0	
Energy consumption (steam GJ)	C	C				1,301	19,116	
Industrial waste (ton)	E	E			1,035	290	472	
Other non-financial data								
Social contribution expenses (millions of yen)	G	B	115	143	99	80	75	
Political contributions (10 thousands of yen)	G	B	—	—	—	—	27	
Number of serious information security incidents		B					0	
Number of employees receiving regular training on information security		B					18,542	
Number of violations of the Act on the Protection of Personal Information		G					0	
Number of requests for disclosure of information related to personal information		B					1	
Development loss rate	A	A	0.9%	0.9%	0.6%	0.8%	0.7%	
Results of customer satisfaction surveys	G	G	69.1%	68.2%	72.7%	69.0%	71.7%	
Number of directors (Note 8)	G	G	10	9	9	9	9	
Number of female directors (Note 8)	G	G	0	1	1	1	1	
Percentage of female directors (Note 8)	G	G	0.0%	11.1%	11.1%	11.1%	11.1%	
Number of external directors (Note 8)	G	G	3	3	3	3	3	
Percentage of external directors (Note 8)	G	G	30.0%	33.3%	33.3%	33.3%	33.3%	

Scope of data collection

- A. TIS INTEC Group consolidated
- B. TIS and consolidated subsidiaries in Japan
- C. TIS, INTEC, AGREX, QUALICA, AJS, SorunPure, Chuo System (until fiscal 2021), TIS System Service, TIS Solution Link, TIS Tohoku, TIS Total Service, TIS Nagano, TIS West Japan, TIS Hokkaido, and NEOAXIS (until fiscal 2021)
- D. TIS, INTEC, AGREX, QUALICA, AJS, TIS System Service, TIS Solution Link, and MFEC (from fiscal 2021)
- E. TIS, INTEC, AGREX, QUALICA, AJS, TIS System Service, and TIS Solution Link
- F. TIS, SorunPure, TIS System Service, TIS Solution Link, and TIS Total Service
- G. TIS parent

Notes: 1. Figures for fiscal 2018, fiscal 2019, fiscal 2020, fiscal 2021 and fiscal 2022 are based respectively on April 1, 2018; April 1, 2019; April 1, 2020; April 1, 2021; and March 31, 2022.

2. Figures for fiscal 2018, fiscal 2019, fiscal 2020, fiscal 2021 and fiscal 2022 are based respectively on June 1, 2018; June 1, 2019; June 1, 2020; June 1, 2021, and June 1, 2022.

3. Percentage of employees absent from work for more than 30 consecutive days due to injury or illness (at fiscal year-end).

4. Percentage of employees who responded positively to the question, "Overall, the company is a good place to work".

5. Number of employees hired during the fiscal year and hired on April 1 of the following fiscal year.

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

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

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

7. Scope 3 emissions are calculated in accordance with "Basic guideline (version 2.4) concerning calculation of greenhouse gas emissions through the supply chain (Ministry of the Environment)".

8. Fiscal 2018, fiscal 2019, fiscal 2020, fiscal 2021, and fiscal 2022 are based respectively on June 30, 2017; June 30, 2018; June 30, 2019; June 30, 2020; and June 30, 2021.

■ Corporate Profile

(As of March 31, 2022)

Company name	TIS Inc.
Founded	April 28, 1971
Established	April 1, 2008
Main business	Outsourcing services, software development, and solution services regarding investments in information technology. Management and business execution of group companies that carry on information and communication business
Head office	Sumitomo Fudosan Shinjuku Grand Tower, 17-1, Nishi-Shinjuku 8-chome, Shinjuku-ku, Tokyo, 160-0023, Japan Tel. +81-3-5337-7070 Fax +81-3-5337-7555
Paid-in capital	¥10 billion
Number of shares authorized	840,000,000 shares
Number of shares issued	251,160,894 shares
Number of shareholders	15,266
Stock listing	Tokyo Stock Exchange, Prime Market (as of April 4, 2022) (Securities code: 3626)
Number of employees (consolidated)	21,709 (full-time employees)

■ TIS INTEC Group

(As of March 31, 2022)

TIS Inc., and 53 consolidated subsidiaries (domestic 25, overseas 28) (As of March 31, 2022)

Main consolidated subsidiaries

TIS and main group companies	Shareholding ratio	Description of Business	Fiscal 2022, ended March 31, 2022 (Millions of yen, non-consolidated basis)	
			Net sales	Operating income (operating margin)
TIS Inc. (operating holding company)	—	Focuses on credit card companies but pursues business opportunities in a wide range of sectors, including services and manufacturing. Promote to expand payment business. Merged with pure holding company IT Holdings Corporation in July 2016 and became operating holding company. (Incorporated April 1971)	222,986	25,298 (11.3%)
INTEC Inc.	TIS 100%	Focuses on megabanks and life insurers, and assists with CRM for regional banks and offers a wide selection of services to regional public corporations, particularly in the Hokuriku region. (Established January 1964)	106,593	10,579 (9.9%)
AGREX INC.	TIS 100%	Leading company in BPO sector, with emphasis on insurance industry needs. Turned into a wholly owned subsidiary in March 2015, becoming core company for BPO business within the Group. (Established September 1965)	38,215	4,193 (11.0%)
QUALICA Inc.	TIS 80% Komatsu 20%	Formerly, information systems subsidiary of Komatsu. Focuses on assembly-based manufacturers, mainly those under the Komatsu Group umbrella, while expanding business with companies in the distribution and restaurant sectors. (Established November 1982)	19,973	2,074 (10.4%)
AJS Inc.	TIS 51% Asahi Kasei 49%	Formerly, information systems subsidiary of Asahi Kasei. Focuses on companies under the Asahi Kasei Group umbrella. (Established March 1987)	17,436	2,422 (13.9%)
MFEC Public Company Limited	TIS 49% (based on control criteria)	Thai-listed, leading provider of enterprise IT solutions, which has strength in banking, communication, and governments. 11 subsidiaries under the company. (Established March 1997)	17,858 ^{*1}	1,135 ^{*1} (6.4%)

Domestic subsidiaries

IUK Inc.	TIS System Service Inc.	TIS Hokkaido Inc.
INTEC Solution Power Inc.	TIS Solution Link Inc.	Registration Network, Ltd.
ULTRA Inc.	TIS Tohoku Inc.	Nexway Co., Ltd.
KOUSHI INTEC Inc.	TIS Total Service Inc. ^{*2}	HOKKOKU INTEC SERVICE Inc.
SKY INTEC INC.	TIS Nagano Inc.	MicroMates Corp.
SorunPure Inc.	TIS West Japan Inc.	Miotsukushi Analytics Inc.

*1 MFEC Group, consolidated basis (fiscal year ended December 31, 2021). Numerical values based on accounting standards in home country of Thailand using rate prevailing at end of fiscal year.

*2 Changed company name to TIS Business Service Inc. on April 1, 2022.

Overseas Subsidiaries

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

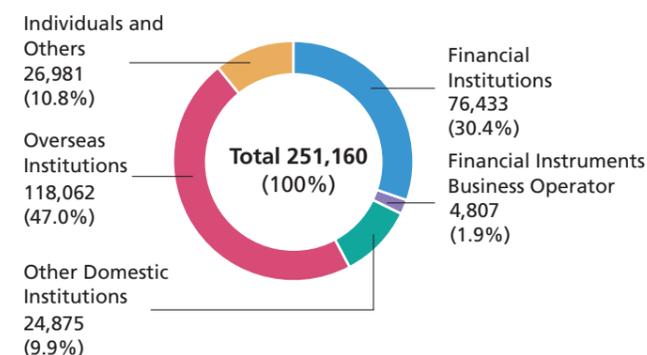
76 Equity Method Affiliates (domestic Five, overseas 71) (As of March 31, 2022)

Main equity method affiliates

- China
Shanghai CardInfoLink Data Service Co., Ltd. (CardInfoLink)
(Voting rights ownership ratio 18.1%, 11 subsidiaries under the company)
- Indonesia
PT Anabatic Technologies Tbk
(Voting rights ownership ratio 37.3%, acquired convertible bonds with stock acquisition rights, 53 subsidiaries under the company)

■ Share Composition by Shareholder

(As of March 31, 2022; Thousands of Shares)



■ Rating

(At November 17, 2021)

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



Notes: 1. The TIS stock price and TOPIX (Tokyo Stock Exchange Price Index) are indexed at 100 based on the closing price of stock on April 30, 2011.
2. The Company executed a stock split, with each share of common stock split into three shares, effective April 1, 2020. Figures before fiscal 2020 are presented assuming this stock split was conducted.

Evaluations from External Parties

Inclusion in SRI indexes

FTSE4Good Index Series/FTSE Blossom Japan Index/
FTSE Blossom Japan Sector Relative Index



FTSE4Good



FTSE Blossom
Japan Index



FTSE Blossom
Japan Sector
Relative Index

MSCI Japan ESG Select Leaders

2022 CONSTITUENT MSCI JAPAN
ESG SELECT LEADERS INDEX

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HR-related activities

Semi-Nadeshiko Brand

A joint initiative of the Japan Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange that selects publicly listed companies showing exceptional progress in advancing women in the workplace. Our measures to promote women's advancement, and systems for popularizing and embedding those measures within the organization, were recognized with this designation.



New Diversity Management Selection 100

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



Grand Prize in Good Career Company Award 2020

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



Eruboshi (L-Star)

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



Tomonin

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



DC Excellent Company

The DC Excellent Company award is presented by the Defined Contribution Pension Education Association to companies that have distinguished themselves in their ongoing education and management of defined contribution pension plans. TIS was recognized as a "DC Excellent Company (Continuing Investment Education category)" in fiscal 2020, and "DC Excellent Company (Institutional Management (Governance) Category)" in fiscal 2022.



Pride Index

The PRIDE Index is an index to evaluate the efforts of companies and other organizations related to LGBTQ issues, developed by Work with Pride, a voluntary organization that aims to realize workplaces where LGBTQ people can work with pride. In order to realize a safe working environment for everyone, regardless of gender identity or sexual orientation, TIS has worked for understanding and acceptance, and was certified as "Bronze" in the Pride index.



S&P/JPX Carbon Efficient Index



SOMPO Sustainability Index



Sompo Sustainability Index

Certified Health & Productivity Management Outstanding Organizations

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



Kurumin, Platinum Kurumin

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



Nikkei Smart Work Management

The Nihon Keizai Shimbun Group promotes the campaign that aims to grow the Japanese economy by linking workstyle reforms-gained through the introduction of advanced technology, innovation, and structural transformation-to the improvement of corporate productivity. TIS won 4.5 stars in the fifth Nikkei Smart Work Management Survey.



White Company Recognition

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



In Issuing the 2022 Integrated Report

This is the seventh issue of the TIS INTEC Group Integrated Report. The Group regards the Integrated Report as an important tool for dialogue with all stakeholders, including shareholders and other investors. We also aim to provide comprehensive and easy-to-understand information on medium- to long-term growth strategies and initiatives to create corporate value. We also provide information regarding our environmental, social and governance (ESG) activities, which serve as a foundation to support these strategies and initiatives. We hope the Integrated Report will help you gain a better understanding of the Group, and we would appreciate your frank opinions and comments, which we will use to further enhance information disclosure and improve management transparency.

In April 2021, under a new management structure, the TIS INTEC Group embarked on Medium-Term Management Plan (2021–2023) under the tagline "Be a Digital Mover 2023." Under OUR PHILOSOPHY, we aim to further accelerate structural transformation toward sustainable enhancement of corporate value, based on a foundation of sustainable management centered on addressing social issues through our business activities and revitalizing management in response to social demands. In the fiscal year ended March 31, 2022, the first year of the plan, we posted record-high results by balancing profitability with aggressive upfront investments for future growth. While there were some individual challenges, we achieved steady overall progress and positive outcomes. With a strengthened belief that the

quality of our management is changing for the better, we implemented drastic financial measures designed to optimize our capital structure and improve capital efficiency.

Although social conditions remain extremely turbulent, we note that digital technology has become indispensable for addressing social issues and realizing a sustainable society. Accordingly, we recognize that the roles and responsibilities that the Group should fulfill are becoming more and more important.

As a member of the management team, I will continue working diligently to improve the Group's sustainable corporate value so we can fully meet the expectations of our stakeholders. I will target further corporate growth through disciplined management, prompt and pivotal decision-making, and appropriate risk-taking. At the same time, I will continue focusing on building long-term relationships of trust with customers through accountability, appropriate information disclosure, and constructive dialogue. I look forward to your ongoing support.



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

IR-related activities



Fiscal 2021 Homepage Quality Ranking Survey of All Listed Companies (Nikko Investor Relations Co., Ltd.)
Received highest award as excellent website in comprehensive ranking for seven consecutive years since fiscal 2015.



2021 Internet IR Commendation Award (Daiwa Investor Relations Co., Ltd.)
Awarded for nine consecutive years since 2013.



Gomez IR Site Comprehensive Ranking 2021 (Morningstar Japan K.K.)
Awarded for seven consecutive years since 2015 as an excellent company.

Other

DX Certification

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



JPX-Nikkei Index 400

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



"Corporate Value Improvement Award"

TIS is selected as candidates (50 companies) of the "Corporate Value Improvement Awards" by Tokyo Stock Exchange, in 2017 and 2019.