

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.



## Consolidated Financial Results for the Three Months Ended June 30, 2025 (Under Japanese GAAP)

July 30, 2025

Company name TIS Inc. Stock exchange listings: Tokyo Prime  
 Securities code 3626 URL <https://www.tis.com/>  
 Representative (Title) President (Name) Yasushi Okamoto  
 Department Manager of Finance  
 Inquiries (Title) & Accounting Dept., Corporate Planning SBU. (Name) Masahiro Hiwasa (Tel) +81 50-1702-4115  
 Dividend payable date (as planned) —  
 Supplemental material of annual results : Yes  
 Convening briefing of annual results : Yes (targeted at institutional investors and analysts)

(Yen amounts are rounded down to millions, unless otherwise noted.)

### 1. Consolidated financial results for the three months ended June 30, 2025 (from April 1, 2025 to June 30, 2025)

#### (1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

|                    | Net sales       |     | Operating profit |       | Ordinary profit |       | Profit attributable to owners of parent |      |
|--------------------|-----------------|-----|------------------|-------|-----------------|-------|---|------|
| Three months ended | Millions of yen | %   | Millions of yen  | %     | Millions of yen | %     | Millions of yen                         | %    |
| June 30, 2025      | 140,316         | 4.7 | 16,353           | 16.3  | 17,064          | 13.2  | 12,520                                  | 17.2 |
| June 30, 2024      | 134,055         | 3.6 | 14,061           | (1.7) | 15,071          | (1.7) | 10,679                                  | 5.2  |

Note: Comprehensive income For the three months ended June 30, 2025 15,170 Millions of yen (23.5%)  
 For the three months ended June 30, 2024 12,287 Millions of yen (-12.4%)

|                    | Basic earnings per share | Diluted earnings per share |
|--------------------|--------------------------|----------------------------|
| Three months ended | Yen                      | Yen                        |
| June 30, 2025      | 54.02                    | —                          |
| June 30, 2024      | 45.66                    | —                          |

#### (2) Consolidated financial position

|                | Total assets    | Net assets      | Capital adequacy ratio |
|----------------|-----------------|-----------------|------------------------|
| As of          | Millions of yen | Millions of yen | %                      |
| June 30, 2025  | 524,519         | 349,280         | 64.3                   |
| March 31, 2025 | 558,051         | 356,064         | 61.5                   |

Reference: Owner's equity As of June 30, 2025 337,359 Millions of yen  
 As of March 31, 2025 343,348 Millions of yen

## 2. Cash dividends

|  | Dividend per share |                |               |          |        |
|--|--------------------|----------------|---------------|----------|--------|
|  | First quarter      | Second quarter | Third quarter | Year end | Annual |
|  | Yen                | Yen            | Yen           | Yen      | Yen    |
| Fiscal year ended March 31, 2025             | —                  | 34.00          | —             | 36.00    | 70.00  |
| Fiscal year ending March 31, 2026            | —                  |                |               |          |        |
| Fiscal year ending March 31, 2026 (Forecast) |                    | 38.00          | —             | 38.00    | 76.00  |

Note: Revisions to the forecast of cash dividends most recently announced : None

## 3. Consolidated financial forecast for the fiscal year ending March 31, 2026 (from April 1, 2025 to March 31, 2026)

(Percentages indicate year-on-year changes.)

|                                      | Net sales       |     | Operating profit |     | Ordinary profit |     | Profit attributable to owners of parent |       | Basic earnings per share |
|--------------------------------------|-----------------|-----|------------------|-----|-----------------|-----|---|-------|--------------------------|
|                                      | Millions of yen | %   | Millions of yen  | %   | Millions of yen | %   | Millions of yen                         | %     | Yen                      |
| Six months ending September 30, 2025 | 285,000         | 3.4 | 33,000           | 8.2 | 33,000          | 5.4 | 22,000                                  | 5.6   | 96.00                    |
| Fiscal year ending March 31, 2026    | 582,000         | 1.8 | 73,000           | 5.7 | 73,000          | 3.5 | 49,000                                  | (2.0) | 216.86                   |

Note: Revisions to the earnings forecasts most recently announced : None

### \* Notes

(1) Significant changes in the scope of consolidation during the period : None

Newly included: — companies (Company name) 、 Excluded: — companies (Company name)

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements : None

(3) Changes in accounting policies, changes in accounting estimates, and restatement

(i) Changes in accounting policies due to revisions to accounting standards and other regulations : None

(ii) Changes in accounting policies due to other reasons : None

(iii) Changes in accounting estimates : None

(iv) Restatement : None

(4) Number of issued shares (common shares)

(i) Number of issued and outstanding shares at the period end (including treasury stock)

(ii) Number of treasury stock at the period end

(iii) Average number of shares (quarterly period-YTD)

|                                  |                    |                                  |                    |
|----------------------------------|--------------------|----------------------------------|--------------------|
| As of June 30, 2025              | 236,233,411 shares | As of March 31, 2025             | 236,233,411 shares |
| As of June 30, 2025              | 6,536,435 shares   | As of March 31, 2025             | 3,865,920 shares   |
| Three months ended June 30, 2025 | 231,771,045 Shares | Three months ended June 30, 2024 | 233,864,638 shares |

Note: Treasury stock includes the number of the Company's own shares held by TIS INTEC Group Employees' Shareholding Association Trust and the Board Incentive Plan (BIP) Trust.

\* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm : None

\* Proper use of earnings forecasts, and other special matters

At a Board of Directors' Meeting held on May 8, 2025, TIS Inc. (TIS) resolved to acquire its own (treasury) shares in accordance with Article 156 of the Companies Act of Japan, as applied pursuant to Paragraph 3, Article 165 of said Act.

Accordingly, "Basic earnings per share" in the consolidated financial forecast for FY2026 has been presented taking into account the effect of this acquisition of treasury shares.

This report contains forward-looking statements that reflect TIS's plans and expectations based on information available to TIS at the time of preparation and on certain other information TIS believes to be reasonable. These forward-looking statements are not guarantees of future performance, and actual results, performance, achievements or financial position may differ materially from those expressed or implied herein due to a range of factors.

## Accompanying Materials – Contents

|   |    |
|---|----|
| 1. Results of Operations  | 2  |
| (1) Analysis of Consolidated Operating Results  | 2  |
| (2) Analysis of Financial Condition   | 6  |
| (3) Consolidated Earnings Forecast and Caution on Forward-Looking Statements              | 7  |
| 2. Consolidated Financial Statements  | 9  |
| (1) Consolidated Balance Sheets   | 9  |
| (2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income | 11 |
| Consolidated Statements of Income   | 11 |
| Consolidated Statements of Comprehensive Income   | 12 |
| (3) Notes on the Consolidated Financial Statements  | 13 |
| (Segment Information, etc.)   | 13 |
| (Notes on Significant Changes in the Amount of Shareholders' Equity)                      | 14 |
| (Notes on the Going-Concern Assumption)   | 14 |
| (Notes on Quarterly Consolidated Statements of Cash Flows)                                | 14 |
| (Revenue recognition)   | 14 |
| (Significant Subsequent Events)   | 15 |
| 3. Other Information  | 16 |

# 1. Results of Operations

## (1) Analysis of Consolidated Operating Results

In the first quarter of fiscal 2026, the Japanese economy recovered moderately, albeit with some stagnation, due in part to the effects of various policies, as the employment and income environment improved. As for the outlook, it is necessary to pay close attention to the effects of continued price increases on private consumption and fluctuations in financial and capital markets, in addition to the increase in downside risk due to the effects of U.S. trade policy. In the information service industry, to which our group belongs, as the transformation of business processes and business models utilizing digital technologies progresses globally, the demand for IT investment is expected to increase further, with the planned software investment (all industries, including financial institutions) in the Bank of Japan's Short-Term Economic Survey (June 2025) rising 16.1% year on year.

Under these circumstances, the Group will strive for sustainable growth with higher added value in accordance with the basic policy of the Medium-Term Management Plan (2024-2026) that is currently underway to achieve “Group Vision 2032”, and will strive to achieve changes in society and for corporate clients by enhancing quality across all value chains, starting with forward-looking market development and business domain expansion.

Consolidated net sales for the Group in the first quarter of fiscal 2026 rose 4.7% year on year to ¥140,316 million. Operating profit increased 16.3% year on year to ¥16,353 million, ordinary profit was up 13.2% year on year to ¥17,064 million, and profit attributable to owners of parent rose 17.2% year on year to ¥12,520 million.

(Unit: millions of yen)

|   | First Quarter, FY2025<br>(Apr. 1 – Jun. 30, 2024) | First Quarter, FY2026<br>(Apr. 1 – Jun. 30, 2025) | Year-on-year<br>changes |
|---|---|---|-------------------------|
| Net sales                                       | 134,055   | 140,316   | +4.7%                   |
| Cost of sales                                   | 97,936  | 101,748   | +3.9%                   |
| Gross profit                                    | 36,118  | 38,568  | +6.8%                   |
| Gross profit ratio                              | 26.9%   | 27.5%   | +0.6P                   |
| Selling, general and<br>administrative expenses | 22,056  | 22,214  | +0.7%                   |
| Operating profit                                | 14,061  | 16,353  | +16.3%                  |
| Operating profit ratio                          | 10.5%   | 11.7%   | +1.2P                   |
| Ordinary profit                                 | 15,071  | 17,064  | +13.2%                  |
| Profit attributable to owners<br>of parent      | 10,679  | 12,520  | +17.2%                  |

Net sales exceeded the previous fiscal year, driven by business expansion through accurately responding to customers' demand for IT investment—including digital transformation—and the promotion of service provision. Operating profit increased year on year, not only due to higher income from increased sales, but also as a result of aggressive growth investments, including investments in human resources, our most important management capital. At the same time, the provision of high-value-added business, promotion of productivity improvement measures, and restraint on unprofitable projects contributed to profit growth compared to the previous year. Regarding profitability, the gross profit ratio increased by 0.6 percentage points year on year to 27.5%, and the operating profit ratio increased by 1.2 percentage points year on year to 11.7%. Ordinary profit increased year on year, mainly due to higher operating profit. Profit attributable to owners of parent also increased, reflecting the rise in ordinary profit and improvement in extraordinary income and losses.

During the first quarter of fiscal 2026, extraordinary income of ¥2,054 million and extraordinary losses of ¥56 million were recorded. The main component of extraordinary income was a gain on sale of investment securities of ¥1,354 million, resulting from the reduction of cross-shareholdings.

Segment results were as follows. Note that sales for each segment include inter-segment sales.

(Unit: millions of yen)

|                             |                        | First Quarter, FY2025<br>(Apr. 1 – Jun. 30, 2024) | First Quarter, FY2026<br>(Apr. 1 – Jun. 30, 2025) | Year-on-year<br>changes |
|-----------------------------|------------------------|---|---|-------------------------|
| Offering Service Business   | Net sales              | 34,001  | 36,246  | +6.6%                   |
|                             | Operating profit       | 2,206   | 1,730   | -21.6%                  |
|                             | Operating profit ratio | 6.5%  | 4.8%  | -1.7P                   |
| Business Process Management | Net sales              | 10,008  | 10,686  | +6.8%                   |
|                             | Operating profit       | 836   | 1,423   | +70.1%                  |
|                             | Operating profit ratio | 8.4%  | 13.3%   | +4.9P                   |
| Financial IT Business       | Net sales              | 24,974  | 23,631  | -5.4%                   |
|                             | Operating profit       | 3,075   | 2,979   | -3.1%                   |
|                             | Operating profit ratio | 12.3%   | 12.6%   | +0.3P                   |
| Industrial IT Business      | Net sales              | 29,840  | 32,349  | +8.4%                   |
|                             | Operating profit       | 4,359   | 5,107   | +17.2%                  |
|                             | Operating profit ratio | 14.6%   | 15.8%   | +1.2P                   |
| Regional IT Solutions       | Net sales              | 41,060  | 43,800  | +6.7%                   |
|                             | Operating profit       | 3,355   | 4,837   | +44.2%                  |
|                             | Operating profit ratio | 8.2%  | 11.0%   | +2.8P                   |
| Other                       | Net sales              | 2,377   | 2,522   | +6.1%                   |
|                             | Operating profit       | 219   | 195   | -11.2%                  |
|                             | Operating profit ratio | 9.3%  | 7.7%  | -1.6P                   |

#### 1) Offering Service Business

Configures services through own investment based on best practices the Group accumulated and provides knowledge-intensive IT services.

Segment net sales during the first quarter of fiscal 2026 totaled ¥36,246 million, up 6.6% year on year, while segment operating profit decreased 21.6% year on year to ¥1,730 million. Although IT investment expanded in the enterprise sector, such as digital marketing and the settlement field, segment net sales increased but segment operating profit decreased year on year. This was mainly due to the waning of demand following the completion of the renewal cycle for finance, tax, and payroll systems provided primarily to tax accountant firms, as well as increased up-front investment in the settlement field. The segment operating profit ratio was 4.8% (down 1.7 percentage points year on year).

#### 2) Business Process Management

Applies such strengths as IT expertise, business know-how and skilled human resources to realize and provide higher-level, more-efficient outsourcing solutions targeting business process-related issues.

Segment sales during the first quarter of fiscal 2026 totaled ¥10,686 million, up 6.8% year on year, and operating profit increased 70.1% year on year to ¥1,423 million. Due to the acquisition of projects in the DX business and other areas, as well as ongoing cost reductions through continued streamlining measures, both sales and profits increased year on year, and the operating profit ratio was 13.3% (up 4.9 percentage points year on year).

#### 3) Financial IT Business

Considers business and IT strategies together and leverages both, and supports business progress using expert business and operating know-how specific to the finance industry.

Segment sales during the first quarter of fiscal 2026 totaled ¥23,631 million, down 5.4% year on year, and operating profit decreased 3.1% year on year to ¥2,979 million. Despite contributions from acquiring new customers in modernization-related areas, both sales and profit decreased year on year due to the peaking out of large-scale development projects for credit card-related core clients that had continued since the previous fiscal year, as well as the termination of operations for some customers. The operating profit ratio was 12.6% (up 0.3 percentage points year on year).

#### 4) Industrial IT Business

Considers business and IT strategies together and leverages both, and supports business progress using expert business and operating know-how specific to industry sectors other than finance.

Segment sales during the first quarter of fiscal 2026 totaled ¥32,349 million, up 8.4% year on year, and operating profit increased 17.2% year on year to ¥5,107 million. Growth in IT investment across a wide range of industries, including services, manufacturing, and distribution, drove overall results, resulting in year-on-year increases in both sales and profit. The operating profit ratio was 15.8% (up 1.2 percentage points year on year).

#### 5) Regional IT Solutions

Provides IT professional services extensively, across regions and client sites, and collects and develops this know-how as the source of solutions to support efforts to address issues and promote business activities.

Segment sales during the first quarter of fiscal 2026 totaled ¥43,800 million, up 6.7% year on year, and operating profit increased 44.2% year on year to ¥4,837 million. In addition to expanding IT investment demand primarily in local governments, healthcare, and other industrial sectors, both sales and profit increased year on year, mainly due to a decrease in unprofitable projects. The operating profit ratio was 11.0% (up 2.8 percentage points year on year).

#### 6) Other

Consists of ancillary businesses offering IT services, and other activities.

Segment sales during the first quarter of fiscal 2026 totaled ¥2,522 million, up 6.1% year on year, and operating profit decreased 11.2% year on year to ¥195 million. The operating profit ratio was 7.7% (down 1.6 percentage points year on year).

As mentioned above, the Group has been executing the Medium-Term Management Plan (2024–2026), which serves as the first stage toward achieving Group Vision 2032, since the previous fiscal year, and we will continue to pursue sustainable growth. For details, please refer to “2. Management Policy (2) Medium- to Long-Term Management Strategy” in the Consolidated Financial Results for the fiscal year ending March 2025.

The status of main initiatives during the first quarter of fiscal 2026 is as follows:

In order to implement a nimble capital policy that responds flexibly to changes in the business environment and to improve shareholder returns and capital efficiency, in May 2025, the Company decided to repurchase treasury shares totaling ¥42,000 million—comprised of about ¥7,000 million for shareholder returns and about ¥35,000 million for the purpose of optimizing the capital structure. Based on this decision, the Company repurchased a total of approximately ¥12,700 million of its own shares (a total of 2,740,000 shares) between May and June 2025. As a general rule, the Company holds treasury shares up to a maximum of 5% of the total number of issued shares, and any excess holdings above this limit will be canceled. In particular, regarding the treasury shares to be acquired as part of the capital structure optimization (about ¥35,000 million), the Company plans to cancel these shares in consideration of its policy and to eliminate concerns about future dilution of shares.

In addition, at a meeting of the Board of Directors held on July 30, 2025, the Board of Directors resolved, as a basic policy, to implement an absorption-type merger of INTEC Inc. (“INTEC”), a wholly owned subsidiary of the Company.

Through the management integration resulting from the establishment of IT Holdings Corporation in April 2008 and the transition to a business holding company structure in July 2016, our company and INTEC, as core companies of the Group, have been working to enhance customer value and corporate value by generating synergies.

On the other hand, in light of changes in the business environment surrounding our Group, we consider the early and steady realization of our long-term management policy, “Group Vision 2032,” to be of utmost importance. To this end, we have determined that it is essential to further strengthen our management and business foundations by merging our company with INTEC.

Through this merger, we aim to enhance value creation with our customers and society, and to further increase corporate value by strongly promoting the optimal allocation of management resources—centered on strategic investments in technology and highly skilled talent—as well as by further enhancing the value provided by our core business locations.

In addition, as part of this merger, the Company has also resolved to change its trade name to “TISI Inc.” and to transition to a company with an Audit and Supervisory Committee. For details of this matter, please refer to the announcement dated July 30, 2025, titled “Notice regarding Decision on Basic Policy for Merger with Subsidiary (Intec Inc.), Change of Trade Name, and Transition to a Company with an Audit and Supervisory Committee”.

Note: The change of trade name and the transition to a company with an Audit and Supervisory Committee are subject to the approval of the necessary amendments to the Articles of Incorporation at the ordinary general meeting of shareholders scheduled to be held in late June 2026.

## (2) Analysis of Financial Condition

(Unit: millions of yen)

|                         | As of March 31, 2025<br>(A) | As of June 30, 2025<br>(B) | Increase/decrease<br>(B - A) |
|-------------------------|-----------------------------|----------------------------|------------------------------|
| Current assets          | 319,080                     | 283,132                    | -35,948                      |
| Fixed assets            | 238,970                     | 241,386                    | 2,415                        |
| Total assets            | 558,051                     | 524,519                    | -33,532                      |
| Current liabilities     | 153,210                     | 129,410                    | -23,800                      |
| Non-current liabilities | 48,775                      | 45,828                     | -2,947                       |
| Total liabilities       | 201,986                     | 175,238                    | -26,748                      |
| Total net assets        | 356,064                     | 349,280                    | -6,784                       |

### (Assets)

Total assets at the end of the first quarter of fiscal 2026 decreased by ¥33,532 million from the end of the previous fiscal year to ¥524,519 million (compared with ¥558,051 million at the end of the previous fiscal year). This was mainly attributable to an increase of ¥4,840 million in investment securities due to changes in market value, and an increase of ¥2,296 million in buildings, structures, and land due to the partial acquisition of real estate trust beneficiary rights. On the other hand, notes receivable, accounts receivable, and contract assets decreased by ¥34,164 million due to collections, and deferred tax assets decreased by ¥3,851 million.

### (Liabilities)

Total liabilities at the end of the first quarter of fiscal 2026 decreased by ¥26,748 million from the end of the previous fiscal year to ¥175,238 million (compared with ¥201,986 million at the end of the previous fiscal year). This was mainly due to a decrease of ¥10,746 million in income taxes payable as a result of tax payments, a decrease of ¥8,769 million in provision for bonuses due to bonus payments, a decrease of ¥4,629 million in loans payable due to repayments, and a decrease of ¥3,620 million in notes and accounts payable - trade due to payments.

### (Net assets)

Total net assets at the end of the first quarter of fiscal 2026 decreased by ¥6,784 million from the end of the previous fiscal year to ¥349,280 million (compared with ¥356,064 million at the end of the previous fiscal year). This was mainly due to an increase of ¥2,430 million in retained earnings, while a ¥12,500 million increase in treasury stock (which resulted in a decrease in net assets) also had an impact.

The increase in retained earnings was primarily due to a ¥12,520 million increase from quarterly profit attributable to owners of parent, offset by a decrease of ¥8,424 million as a result of dividends paid.



### (3) Consolidated Earnings Forecast and Caution on Forward-Looking Statements

Our consolidated results are generally progressing in line with our plans, and we will continue to work steadily toward achieving our full-year targets through the ongoing implementation of various initiatives. As of now, there is no change to the consolidated earnings forecast announced on May 8, 2025.

As initially planned, under the basic policy of "Frontier Development" in the Medium-Term Management Plan (2024–2026), we will continue to promote high value-added businesses and productivity enhancement initiatives. At the same time, we will expand our business by responding accurately to customer demand for IT investment, including digital transformation, and by further advancing our service offerings. Even as we proactively make growth investments—including in human resources, our most important management capital—we aim to achieve sustainable growth and further improve profitability. The decrease in profit attributable to owners of parent is mainly due to a decline in net extraordinary income and losses.

<Consolidated earnings forecast for fiscal 2026 (April 1, 2025 – March 31, 2026)>

(Unit: millions of yen)

|   | Fiscal 2025<br>Actual results | Fiscal 2026<br>Forecast | Year-on-year change |
|---|-------------------------------|-------------------------|---------------------|
| Net sales                                       | 571,687                       | 582,000                 | +1.8%               |
| Cost of sales                                   | 411,480                       | 413,500                 | +0.5%               |
| Gross profit                                    | 160,206                       | 168,500                 | +5.2%               |
| Gross profit ratio                              | 28.0%                         | 29.0%                   | +1.0P               |
| Selling, general and<br>administrative expenses | 91,158                        | 95,500                  | +4.8%               |
| Operating profit                                | 69,047                        | 73,000                  | +5.7%               |
| Operating profit ratio                          | 12.1%                         | 12.5%                   | +0.4P               |
| Ordinary profit                                 | 70,503                        | 73,000                  | +3.5%               |
| Profit attributable to owners of<br>parent      | 50,012                        | 49,000                  | -2.0%               |

<By segment>

(Unit: millions of yen)

|                                |                        | Fiscal 2025<br>Actual results | Fiscal 2026<br>Forecast | Year-on-year change |
|--------------------------------|------------------------|-------------------------------|-------------------------|---------------------|
| Offering Service<br>Business   | Net sales              | 145,515                       | 150,000                 | +3.1%               |
|                                | Operating profit       | 9,937                         | 10,600                  | +6.7%               |
|                                | Operating profit ratio | 6.8%                          | 7.1%                    | +0.3P               |
| Business Process<br>Management | Net sales              | 42,646                        | 44,000                  | +3.2%               |
|                                | Operating profit       | 5,326                         | 6,050                   | +13.6%              |
|                                | Operating profit ratio | 12.5%                         | 13.8%                   | +1.3P               |
| Financial IT<br>Business       | Net sales              | 100,252                       | 98,500                  | -1.7%               |
|                                | Operating profit       | 12,321                        | 11,850                  | -3.8%               |
|                                | Operating profit ratio | 12.3%                         | 12.0%                   | -0.3P               |
| Industrial IT<br>Business      | Net sales              | 128,120                       | 131,000                 | +2.2%               |
|                                | Operating profit       | 19,330                        | 21,200                  | +9.7%               |
|                                | Operating profit ratio | 15.1%                         | 16.2%                   | +1.1P               |
| Regional IT<br>Solutions       | Net sales              | 177,425                       | 181,500                 | +2.3%               |
|                                | Operating profit       | 21,576                        | 22,950                  | +6.4%               |
|                                | Operating profit ratio | 12.2%                         | 12.6%                   | +0.4P               |
| Other                          | Net sales              | 10,123                        | 10,300                  | +1.7%               |
|                                | Operating profit       | 877                           | 750                     | -14.6%              |
|                                | Operating profit ratio | 8.7%                          | 7.3%                    | -1.4P               |

Note that our basic policy for shareholder returns under the Medium-Term Management Plan (2024–2026) is to target a total return ratio of 50%. As a result of the aforementioned acquisition of treasury shares (excluding the portion intended for capital structure optimization), the total return ratio for this fiscal year, based on the current consolidated earnings and dividend forecasts, is expected to be in line with our basic policy.

Note: The total return ratio is the ratio of the total amount of dividends and share buybacks to profit attributable to owners of parent.

## 2. Consolidated Financial Statements

### (1) Consolidated Balance Sheets

(Millions of yen)

|  | As of March 31, 2025 | As of June 30, 2025 |
|--|----------------------|---------------------|
| <b>Assets</b>  |                      |                     |
| Current assets   |                      |                     |
| Cash and deposits  | 84,013               | 78,708              |
| Notes and accounts receivable - trade, and contract assets | 151,313              | 117,149             |
| Lease receivables and investments in leases                | 4,184                | 4,387               |
| Securities   | 38,717               | 33,475              |
| Merchandise and finished goods                             | 5,330                | 6,276               |
| Work in process  | 966                  | 1,362               |
| Raw materials and supplies                                 | 186                  | 180                 |
| Prepaid expenses   | 30,939               | 37,394              |
| Other  | 3,709                | 4,468               |
| Allowance for doubtful accounts                            | (280)                | (270)               |
| <b>Total current assets</b>                                | <b>319,080</b>       | <b>283,132</b>      |
| Non-current assets   |                      |                     |
| Property, plant and equipment                              |                      |                     |
| Buildings and structures, net                              | 35,564               | 35,151              |
| Machinery, equipment and vehicles, net                     | 7,044                | 6,817               |
| Land   | 27,348               | 30,058              |
| Leased assets, net   | 4,214                | 4,270               |
| Other, net   | 6,829                | 7,277               |
| <b>Total property, plant and equipment</b>                 | <b>81,002</b>        | <b>83,575</b>       |
| Intangible assets  |                      |                     |
| Software   | 17,729               | 17,565              |
| Software in progress                                       | 2,540                | 2,383               |
| Goodwill   | 7,863                | 7,656               |
| Other  | 20,588               | 20,262              |
| <b>Total intangible assets</b>                             | <b>48,722</b>        | <b>47,868</b>       |
| Investments and other assets                               |                      |                     |
| Investment securities                                      | 57,041               | 61,882              |
| Retirement benefit asset                                   | 12,920               | 13,021              |
| Deferred tax assets  | 16,716               | 12,865              |
| Other  | 22,821               | 22,428              |
| Allowance for doubtful accounts                            | (255)                | (254)               |
| <b>Total investments and other assets</b>                  | <b>109,245</b>       | <b>109,943</b>      |
| <b>Total non-current assets</b>                            | <b>238,970</b>       | <b>241,386</b>      |
| <b>Total assets</b>  | <b>558,051</b>       | <b>524,519</b>      |

(Millions of yen)

|  | As of March 31, 2025 | As of June 30, 2025 |
|--|----------------------|---------------------|
| <b>Liabilities</b>   |                      |                     |
| Current liabilities  |                      |                     |
| Notes and accounts payable - trade                                   | 28,946               | 25,325              |
| Short-term borrowings  | 22,213               | 21,233              |
| Income taxes payable   | 12,971               | 2,224               |
| Provision for bonuses  | 17,757               | 8,987               |
| Provision for loss on orders received                                | 487                  | 389                 |
| Provision for performance-linked compensation                        | 313                  | 85                  |
| Other provisions   | 181                  | 153                 |
| Other  | 70,339               | 71,010              |
| Total current liabilities  | 153,210              | 129,410             |
| Non-current liabilities  |                      |                     |
| Long-term borrowings   | 14,766               | 11,116              |
| Lease liabilities  | 4,093                | 3,941               |
| Deferred tax liabilities   | 8,763                | 9,769               |
| Deferred tax liabilities for land revaluation                        | 272                  | —                   |
| Provision for retirement benefits for directors (and other officers) | 0                    | 0                   |
| Provision for performance-linked compensation                        | 384                  | 472                 |
| Other provisions   | 195                  | 204                 |
| Retirement benefit liability   | 11,922               | 11,821              |
| Asset retirement obligations   | 6,794                | 6,820               |
| Other  | 1,582                | 1,681               |
| Total non-current liabilities  | 48,775               | 45,828              |
| Total liabilities  | 201,986              | 175,238             |
| <b>Net assets</b>  |                      |                     |
| Shareholders' equity   |                      |                     |
| Share capital  | 10,001               | 10,001              |
| Capital surplus  | 12,290               | 12,290              |
| Retained earnings  | 316,376              | 318,806             |
| Treasury shares  | (11,958)             | (24,458)            |
| Total shareholders' equity   | 326,709              | 316,639             |
| Accumulated other comprehensive income                               |                      |                     |
| Valuation difference on available-for-sale securities                | 12,671               | 15,179              |
| Deferred gains or losses on hedges                                   | (26)                 | (29)                |
| Revaluation reserve for land   | (2,672)              | —                   |
| Foreign currency translation adjustment                              | 1,903                | 959                 |
| Remeasurements of defined benefit plans                              | 4,763                | 4,611               |
| Total accumulated other comprehensive income                         | 16,639               | 20,720              |
| Non-controlling interests  | 12,715               | 11,920              |
| Total net assets   | 356,064              | 349,280             |
| Total liabilities and net assets                                     | 558,051              | 524,519             |

## (2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

## Consolidated Statements of Income

(Millions of yen)

|   | Three months ended<br>June 30, 2024 | Three months ended<br>June 30, 2025 |
|---|-------------------------------------|-------------------------------------|
| Net sales   | 134,055                             | 140,316                             |
| Cost of sales   | 97,936                              | 101,748                             |
| Gross profit  | 36,118                              | 38,568                              |
| Selling, general and administrative expenses                  | 22,056                              | 22,214                              |
| Operating profit  | 14,061                              | 16,353                              |
| Non-operating income  |                                     |                                     |
| Interest income   | 96                                  | 124                                 |
| Dividend income   | 624                                 | 672                                 |
| Share of profit of entities accounted for using equity method | 73                                  | —                                   |
| Foreign exchange gains  | 265                                 | —                                   |
| Other   | 156                                 | 218                                 |
| Total non-operating income                                    | 1,216                               | 1,015                               |
| Non-operating expenses  |                                     |                                     |
| Interest expenses   | 96                                  | 131                                 |
| Share of loss of entities accounted for using equity method   | —                                   | 94                                  |
| Other   | 110                                 | 77                                  |
| Total non-operating expenses                                  | 206                                 | 304                                 |
| Ordinary profit   | 15,071                              | 17,064                              |
| Extraordinary income  |                                     |                                     |
| Gain on sale of non-current assets                            | 3                                   | 674                                 |
| Gain on sale of investment securities                         | 1,984                               | 1,354                               |
| Other   | 0                                   | 25                                  |
| Total extraordinary income                                    | 1,987                               | 2,054                               |
| Extraordinary losses  |                                     |                                     |
| Impairment losses   | 391                                 | 0                                   |
| Loss on retirement of non-current assets                      | 9                                   | 16                                  |
| Loss on valuation of investment securities                    | 224                                 | 34                                  |
| Other   | 90                                  | 5                                   |
| Total extraordinary losses                                    | 716                                 | 56                                  |
| Profit before income taxes                                    | 16,343                              | 19,062                              |
| Income taxes - current  | 2,597                               | 1,753                               |
| Income taxes - deferred                                       | 2,643                               | 4,316                               |
| Total income taxes  | 5,240                               | 6,070                               |
| Profit  | 11,102                              | 12,992                              |
| Profit attributable to non-controlling interests              | 423                                 | 472                                 |
| Profit attributable to owners of parent                       | 10,679                              | 12,520                              |

## Consolidated Statements of Comprehensive Income

(Millions of yen)

|  | Three months ended<br>June 30, 2024 | Three months ended<br>June 30, 2025 |
|--|-------------------------------------|-------------------------------------|
| Profit   | 11,102                              | 12,992                              |
| Other comprehensive income   |                                     |                                     |
| Valuation difference on available-for-sale securities                                | 980                                 | 2,506                               |
| Deferred gains or losses on hedges   | 82                                  | (7)                                 |
| Revaluation reserve for land   | —                                   | 1,007                               |
| Foreign currency translation adjustment  | 33                                  | (690)                               |
| Remeasurements of defined benefit plans, net of tax                                  | (50)                                | (152)                               |
| Share of other comprehensive income of entities<br>accounted for using equity method | 138                                 | (485)                               |
| Total other comprehensive income   | 1,185                               | 2,178                               |
| Comprehensive income   | 12,287                              | 15,170                              |
| Comprehensive income attributable to   |                                     |                                     |
| Comprehensive income attributable to owners of<br>parent                             | 11,786                              | 14,935                              |
| Comprehensive income attributable to non-controlling<br>interests                    | 500                                 | 235                                 |

### (3) Notes on the Consolidated Financial Statements

(Segment Information, etc.)

#### I. First Quarter, FY2025 (Apr. 1 - Jun. 30, 2024)

##### 1. Information on net sales and income by reportable segment

(millions of yen)

|                                  | Reportable segment              |                                       |                             |                              |                             |         | Other<br>(Note 1) | Total   | Adjustment<br>(Note 2) | Amount<br>recorded in<br>quarterly<br>consolidate<br>d statement<br>of income<br>(Note 3) |
|----------------------------------|---------------------------------|---------------------------------------|-----------------------------|------------------------------|-----------------------------|---------|-------------------|---------|------------------------|---|
|                                  | Offering<br>Service<br>Business | Business<br>Process<br>Managem<br>ent | Financial<br>IT<br>Business | Industrial<br>IT<br>Business | Regional<br>IT<br>Solutions | Total   |                   |         |                        |   |
| Net sales                        |                                 |                                       |                             |                              |                             |         |                   |         |                        |   |
| Net sales to external customers  | 30,951                          | 9,522                                 | 24,635                      | 29,741                       | 38,639                      | 133,490 | 564               | 134,055 | —                      | 134,055   |
| Inter-segment sales or transfers | 3,050                           | 485                                   | 339                         | 99                           | 2,421                       | 6,396   | 1,812             | 8,209   | (8,209)                | —   |
| Total                            | 34,001                          | 10,008                                | 24,974                      | 29,840                       | 41,060                      | 139,886 | 2,377             | 142,264 | (8,209)                | 134,055   |
| Segment income                   | 2,206                           | 836                                   | 3,075                       | 4,359                        | 3,355                       | 13,833  | 219               | 14,053  | 8                      | 14,061  |

- (Notes)
1. “Other” refers to business segments not included in the reportable segments, and consists of businesses incidental to the provision of various IT services, etc.
  2. The adjustment of segment income of ¥8 million includes the elimination of unrealized income of ¥26 million.
  3. Segment income has been adjusted to with operating profit recorded in the consolidated statements of income.

#### II. First Quarter, FY2026 (Apr. 1 - Jun. 30, 2025)

##### 1. Information on net sales and income by reportable segment

(millions of yen)

|                                  | Reportable segment              |                                       |                             |                              |                             |         | Other<br>(Note 1) | Total   | Adjustment<br>(Note 2) | Amount<br>recorded in<br>quarterly<br>consolidate<br>d statement<br>of income<br>(Note 3) |
|----------------------------------|---------------------------------|---------------------------------------|-----------------------------|------------------------------|-----------------------------|---------|-------------------|---------|------------------------|---|
|                                  | Offering<br>Service<br>Business | Business<br>Process<br>Managem<br>ent | Financial<br>IT<br>Business | Industrial<br>IT<br>Business | Regional<br>IT<br>Solutions | Total   |                   |         |                        |   |
| Net sales                        |                                 |                                       |                             |                              |                             |         |                   |         |                        |   |
| Net sales to external customers  | 32,740                          | 10,322                                | 23,297                      | 32,217                       | 41,211                      | 139,790 | 525               | 140,316 | —                      | 140,316   |
| Inter-segment sales or transfers | 3,505                           | 363                                   | 333                         | 132                          | 2,588                       | 6,924   | 1,996             | 8,921   | (8,921)                | —   |
| Total                            | 36,246                          | 10,686                                | 23,631                      | 32,349                       | 43,800                      | 146,714 | 2,522             | 149,237 | (8,921)                | 140,316   |
| Segment income                   | 1,730                           | 1,423                                 | 2,979                       | 5,107                        | 4,837                       | 16,079  | 195               | 16,275  | 78                     | 16,353  |

- (Notes)
1. “Other” refers to business segments not included in the reportable segments, and consists of businesses incidental to the provision of various IT services, etc.
  2. The adjustment of segment income of ¥78 million includes the elimination of unrealized income of ¥125 million.
  3. Segment income has been adjusted to with operating profit recorded in the consolidated statements of income.

(Notes on Significant Changes in the Amount of Shareholders' Equity)

Not applicable.

(Notes on the Going-concern Assumption)

Not applicable

(Notes on Quarterly Consolidated Statements of Cash Flows)

Quarterly consolidated statement of cash flows for the first quarter of the current fiscal year has not been prepared.

Depreciation (including amortization related to intangible assets, excluding goodwill) and amortization of goodwill for the first quarter of the current consolidated fiscal year are as follows.

|                          | First Quarter, FY2025<br>(Apr. 1 - Jun. 30, 2024) | First Quarter, FY2026<br>(Apr. 1 - Jun. 30, 2025) |
|--------------------------|---|---|
| Depreciation             | 4,465 million yen                                 | 4,455 million yen                                 |
| Amortization of goodwill | 220   | 182   |

(Revenue recognition)

Disaggregated information on revenue from contracts with customers

First Quarter, FY2025 (Apr. 1 - Jun. 30, 2024)

(millions of yen)

|                              | Reportable segment              |                                       |                             |                              |                             |         | Other<br>(Note 1) | Total   |
|------------------------------|---------------------------------|---------------------------------------|-----------------------------|------------------------------|-----------------------------|---------|-------------------|---------|
|                              | Offering<br>Service<br>Business | Business<br>Process<br>Manage<br>ment | Financial<br>IT<br>Business | Industrial<br>IT<br>Business | Regional<br>IT<br>Solutions | Total   |                   |         |
| Software development         | 11,742                          | 2,954                                 | 12,420                      | 19,824                       | 19,906                      | 66,848  | —                 | 66,848  |
| Operating and Cloud services | 10,483                          | 6,270                                 | 10,812                      | 6,319                        | 14,418                      | 48,305  | —                 | 48,305  |
| Product and Software Sales   | 8,724                           | 297                                   | 1,402                       | 3,597                        | 4,314                       | 18,336  | —                 | 18,336  |
| Other                        | —                               | —                                     | —                           | —                            | —                           | —       | 564               | 564     |
| Total                        | 30,951                          | 9,522                                 | 24,635                      | 29,741                       | 38,639                      | 133,490 | 564               | 134,055 |

(Notes) 1. "Other" refers to business segments not included in the reportable segments, and consists of businesses incidental to the provision of various IT services, etc.

2. The above includes income from lessor leases, as the amounts are insignificant and so they are not presented separately from revenue from contracts with customers.

First Quarter, FY2026 (Apr. 1 - Jun. 30, 2025)

(millions of yen)

|                              | Reportable segment              |                                       |                             |                              |                             |         | Other<br>(Note 1) | Total   |
|------------------------------|---------------------------------|---------------------------------------|-----------------------------|------------------------------|-----------------------------|---------|-------------------|---------|
|                              | Offering<br>Service<br>Business | Business<br>Process<br>Manage<br>ment | Financial<br>IT<br>Business | Industrial<br>IT<br>Business | Regional<br>IT<br>Solutions | Total   |                   |         |
| Software development         | 13,368                          | 3,376                                 | 12,913                      | 22,319                       | 20,986                      | 72,963  | —                 | 72,963  |
| Operating and Cloud services | 10,779                          | 6,551                                 | 9,483                       | 6,197                        | 15,355                      | 48,367  | —                 | 48,367  |
| Product and Software Sales   | 8,593                           | 394                                   | 901                         | 3,700                        | 4,869                       | 18,459  | —                 | 18,459  |
| Other                        | —                               | —                                     | —                           | —                            | —                           | —       | 525               | 525     |
| Total                        | 32,740                          | 10,322                                | 23,297                      | 32,217                       | 41,211                      | 139,790 | 525               | 140,316 |

(Notes) 1. "Other" refers to business segments not included in the reportable segments, and consists of businesses incidental to the provision of various IT services, etc.

2. The above includes income from lessor leases, as the amounts are insignificant and so they are not presented separately from revenue from contracts with customers.



(Significant Subsequent Events)

(Absorption-type merger of a consolidated subsidiary)

At the meeting of the Board of Directors held on July 30, 2025, the Company resolved to adopt a policy to implement an absorption-type merger (the “Merger”) with INTEC Inc., a specified and wholly owned subsidiary of the Company.

1. Overview of the Transaction

(1) Name and Business Activities of the Company to be Merged

Name of the combined company: INTEC Inc.

Business Activities Software, System Integration, Networks, Outsourcing, IT Consulting

(2) Schedule of the Merger

|  |                              |
|--|------------------------------|
| Date of Basic Merger Policy Decision                     | July 30, 2025                |
| Date of Board of Directors’ Approval of Merger Agreement | October 31, 2025 (scheduled) |
| Date of Execution of Merger Agreement                    | October 31, 2025 (scheduled) |
| Effective Date of Merger Agreement                       | July 1, 2026 (scheduled)     |

(3) Legal form of business combination

Absorption-type merger in which we are the surviving company and INTEC Inc. is the absorbed company

(4) Details of Allotment Related to the Merger

There will be no allotment of shares or other cash or assets as a result of this merger.

(5) Name of the Company After the Merger

TISI Inc. (Scheduled to change its name from TIS Inc. as of July 1, 2026)

(6) Purpose of the Merger

Through the management integration resulting from the establishment of IT Holdings Corporation in April 2008 and the transition to a business holding company structure in July 2016, our company and INTEC, as core companies of the Group, have been working to enhance customer value and corporate value by generating synergies.

On the other hand, in light of changes in the business environment surrounding our Group, we consider the early and steady realization of our long-term management policy, “Group Vision 2032,” to be of utmost importance. To this end, we have determined that it is essential to further strengthen our management and business foundations by merging our company with INTEC .

Through this merger, we aim to enhance value creation with our customers and society, and to further increase corporate value by strongly promoting the optimal allocation of management resources—centered on strategic investments in technology and highly skilled talent—as well as by further enhancing the value provided by our core business locations.

2. Outline of the accounting treatment to be implemented

Accounting treatment is scheduled to be conducted as a transaction under common control, based on the “Accounting Standard for Business Combinations” (ASBJ Statement No. 21, January 16, 2019) and the “Guidance on Accounting Standards for Business Combinations and Accounting Standards for Business Divestitures, etc.” (ASBJ Guidance No. 10, January 16, 2019).

### **3. Other Information**

INTEC Inc., a consolidated subsidiary of the Company, is currently in litigation with Mitsubishi Shokuhin Co., Ltd., which filed a claim for compensation in connection with services including system development provided by INTEC Inc. (Amount of compensation demanded as of November 13, 2018 was ¥12,703 million. It was changed to ¥15,485 million on December 8, 2023).