

Platform for Growth: Capable Management and Stakeholder Engagement

The Group is promoting environmental, social and governance initiatives to underpin its value creation. In addition, TIS strives to build bonds of trust through active communication with all stakeholders and to promote sustainable corporate value in harmony with the evolving values of society.

Platform that supports value creation of the Group



Environment	Social	Governance
Contribute to decarbonized society and recycling society	Sustainable improvement in stakeholder engagement	Constantly strive for governance that promotes higher level of trust from society
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*See Human Resources Strategies (P53) regarding human capital

Corporate Governance Roundtable Discussion

We will create greater diversity in the composition of the Board of Directors and demonstrate an enhanced monitoring function.



Toru Kuwano,
Chairman (Chairman of the Board of Directors)

Naoko Mizukoshi,
External Director

Fumio Tsuchiya,
External Director

Transition to monitoring-based Board of Directors

Kuwano: Strengthening corporate governance is an ongoing priority for TIS. In fiscal 2024, ended March 31, 2024, we focused on key topics, such as Group Vision 2032 and Medium-Term Management Plan (2024–2026), and worked to transition the Board of Directors from a management-based structure to a monitoring-based structure.

Tsuchiya: I think we made a good start on the transition to a monitoring model. Certainly, we dedicated a lot of time to exploring basic management policies, including the underlying strategies in Group Vision 2032 and Medium-Term Management Plan (2024–2026). With the Board of Directors functioning as a monitoring-based structure, the executive side will gain considerably more discretion over decisions than ever before.

Mizukoshi: At the same time, we have to have a meeting agenda that elucidates clear goals and the connection to medium- to long-term policies as well as a timeline for implementing relevant strategies so that the Board of Directors can properly monitor progress. On a slightly different note, the Nomination Committee and Compensation Committee worked toward revision of the executive compensation system in fiscal 2024, but from fiscal 2025 onward, I'd like these committees to delve deeper into succession plans and consider the composition of an ideal management team.

Kuwano: To enhance board functionality, it is essential that the executive side — not only members of the board but also executive officers and frontline managers throughout the TIS INTEC Group — act as a cohesive team and, from a high vantage point, ensure accurate execution of operations. As well, the future described in Group Vision 2032 requires

leaders who can inspire employees and also requires greater diversity in our workforce.

Tsuchiya: Mr. Kuwano, you mentioned executive cohesiveness. TIS is constantly promoting activities to deepen awareness of the TIS INTEC Group philosophy OUR PHILOSOPHY, which I believe is an extremely important process for cultivating a shared perspective throughout the Group. The number of companies under the Group umbrella continues to increase, creating human resources with diverse backgrounds and culture. Consequently, if the entire group is to move together toward the same destination, the Board of Directors must manage risks from a groupwide perspective.

New Group Vision and New Medium-Term Management Plan

Tsuchiya: Under the previous medium-term management plan, TIS achieved very commendable results, none better than reaching financial targets a year ahead of schedule. But I have the impression that shareholders and investors see current results as having hit a plateau of sorts and are waiting on the next growth strategy and its effectiveness. Group Vision 2032 is, to me, an extremely ambitious vision for the future. To TIS, it's not some castle-in-the-sky dream, as management is truly determined to realize this vision and meet the expectations of shareholders, investors and other stakeholders. But success undoubtedly depends on a making offering services profitable and reinforcing overseas operations.

Mizukoshi: The Board of Directors has delved extensively into strategies designed to achieve growth, including steps to improve the profitability of Offering Service Business and creating services to solve social issues. These strategies are

organically linked to basic strategy, so implementing them separately is unlikely to yield the desired results. The key is smart selection and concentration. TIS needs to direct resources into areas where the Group has a competitive advantage as this will underpin a successful growth strategy. More importantly, however, is trust. TIS — indeed, the entire TIS INTEC Group — must earn and keep the trust of clients and strategic partners who regard this organization as an innovative, forward-thinking co-creation partner. I think we allocated sufficient time to key discussions about securing the talent to drive the growth strategy and creating an environment in which these people can thrive, which ultimately cements trust.

Kuwano: As you point out Ms. Mizukoshi, human resources hold the key to achieving further growth through new pursuits. To build the business portfolio described in Group Vision 2032, it's essential that we complement parallel-model businesses, such as contract system development matched to client needs, which has always been our forte, by creating new businesses and cultivating self-sustaining businesses, such as service-based businesses that anticipate client needs. We are working to diversify human resources in terms of job category through skill development and recruitment of individuals, such as consultants, who already have the expertise we seek. But more must be done.

Mizukoshi: Generally speaking, the type of talent and organizational structure required by companies developing systems differs from that of companies selling products (solutions). This applies to the TIS INTEC Group as well. A human resources portfolio that drives corporate results is vital for TIS to grow both parallel-model businesses and self-sustaining businesses. I think, to complement the positive impact of recruitment and M&A, we should consider analyzing the organizational structure and work environment of innovative companies in Japan and abroad where individuals with excellent skills are able to showcase their capabilities. Job satisfaction, along with compensation, is extremely important to employees who have invested in their qualifications. Providing a comfortable environment that enables these talented individuals to showcase their capabilities inevitably leads to enhanced organizational efficiency and improved operating income per person, a key metric included in Medium-Term Management Plan (2024–2026).



Tsuchiya: Achieving higher average operating income per person on a groupwide basis requires an increase in operating income per person from each business. At the same time, it's important to reduce the occurrence of unprofitable projects for many reasons, not the least of which is to ensure that the

time talented individuals put into projects is actually well spent. In my experience, management issues arise due to inaction — that is, when leaders fail to do what leaders are supposed to do. Within the TIS INTEC Group, various steps are being taken to reduce the occurrence of unprofitable projects, and I have emphasized to different audiences the need for leaders to actually lead and eliminate inaction.

Expectations and evaluation from stock market

Tsuchiya: The other day, I had the opportunity to speak with institutional investors. From our conversation, I sensed that the steady growth charted by the TIS INTEC Group to date has raised expectations among institutional investors to a new level. The Group's information disclosure is deemed quite comprehensive, but I believe that opportunities for me, as an external director, to engage with investors leads to a deeper appreciation of what TIS and the whole TIS INTEC Group does. Providing appropriate information and repeatedly engaging shareholders and investors in dialogue about the Group's growth strategy will surely produce a fair market evaluation.



Mizukoshi: To keep shareholders long term, TIS must ensure that they believe the Company, and by extension, the Group, can achieve sustainable growth. TIS must explain both its aggressive approach to challenges and swift response to unprofitable projects in a timely manner so that shareholders have that eureka moment and see the potential for future growth and profitability. If TIS can do that, the stock market is sure to factor performance expectations into its evaluation of the Company. With large-scale system development projects having peaked and now on a downtrend, TIS needs to communicate that the Group is on track to the next stage of growth. Maybe TIS hasn't conveyed the message well enough. Also, the Board of Directors must take an in-depth look at the growth strategy — is it reasonable, rational, doable? — and monitor progress and any issues that arise.

Kuwano: As you both point out, we have to encourage the executive side to give shareholders and investors a clear picture about our path to growth to gain their trust and respect. Because business execution and supervision functions are separate, I don't get involved in the executive side of business. But I am available for individual consultations when necessary and share honest opinions and advice based on my experience in executing operations. For example, I will indicate whether or not initiatives taken by each Group company are being properly coordinated so that, in the big picture, the Group shines. That is, have we as a corporate group achieved overall optimization without sacrificing the individual characteristics that make each Group company unique?

Seeking diversity in composition of Board of Directors

Mizukoshi: As an external director, I strive to ensure that the Board of Directors tackles topics to the satisfaction of diverse stakeholder groups, including shareholders. I have experience as an external director, and I know management expects me to apply the knowledge and expertise I have gained. Therefore, when appropriate, I voice my opinion that swift action would be the sensible thing to do, taking the external environment into account, and I will stand behind bold but necessary moves on the business execution side while confirming a clear commitment to the timeline for implementation.

Tsuchiya: In fiscal 2024, not only did the Board of Directors set an agenda for its meetings, which Ms. Mizukoshi touched on earlier, steps were taken to boost efficiency. This included defining the role and position expected of each director based on individual background and skills, and deepening a shared perspective on issues. The great thing about the Board of Directors at TIS, as well as the nomination and compensation committees, is the culture of open, candid discussion that permeates these structures. As an external director entrusted to represent shareholders, I will continue to engage in frank discourse.



Kuwano: The TIS INTEC Group places considerable importance on open-mindedness. Today, as on any day, I was open about the issues we face. And that's because challenges are the starting points for a better future. As subsequent issues emerge, we shall address them one by one. Going forward, I hope the Board of Directors will become more diverse in its composition, which will expand the parameters of discussions.

Mizukoshi: On the diversity point, Junko Sunaga was recently appointed as an external director, bringing female participation on the Board of Directors to two. The number of women on the Audit & Supervisory Board is also increasing. This is great, but I hope we can dig deeper into topics beyond encouraging women to be more active in corporate settings by incorporating outside perspectives based on different standpoints and expertise into conversations. I myself have been offering advice on intellectual property and supported efforts to establish a revitalized Legal & Intellectual Property Department in April 2023. I offered advice on the content of the intellectual property strategy for Medium-Term Management Plan (2024–2026), and I feel TIS is making progress in acquiring and utilizing intellectual property to drive business activities.

Tsuchiya: Ms. Mizukoshi contributes extremely useful information from a legal perspective at board meetings but also demonstrates her expertise beyond the boardroom, including intellectual property seminars for Group employees. Meanwhile, I bring corporate management experience, and Ms. Sunaga has expertise in domestic and international mobile communications technology. Our different areas of specialization allow us, as external directors, to bring multiple perspectives to our supervisory roles.

Kuwano: But greater diversity on the supervisory side must accompany increased diversity on the executive side. We need foreign nationals on our executive team and external sources of expertise as well. I believe execution and supervisory functions must work in tandem for TIS to achieve sustainable growth for itself and, by extension, the Group and to maximize corporate value. To that end, let's maintain the openness that characterizes our discussions to promote lively interaction between the executive and supervisory sides, inside and outside the Company, as we travel toward the same vision and goals.

Message from Newly Appointed Director

I will contribute to the success of the new medium-term management plan and sustainable growth.



Junko Sunaga,
External Director

I am extremely honored to have the opportunity to contribute to the growth and development of the TIS INTEC Group. I believe my appointment reflects recognition of my experience as the head of the Japanese subsidiary of a global mobile communications company.

Under Vision 2032, TIS launched Medium-Term Management Plan (2024–2026) in fiscal 2025, aiming for further growth and development by cultivating markets and expanding business domains. As the Group works toward stated goals in the new medium-term management plan, a key task for me as an external director is to closely monitor progress on key measures from a shareholder's perspective. I also want to encourage the Board of Directors to delve more deeply into topics from the perspective of the Group's growth opportunities, future goals and competitive advantages. Meanwhile, technologies, players and partnerships in the areas of AI and digital technology are constantly evolving. I will always be on the lookout for new opportunities, striving to polish my expertise and providing insight into how new technologies and ecosystems will change the world, and thereby contribute to the improved corporate value of TIS and the whole TIS INTEC Group.

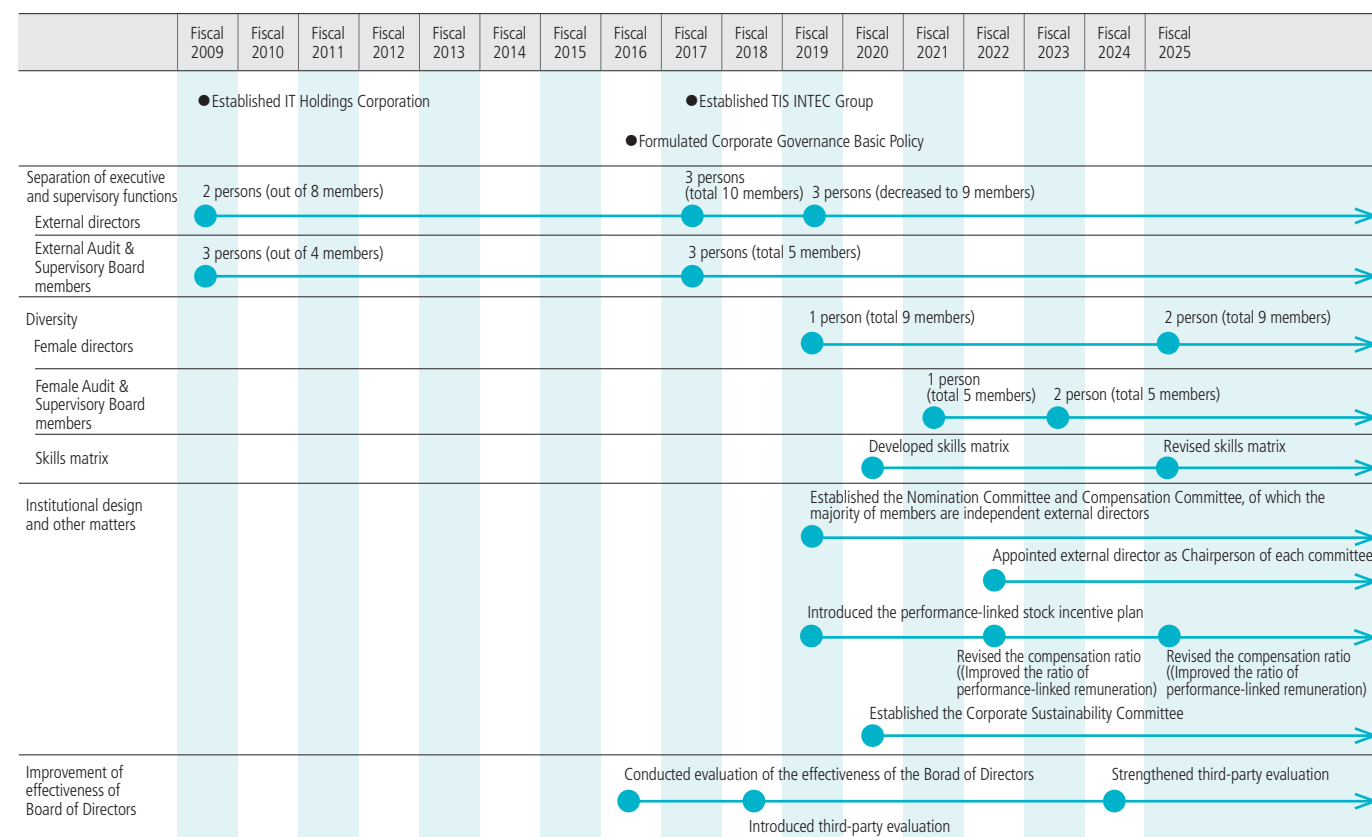
The Group seeks to enhance corporate governance and internal controls, which are its core subjects. The focus is also on promoting quality control and production innovations, essential for the business of information systems—a key social infrastructure—to function and steadily evolve, as well as evolving risk management processes, including information security and compliance.

Basic Policy

Based on basic corporate governance policies, TIS consistently pursues the best corporate governance practices and constantly works to enhance corporate governance. Management believes that the key to good corporate governance is to ensure transparency and fairness in decision making processes, make full and effective use of management resources, and raise the integrity of management practices through swift and accurate assessment of situations, from the viewpoint of promoting sustainable corporate growth and boosting medium- and long-term corporate value. Accordingly, management at the Company is committed to upholding good corporate governance in line with the following basic principles.

1. To respect the rights of shareholders and to ensure equality in their treatment.
2. To consider the interests of stakeholders, including shareholders, and work with stakeholders in an appropriate manner to achieve stated goals.
3. To disclose corporate information appropriately and ensure transparency.
4. To engage in constructive dialogue with shareholders based on a medium- to long-term investment perspective.

Change of Initiatives to Strengthen Corporate Governance



Key Initiatives of Fiscal 2024

During fiscal 2024, TIS promoted the following three initiatives toward further improvement of the monitoring model of the Board of Directors under the concept that its Board of Directors and executive side share a future as “One Team” in the TIS INTEC Group with a common goal of improving corporate value.

1. Improved the effectiveness of the Board of Directors

Defined and increased agenda items to enhance discussions around basic management policies, and defined discussion points and specific actions from the perspective of the Board's monitoring function. In addition, we defined the skill-based roles expected of the Directors, further developed the Board's code of conduct and gained consensus for these among the Directors.

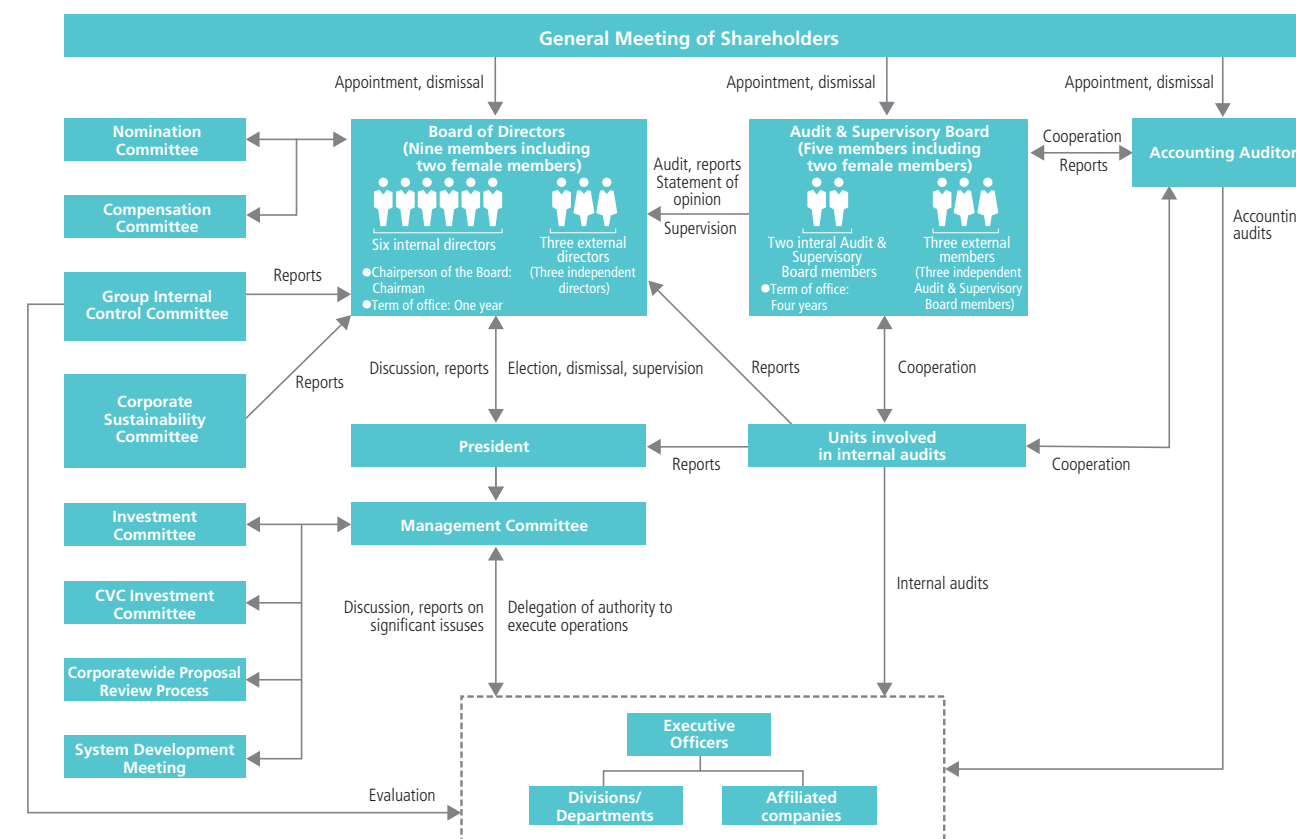
2. Revised skills matrix and expanded its disclosure

We identified skills and explanations necessary for the Board of Directors to achieve materiality and management strategies, and reviewed a matrix of skills expected for each director and Audit & Supervisory Board member to exercise, prioritizing linkage with current management strategies (disclosed in May 2024).

3. Revised the officer remuneration system

For the sustainable growth and maximization of corporate value, we reviewed initiatives (1) to improve the ratio of performance-linked remuneration, (2) to revise remuneration to a globally competitive level, and (3) to revise our method of evaluating shareholders' trust (conducted in July 2024).

Corporate Governance Structure



Board of Directors	Please refer to page 91.
Nomination Committee	Please refer to page 93.
Compensation Committee	Please refer to page 94.
Management Committee	Deliberates important matters related to the execution of business activities of the Group.
Group Internal Control Committee	Promotes various measures to maintain and improve the internal controls of the Company and its subsidiaries, to evaluate the operational status of the internal control systems and to recommend any corrective action to be taken to the Board of Directors, if necessary.
Corporate Sustainability Committee	Identifies sustainable management trends, discusses sustainability issues, provides direction on how to address them and sets targets.

Reason for Selection of Current Corporate Governance Structure

TIS has an Audit & Supervisory Board, a model chosen for its double-check function through which the Board of Directors oversees the execution of business activities and the Audit & Supervisory Board audits activities to ensure operations are legal and appropriate. In addition, the Company aims to strengthen the supervisory function of the Board of Directors by appointing external directors with industry- and corporate-management-related experience and insight. Drawing on advice and recommendations from an independent standpoint ensures the validity and appropriateness of decision-making by the Board of Directors.

Compliance with the Corporate Governance Code

TIS complies with all principles of the Corporate Governance Code. The status of the Company's responses to each principle of the Corporate Governance Code is described in the Corporate Governance Report.
<https://www.tis.com/documents/en/ir/policy/governance/governance.pdf>

Skills of Directors and Audit & Supervisory Board Members Required for the Group’s Growth

The Board of Directors needs to have a wide range of knowledge, experience and diversity in order to ensure the sustainable growth of the Company and increase its corporate value over the medium to long term. The experience, knowledge and skills that we consider to be particularly necessary have been set out below based on our materiality, Group Vision 2032, and Medium-Term Management Plan (2024–2026).

Skills	Elaboration of skills
Company Management	Experience as a company representative director, or practical experience in evaluating important business opportunities and risks, making risk-taking decisions, and achieving business transformation as a manager with knowledge of corporate governance premised on sustainable management
Industry Knowledge	Cutting-edge knowledge of ICT and DX, as well as extensive knowledge and expertise in the information services industry and cybersecurity, all of which are necessary for promoting DX in collaboration with clients
Globalization	Practical experience in management of a company that operates globally, or practical experience in understanding the opportunities and risks of a global business and engaging in business expansion overseas
Intellectual Property, Technology and Innovation	Expertise in intellectual property, which is essential for sustained improvement of corporate value, or practical experience and knowledge in driving innovation that brings prosperity to society through applied technology, and other such tools
Human Resources	Knowledge and practical experience to secure and promote the active participation of talented human resources capable of providing high added value, and to foster a work environment and corporate culture in which diverse human resources can work with motivation and peace of mind
Finance/Accounting	Possess knowledge of corporate finance necessary for medium- to long-term sustainable value creation, and practical experience in decision-making regarding investment and financial strategies
Legal Affairs/Risk Management	Expertise and practical experience in legal matters essential for the development of service businesses and global businesses, or knowledge of risk management necessary for a company to survive

Experience and expertise of Directors and Audit & Supervisory Board Members (Skill Matrix) As of June 25, 2024

			Term of office	Skills required to Directors and Audit & Supervisory Board Member (Top three items)						
				Company Management	Industry Knowledge	Globalization	Intellectual Property, Technology and Innovation	Human Resources	Finance/Accounting	Legal Affairs/ Risk Management
Directors	Chairman	Toru Kuwano	11							
	Representative Director, President	Yasushi Okamoto	6							
	Representative Director, Executive Vice President	Josaku Yanai	8							
	Representative Director, Executive Vice President	Shinichi Horiguchi	1							
	Director	Takayuki Kitaoka	6							
	Director	Shuzo Hikida	1							
	External Director, Independent	Fumio Tsuchiya	7							
	External Director, Independent	Naoko Mizukoshi	6							
	External Director, Independent	Junko Sunaga	—							
Audit & Supervisory Board Members	Standing Audit & Supervisory Board Member	Makoto Tsujimoto	1							
	Standing Audit & Supervisory Board Member	Hideki Kishimoto	—							
	External Audit & Supervisory Board Member, Independent	Yukio Ono	4							
	External Audit & Supervisory Board Member, Independent	Akiko Yamakawa	4							
	External Audit & Supervisory Board Member, Independent	Hiroko Kudo	2							

*1 Based on Board of Directors meeting and Audit & Supervisory Board Member’s meeting held after assumed office on June 23, 2024
*2 Assumed office on June 25, 2024

Reason for Election of External Officers

Fumio Tsuchiya	Mr. Tsuchiya previously worked in an important position in overseas offices and the Corporate Planning Department of Japan Airlines Co., Ltd. (“JAL”). After having assumed the office of Director of JAL in June 2004, he served as Managing Director and was thereafter appointed as President & CEO of JALCard, Inc. in June 2007, which is a group company of JAL. He has a wide range of experience and a wealth of expertise in corporate management. Since assuming the office of External Director of the Company in June 2017, he has given advice and suggestions from an independent perspective by utilizing these experiences and expertise in the Company’s business to ensure that the decisions to be made by the Company’s Board of Directors will be reasonable and appropriate. He was appointed as an External Director as he is highly expected to be a person who will continue to contribute to the increase in corporate value and enhancement of the corporate governance of the Company.
Naoko Mizukoshi	Ms. Mizukoshi is a qualified lawyer and has a wealth of professional knowledge of, and experiences in, intellectual property, ICT and international transactions. Since assuming the office of External Director of the Company in June 2018, she has given advice and suggestions from an independent perspective by utilizing these experiences and expertise in the Company’s business to ensure that the decisions to be made by the Company’s Board of Directors will be reasonable and appropriate. She is highly expected to be a person who will continue to contribute to the increase in corporate value and enhancement of the corporate governance of the Company. Moreover, although she has not participated in corporate management, she has expertise in corporate legal works. Therefore, she was appointed as an External Director since she could discharge duly the duties of External Director.
Junko Sunaga	Ms. Sunaga has worked in the semiconductor business, with a focus on mobile phones, and in April 1997 joined the Japan arm of Qualcomm (USA), a leading company in the mobile communications industry, as its first employee. Since April 2018, she has been President and Representative Director of Qualcomm Japan, Inc., where she has achieved successful results in expanding the domestic semiconductor business. She was appointed as an External Director based on the belief that she will contribute to the enhancement of the corporate governance of the Company by utilizing these experiences and expertise in the Company’s business and by giving advice and suggestions from an independent perspective to ensure that the decisions to be made by the Company’s Board of Directors will be reasonable and appropriate.
Yukio Ono	Mr. Ono is a licensed certified public accountant. His expertise and knowledge in the field of finance and accounting and many years of experience in corporate audit are beneficial to the Company in strengthening the audit system of the Company. Moreover, although he has not participated in corporate management, he was appointed as an External Audit & Supervisory Board Member as he is considered to be able to appropriately perform the duties of External Audit & Supervisory Board Member as a result of the above credentials.
Akiko Yamakawa	Ms. Yamakawa is a licensed attorney and has extensive experience and knowledge regarding labor issues, including handling litigation regarding employment disputes at global corporations. In addition, through her external activities such as supporting women’s participation in the workforce, she is expected to provide appropriate monitoring and supervision of the Company’s global business execution and human resources strategies. Moreover, although she has not participated in corporate management, she was appointed as an External Audit & Supervisory Board Member as she is considered to appropriately perform the duties of External Audit & Supervisory Board Member for the above credentials.
Hiroko Kudo	Ms. Kudo has deep insight into domestic and international administrative and financial affairs, a PhD in public policy, and is an active global figure as a university professor and researcher. Moreover, although she has not participated in corporate management, she was appointed as an External Audit & Supervisory Board Member as it is considered that she will be able to utilize her extensive experience and knowledge to appropriately perform the duties of an Audit & Supervisory Board Member, thereby improving the value that DX provides to resolve social issues through the Company’s business and deepening and expanding global management.

Meetings to attend (● chairperson)				Attendance at meetings (fiscal 2024) Attendance/Number of meeting			
Board of Directors	Audit & Supervisory Board	Nomination Committee	Compensation Committee	Board of Directors	Audit & Supervisory Board	Nomination Committee	Compensation Committee
●				19/19	—	—	—
○		○	○	19/19	—	8/8	6/6
○				19/19	—	—	—
○				14/14*1	—	—	—
○				19/19	—	—	—
○				14/14*1	—	—	—
○		○	○	19/19	—	8/8	6/6
○		●	●	19/19	—	8/8	6/6
○		○	○	—*2	—	—*2	—*2
○	●			14/14*1	12/12*1	—	—
○	○			—*2	—*2	—	—
○	○			18/19	13/14	—	—
○	○	○	○	19/19	13/14	3/6*1	2/4*1
○	○			17/19	14/14	—	—

Activities of External Officers outside the Board of Directors

External Directors and Audit & Supervisory Board members also conduct various activities outside the Board of Directors using their wide range of skills and experiences. In fiscal 2024, external Director Fumio Tsuchiya participated in a forum for all of TIS INTEC Group’s employees and business partners and made a speech titled “My Turning Point” based on his own experience and knowledge in management.



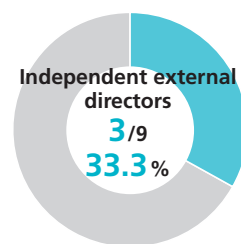
Fumio Tsuchiya, External Director

Overview of the Board of Directors and Its Activities

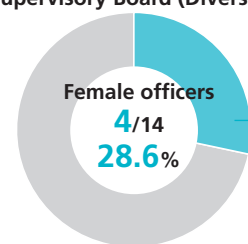
For swift and dynamic decision-making by the Board of Directors, it convenes in principle once monthly and also meets on an ad hoc basis whenever necessary. TIS holds an information meeting once a year to present its business direction, as well as meetings ahead of Board of Directors' meetings—in principle, twice a month—to give external directors and external members of the Audit & Supervisory Board sufficient background information to participate in discussions. In addition, the Company organizes study sessions with experts—in-house and external—and arranges visits to local Group facilities and offices. TIS also creates opportunities for external directors to exchange opinions with the President and convenes meetings that involve only external directors and external members of the Audit & Supervisory Board. This facilitates smooth but vigorous discussion by the Board of Directors.

Number of members	14 (three external directors, six internal directors, two internal members of the Audit & Supervisory Board, and three external members of the Audit & Supervisory Board)
Composition	As stipulated in its Articles of Incorporation, the Company's Board of Directors comprises at least three and no more than 15 directors, and to strengthen the supervisory functions of the Board of Directors, a policy has been established that one-third or more of the directors must be independent external directors.

Board of directors (Independence)



Board of directors and Audit & Supervisory Board (Diversity)



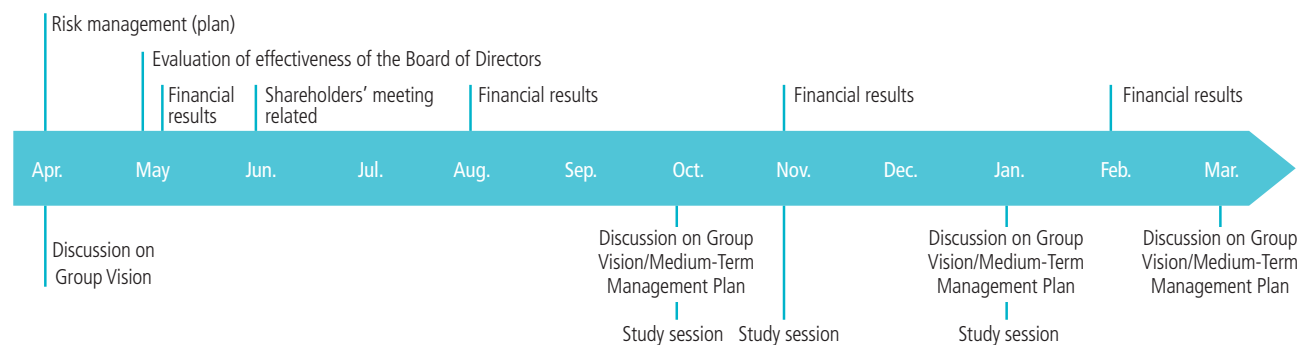
Female directors: **2**
Female Audit & Supervisory Board members: **2**

Main Activities of the Board of Directors (Year ended March 31, 2024)

We implement the following measures to enhance effectiveness of Board of Directors and improve corporate governance code.

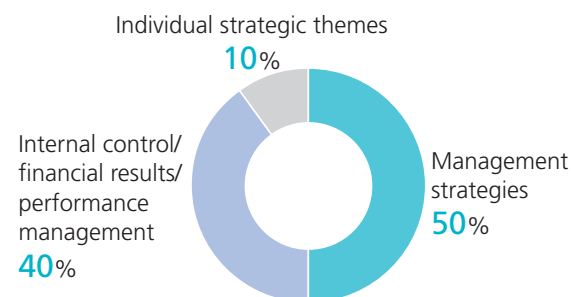
- Expand the discussion about group vision, Medium-Term Management Plan, management policy and strategic important matters.
- Engage external experts and hold study sessions about corporate governance

Number of meetings held	19 102 agenda items discussed (47 items resolved and 55 items reported)
Number of meetings ahead of Board of Directors' meetings	16
Number of information meetings to present business direction	One
Opinion exchange sessions	13
Study sessions	Three Engaged external experts and held study sessions about corporate governance



Main Contents of Deliberations

Breakdown of contents of deliberations at meetings



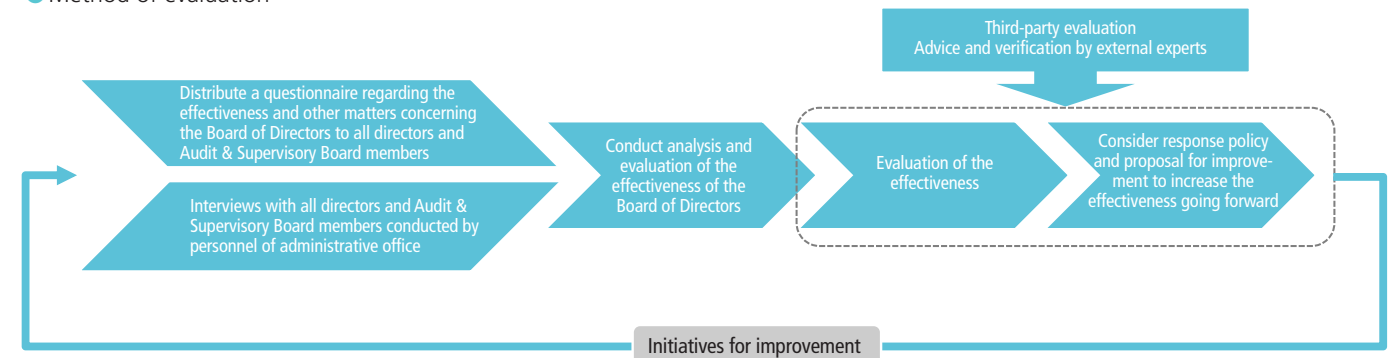
Main contents of deliberations at meetings

Management strategies	<ul style="list-style-type: none"> ✓ Business direction over the medium to long term ✓ Corporate governance/nomination and remuneration ✓ Shareholder engagement (shareholders' meeting/dialogue with shareholders/shareholder return) ✓ Employee engagement ✓ Client/business partner engagement, etc.
Internal control/financial results/performance management	<ul style="list-style-type: none"> ✓ Audit ✓ Risk management/internal controls ✓ Financial results, budget, outlook, etc.
Individual strategic themes	<ul style="list-style-type: none"> ✓ Payment businesses, global businesses, etc.

Overview of Analysis and Evaluation of the Effectiveness of the Board of Directors

TIS strives for the best corporate governance for its sustainable growth and improvement of corporate value and works continuously to make improvements in that area. Since fiscal 2016, ended March 31, 2016, the Company has evaluated the effectiveness of the Board of Directors each fiscal year with the aim of identifying issues and areas for improvement and linking them to initiatives to improve the Board's effectiveness. Currently, the Company makes an effort to strengthen the monitoring function of the Board of Directors to speed up and streamline decision-making and business execution of the Group.

Method of evaluation



Coverage of evaluation

The fiscal 2024 evaluation was conducted on the status of initiatives for the priority themes for further enhanced corporate governance from fiscal 2025 onward, in addition to the operation of the Board of Directors in fiscal 2024.

Operation of the Board of Directors	Confirmed the appropriateness of agenda selection, frequency of/time required for meetings, explanation of meeting agendas, and materials provided and amount of information contained with a view to strengthening its monitoring function.
Priority themes for further enhanced corporate governance	Confirmed the appropriateness and sufficiency for the following themes: <ul style="list-style-type: none"> • Board of Directors' supervisory function • Expected roles for Directors • Delegation of authority to the executive side • Composition of the Board of Directors • Ideal state of advisory committees • Coordination between the Board of Directors and auditing bodies • Dialogue with shareholders, and other themes.

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

In fiscal 2024, the Board of Directors formulated an annual schedule and reviewed delegation of authority based on the issues, "improving the quality of discussions" and "focus on medium- to long-term discussions," identified in the previous fiscal year. The results of the self-assessment were as follows.

Operation of the Board of Directors	<ul style="list-style-type: none"> • Explanations regarding meeting agendas, materials provided and the amount of information contained were adequate. • On the other hand, in order to further improve the medium- to long-term corporate value, it was important to clarify the roles of the Board of Directors and business execution in formulating and implementing the short-, medium-, and long-term strategies. There was further room to review selecting important meeting agenda and determining points of discussion so that Directors' roles are better clarified. • The frequency of and time required for meetings should be considered in line with the content of themes to be deliberated.
Priority themes for further enhanced corporate governance	<ul style="list-style-type: none"> • Based on the above issues, it was deemed necessary to continuously monitor Directors' exercise of their expected roles, to increase delegation of authority from the Board of Directors to the executive side, and continue to consider revisions to the composition of the Board of Directors.

Responses based on analysis and evaluation

In light of the results of the fiscal 2024 evaluation, TIS has categorised its initiatives addressing the operation of the Board of Directors and priority themes for enhanced corporate governance into short-, and medium- to long-term strategies, and will work on them on an ongoing basis.

Short-term initiatives	The Company will develop meeting agendas, and define criteria for delegation of authority, expected roles for Directors and perspectives for discussions, thereby clarifying the code of conduct for the monitoring function of the Board of Directors during fiscal 2025.
Medium- to long-term initiatives	TIS will continue to consider the following themes for the strengthening of the monitoring function of the Board aimed at further improving the effectiveness of the Board of Directors. <ul style="list-style-type: none"> • Further revision to the contents of deliberations by the Board of Directors • Nomination and remuneration governance • Composition of the Board of Directors based on the above • Operation of business execution in line with the strengthening of the Board's monitoring function

Overview of Nomination Committee

The Nomination Committee has been voluntarily established as an advisory body to the Board of Directors to ensure the objectivity and transparency in the process nominating Directors and to further strengthen corporate governance.

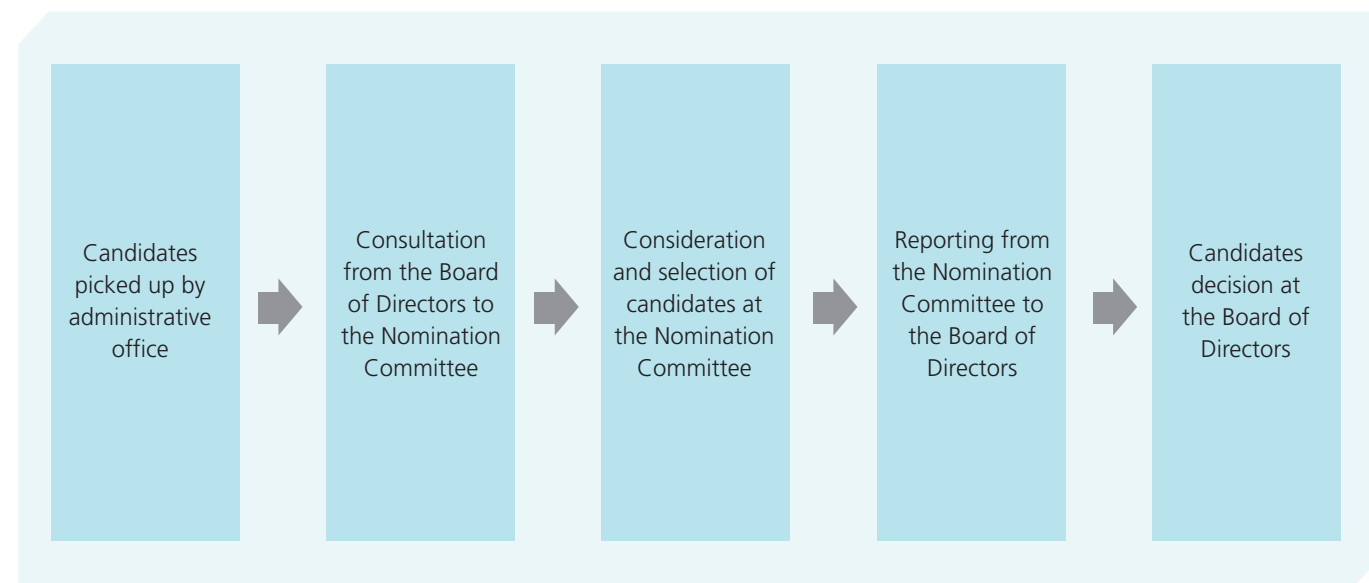
Number of members	Five (three external directors, one external member of the Audit & Supervisory Board, and President and Representative Director)
Composition	An independent external director serves as the chairperson, and the majority of members, including the chairperson, are independent external directors
Activities (Fiscal 2024)	Provided advice on the appointment and retirement of key individuals, including directors, and presented proposals on changes to director composition, based on the results of the advice given by committee members.
Meetings held	Eight

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

In nominating candidates for directors, Audit & Supervisory Board members and executive officers, the Board of Directors will nominate persons with abundant experience, a high level of insight and advanced specialization based on the Company's election criteria that make them suitable as directors or Audit & Supervisory Board members in order to realize effective corporate governance and contribute to the sustainable growth of the Company as well as the enhancement of its medium- to long-term corporate value while also considering aspects of diversity such as gender, internationality, career and age. For directors, the Board of Directors considers nominations based on the advice of the Nomination Committee, which is chaired by an independent external director and comprises a number of directors, the majority of whom are independent external directors.

If a situation arises where a management executive should be dismissed, the Board of Directors shall determine a dismissal proposal. However, the dismissal of a director shall be conducted in accordance with the *Companies Act* and other relevant provisions.

Process for Election of Directors



Training Policy for Directors and Audit & Supervisory Board Members

For directors and auditors, including external directors and external auditors, the Company will arrange and support the cost of training opportunities that are appropriate. The objective of such training is to provide an opportunity to acquire necessary knowledge regarding the Group's businesses, financial affairs and organization and to understand the duties and responsibilities required of directors and Audit & Supervisory Board members when assuming office, as well as to continuously develop these attributes during the term of office.

Criteria for independence of external Directors and external Audit & Supervisory Board members

To strengthen the supervisory function of the Board of Directors, the Company has established criteria for ensuring the independence of external directors and external Audit & Supervisory Board members. We adhere to the requirements of Japan's *Companies Act* and the rules of the Tokyo Stock Exchange. Please refer to our website for specific details. <https://www.tis.com/ir/policy/governance/index.html>

Overview of Compensation Committee

The Compensation Committee has been voluntarily established as an advisory body to the Board of Directors to ensure the objectivity and transparency in the process to determine the remuneration of Directors and further strengthen corporate governance.

Number of members	Five (three external directors, one external member of the Audit & Supervisory Board, and President and Representative Director)
Composition	An independent external director serves as the chairperson, and the majority of members, including the chairperson, are independent external directors
Activities (Fiscal 2024)	Discussed the appropriateness of the Company's remuneration package through a comparative analysis of director remuneration at other companies and at TIS, based on the findings of a research company, and a revision to the director remuneration system as an incentive for directors, leading to increased corporate value. Proposals were made to the Board of Directors on director remuneration, based on the results of the advice given by the committee.
Meetings held	Six

Points of Revision to Officer Remuneration System

In May 2024, the officer remuneration system was revised for sustainable growth and maximization of corporate value. The key points are as follows.

Point 1

Improved ratio of performance-linked remuneration

Improved the ratio of performance-linked remuneration, so that officers are motivated to make further efforts in management for sustainable growth and maximization of corporate value

Point 2

Revision of remuneration level

Revised remuneration level aiming at globally competitive remuneration to secure and retain excellent management personnel, which is a high-priority issue in the competitive IT industry.

Point 3

Revision of evaluation method

Revised the evaluation method to respond to shareholders' trust by introducing indicators linked with total shareholder return for performance evaluation

- Employed important indicators set out in Medium-Term Management Plan (2024–2026) as KPIs (STI: Short-term Incentive)
- Introduced total shareholder return (TSR) as incentive (LTI: Long-term Incentive)

Outline of Policy on Officers’ Remuneration

Determination of Compensation

The Company has established the Compensation Committee, comprising mainly independent external directors, as an advisory body to the Board of Directors to ensure objectivity and transparency in the process for determining compensation and to strengthen the corporate governance structure.

The basic policy on officers’ compensation is to provide

greater incentive to improve business results through a system of compensation linked to measures of Company performance, and such amounts are determined through a decision by the Board of Directors, based on discussion with and suggestions by the Compensation Committee, comprising mainly independent external directors, as an advisory body.

Remuneration Structure for Officers (after revision approved at the Shareholders’ Meeting held in June 2024)

The Company’s officer remuneration system consists of base remuneration, performance-linked remuneration and performance-linked stock remuneration. Each remuneration’s type, calculation method and provision method are as follows. Using the President used as a model, the composition ratio of base remuneration, performance-linked remuneration and performance-linked stock remuneration will be 50 : 25 : 25 when the ratio of achievement to indicators is 100%.

Executive Officers							
Name	Type		Calculation method, etc.	Provision method	President	Executive Vice President, Senior Executive Officer	Managing Executive Officer, Executive Officer
Base remuneration	Fixed remuneration	Monetary remuneration Maximum amount Director: ¥800 million per annum Audit & Supervisory Board member: ¥150 million per annum	Determined based on the role and the scope of responsibility for each position	Monthly payment	50.0%	55.0%	60.0%
Performance-linked remuneration (STI)	Variable remuneration (performance-linked)		<ul style="list-style-type: none">The Companywide performance is calculated by considering the degree of achievement of financial and non-financial indicators of the previous fiscal year.When the standard is set at 100%, the provision rate fluctuates between 0% and 150%.Individual performance-linked remuneration is calculated based on the standard remuneration limit for each position and performance	Provided once a year based on the evaluation of the previous fiscal year	25.0%	22.5%	20.0%
Performance-linked stock remuneration (LTI)		Non-monetary remuneration Maximum amount ¥1,810 million in each specified period (three fiscal years)	<ul style="list-style-type: none">The Company’s stock is granted based on actual performance as performance-linked stock remuneration.Relative TSR is set as an indicator, and it is calculated based on the performance-based coefficient that is determined after three fiscal years have passed from the beginning of the application (50% is paid in cash equivalent to the market value)Performance-linked coefficient fluctuates within a range of 0% to 200%.The Company’s stock is granted in accordance with the calculation made for each position as performance-linked stock remuneration.It is paid after three fiscal years have passed from the beginning of the application (50% is paid in cash equivalent to the market value)The provision rate is calculated as 50% of performance-linked stock remuneration when it is paid 100% for each position.	Provided every three years *The provision rate is between 50% and 150%	25.0%	22.5%	20.0%

*Compensation for external directors consists of basic compensation only and is not linked to operating performance. Compensation for Audit & Supervisory Board members is determined through discussion among Audit & Supervisory Board members and, to ensure that audits maintain a high degree of independence from day-to-day operations, compensation consists of basic compensation only and is not linked to operating performance.

*Recipients of performance-linked stock compensation: Directors and executive officers (excluding non-executive directors and non-residents of Japan)

Calculation method of remuneration amount

- 1) Base remuneration
Base remuneration is paid based on the role and the scope of responsibility for each position.
- 2) Performance-linked remuneration (STI)
Performance-linked remuneration (STI) is calculated based on the evaluation of (i) Companywide performance, (ii) performance of the responsible organization and (iii) individual appraisal.
The composition ratio of (i), (ii) and (iii) varies depending on the position. The evaluation of Companywide performance, which is prioritized for all positions, is based on the degree of achievement of annual targets. In addition, indicators are linked with prioritized management indicators to provide motivation to achieve targets stipulated in the medium-term management plan.

Indicator item			Reason for selection	Ratio
Financial indicator	Consolidated net sales		Set frontier development as a basic policy of Medium-Term Management Plan (2024–2026) and emphasize sales growth	25%
	Consolidated operating income		Emphasize continuous improvement of corporate value by increasing revenue	25%
	Consolidated EPS		Emphasize both business growth (profit growth) and capital policy, which are balanced in this indicator	25%
Non-financial indicator	Internal and external indicator related to ESG determined by TIS	ESG score of external research institution (DJSI)	Emphasize external evaluation addressing requirements from society	5%
		Score of stakeholder satisfaction (Employees/clients/business partners)	Emphasize continuous improvement of corporate value through the cycle of value exchange with stakeholders	15%
		Evaluation of governance, as determined by TIS	Emphasize governance of the entire Group	5%

- 3) Performance-linked stock remuneration (LTI)
Total shareholder return (TSR) is set as an indicator for performance-linked stock remuneration (LTI) as it clarifies our intention to emphasize sustainable improvement of corporate value and engenders shareholders’ trust.

Remuneration for Directors and Audit & Supervisory Board Members (Year Ended March 31, 2024)

(Millions of yen)	Remuneration	Remuneration by type				Recipients (Persons)
		Basic remuneration	Performance-linked remuneration	Performance-linked stock compensation	Nonfinancial compensation included in performance-linked stock compensation	
Directors (excluding external directors)	235	155	73	7	7	8
Audit & Supervisory Board members (excluding external auditors)	29	29	–	–	–	3
External directors and external auditors	61	61	–	–	–	6

Notes: 1. For the fiscal year ended March 31, 2023, compensation for directors does not include the employee portion for directors who serve concurrently as employees. The Company has not introduced a retirement benefit system for directors, and does not pay any directors’ bonuses.

2. The performance-linked stock incentive is booked as an expense for four directors (excluding external directors and non-full-time directors) in the current business year.

Establishment of Clawback Clauses

TIS has established a clause that enables the Company to request an individual who commits an illegal act, as defined under internal rules, to pay restitution equivalent to the value of shares granted, and another clause that enables the Company to confiscate points awarded.

Cross-Shareholdings

1. Criteria for and approach to categorizing investment shares

TIS has in principle not acquired domestically listed shares and has worked to reduce holdings of such shares as much as possible as priority issue in accordance with Company-defined basic policy on corporate governance. The Company holds shares in other companies, including start-ups and venture companies only when management believes that it will contribute to the sustainable growth and higher medium- to long-term corporate value of the Company and the Group.

Specifically, when cooperation, co-creation and stable partnerships with such companies are deemed essential to continuous creation of business opportunities and utilization of technologies to actively promote business development — particularly in the areas of financial inclusion, health concerns, urban concentration and regional decline and low-carbon/decarbonization which are all social issues where the TIS INTEC Group can help to realize a more sustainable society — then such cross-shareholdings are considered investments consistent with the Group's growth strategy and defined as strategic shareholdings.

For the shares held based on the judgment that they would contribute to the sustainable growth and higher medium- to long-term corporate value of the Group, the Board of Directors reviews the relevance of continuous cross-shareholdings each year. It is corporate policy that TIS reduces any cross-shareholding with diminished significance, as identified through the review.

In the review, shareholdings are divided into the two categories ("capital alliance partners" and "others", not applicable to the aforementioned category) and examined using the method set by each category.

Please visit the following page for the details of the examination methods.

<https://www.tis.com/group/sustainability/governance/governance/>

TIS pursues reduction of cross-shareholdings in line with the aforementioned policy and corporate stance and management seeks to push the cross-shareholdings on a balance sheet basis as a percentage of consolidated net assets below the 10% benchmark.

2. Criteria for exercising voting rights for strategically held shares

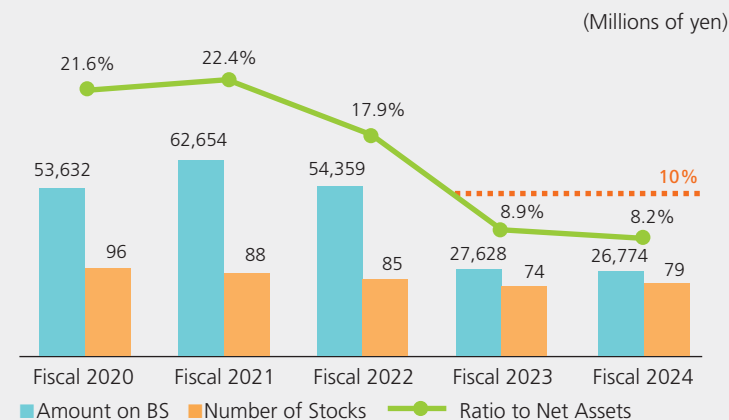
TIS appropriately exercises voting rights for the listed shares in its possession after comprehensively determining whether such action will contribute to the sustainable corporate growth and higher medium- to long-term corporate value of the TIS INTEC Group and investee company, taking into consideration policy advice from proxy advisory firms.

3. Relationships with strategic shareholders

If strategic shareholders of TIS indicate an intention regarding the sale of TIS shares, we will respond appropriately without preventing such a sale. Moreover, we will not conduct transactions with strategic shareholders that lack economic rationality.

Status of Cross-Shareholdings

We reduced seven issues of shares held for cross-shareholdings including six issues sold in full. Due to fluctuations in market value in addition to the above-mentioned reduction, the amount recorded on the balance sheet for fiscal 2024 decreased by ¥0.8 billion, to ¥26.7 billion. As a result, the above-mentioned percentage in fiscal 2024 is 8.2% (down 0.7 percentage points year on year). The percentage excluding strategically held shares is 2.7%.



Number of issues held for purposes other than portfolio investment and total amounts recorded on the balance sheet

Category	Fiscal 2023	Fiscal 2024
Number of issues	74 issues	79 issues
(Composition) Strategic shareholdings	50 issues	59 issues
Cross-shareholdings	24 issues	20 issues
Total balance-sheet amount	¥27,628 million	¥26,774 million
(Composition) Strategic shareholdings	¥15,185 million	¥17,700 million
Cross-shareholdings	¥12,443 million	¥9,073 million

Number of issues and total amounts recorded on the balance sheet

	Number of issues	Total balance-sheet amount
Unlisted stock	70 issues	¥6,442 million
Stock other than unlisted stock	9 issues	¥20,331 million

Status of Audits

1. Audits conducted by Audit & Supervisory Board members

The Company is a company with Audit & Supervisory Board. The Company's Audit & Supervisory Board consists of five Audit & Supervisory Board members (two full-time members and three external members). In addition, one person has been assigned to assist Audit & Supervisory Board members to improve the effectiveness of audits conducted by Audit & Supervisory Board members and facilitate the audit process. The person in this position works under instruction and orders from Audit & Supervisory Board members, and personnel affairs related to the position are decided based on the consent of Audit & Supervisory Board members.

The Audit & Supervisory Board of the Company holds a meeting once a month, in principle, and may meet on an ad hoc basis whenever necessary.

The Audit & Supervisory Board carries out an audit of the execution of operations by directors, an audit of the internal control systems, an audit of the execution of duties by the accounting auditor, and an audit of the status of compliance and risk management on a recurring basis based on the policies and plan determined at its meetings.

In addition, audits were conducted with an emphasis on the progress of the Medium-Term Management Plan (Be a Digital Mover 2023) in its final fiscal year, the operational status of the Group's risk management and compliance structure, the status of measures regarding strategies for human resources as a source of growth and the creation of on-the-job skills, and post-COVID-19 changes and their impact, as key audit items in the current fiscal year.

Each Audit & Supervisory Board member conducts evaluations based on evaluation criteria determined by that Board. Following discussions on the results of those evaluations, they evaluate the effectiveness of the Audit & Supervisory Board. The Board confirms that a certain level of effectiveness has been maintained and that it is committed to making continuous improvements.

2. Internal audits

The Auditing Department, staffed by 27 people, is responsible for internal audits at TIS. This department informs the Board of Directors of the annual plan, following approval by the President, and also performs internal audits independent of business units that execute operations, based on the annual plan, presents the results of each internal audit to the President

and regularly reports to the Board of Directors. The Auditing Department also draws up plans for internal audits of the Group as a whole, monitors the status of internal audits at subsidiaries, performs internal audits at subsidiaries and TIS divisions that do not have auditing departments, and offers necessary advice and provides supervision. Complementing these activities, the Auditing Department regularly exchanges information with internal auditing departments at Group companies, sets up information exchange opportunities that involve the department, members of the Audit & Supervisory Board and the independent auditor, and shares information on auditing measures and the results of audits as required.

3. Accounting audits

The Company has appointed Ernst & Young ShinNihon LLC to conduct accounting audits pursuant to the Companies Act, and financial statement audits, quarterly reviews and internal control audits pursuant to the *Financial Instrument the Financial Instruments and Exchange Act*.

● Key audit matters

Estimate of provision for loss on orders received associated with contracts for software development

In calculating the provision for loss on orders received, critical estimates relate to gross costs, involving key assumptions of person-hours and outsourcing costs expected to be incurred for software development works. Person-hours and outsourcing costs necessary to complete projects for software development may increase significantly from initial expectations, and there is high uncertainty in the estimate of gross costs, which consequently calls for judgment on the part of management. Accordingly, this item was considered as a key audit matter.

Allocation of acquisition cost of acquired shares of Nihon ICS Co., Ltd.

Key assumptions in the allocation of acquisition cost are the number of users, a factor calculating future net sales in the business plan, and the discount rate in the income approach. Key assumptions in measurement of client-related assets are subject to judgment on the part of management. In addition, valuation of client-related assets requires high expertise and is complex, and its result significantly affects the amount of goodwill on the balance sheet. Accordingly, this item was considered as a key audit matter.

Message from Newly Appointed Member of Audit & Supervisory Board

Stronger corporate governance to support sustainable growth



Hideki Kishimoto
Standing Audit & Supervisory
Board Member

Led by TIS, the TIS INTEC Group seeks to realize sustainable growth through Medium-Term Management Plan (2024–2026). As TIS extends its global presence through the Group, its business domains and target markets expand, and against this backdrop, it is all the more important for the Company to improve corporate governance and reinforce internal controls to support corporate management.

Previously, I worked at a major financial institution, supporting clients seeking to expand their operations overseas, and I headed up a large overseas branch of this bank. In addition, as the corporate officer responsible for compliance, I focused on measures to build a strong risk management framework but also dealt with diverse situations that gave me a wealth of insight into governance issues.

Now, as a member of TIS' Audit & Supervisory Board with a part to play in corporate governance, I will utilize the knowledge and experience I have gained to monitor the execution of duties by TIS directors accurately and fairly while striving to fulfill my execution and supervision responsibilities and coordinate efforts with external and internal directors and members of the Audit & Supervisory Board to meet the expectations of shareholders and other stakeholders.

■ Board of Directors and Audit & Supervisory Board Members (As of June 25, 2024)



Toru Kuwano Date of birth: May 3, 1952
Chairman Number of shares owned: 174 thousand
April 1976 Joined Toyo Information Systems Co., Ltd. (currently TIS Inc.)
June 2000 Director of the Company
April 2004 Executive Director of the Company
April 2008 Executive Managing Director of the Company
April 2010 Executive Vice-President and Representative Director and General Manager of Financial Industry HQ of the Company
April 2011 President and Representative Director of the Company
June 2018 Chairman, President and Representative Director of the Company
April 2021 Chairman and Director of the Company (to present)



Josaku Yanai Date of birth: November 14, 1963
Representative Director, Executive Vice President Number of shares owned: 62 thousand
April 1987 Joined the Long-Term Credit Bank of Japan, Limited
January 2000 Joined Toyo Information Systems Co., Ltd. (currently TIS Inc.)
April 2009 Executive Officer, Department Manager of Corporate Planning & Control Dept., Corporate Planning & Control Div. of the Company
May 2015 Managing Executive Officer, Division Manager of Corporate Planning Division of the Company
June 2016 Director, Managing Executive Officer and Division Manager of Corporate Planning SBU of the Company
April 2018 Director, Senior Managing Executive Officer and Sector Director of Industry Strategy Sector of the Company
April 2020 Director, Executive Vice President and Sector Director of Industry Strategy Sector of the Company
April 2021 Representative Director, Executive Vice President of the Company (to present)



Takayuki Kitaokai Date of birth: December 14, 1960
Director Number of shares owned: 19 thousand
April 1984 Joined INTEC Inc.
April 2015 General Manager of BPO Division of INTEC Inc.
April 2016 Executive Officer, General Manager of Corporate Planning Division of INTEC Inc.
April 2017 Managing Executive Officer, General Manager of Corporate Planning Division of INTEC Inc.
April 2018 President and Representative Director of INTEC Inc.
June 2018 Director of the Company (to present)
April 2024 Chairman and Director of INTEC Inc. (to present)



Fumio Tsuchiya Date of birth: May 10, 1948
Director (External, Independent) Number of shares owned: – thousand
July 1971 Joined Japan Airlines Co., Ltd.
May 1999 Director and Section Manager of Personnel & Corporate Planning Section of JAL Hotels Co., Ltd. (currently Okura Nikko Hotel Management Co., Ltd.)
October 2002 Executive Officer, Deputy Section Manager of Corporate Planning Section of Japan Airlines System, Inc. (currently Japan Airlines Co., Ltd.)
June 2004 Director and Section Manager of Corporate Planning Section of Japan Airlines Corporation (currently Japan Airlines Co., Ltd.)
April 2006 Managing Director, in charge of PR & IR, Legal Affairs and General Affairs of Japan Airlines Co., Ltd.
June 2007 President & CEO of JALCard, Inc.
June 2010 Retired from JALCard, Inc.
August 2010 Section Manager of Internal Auditing Office of Faith, Inc.
June 2011 Full-time Audit & Supervisory Board Member of Faith, Inc.
June 2017 Director of the Company (to present)



Junko Sunaga Date of birth: September 25, 1960
Director (External, Independent) Number of shares owned: – thousand
April 1983 Joined NEC Corporation
January 1993 Seconded to NEC Electronics Inc.
April 1997 Joined Qualcomm International Japan (currently Qualcomm Japan, LLC)
November 2008 Senior Director of Qualcomm Japan, Inc.
June 2016 Vice President of Qualcomm Japan, Inc.
April 2018 President and Representative Director of Qualcomm Japan, Inc.
President and Representative Director of Qualcomm CDMA Technologies GmbH
September 2018 Representative and President of Qualcomm Japan, LLC
President and Representative Director of Qualcomm CDMA Technologies GmbH
June 2023 Advisory Chairman of Qualcomm Japan, LLC
June 2024 Director of the Company (to present)



Yasushi Okamoto Date of birth: March 3, 1962
President and Representative Director Number of shares owned: 59 thousand
April 1985 Joined Toyo Information Systems Co., Ltd. (currently TIS Inc.)
April 2011 Executive Officer, Department Manager of Corporate Planning & Control Dept. of the Company
April 2013 Managing Executive Officer, Division Manager of IT Solutions Services SBU. of the Company
April 2016 Senior Managing Executive Officer, Division Manager of Industries & Solutions SBU of the Company
June 2018 Director, Senior Managing Executive Officer and Sector Director of Service Strategy Sector of the Company
April 2020 Director, Executive Vice President and Sector Director of Service Strategy Sector of the Company
April 2021 President and Representative Director of the Company (to present)



Shinichi Horiguchi Date of birth: June 23, 1962
Representative Director, Executive Vice President Number of shares owned: 25 thousand
April 1987 Joined Toyo Information Systems Co., Ltd. (currently TIS Inc.)
April 2013 Executive Officer and Division Manager of the Credit Platform Division of the Financial Industry SBU No. 1 of the Company
April 2017 Managing Executive Officer and General Manager of the Financial Industry SBU and Division Manager of the Credit Platform Division of the Financial Industry SBU of the Company
April 2020 Senior Managing Executive Officer and officer in charge of Financial Industry SBU of the Industry Strategy Sector and General Manager of the Financial Industry SBU of the Industry Strategy Sector of the Company
April 2022 Senior Managing Executive Officer, General Manager of the Financial Industry SBU and General Manager of the IT Platform SBU of the Company
April 2023 Senior Managing Executive Officer in charge of Corporate Planning SBU, Human Resources SBU, Corporate Management SBU, Technology & Innovation SBU, System Development & Quality Management Innovation SBU, General Manager of the IT Platform SBU of the Company
June 2023 Director, Senior Managing Executive Officer of the Company
April 2024 Representative Director, Executive Vice President of the Company (to present)



Shuzo Hikida Date of birth: October 24, 1964
Director Number of shares owned: 4 thousand
April 1988 Joined INTEC Inc.
April 2015 Deputy General Manager, Network & Outsourcing Division of and General Manager, N&O Business Promotion Division of INTEC Inc.
April 2018 Executive Officer, Deputy General Manager of the Metropolitan Industry SBU and Department Manager of the MCI Sales Department of INTEC Inc.
April 2019 Managing Executive Officer, Deputy General Manager of the Industry & Solutions SBU of INTEC Inc.
May 2019 Managing Executive Officer and General Manager of the Network & Outsourcing SBU of INTEC Inc.
April 2021 Senior Managing Executive Officer, in charge of the Distribution Service SBU and Network & Outsourcing SBU, and General Manager of the Network & Outsourcing SBU of INTEC Inc.
April 2022 Senior Managing Executive Officer in charge of the Distribution Service SBU, the Network & Outsourcing SBU and the Central, West Japan Industry SBU, and General Manager of the Network & Outsourcing SBU of INTEC Inc.
April 2023 Director and Executive Vice President of INTEC Inc.
June 2023 Director of the Company (to present)
April 2024 President and Representative Director of INTEC Inc. (to present)



Naoko Mizukoshi Date of birth: September 23, 1967
Director (External, Independent) Number of shares owned: 1 thousand
April 1993 Joined Legal Training and Research Institute of Supreme Court of Japan
April 1995 Registered as a lawyer with Osaka Bar Association
Joined Miyazaki Sogo Law Office (currently Legal Professional Corporation Miyazaki Sogo Law Office)
April 1998 Registered as a lawyer with Yokohama Bar Association (currently Kanagawa Bar Association)
Joined Legal Department of Nomura Research Institute, Ltd.
September 1999 Registered as a lawyer with Daini Tokyo Bar Association
Joined Legal Department of Autodesk, Ltd.
September 2002 Joined Legal Headquarters of Microsoft Co., Ltd.
Registered as a lawyer in the State of California, U.S.A.
November 2006 Joined TMI Associates
January 2008 Partner of TMI Associates
March 2010 Founded Endeavour Law Office, Partner of Endeavour Law Office
June 2018 Director of the Company (to present)
December 2018 Partner of Leftright Law & IP (to present)



Makoto Tsujimoto Date of birth: December 7, 1960
Audit & Supervisory Board Member Number of shares owned: 61 thousand
April 1983 Joined Toyo Information Systems Co., Ltd. (currently TIS Inc.)
March 1991 Seconded to Toyo Information Systems (NY) Co., Ltd., Vice President
April 2010 Executive Officer, General Manager, IT Infrastructure Service Division of TIS Inc.
April 2013 Managing Executive Officer, General Manager, IT Infrastructure Service SBU of the Company
April 2015 Managing Executive Officer, General Manager of Public Services SBU of the Company
October 2018 Managing Executive Officer and General Manager of the IT Platform SBU of the Industry Strategy Sector of the Company
April 2019 President and Representative Director, QUALICA Inc.
April 2023 Advisor to the Company
June 2023 Audit & Supervisory Board Member of the Company (to present)



Yukio Ono Date of birth: January 1, 1950
Audit & Supervisory Board Member Number of shares owned: 3 thousand
(External, Independent)
March 1973 Joined Tohmatsu Awoki & Co. (currently Deloitte Touche Tohmatsu LLC)
May 1985 Partner of Deloitte Touche Tohmatsu LLC
November 2010 Chairman of the Board of Deloitte Touche Tohmatsu LLC
October 2013 Deputy Chairman of the Accounting Standards Board of Japan
March 2014 Retired from Deloitte Touche Tohmatsu LLC
April 2014 Chairman of the Accounting Standards Board of Japan
March 2019 Retired from Chairman of the Accounting Standards Board of Japan
April 2019 Founded and President of Accounting Offices of Yukio Ono (to present)
June 2019 Statutory Auditor of Tokyo Financial Exchange Inc. (to present)
June 2020 Statutory Auditor of Seikitokyu Kogyo Co., Ltd.(to present)
Audit & Supervisory Board Member of the Company (to present)



Akiko Yamakawa Date of birth: April 5, 1973
Audit & Supervisory Board Member Number of shares owned: – thousand
(External, Independent)
March 1997 Entered Legal Research and Training Institute of the Supreme Court of Japan
March 1999 Registered as a lawyer with the Dai-ichi Tokyo Bar Association
April 1999 Joined Komatsu Koma & Nishikawa Law Office
March 2000 Left Komatsu Koma & Nishikawa Law Office
April 2000 Joined Freshfields Bruckhaus Deringer LLP
January 2004 Registered as a lawyer with New York Bar
August 2017 Left Freshfields Bruckhaus Deringer LLP
September 2017 Founded and Partner of Vanguard Lawyers Tokyo, Partner (to present)
June 2020 Audit & Supervisory Board Member of the Company (to present)



Hideki Kishimoto Date of birth: November 27, 1964
Audit & Supervisory Board Member Number of shares owned: 0 thousand
April 1987 Joined the Sanwa Bank, Limited (currently MUFG Bank, Ltd.)
June 2013 Executive Officer, General Manager of USA Sales Department III, USA Division and General Manager of Los Angeles Branch, seconded to Union Bank, N.A., The Bank of Tokyo-Mitsubishi UFJ, Ltd. (currently MUFG Bank, Ltd.)
July 2015 Executive Officer, General Manager of Compliance Division of The Bank of Tokyo-Mitsubishi UFJ, Ltd. (currently MUFG Bank, Ltd.)
Executive Officer, General Manager of Compliance Division of Mitsubishi UFJ Financial Group, Inc.
July 2018 Managing Executive Officer, General Manager of Regional Division (in charge of West Japan) of MUFG Bank, Ltd.
May 2019 Managing Executive Officer in charge of Kinki region of Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.
June 2021 Managing Executive Officer of Mitsubishi UFJ NICOS Co., Ltd.
June 2022 Managing Executive Officer and Chief Compliance Officer in charge of Compliance Division and Legal Department of Mitsubishi UFJ NICOS Co., Ltd.
June 2023 Managing Executive Officer in charge of Internal Audit Department and Chief Compliance Officer in charge of Compliance Division and Legal Department of Mitsubishi UFJ NICOS Co., Ltd.
April 2024 Advisor to the Company
June 2024 Audit & Supervisory Board Member of the Company (to present)



Hiroko Kudo Date of birth: February 28, 1968
Audit & Supervisory Board Member Number of shares owned: 0 thousand
(External, Independent)
April 1995 Full-time lecturer, Aichi Shukutoku University Faculty of Modern Society
April 1996 Part-time lecturer, Waseda University School of International Studies (now School of International Liberal Studies) (to present)
April 1998 Full-time lecturer, Waseda University School of Education
July 1998 Obtained Doctorate in Public Policy Studies from Venice University
October 2001 Visiting researcher, Cabinet Office Economic and Social Research Institute
April 2002 Audit Committee member, Chiyoda City
April 2003 Assistant Professor, Waseda University School of Education .
April 2005 Professor, Chuo University Faculty of Law (to present)
April 2008 Part-time lecturer, University of Tokyo Graduate School of Public Policy
April 2016 Senior visiting researcher, Ministry of Finance Policy Research Institute
May 2018 Visiting Professor, Newcastle Business School
April 2020 Visiting Professor, University of Ljubljana Faculty of Public Administration (to present)
June 2022 Audit & Supervisory Board Member of the Company (to present)

■ Executive Officers (As of June 25, 2024)

Senior Managing Executive Officers	Kiyotaka Nakamura
	Masahiro Ueda
Managing Executive Officers	Naoto Kita
	Akira Ogane
	Satoru Tayasu
	Hidehiko Shimoyama
	Tsuneyoshi Ito
	Kyoko Takayanagi
	Isao Otokita
	Ikuo Shimizu
	Masakazu Kawamura
	Hidenori Yano

Executive officers	THANAWAT LERTWATTANARAK
	Yoshiyuki Hayashi
	Kensaku Furusho
	Reiko Oka
	Tetsuya Yuzuri
	Hiroyuki Kawai
	Takuma Tanaka
	Yukino Fuchigami
	Kazuto Nakamura
	Takashi Fujii
	Kiichiro Sasaki
	Sachio Yamada
	Ken Nakamura
	Masahiro Masumoto

The Company strives to enhance the development of risk management system to prevent any losses.

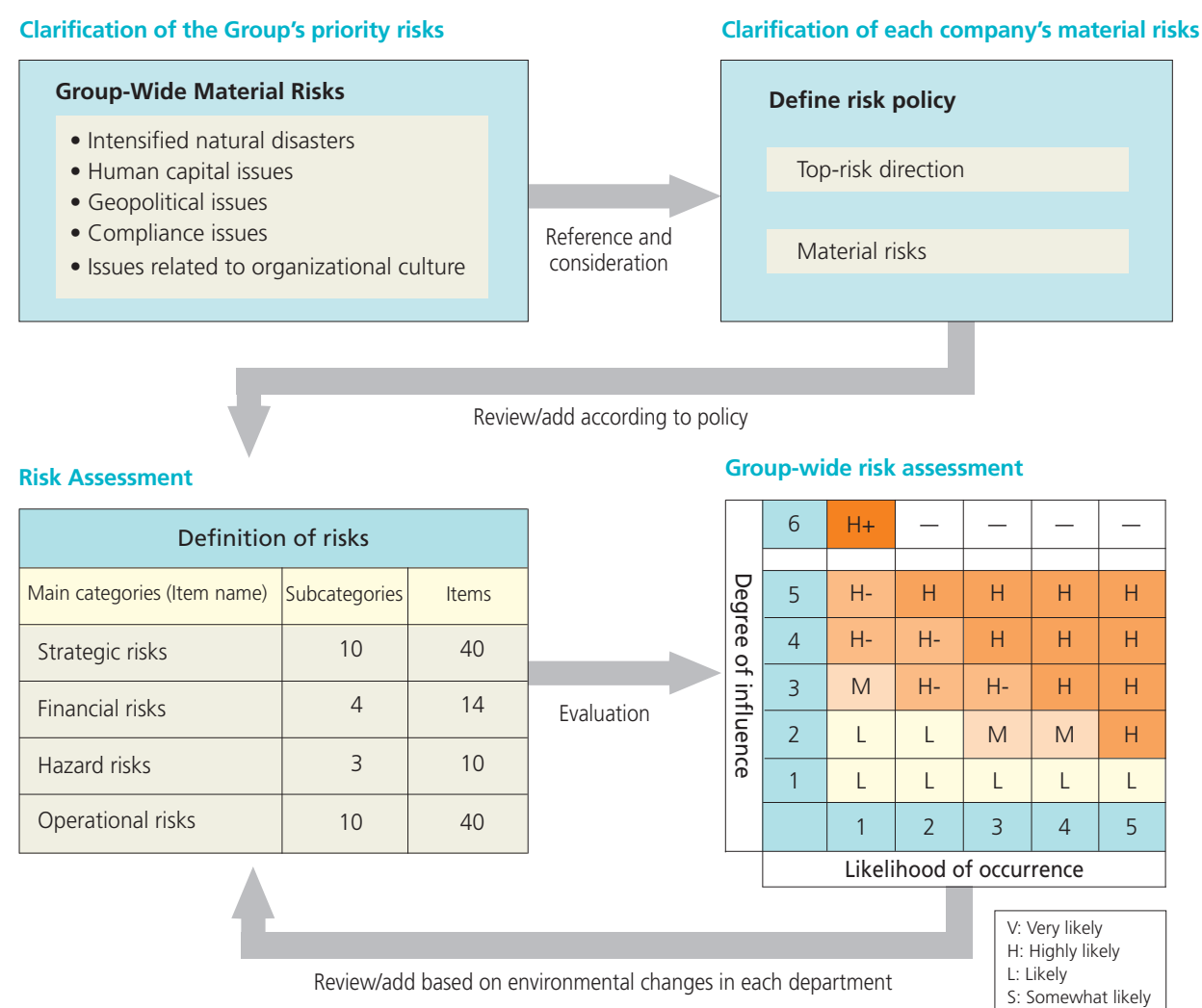
■ Management Process

The Company has established rules for risk management to ensure an accurate understanding of the risks facing the Group and prevent losses from occurring. In accordance with these rules, we have appointed an executive to oversee risk management of the entire Group, and a risk management department has been established to administer a risk management system. In addition, we have established a risk management policy for the entire Group and regularly check the implementation status of measures to control risk. When a Group company becomes exposed to a serious risk, a task force is set up and appropriate measures are taken to minimize damage. As for the development of the risk management system, based on our basic policy and various rules governing internal control systems, we are implementing specific measures for the maintenance and improvement of the internal control of the entire Group, monitoring the development and operational status of the internal control system, deliberating at the Group Internal Control Committee, and developing a process to report the results of these deliberations to the Board of Directors.

■ Risk Assessment Process

An evaluation is conducted of both the top potential risks and material risks, as presented by the president of each Group company based on the Group's priority risks as well as the risks identified by each division. The Group Internal Control Committee examines the risks faced by the Group twice a year, corroborating issues related to those risks and evaluating the status of improvement measures, and reports to the Board of Directors. Based on these reports, the Board of Directors issues instructions, which are embodied in initiatives to strengthen and improve Group-wide internal control systems.

<Risk Management Process Chart>



■ The Group's Risk Recognition

The Group defines "risk" as "any factor that may hinder the achievement of the management philosophy, goals, and strategies of the Company and the Group by causing economic loss; the interruption, stagnation, or suspension of business operations; and/or damage to the Company's credit or brand image." The risks faced by the Group are categorized into strategic risks, financial risks, hazard risks, and operational risks in accordance with the rules for risk management.

Strategic risk

Risk items	Overview of risk
Human resources	<ul style="list-style-type: none"> High-quality human resources are not secured and developed according to plan. Productivity reduces, costs increase and employee engagement lowers.
Market and economic changes	<ul style="list-style-type: none"> As the Group's business domain changes and society changes, competitive advantage may be lost by failing to promptly address changes in the technologies and services required by society. Price competition may also intensify more than expected. Foreign exchange loss due to rapid depreciation of the yen with economic changes
Investment	<ul style="list-style-type: none"> The expected result or return cannot be obtained. Assets become obsolete. Misconduct or system failures by a corporate counterparty following an investment or M&A transaction may result in a loss of credibility, brand damage and potentially lawsuits.
Overseas business	<ul style="list-style-type: none"> Overseas business is impacted by various factors, including global economic and foreign exchange trends, legal regulations on investment and competition, local business practices, and labor-management relations.
Human rights	<ul style="list-style-type: none"> The occurrence and disclosure of any events which may have a direct or indirect negative impact on certain stakeholders result in damage to the reputation and credibility of the Group.
Geopolitical risks	<ul style="list-style-type: none"> International pressures, exchange rate trends, trade issues, or effects on procurement costs may occur due to warfare, civil strife, political upheaval, revolution, terrorism, rioting, and so on.
Reputational risk	<ul style="list-style-type: none"> If risks are not properly managed and have a negative impact on society, or if the Company becomes associated with any negative impact that other companies have had on society, the Company's business may be interrupted, stagnate, or be suspended due to loss of credibility and brand damage, or it may potentially lose customers or business partners.

Financial risk

Risk items	Overview of risk
Owned securities	<ul style="list-style-type: none"> Sharp fluctuations in the market prices of marketable securities or deterioration in management conditions of issuing entities requires the posting of accounting losses or other similar measures.

Hazard risk

Risk items	Overview of risk
Pandemics	<ul style="list-style-type: none"> A sharp constriction of the productive activities of our employees and those of our business partners
Natural disasters	<ul style="list-style-type: none"> A large natural disaster results in an extended power outage that interrupts the smooth operation of data centers.

Operational risk

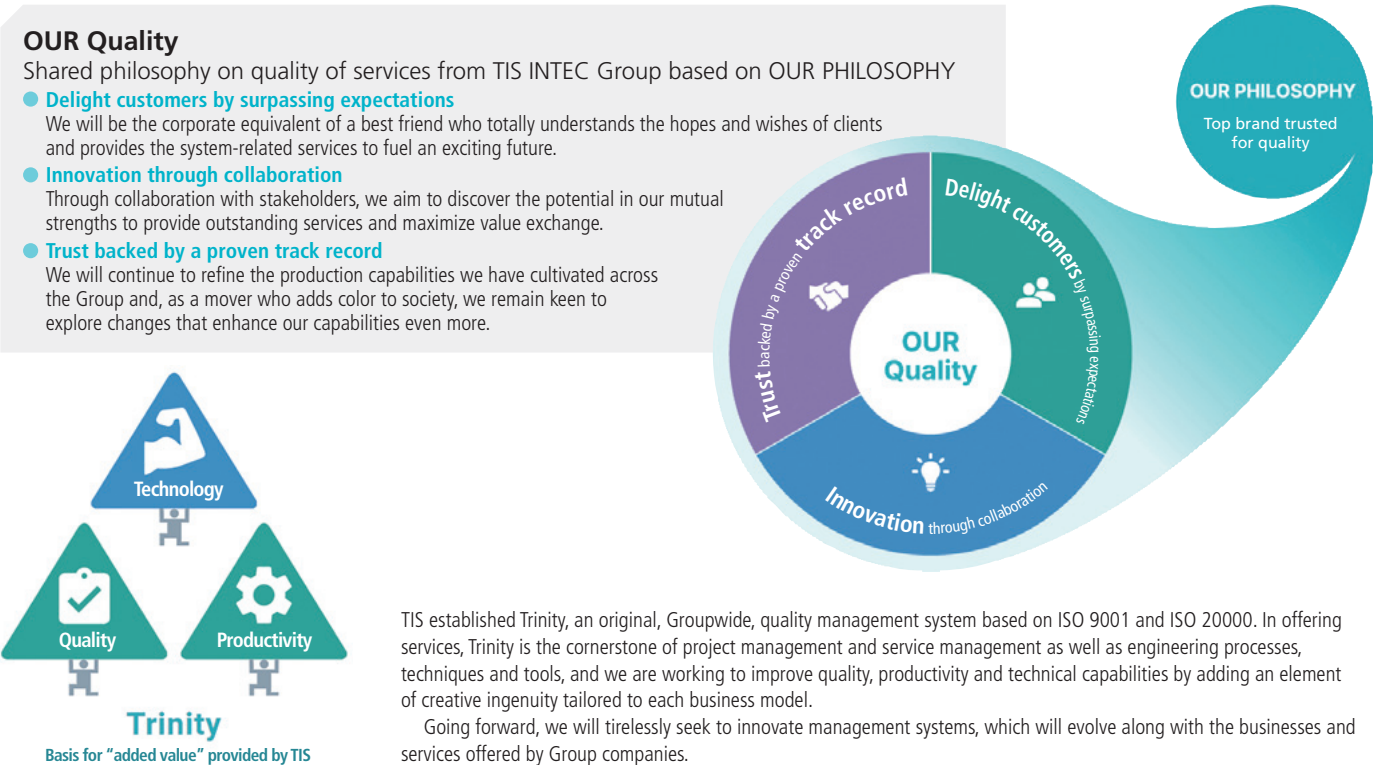
Risk items	Overview of risk
System development	<ul style="list-style-type: none"> As systems development is growing more sophisticated and complex and turnaround times are shortening, extra work may be required in order to achieve the planned level of quality or complete the project during the development period, leading to considerably higher-than-expected costs and customer claims for damages. Tasks outsourced to business partners do not meet expectations for productivity or quality and smooth project management is not realized.
System operation	<ul style="list-style-type: none"> System problems arise due to human error or equipment malfunctions during system operation and the Group is unable to provide services at the level agreed upon with the client.
Information security	<ul style="list-style-type: none"> Confidential information is leaked or manipulated due to a computer virus, unauthorized access, or other reason leading to claims for damages from client companies and to a loss of trust in the Group's services.
Legal systems, compliance	<ul style="list-style-type: none"> A law or regulation is contravened, or a new law or regulation is introduced.
Intellectual property rights	<ul style="list-style-type: none"> The Group is accused of infringing another company's intellectual property rights and presented with an injunction and a claim for damages.
Climate change	<ul style="list-style-type: none"> The Group's energy costs are significantly impacted by fluctuations in demand for renewable energy. The Group's transition to renewable energy is delayed.

Seek to Cement Status as “Top Brand Trusted for Quality”

TIS is keenly aware of its social responsibility to support the information systems that underpin social infrastructure, and leads the TIS INTEC Group in a continuing effort to improve quality, productivity and technological capabilities. Going forward, as a corporate group, we seek to establish a solid reputation as a “top brand trusted for quality” and realize the mission set out in OUR PHILOSOPHY by consistently providing high-value-added services while responding flexibly to diversifying business formats, solutions, development techniques and technologies.

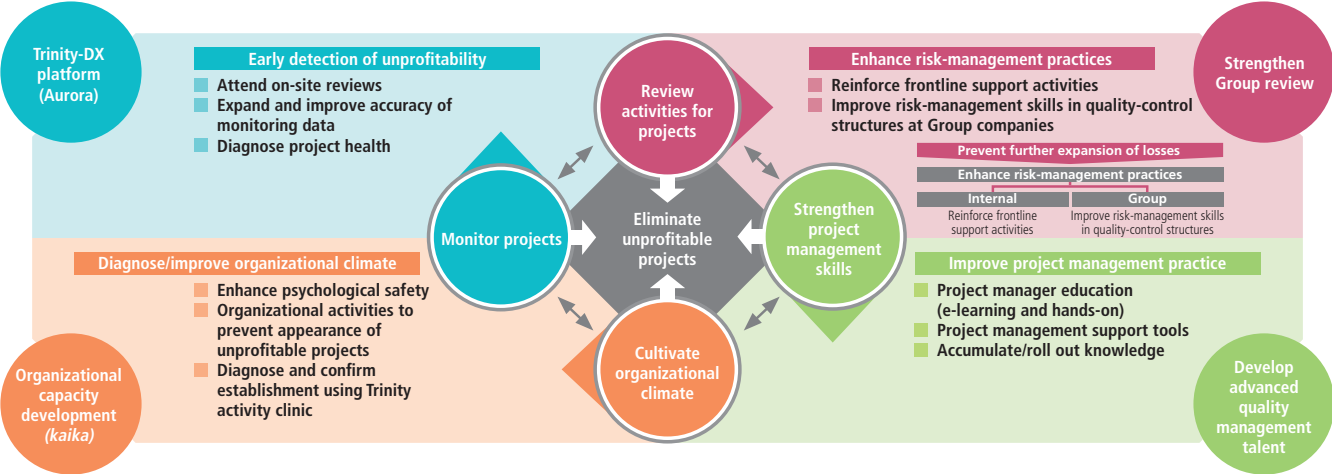
Group’s Shared Philosophy on Quality: OUR Quality

Guided by OUR Quality, a quality-oriented philosophy shared Groupwide, we will work as a cohesive corporate group to improve the quality of system-related development, services and operations.



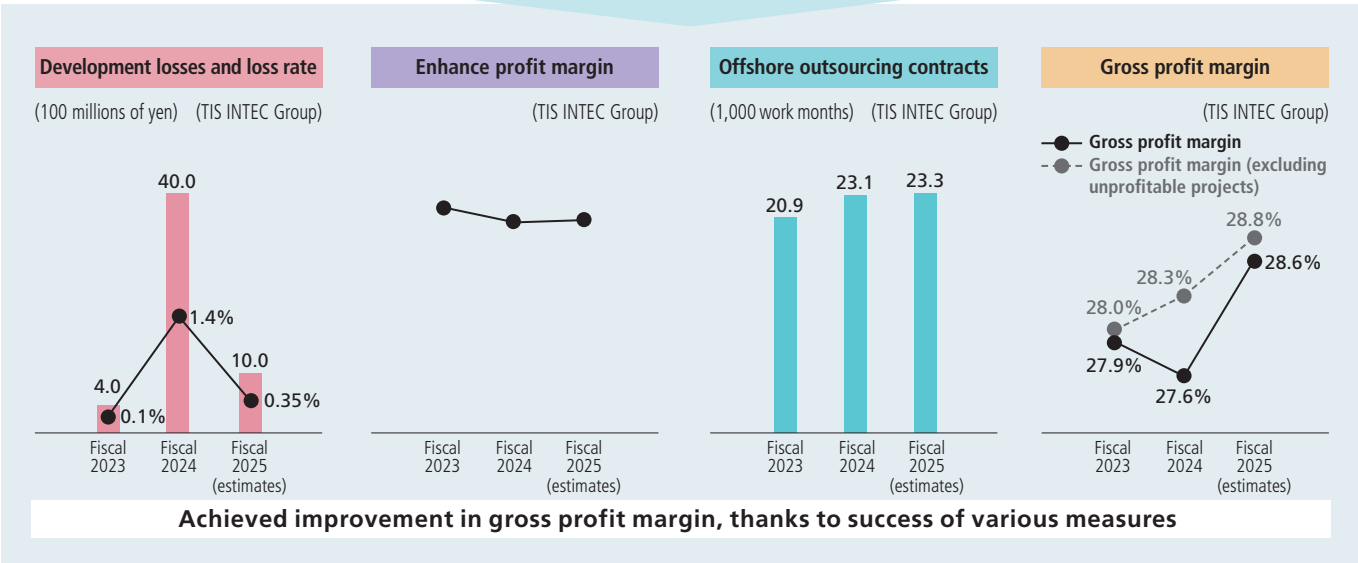
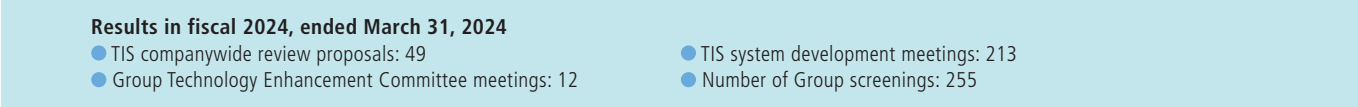
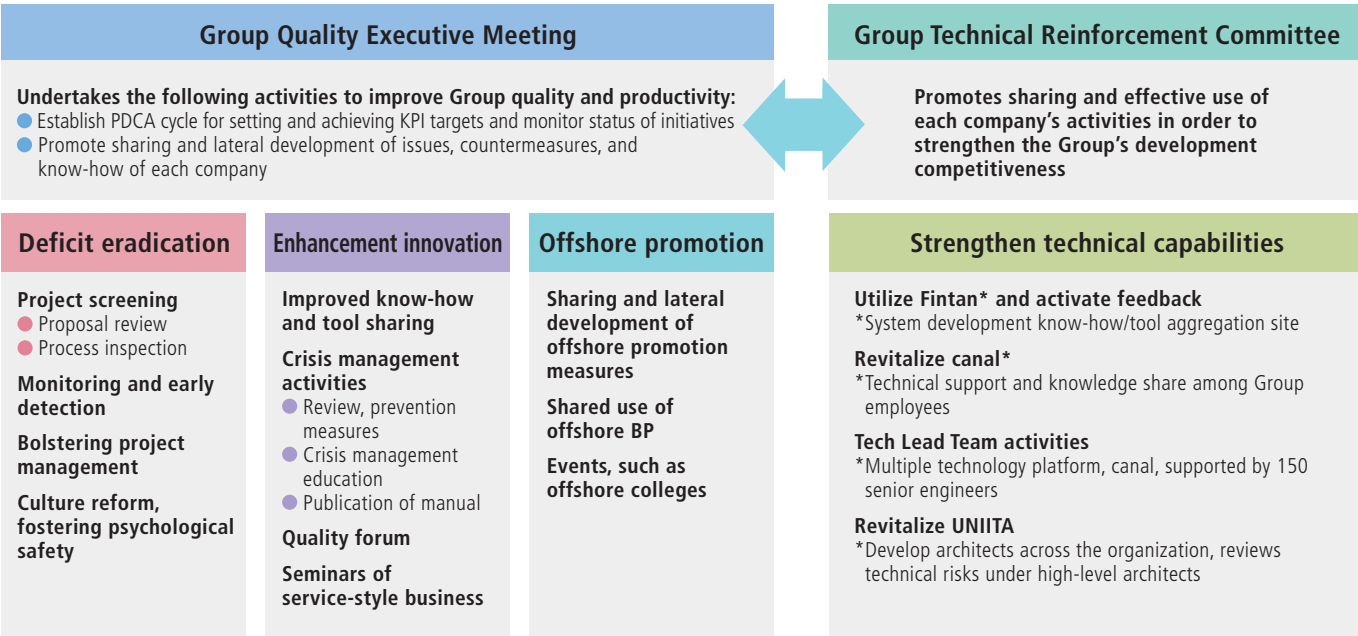
Review of Large Unprofitable Projects and Future Measures

We believe that many unprofitable projects can be detected early and prevented from becoming large-scale by gauging risk and checking the status of countermeasures at the time of project launch. Upon review, we see that the appearance of large, unprofitable projects in the previous fiscal year was primarily because risk controls applied to such projects failed to function adequately across the Group. In light of this assessment, we will enhance risk-management practices and reinforce monitoring on a Groupwide, basis while improving the climate of frontline structures and strengthening practical project management skills to nip issues in the bud.



Activities Aimed at Improving Standards Across the Entire Group

The TIS System Development & Quality Management Innovation SBU and the Technology & Innovation SBU are spearheading the following activities aimed at improving the quality, productivity and technical capabilities of the entire Group and harnessing Group synergies.



Kyoko Takayanagi
TIS Managing Executive Officer,
Division Manager of System Development & Quality Management Innovation SBU

For a corporate group like the TIS INTEC Group, which provides information systems and services that underpin social infrastructure, it is incumbent upon us to stop projects from becoming unprofitable and to avert serious incidents. Therefore, TIS has constantly endeavored to improve quality and productivity, with successful results. In this context, it is extremely unfortunate that TIS recorded large-scale, unprofitable projects totaling ¥3 billion in fiscal 2024. We recognize that this not only impacts our business performance, but also threatens to erode trust in the quality that the Group has built. To prevent such a situation from happening again, we will endeavor to enhance the project risk-management skills and know-how of the entire TIS INTEC Group. Stronger monitoring practices on a Groupwide basis will help us identify the early signs of unprofitable projects, and thorough screening of projects will help us raise the level of quality control activities Groupwide. In addition, a boost in quality requires creative ingenuity tailored to the business model in use and cooperation on the frontline. Based on “OUR Quality,” a new, quality philosophy shared Groupwide, no Group company will be limited to activities designated by their respective quality control departments but will rather promote multifaceted quality improvement measures. This includes efforts to raise quality awareness and hone the management skills of all employees and thereby cement the TIS INTEC Group’s status as a “top brand trusted for quality.”

Initiatives to Address Climate Change

The Group has addressed preservation of the global environment in its Basic Policy on Corporate Sustainability, which is based on its basic philosophy, OUR PHILOSOPHY. In order to realize a sustainable society, we are promoting efforts to preserve the global environment both by reducing the environmental impact of our business activities and by contributing to our customers' and society's efforts to mitigate and adapt to climate change through the provision of our services.

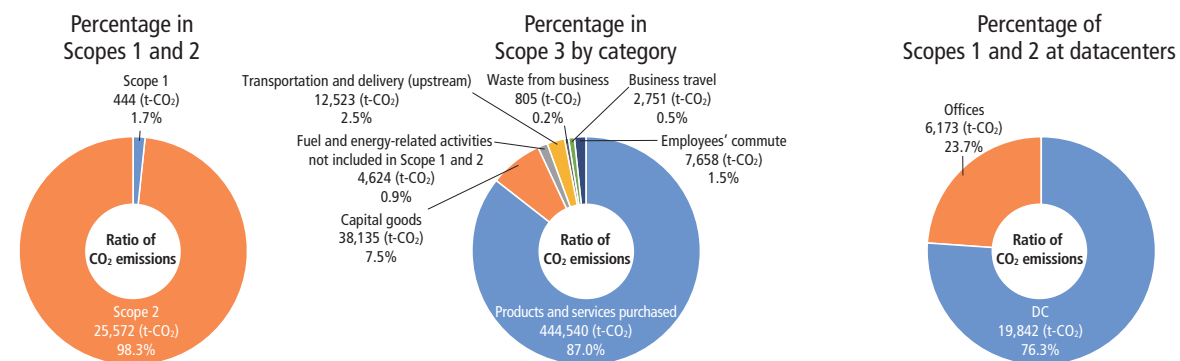
Medium- to Long-Term Environmental Targets for Climate Change

The TIS INTEC Group declared its commitment to carbon neutrality in December 2022. To achieve a decarbonized society, the Group aims to achieve carbon neutrality in terms of greenhouse gas (GHG) emissions by fiscal 2041 and net zero GHG emissions throughout its value chain by fiscal 2051.

TIS INTEC Group's Carbon Neutrality Declaration

- Fiscal 2041**
Achieve carbon neutrality in Scopes 1 and 2
- Fiscal 2051**
Achieve net zero in Scopes 1, 2, and 3

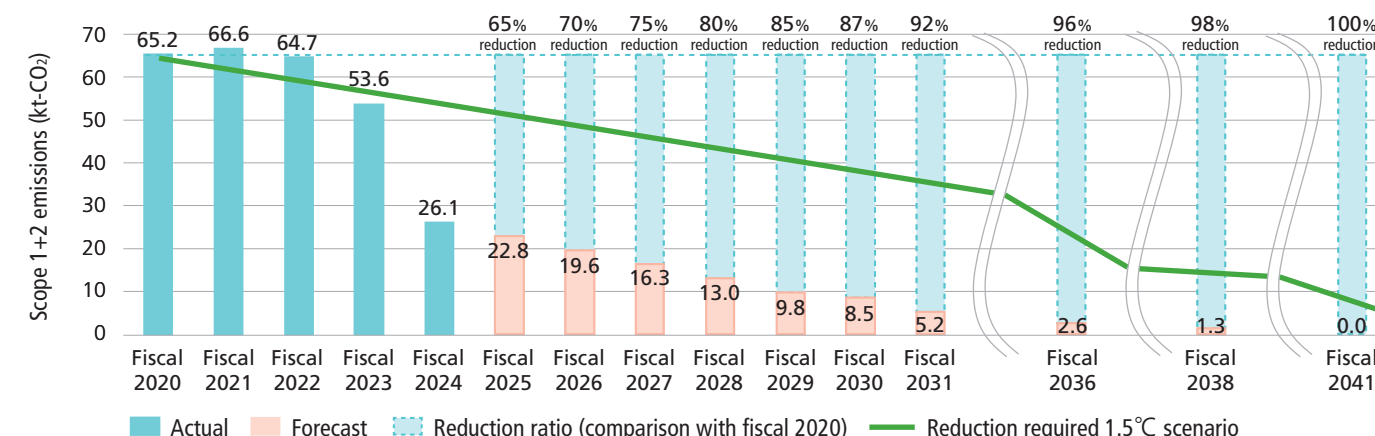
Ratio of GHG emissions in the Group (actual results for fiscal 2024)



	Fiscal 2022	Fiscal 2023	Fiscal 2024
Main activities and achievements	<ul style="list-style-type: none"> Aug. 2021 SBT certification at 2°C level Dec. 2021 Start of renewable energy introduction Jan. 2022 Disclosure in accordance with TCFD 	<ul style="list-style-type: none"> Dec. 2022 Carbon neutrality declaration Mar. 2023 Received CDP A- rating 	<ul style="list-style-type: none"> Jun. 2023 Obtained SBT certification at 1.5°C level
Evaluations from External Parties			
CDP score	C (Awareness level)	B (Management level)	A- (Leadership level)

GHG reduction targets and results in Scopes 1 and 2

Scope: TIS and all consolidated companies as of July 1, 2024



We achieved a 60.1% reduction in fiscal 2024 compared to the base year (fiscal 2020), a greater decrease from fiscal 2023 due to an increase of renewable energy in Scope 2. We refined GHG emission forecast in Scopes 1 and 2 in accordance with a significant reduction in GHG emissions. We will continue to manage our GHG emissions by tracking projections versus actuals in order to keep on track to achieve our carbon neutral targets in fiscal 2041.

*The reason for the increase in emissions in fiscal 2021 compared to the previous year is due to the addition of data centers for calculation.

Initiatives to achieve the Group's GHG reduction targets

Accelerate renewable energy adoption in data centers and offices

The Group has been promoting the introduction of renewable energy as a measure to fulfill its carbon neutrality declaration. In fiscal 2023, the renewable energy introduction ratio was 18.4% of the total, but in fiscal 2024, this had increased to 56.7%. Furthermore, from the perspective of using additional renewable energy and local production for local consumption, we have been procuring electricity since January 2024 through an off-site corporate PPA* centered on the INTEC Toyama area, with a newly constructed solar power plant at its core. This is supplied to a portion of INTEC's business sites to cover part of their electricity usage. We will continue to promote the procurement of electricity through corporate PPAs as a new measure to further advance the Group's achievement of carbon neutrality.

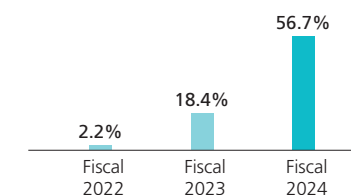
*Off-site corporate PPA (power purchase agreement): A system that supplies electricity from power generation facilities installed outside a company's premises via the power grid.

Promote energy conservation in data centers and office

For offices, we will promote the consolidation of Group offices by region, the switch to LED lighting, and energy-saving air-conditioning equipment, among others.

At data centers, we will continue to improve energy efficiency, mainly in air-conditioning systems.

Renewable energy introduction ratio



Other initiatives

In our data centers and offices, we are also promoting natural lighting, installation of small-scale solar power generation systems, and rooftop greening.



Natural light (solar tracking equipment)



Solar power generation monitor



Rooftop greenery

In light of future changes in the market environment—including social conditions, government policies, and electric power company trends—we will purchase energy with less environmental impact at stable and appropriate prices. We thus aim to achieve carbon neutrality as well as data center and office environments that minimize their environmental impact.



Environmental Promotion Officer

Tsuneyoshi Ito,
TIS Managing Executive Officer,
Division Manager of Corporate Management SBU

In December 2022, TIS announced its Carbon Neutral Declaration and began reinforcing efforts to realize a net-zero society. Looking to reduce Scope 1 and 2 emissions, we aim to have the TIS INTEC Group using 100% renewable energy by fiscal 2041. On a parent-only basis, we were able to set a goal of achieving 100% renewable energy use at key data centers and offices by fiscal 2026. Group companies are following suit with plans of their own, and of note, INTEC has signed a Corporate Power Purchase Agreement for its data center and some offices in the Toyama area. Through these efforts, we reduced Scope 1 and 2 emissions ahead of original targets.

Initiatives to reduce Scope 3 emissions

Reaching the Scope 3 target is not possible without the cooperation of the partner companies that do business with members of the TIS INTEC Group. We still have many areas to explore at the present time in our goal to cut greenhouse gas emissions across the entire supply chain. To start, we will distribute a questionnaire to business partners to better understand current status, and then we will hold study sessions and create other opportunities to promote a wider understanding of net zero. This will provide the basis for activities that raise awareness of this issue all through our supply chain.

Initiatives in natural capital (biodiversity)

As an environmental issue separate from climate change, biodiversity protection has attracted growing interest in recent years. Although we are not directly involved in biodiversity issues, we are indirectly involved through the business activities of our clients because we provide system development, operation and maintenance services to them. We recognize that going forward, we will need to analyze and disclose our relationship with natural capital.

The role that companies are obliged to play in addressing global environmental issues has become increasingly larger in recent years. We will continue to contribute to the realization of a sustainable society through initiatives aimed at mitigating global environmental issues, including climate change and biodiversity protection, without relaxing our efforts to achieve carbon neutrality.

Information Disclosure in Line with TCFD Recommendations

The Group endorsed the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD). We disclose information regarding our initiative progress in line with TCFD recommendations, strengthening our measures for climate change.



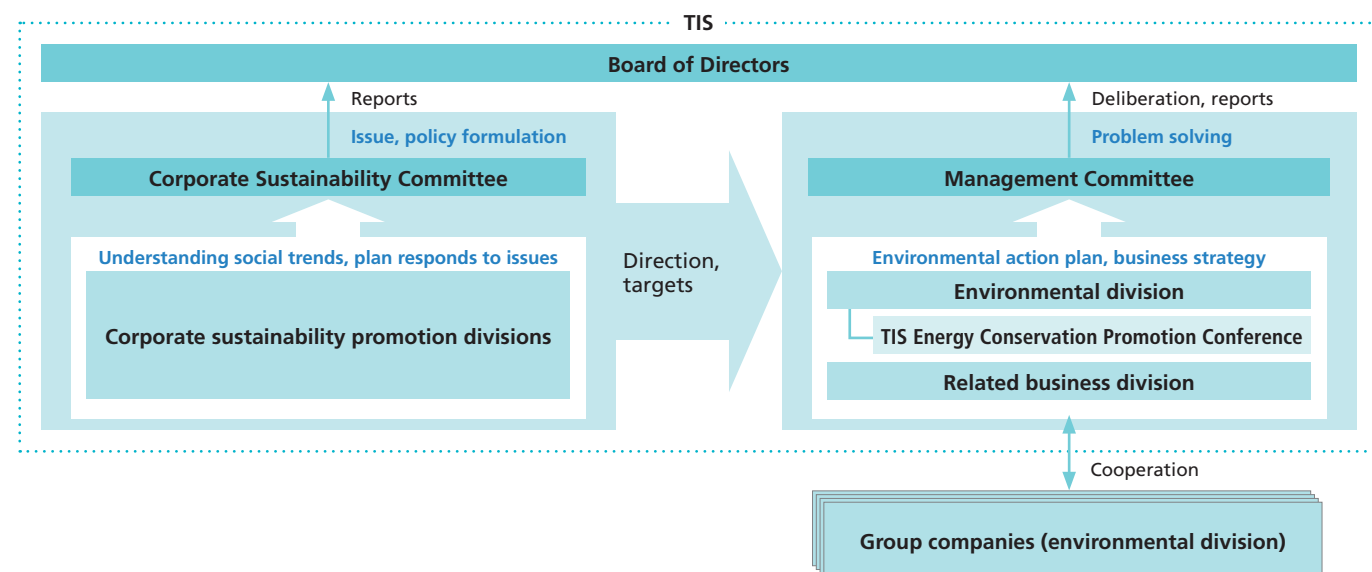
The TCFD requires disclosure in four core areas: **governance**, **strategy**, **risk management**, and **metrics and targets**.

Governance

Climate change policy is evaluated and deliberated by the Corporate Sustainability Committee as an environmental measure and activity and reported to the Board of Directors. Climate change measures are evaluated and deliberated by the Management Committee and reported to the Board of Directors.

We also set up the TIS Energy Conservation Promotion Conference and the Climate Change Business Working Group as structures that consistently leverage awareness of risks related to measures aimed at mitigating the impact of climate change.

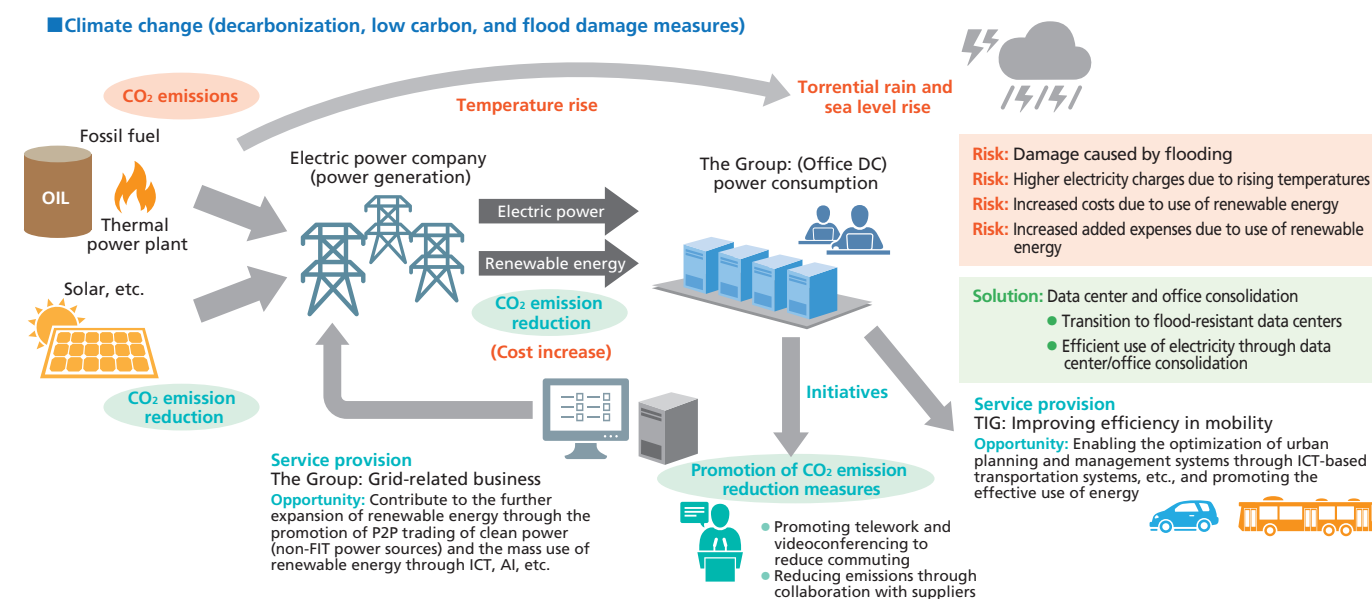
In addition, we take a flexible approach by setting up working groups and assigning specific issues for each to address. The cross-divisional Climate Change Response Review Committee was created in fiscal 2022 to identify and evaluate risks and opportunities related to climate change in order to facilitate disclosure in line with TCFD requirements.



Strategy

Climate-related risks, financial impacts, and opportunities

Based on the correlation diagram between the Group and environmental issues, we organize risks and opportunities in the Group.



Climate-related risks and financial impacts

Based on the correlation diagram, we listed the short-, medium- and long-term climate-related risks in the Group and assessed the financial impacts in fiscal 2031.

Risk classification		Risk	Short Term	Medium-term (1–3 years)	Long-term (4–20 years)	Financial Impact in 2030	Financial Impact Overview
Transition	Policy and legal	Increased costs associated with strengthening local ordinances	—	○	—	¥8,010 million	Possible amount of loss that could be averted if GHG reduction targets, such as carbon neutral status, is achieved
		Cost increase due to introduction of carbon taxes	—	—	○	¥8,510 million	
	Reputation	Trust of society eroded and clients distancing themselves from us because we are unable to achieve GHG reduction targets	—	—	○		
	Market	Increase in purchase cost of renewable energy	—	○	○	¥62 million	Cost of replacing all electricity with renewable energy
Physical	Acute/chronic	Increased costs associated with extreme weather (rising temperatures) Rising energy prices	—	○	○	¥22 million	Possible additional cost due to the physical effects of climate change

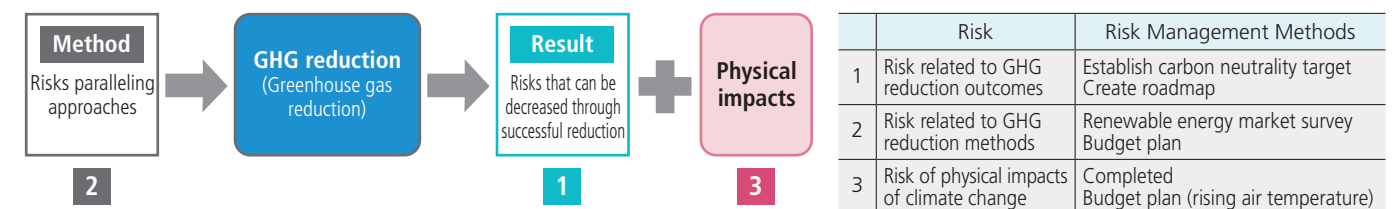
Climate-related opportunities

Based on the correlation diagram, we have also identified short-, medium-, and long-term climate-related opportunities.

No.	Opportunity	Duration	Needs, Increasing in Line with Measures and Targets to Address Climate Change	TIS and TIS INTEC Group Responses
1	More opportunities to provide data center services and cloud services to meet needs of low-carbon/decarbonized society	Short term to long term	More companies are taking advantage of on-premise cloud setups and using renewable energy to power highly energy-efficient hardware. Notably, we anticipate wider demand from companies that have set reduction targets under RE100 and TCFD standards.	We see expanding opportunities to provide data center services by raising the renewable energy ratio/energy efficiency status at data centers under the TIS INTEC Group umbrella. A current goal is to push renewable energy utilization rate at data centers to 100% by fiscal 2031. (We seek to push the renewable energy utilization rate at TIS data centers to 100% by fiscal 2026 in tandem with efforts to consolidate operations into environmentally conscious data centers.)
2	Greater need for system upgrades to improve environment for electric power companies and redesign power infrastructure	Short term to medium term	Society urgently needs to transition from its reliance on thermal power generation to renewable energy, with an emphasis on hydro, wind and solar power, to reduce GHG emissions in the energy conversion sector, which accounts for 40% of emissions in Japan. In conjunction with this shift, demand is sure to rise for power transmission and distribution network rebuilds and upgrades suitable for a society using distributed energy resources.	Drawing on business know-how amassed over 30 years of business with energy companies, we are indirectly involved in shaping electric power infrastructures and promoting the decarbonization of energy companies, driven by their embrace of DX in power generation and system changes based on legal revisions.
3	More opportunities to provide IT services and solutions to address new needs related to climate change	Short term to long term	We apply AI and IoT technologies used to automatically control virtual power plants (VPPs), the pinnacle of energy conservation and energy production, and achieve energy efficiency. We anticipate an increase in the need for various IT services that help to better materialize hidden power sources and for resilience services to address climate change risk.	To make it a future strength, we are promoting various IT services and we are in the process of planning and developing such services through development driven by forward-looking investment and through collaboration and co-creation with stakeholders. We will vigorously engage in initiatives to promote VPP solutions and non-financial information reference and checking services for companies, and to set up businesses based on new technologies, such as environmental value exchange and transfer certification.

Risk Management

We have classified and organized risks into three categories—risks that can be decreased by reducing greenhouse gas emissions, risks related to methods for reducing greenhouse gas emissions, and risks that accompany the physical impacts of climate change—and are considering approaches to deal with these risks.



Metrics and Targets

TIS uses groupwide greenhouse gas emissions, renewable energy introduction ratio and financial impacts as metrics for evaluating climate-related risks. For evaluating climate-related opportunities, TIS uses market scale, sales and other factors as reference values to assess opportunities.

Progress on the goals is also described in the Initiatives to Address Climate Change section on the previous pages.

■ TIS INTEC Group Business Summit 2024

The TIS INTEC Group holds an annual TIS INTEC Group Business Summit as a forum to introduce its services and initiatives that make good use of advanced technologies and know-how to realize a sustainable digital society.

In addition to the keynote speech on communication to revitalize the workplace by Mr. Shigehisa Nagamatsu, author of “Your Life is 90% Determined by the Way You Speak,” we also introduced a total of 35 sessions and a total of 60 solutions from each Group company. Each session not only introduced our services and solutions, but also provided examples of co-creation for growing together with our clients. With approximately 3,900 viewers*¹ and 7,500 session views*², the event provided an opportunity for many clients to learn about the value the Group's provides.

We will continue to foster communication with our clients so that we can provide them active support with a view to solving the issues they face and, beyond them, those faced by society.

1 Total number of viewers for online distribution + on-demand distribution

2 Total number of session video views



Held in an online format in July 2024

■ Implementation of Client Satisfaction Survey

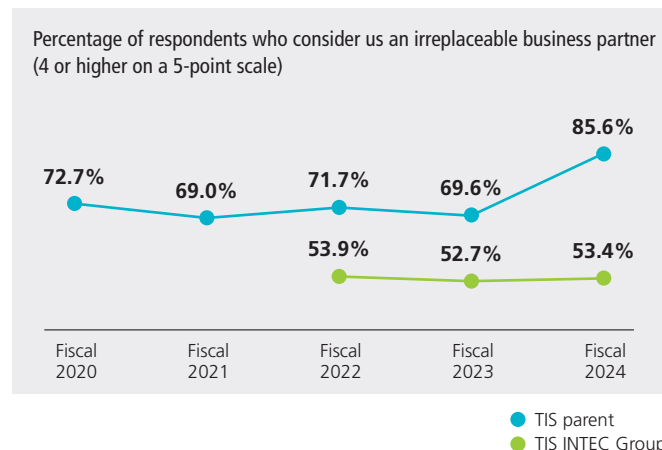
We conduct an annual Client Satisfaction Survey for clients with whom we have an ongoing business relationship. The survey is used as a point of reference to determine activities toward self-improvement from a client perspective.

In the survey for companies who have accounts with us, the ratio of respondents who considered us an irreplaceable business partner, one of the overall evaluation indicators we look at most closely, was substantially improved versus last year. As in the past, we continue to receive high marks for our technical capabilities, particularly for our ability to define requirements and design systems, on-site responsiveness, and for our ability to meet deadlines. We were again made aware that our engineering capabilities, which are a strength of our Group, are recognized by our clients. Furthermore, our ability to make proposals also increased compared to the previous year, and we believe that we have gained a certain level of appreciation from our clients. We understand that it is becoming increasingly important to make proposals that are one step ahead of the growing expectations of clients—and society—in respect of digital transformation, and we will strengthen proactive initiatives.

In addition, as the level of satisfaction indicated in service-style surveys has remained flat, we recognize that we have not been able to fully meet expectations for the services we provide, and we will promote initiatives to improve our services by enhancing our dialogue with clients.

Since fiscal 2022, an account-type survey has been conducted for the entire Group as part of the promotion of Group-wide activities to improve client satisfaction. While the percentage of respondents who answered that TIS is an irreplaceable business partner increased significantly, it rose only slightly for the Group, indicating that there is much room for improvement. Based on the results of this survey, we will delve deeper into the intentions of our clients' responses and their requirements and expectations. And by spreading best practices across the organization, we will lift our entire Group and work to further improve client satisfaction. We also hold information-sharing meetings with Group companies regarding the survey results and improvement activities to stimulate improvements throughout the Group.

We will continue to take client feedback seriously and bolster activities to strengthen our front line, the touchpoint with our clients, helping them solve social issues as a business partner to create value together.



■ TIS Business Partner Forum 2024

We hold events and social gatherings for our business partners every year to help them better understand our management policy and various other initiatives and measures. Following on from last year, we are planning to hold forums in Tokyo, Nagoya, and Osaka in October 2024.

The concept for this year's event is “Frontiers,” which is also the slogan of the new Medium-Term Management Plan. Co-creation with our business partners will become even more important to fearlessly take on the challenges of unexplored frontiers and build a new world. The aim is to share this ambition with the TIS senior management team and business partners and to strengthen the partnership. This initiative has also been launched not only by TIS but also by other Group companies.

We will continue to work to expand our business and improve client satisfaction through further collaboration with our Group companies by building relationships of trust through interactions with our business partners.

■ Business Partner Satisfaction Survey

We conduct an annual Business Partner Satisfaction Survey to gain feedback on changes in the environment, trends in guidelines and pricing structures, as well as their level of satisfaction with us.

Last year, we conducted a survey of the entire TIS. This year, with the aim of having each business organization recognize issues and work on responses and improvements, we conducted a more detailed survey of expectations and issues by business organization.

The survey results showed that business organizations with a higher satisfaction level than the company average shared scores in such areas as business continuity, regular contact with the Company, and high job satisfaction in the workplace. On the other hand, business organizations with a lower satisfaction level than the company average had common issues such as lack of business continuity and dissatisfaction with price, systems, and project management, despite business continuity.

We will provide feedback on these results to each business organization and work to create an environment that allows us to make proposals that are mutually satisfactory to both the Company and its business partners.

These surveys enable us to better visualize the expectations of our business partners and the issues they face and help forge a path for continuous improvement to achieve greater value exchange and expanded collaboration, thereby boosting their satisfaction.

■ Promotion of Collaboration with Overseas Partners

We cooperate with overseas partner companies to support TIS' business growth. We continue to strengthen our ties with leading IT companies in Asia, regularly engaging in dialogue at management level to discuss issues relevant to the Company and its overseas partners.

Also, expectations of overseas partners are expanding beyond offshore development outsourcing to include a wide range of areas, such as on-site support in Japan, solution collaboration, and securing cutting-edge technical personnel. This reflects the current external environment characterized by the shortage of domestic IT personnel, rising prices, and geopolitical risks as well as the internal environment, such as the increased demand for specialized personnel accompanying the shift in business domains.

To promote further collaboration with other English-speaking countries in Asia, we are considering introducing AI-based automatic translation tools and developing English-language QMS and development standards as our third overseas partner after China and Vietnam.

■ Partnership Building

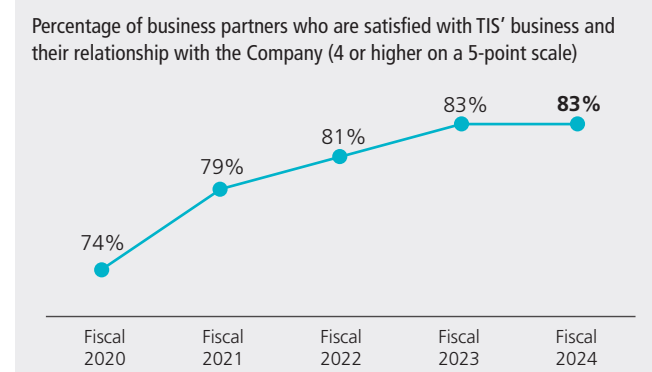
We have identified the areas we will focus on to build new partnerships by promoting cooperation, co-existence and co-prosperity with our supply chain partners and value-creating businesses.

<https://www.tis.com/group/sustainability/policies/multi-stakeholder/>

■ Promoting a Sustainable Procurement Policy

The Group believes in the importance of working together with stakeholders throughout the supply chain. It is promoting the dissemination of procurement guidelines based on its sustainable procurement policy.

<https://www.tis.com/group/sustainability/policies/procurement/>



*Fiscal 2020 and fiscal 2021 results indicate percentage of business partners who are satisfied with TIS' business.

■ The survey was conducted among all business partners (600 partners) with whom we conducted transactions in fiscal 2024.
(The above graph indicate the results from 82 strategic partners.)



With business partners in Vietnam

■ Constructive Dialogue with Shareholders

TIS proactively engages in constructive dialogue with shareholders based on its IR Policy* in order to contribute to the Company's sustainable growth and the enhancement of its medium- to long-term corporate value. In addition, the Company is developing processes to promote further dialogue with shareholders. While the director of the IR Department supervises the relationship with shareholders, the President, executive officers, and the IR Department all deliberate on how best to address issues and take appropriate actions. The IR Department shares information with relevant departments promptly and seeks to capitalize on their respective specialist expertise to support more meaningful dialogue with its shareholders.

The Company will seek to broaden the channels of communication with its shareholders through individual face-to-face and telephone interviews, and by holding business results briefings and other more intimate meetings. Furthermore, in addition to information disclosure—the foundation for meaningful dialogue—the Company will further develop the content of the Integrated Report, which we see as a valuable communication tool.

TIS will give serious consideration to opinions put forward by capital market participants such as shareholders, investors and securities analysts within the Company through reports and briefings to the Board of Directors, and will use them to review the Company's management strategy, among other purposes.

TIS remains acutely aware of the importance of fair disclosure and manages its internal information appropriately in accordance with the Rules for Prevention of Insider Trading.

*Please refer to the IR policy at <https://www.tis.com/ir/other/policy/>

■ Engaging with Shareholders

In fiscal 2024, with the leadership of the President and CEO, we pursued engagement with active management-type shareholders in Japan and overseas, mainly in the U.S., Europe, and Asia. Participants are both analysts and fund managers, and their active management style are diversified centering on growth and value trading. In addition, a dialogue was held with those in charge of exercising voting rights.

The themes of the dialogues and matters of shareholder interest (see below) are shared and discussed within the Company through quarterly reports to the Board of Directors and other feedback and are used to review management strategies, formulate management plans and for other purposes.

Main themes of dialogue and areas of interest to shareholders

- Status of initiatives in structural transformation for business growth and profitability improvement and future outlook
- Status of business portfolio review
- The importance of investment in human resources—the most vital management capital—and Company recruitment policies
- Status of ESG initiatives centering on human resources
- Thinking related to cash allocation to increase corporate value (investments in growth and shareholder returns)
- Financial strategy and KPIs with an awareness of capital efficiency, etc.

IR events in fiscal 2024	Frequency	Contents
Results briefings for analysts and institutional investors	4 times	
Other briefings for analysts and institutional investors	Once	One business briefing
Small meetings for analysts and institutional investors	228 times	Of these meetings, 111 were for overseas investors. Total coverage 440 companies
Small meetings by President	3 times	Sell-side analyst: once, buy-side analysts: twice
Overseas roadshows	Twice	North America, Europe
Conference participation	3 times	Japan: twice, overseas (Asia): once
IR conference for individual investors	Twice	

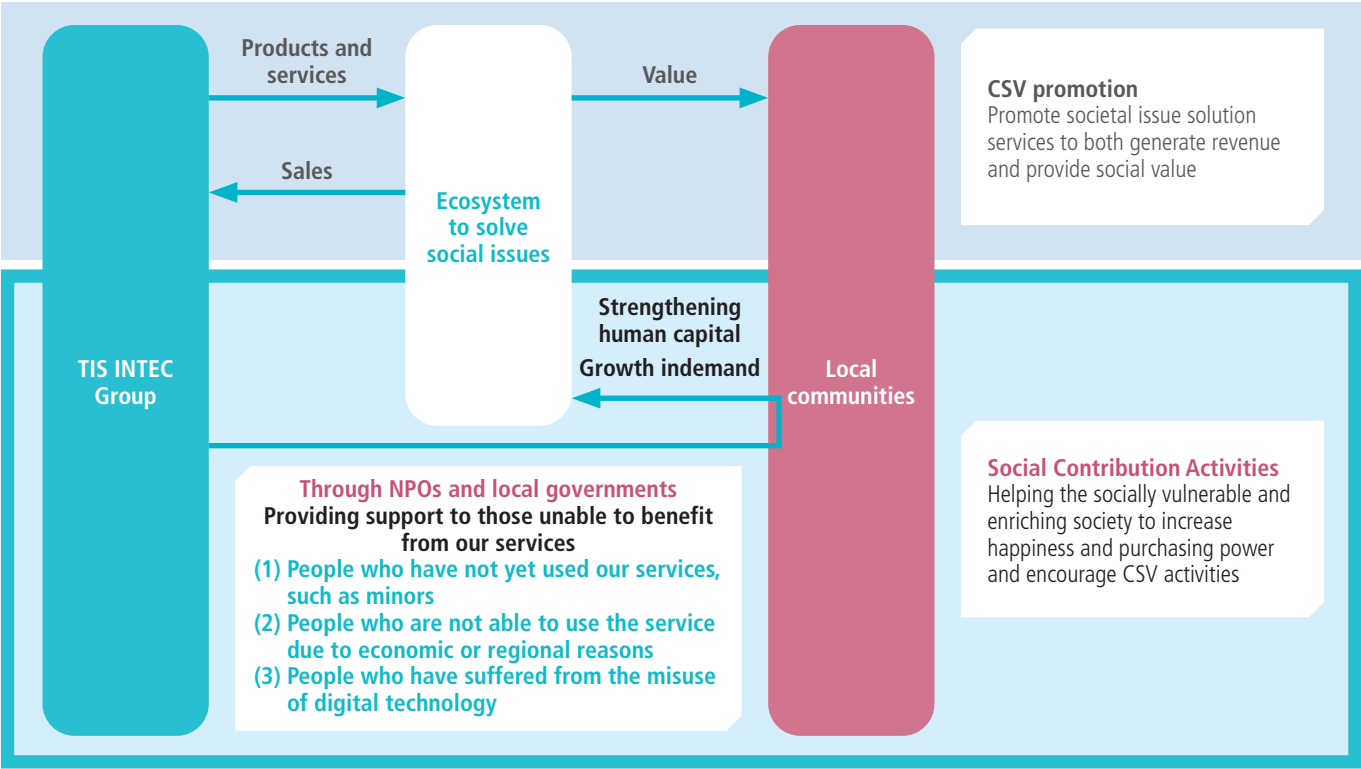
*Conducted in face-to-face or online, taking into account the situation and other factors.

■ Initiatives to Revitalize the General Meeting of Shareholders and Facilitate the Exercise of Voting Rights

Initiatives	Contents
Early distribution of convocation notice of General Meeting of Shareholders	Based on Company policy to distribute the convocation notice at least three weeks before the General Meeting of Shareholders takes place, the notice of the16th Annual General Meeting of Shareholders held on June 25, 2024, was sent out on June 3, 2024.
Setting dates for the General Meeting of Shareholders that avoid the peak day	To enable as many shareholders as possible to attend our General Meeting of Shareholders, we avoid dates when most other companies hold their meetings. The most recent General Meeting of Shareholders was held on June 25, 2024.
Voting by electronic means	We have adopted an electronic voting system that allows shareholders to exercise their voting rights via the Internet (PC, smartphone or mobile phone).
Participation in electronic voting platforms and other initiatives to improve the environment for institutional investors to exercise voting rights	We participate in the voting platform for institutional investors operated by Investor Communications Japan (ICJ, Co., Ltd.).
Access to Notice of Convocation (summary) in English	The convocation notice of the General Meeting of Shareholders was posted (in Japanese and English) on the corporate website.
Other	Disclosure of convocation notice through the Company's website, etc. before dispatch. Under the policy of announcing the meeting approximately one month prior to the date of the shareholders' meeting, electronic delivery measures for the most recent General Meeting of Shareholders meeting began on May 18, 2024.

Social Contribution Activities

In addition to working to provide societal issue solution services (promoting CSV), we also carry out social contribution activities to provide prosperity to local communities directly. We want to provide support to people who cannot enjoy our services through business activities alone via NPOs and local governments and ensure that no one is left behind in enjoying the benefits of digital technology.



■ Case study

From fiscal 2023, we are collaborating with the Japan NPO Center to provide digital transformation support for NPOs.

Grant Program (NPO Support)	<p>Contribute to a society where people can live in a fair digital environment</p> <p>Grants are provided to NPOs that are engaged in activities to prevent the misuse and damage caused by digital technology as well as activities to promote the digital use of people who need consideration.</p> <p>→ Contribute to a society where more people can <u>live in a fair digital environment</u>.</p> <p>■ Grant recipients for the fiscal 2024</p> <p>General Incorporated Association Kids Code Club</p> <p>Workshops are held to improve digital literacy and promote the use of digital technology for children and their parents who are facing difficulties due to financial circumstances, truancy, developmental disabilities, etc.</p>
Digital Infrastructure Enhancement Program (NPO Support)	<p>Contributing to greater efficiency and effectiveness in NPO activities</p> <p>We dispatch personnel to diagnose the digital environment of NPOs and work on solving their digital issues.</p> <p>→ By strengthening and promoting the use of digital infrastructure, we helped <u>NPOs achieve greater efficiency and effectiveness in their activities</u>.</p>

*Please see the link below for other activities.
Social contribution activities: <https://www.tis.com/group/sustainability/social/community/>