



TIS

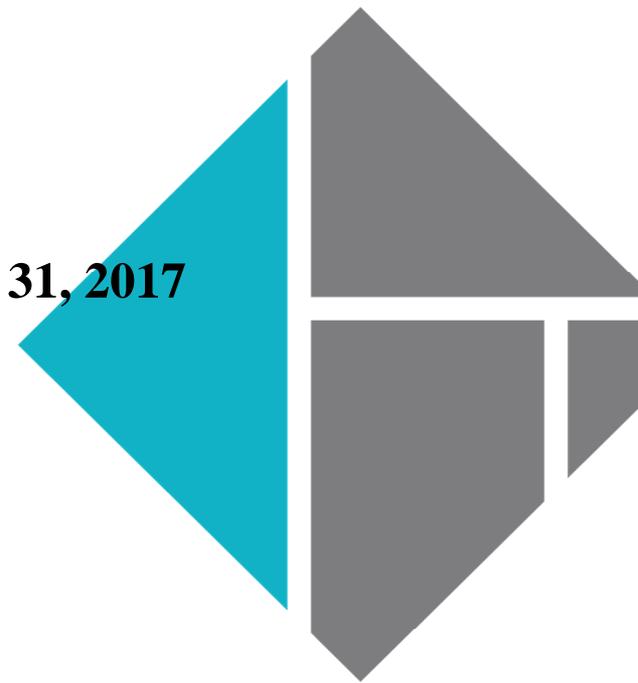
TIS INTEC Group

Go Beyond

Information Meeting Materials for the First Quarter of the Fiscal Year Ending March 31, 2017

July 28, 2016

TIS Inc.



Fiscal 2017 First Quarter: Financial Highlights

Fiscal 2017 Performance Forecast

Reference Materials

Fiscal 2017 First Quarter: Financial Highlights

[Millions of yen]

- Sales and income were up over the first quarter of fiscal 2016, thanks to expanded business volume, against a backdrop of favorable business conditions, as well as success with initiatives to improve profitability.

Net Sales ¥ 89,128 million

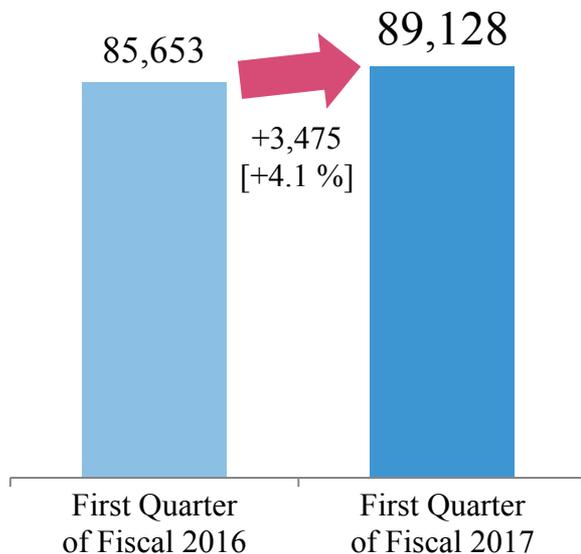
YOY change: +¥ 3,475 million [+ 4.1 %]

Operating Income ¥ 4,017 million

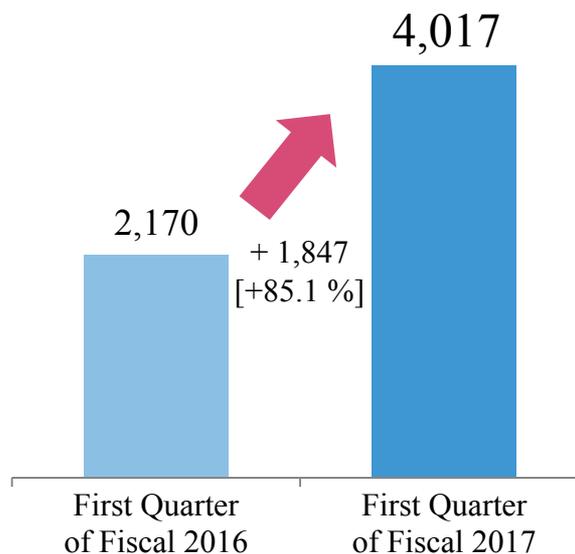
YOY change: +¥ 1,847 million [+ 85.1 %]

Net income attributable to owners of parent company ¥ 2,757 million

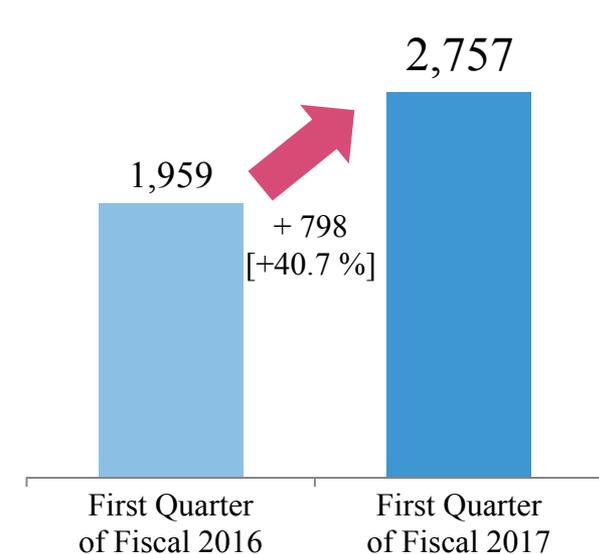
YOY change: +¥ 798 million [+ 40.7 %]



Net sales grew year-on-year, driven by accurate identification of customer needs in sectors where IT investment appears to be gaining interest.



Operating income was up year-on-year, mainly reflecting the higher sales starting point as well as progress on measures to boost profitability.

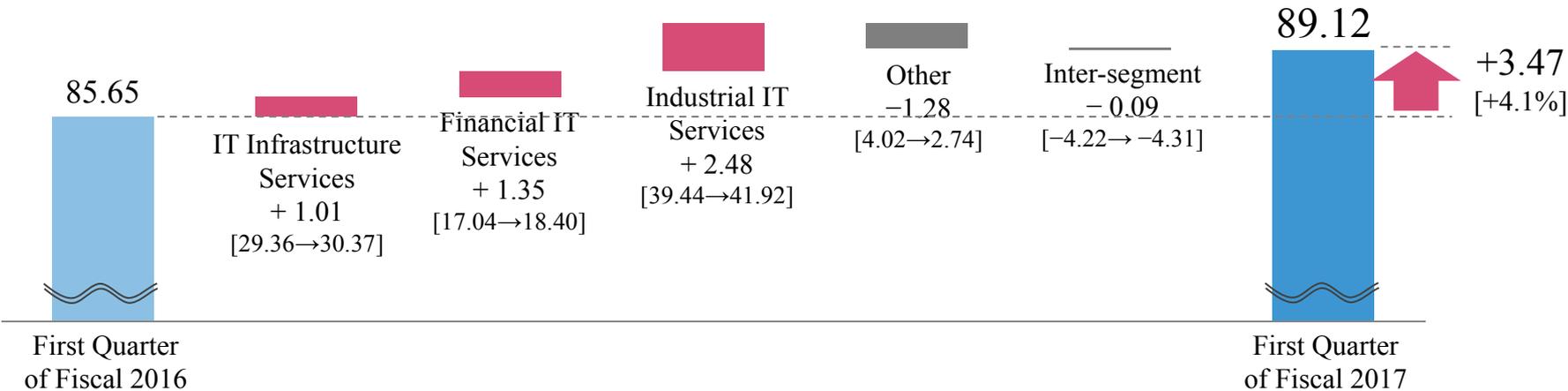


Net income attributable to owners of the parent company rose year-on-year, owing to the higher operating income starting point.

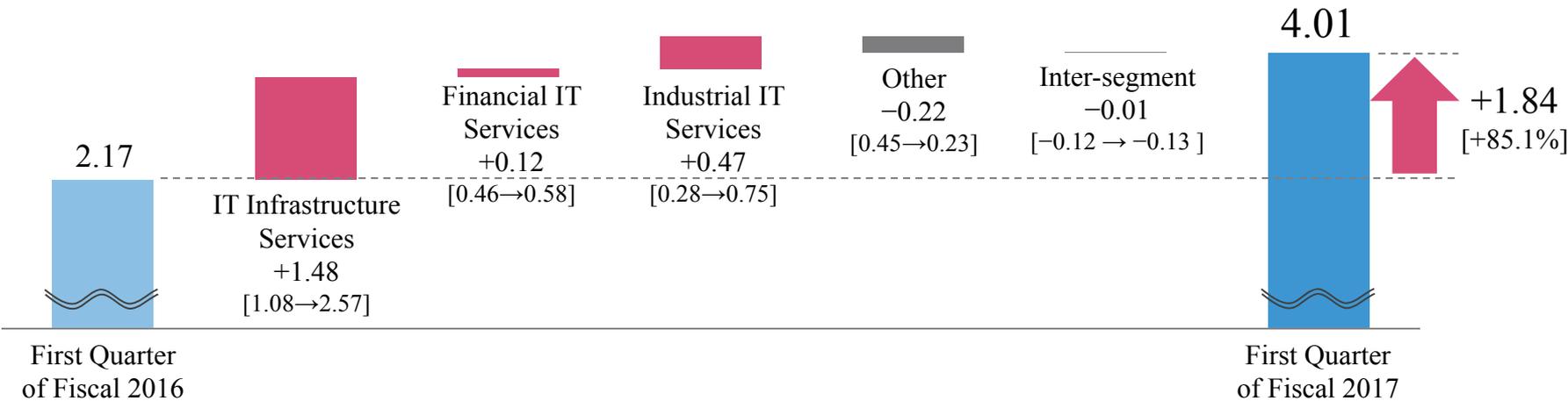
Fiscal 2017 First Quarter: Net Sales and Operating Income Analysis

[Billions of yen]

Net Sales



Operating Income

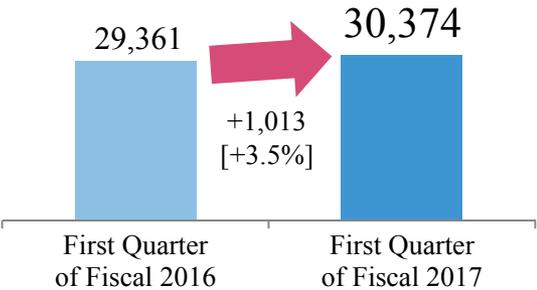


Fiscal 2017 First Quarter: Sales and Income for Key Business Segments

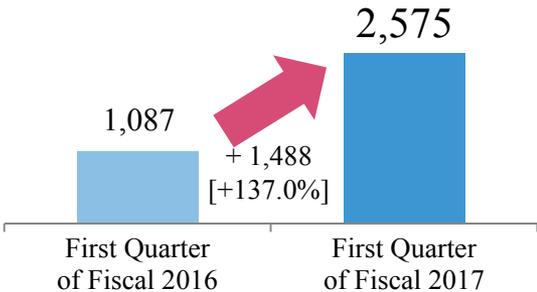
[Millions of yen]

IT Infrastructure Services

Net Sales ¥30,374 million
YOY change: +¥1,013 million [+3.5%]



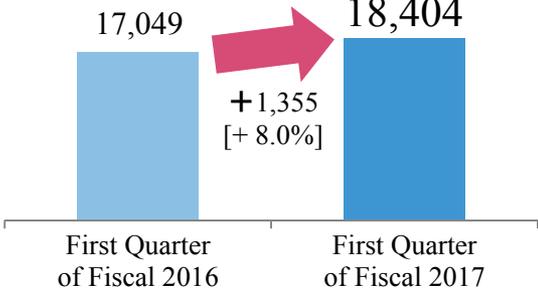
Operating Income ¥2,575 million
YOY change: +¥1,488 million [+137.0%]



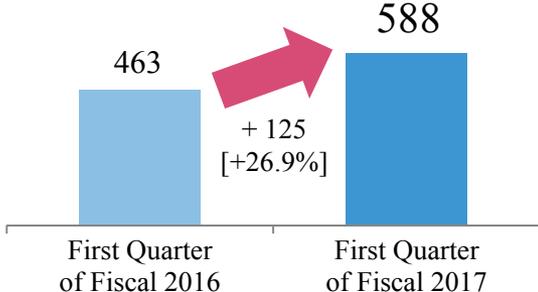
Sales and income up year-on-year, owing to stable shift in data center business, expansion in BPO business through M&A effect, and cost reduction through progress on measures to boost efficiency.

Financial IT Services

Net Sales ¥18,404 million
YOY change: +¥1,355 million [+8.0%]



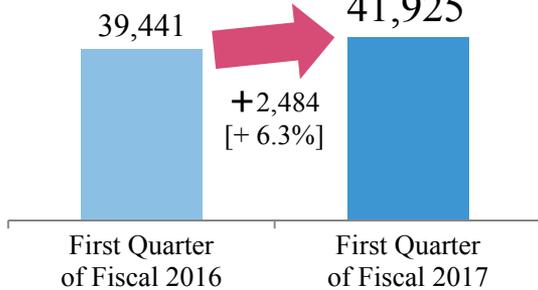
Operating Income ¥588 million
YOY change: +¥125 million [+26.9%]



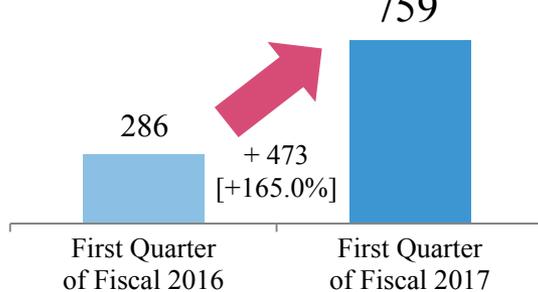
Sales and income up year-on-year, owing to expanded business volume paralleling trend toward greater IT investment by clients, particularly those in the credit card sector.

Industrial IT Services

Net Sales ¥41,925 million
YOY change: +¥2,484 million [+6.3%]



Operating Income ¥759 million
YOY change: +¥473 million [+165.0%]

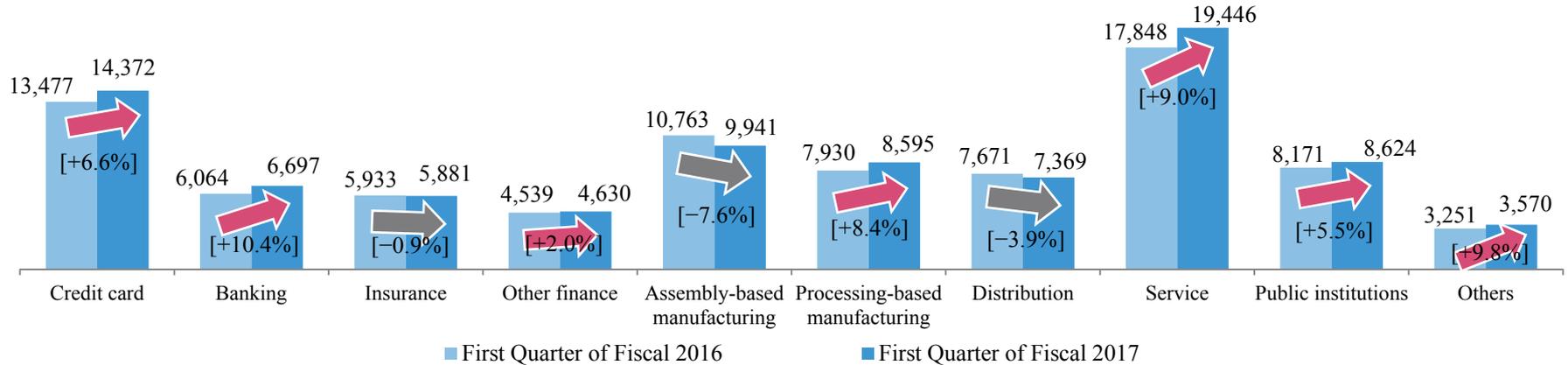


Sales and income up year-on-year, owing to expanded business volume, which stems largely from consistently active IT investment by clients in energy-related businesses paralleling electric power and gas system reform as well as contributions from large projects for clients in the public sector, as well as progress in measures to boost profitability.

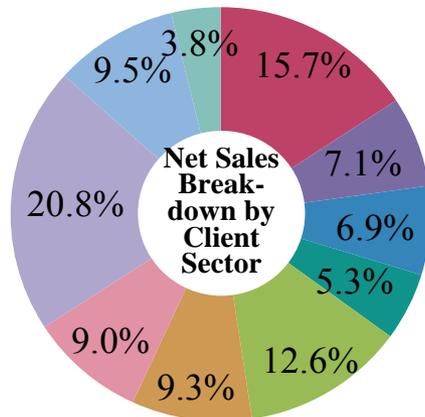
Fiscal 2017 First Quarter: Sales by Client Sector

[Millions of yen]

* We revised the breakdown of client sector categories for some clients, effective from the first quarter of fiscal 2017. Values for the previous term have been reviewed and restated under the new category breakdown.

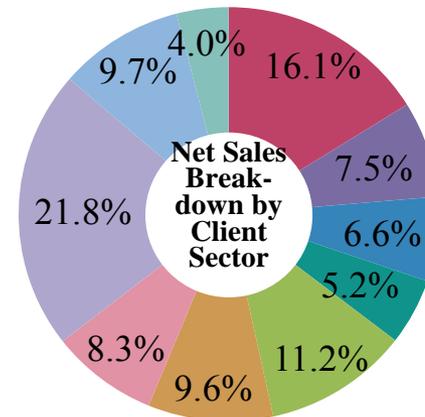


First Quarter of Fiscal 2016



Financial sector: 35.0% Industrial sector: 51.7%
Public sector: 9.5% Other: 3.8%

First Quarter of Fiscal 2017



Financial sector: 35.4% Industrial sector: 50.9%
Public sector: 9.7% Other: 4.0%

Fiscal 2017 First Quarter: Order Status

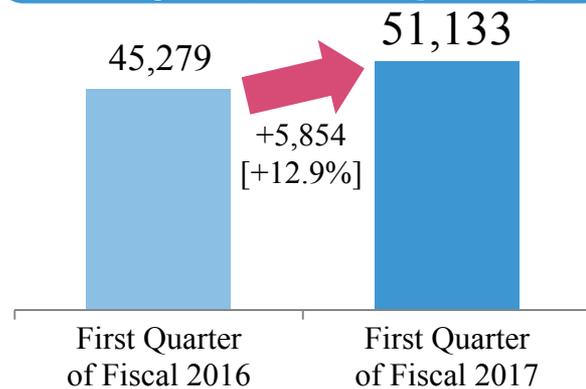
[Millions of yen]

- Brisk order activity for both Financial IT Services and Industrial IT Services against a backdrop of favorable business conditions. (Financial IT Services got a boost from credit card companies, while Industrial IT Services benefited from sustained demand from energy-related companies.)

Orders received during first quarter

¥51,133 million

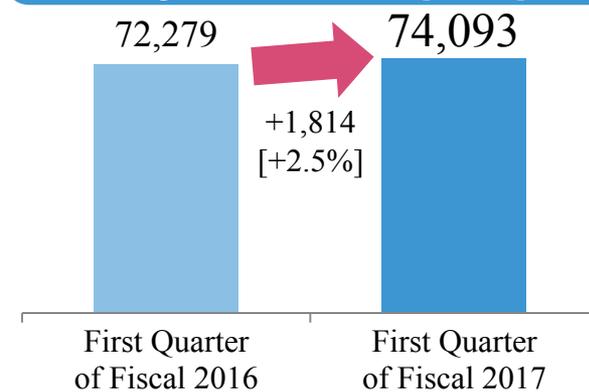
YOY change: +¥5,854 million [+12.9%]



Order backlog at end of first quarter

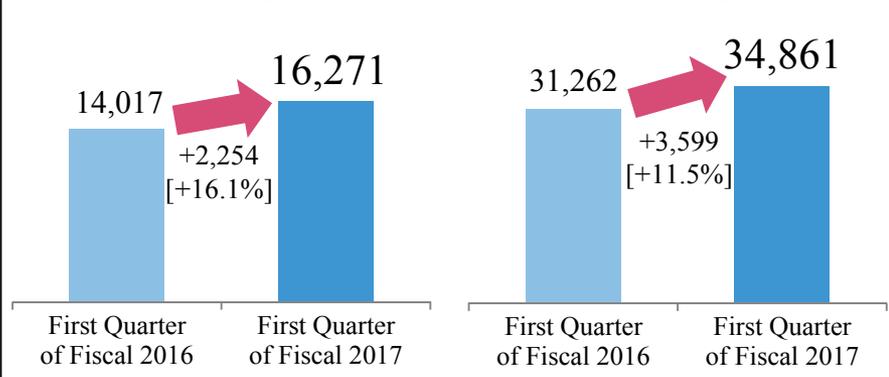
¥74,093 million

YOY change: +¥1,814 million [+2.5%]



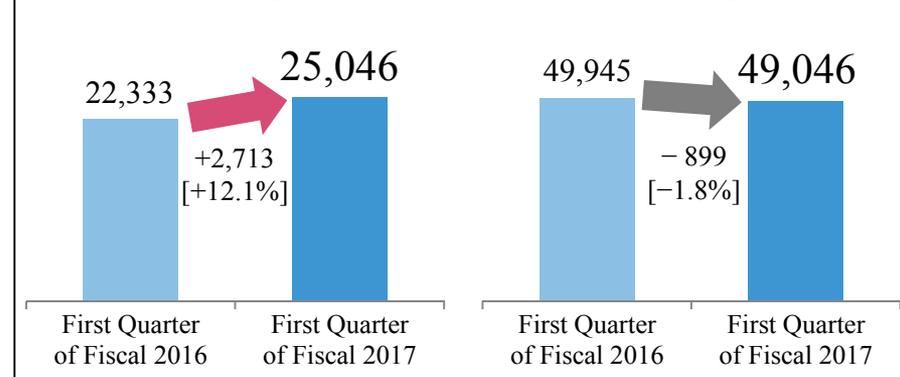
Financial IT Services

Industrial IT Services



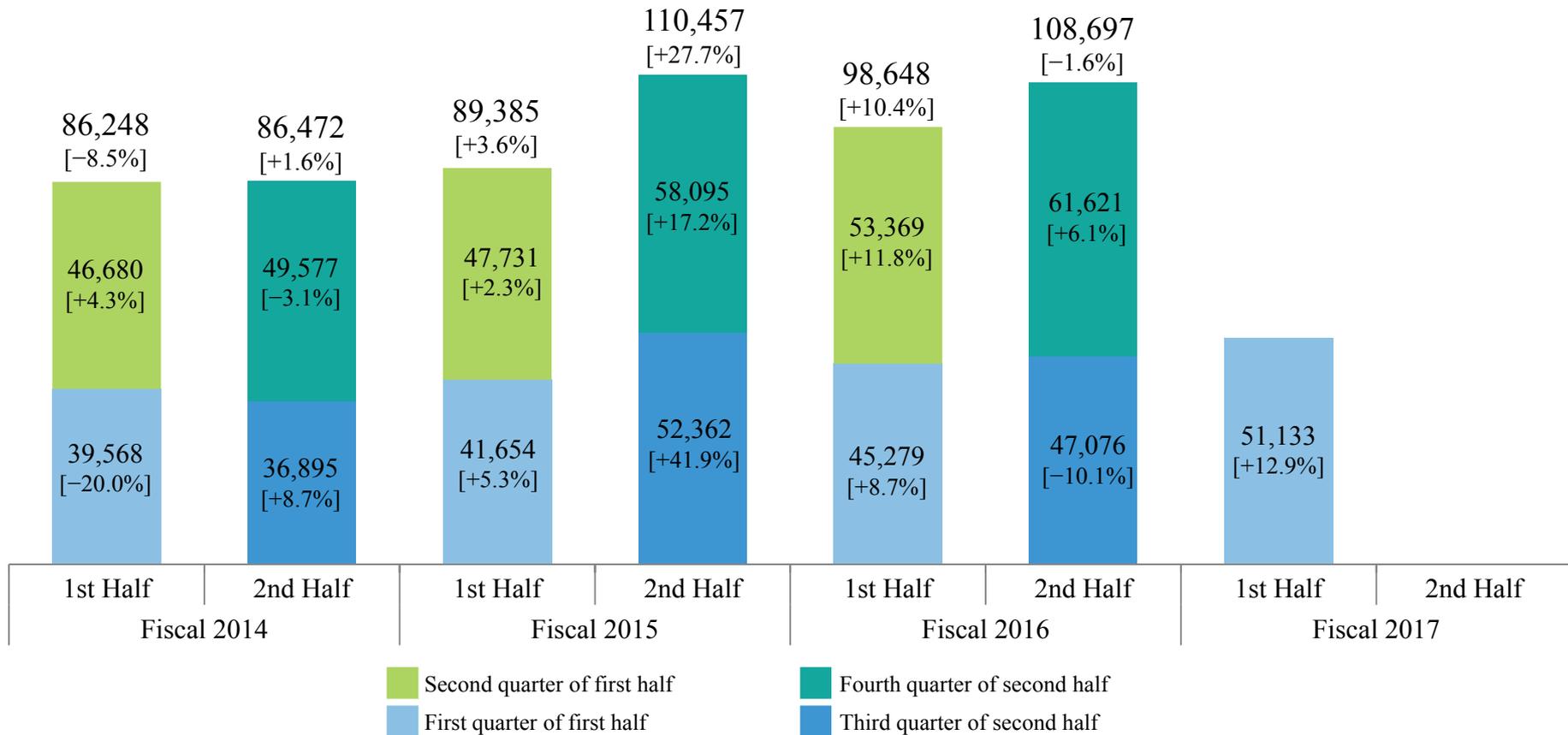
Financial IT Services

Industrial IT Services



Changes in Orders Received

[Millions of yen]



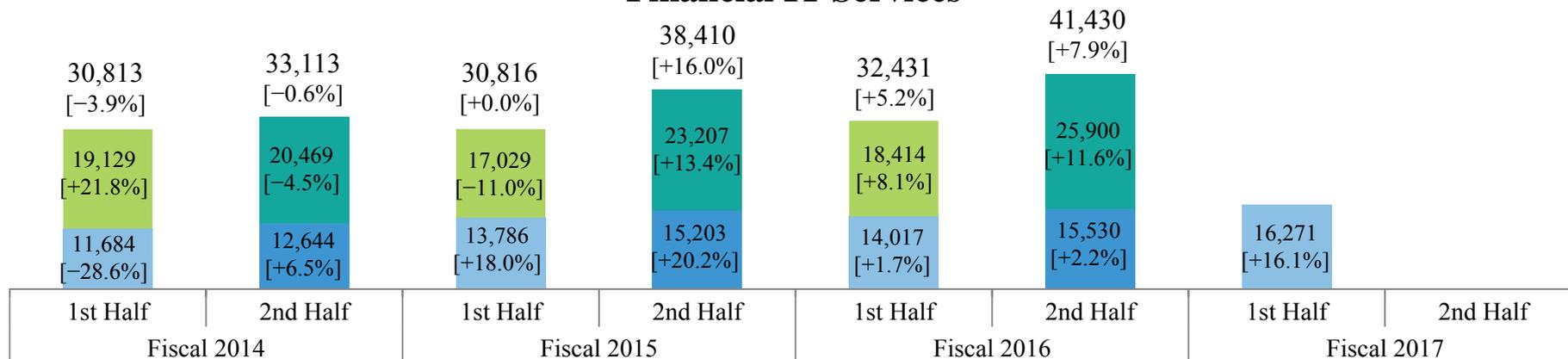
* Orders received during the term apply to Software Development only.

* Percentage figures in columns indicate increase or decrease from the previous term.

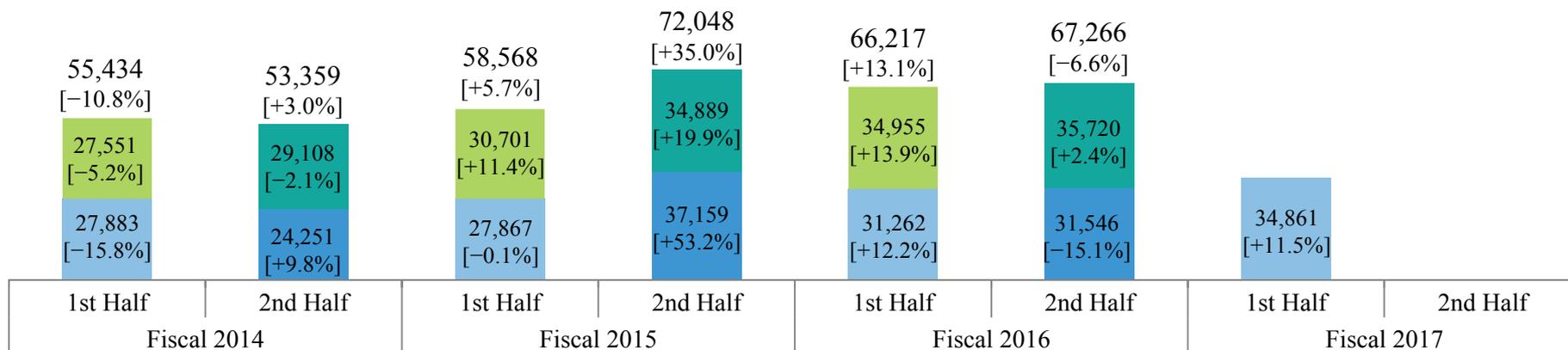
Changes in Orders Received

[Millions of yen]

Financial IT Services



Industrial IT Services



■ Second quarter of first half
■ First quarter of first half

■ Fourth quarter of second half
■ Third quarter of second half

* Orders received during the term apply to Software Development only.

* Percentage figures in columns indicate increase or decrease from the previous term.

Fiscal 2017 First Quarter: Financial Highlights

Fiscal 2017 Performance Forecast

Reference Materials

Fiscal 2017: Performance Forecasts

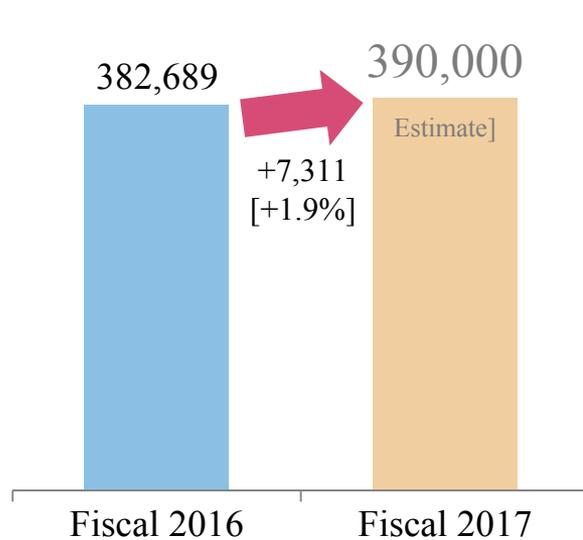
[Millions of yen]

- Higher sales and income are expected. Will strive to expand business volume by accurately responding to IT investment needs of clients and steadily executing large projects, in addition to promoting strategies to boost profitability, such as measures to improve productivity and prevent projects from turning unprofitable.
⇒ Results are generally on track, obviating the need to revise initial targets.

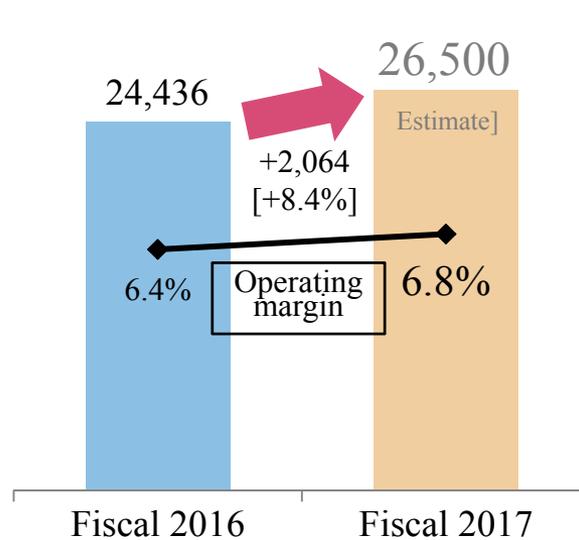
Net Sales ¥390,000 million
YOY change: +¥7,311 million [+1.9%]

Operating Income ¥26,500million
YOY change: +¥2,064 million [+8.4%]

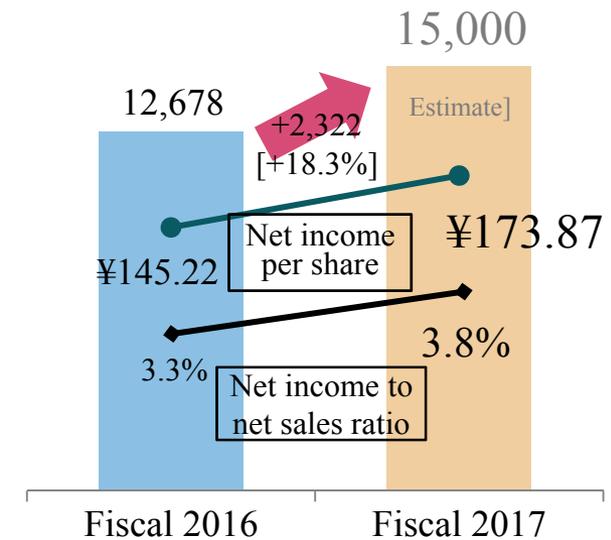
Net income attributable to owners of parent company ¥15,000million
YOY change: +¥2,322 million [+18.3%]



Anticipate higher net sales year-on-year, mainly from expanded business volume achieved through accurate responses to clients' IT investment needs and from steady execution of large projects.



Expect higher operating income year-on-year, buoyed by higher net sales as well as progress on strategies to boost profitability, such as measures to improve productivity and prevent projects from turning unprofitable.



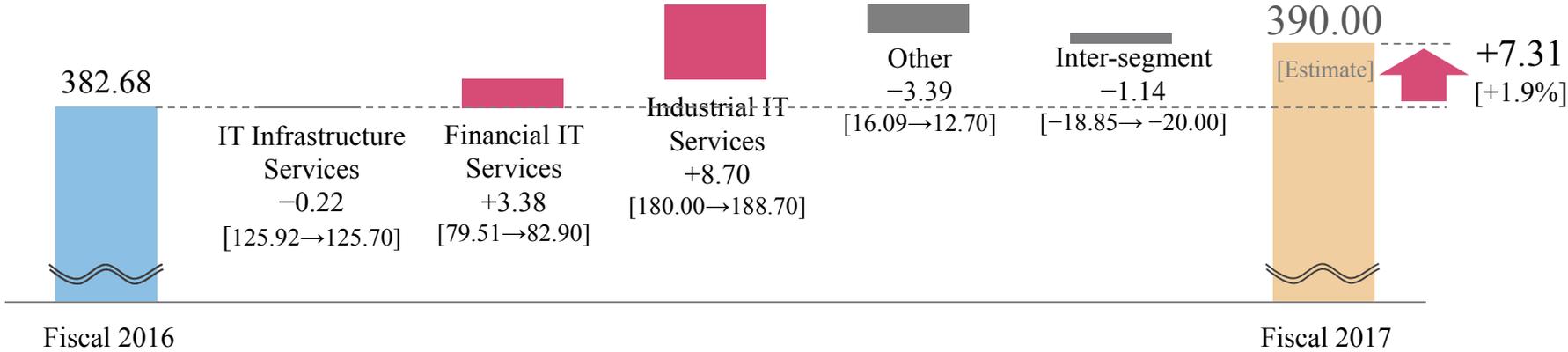
Net income attributable to owners of parent should rise year-on-year, with boost from operating income.
*Expect per share amount to increase, paralleling buyback of about ¥2.1 billion worth of treasury stock.

Fiscal 2017:

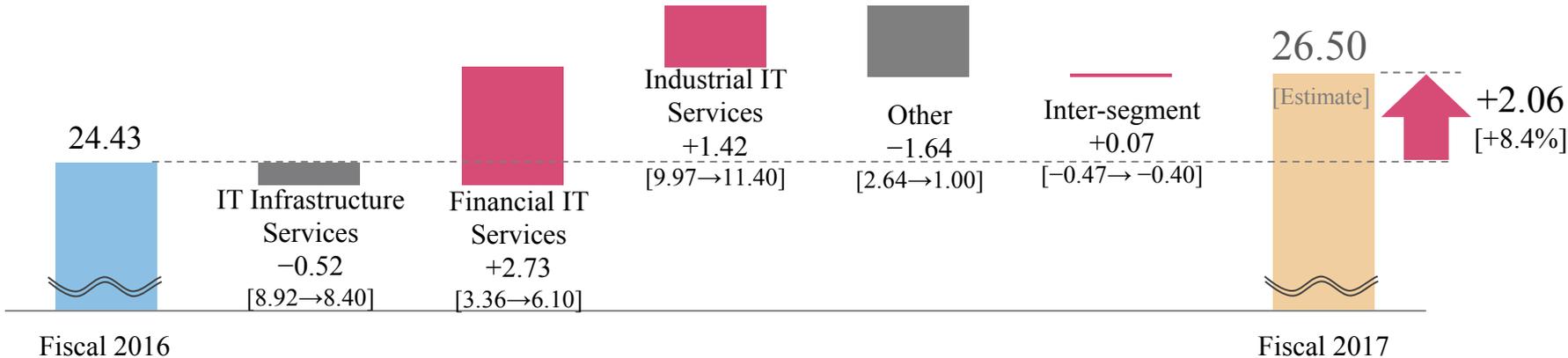
Net Sales and Operating Income Analysis [Forecast]

[Billions of yen]

Net Sales



Operating Income



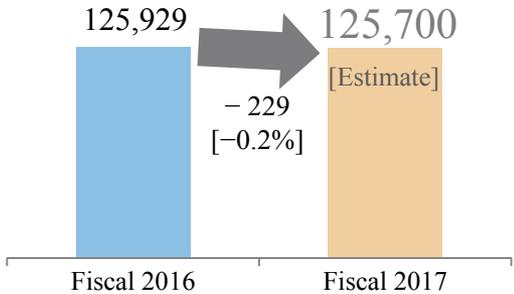
Fiscal 2017:

Key Business Segment Performances [Forecast]

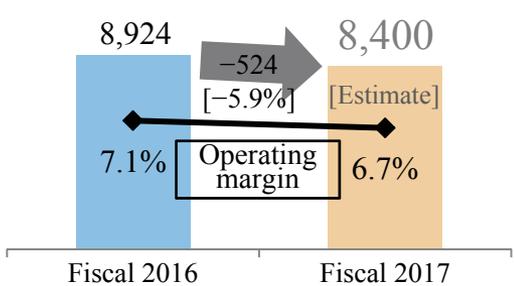
[Millions of yen]

IT Infrastructure Services

Net Sales ¥125,700 million
YOY change: -¥229 million [-0.2%]



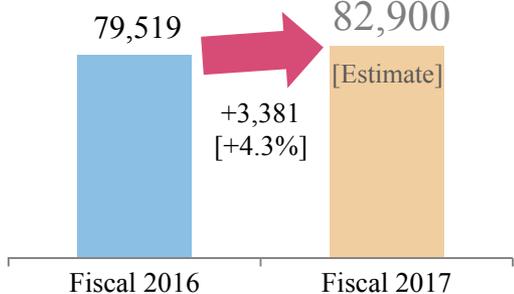
Operating Income ¥8,400 million
YOY change: -¥524 million [-5.9%]



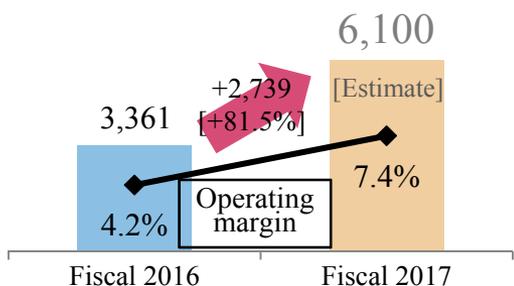
Segment likely to show lower sales and income due to the reorganization with other factors, and expect year-on-year increases in sales and income on a real basis.

Financial IT Services

Net Sales ¥82,900 million
YOY change: +¥3,381 million [+4.3%]



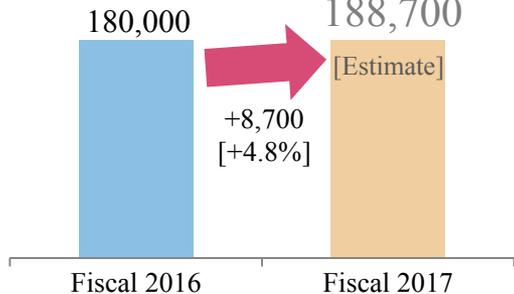
Operating Income ¥6,100 million
YOY change: +¥2,739 million [+81.5%]



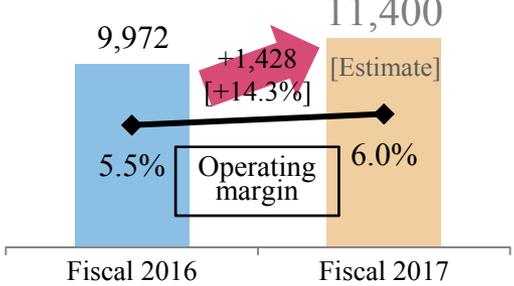
Expect year-on-year growth in sales and income, mainly due to contributions from large development projects and successful efforts to prevent projects from turning unprofitable.

Industrial IT Services

Net Sales ¥188,700 million
YOY change: +¥8,700 million [+4.8%]



Operating Income ¥11,400 million
YOY change: +¥1,428 million [+14.3%]



Expect higher sales and income year-on-year, largely due to wider demand paralleling overall increase in IT investment and also due to successful efforts to prevent unprofitable projects while improving productivity.

Fiscal 2017 First Quarter: Financial Highlights

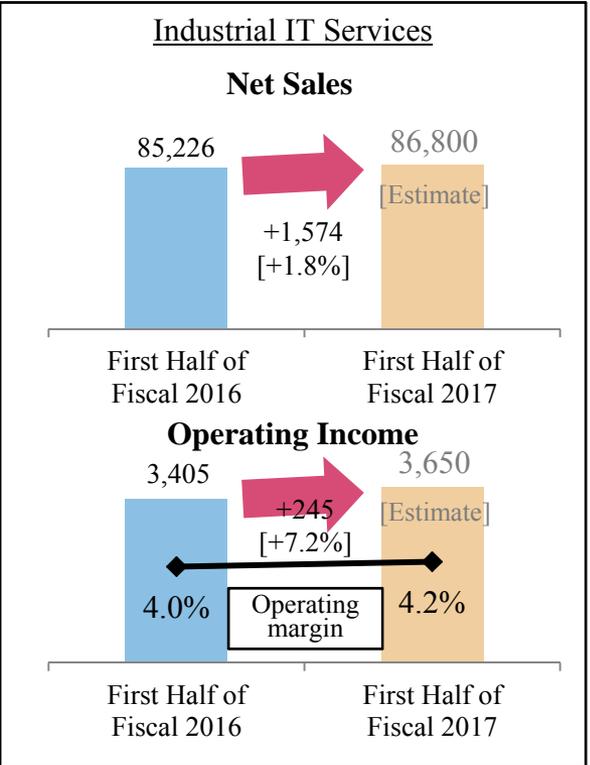
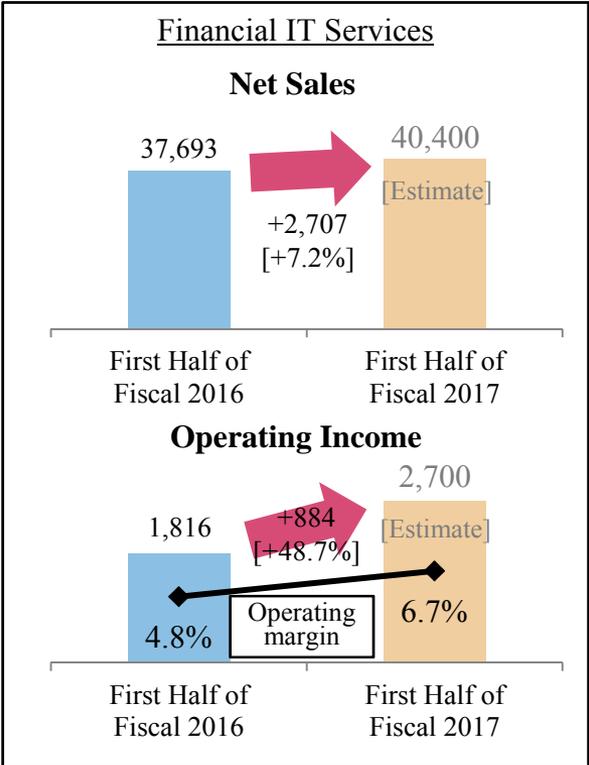
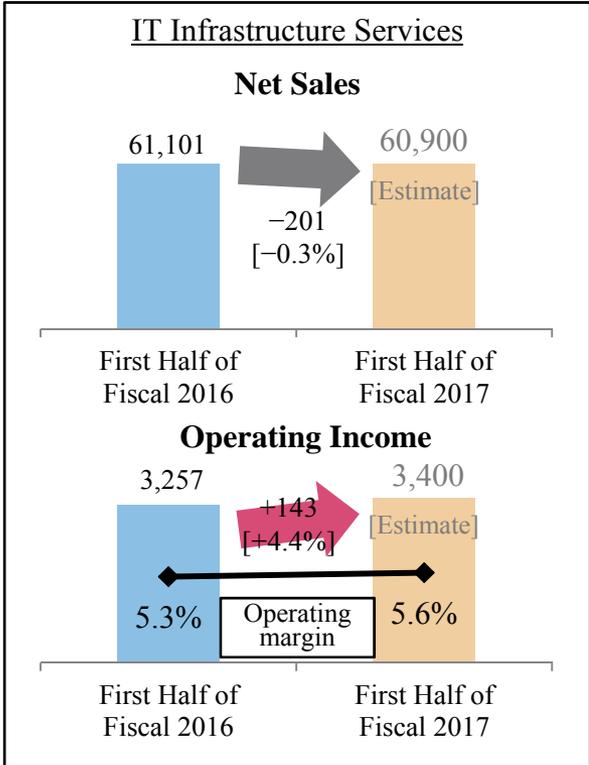
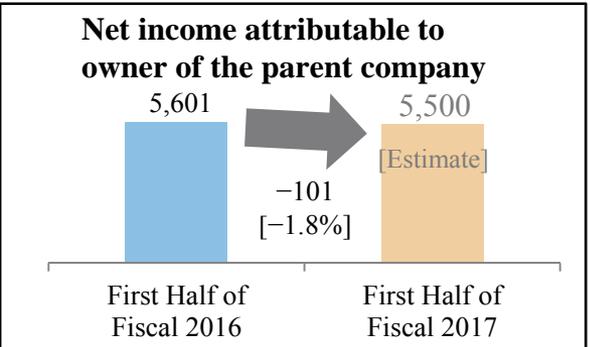
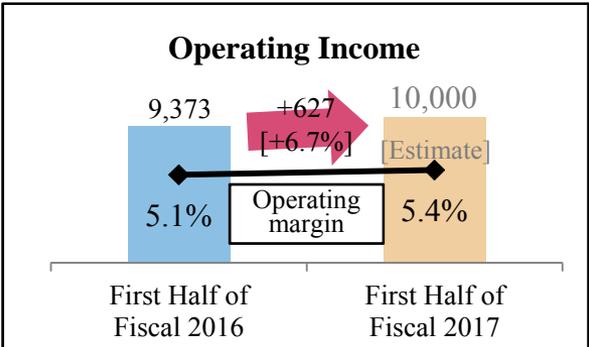
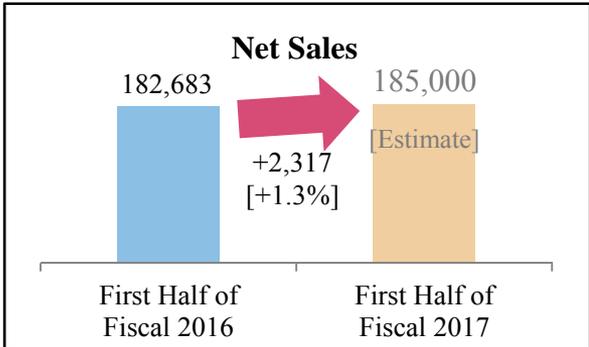
Fiscal 2017 Performance Forecast

Reference Materials

Fiscal 2017 First Half:

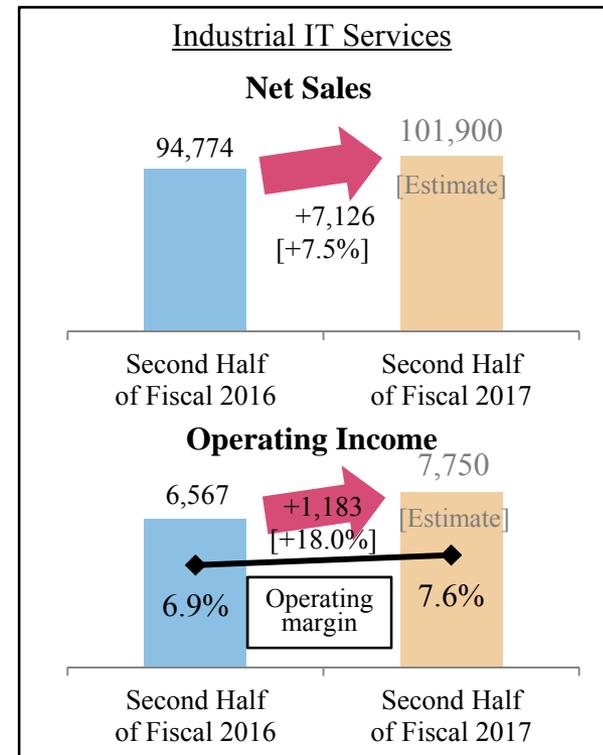
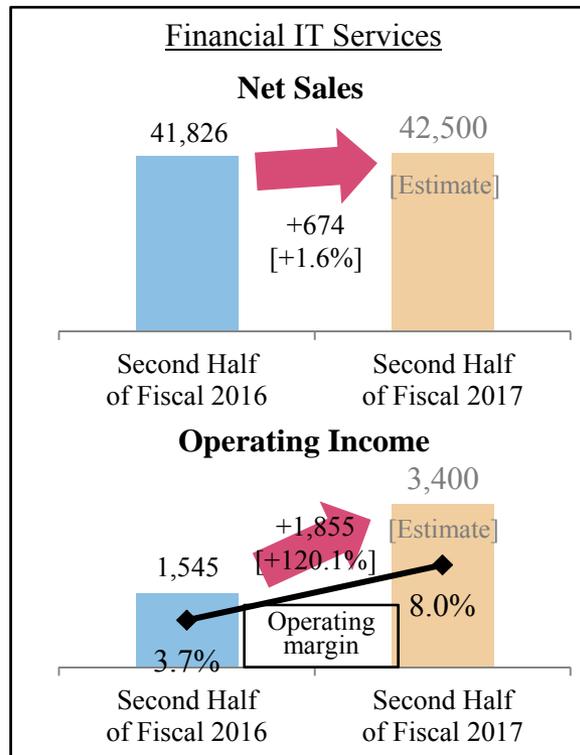
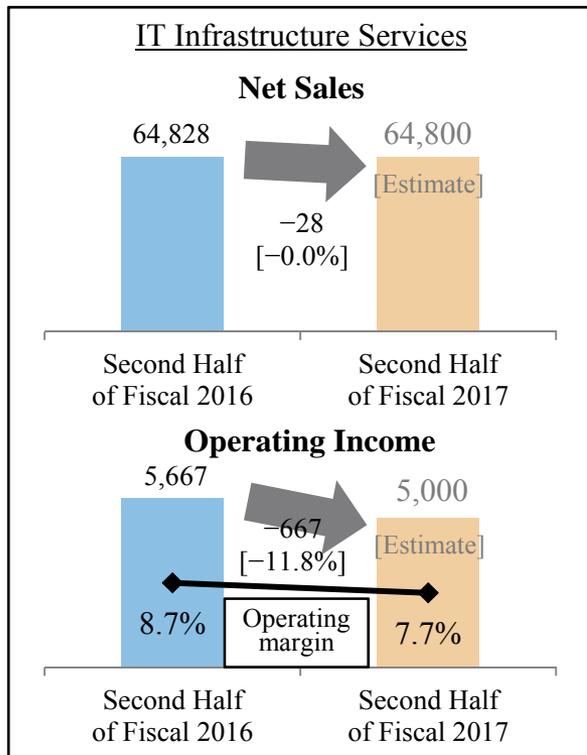
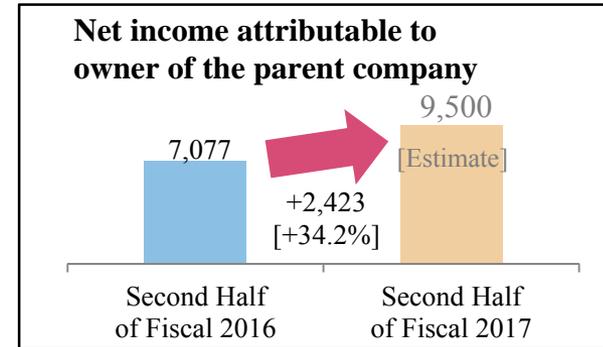
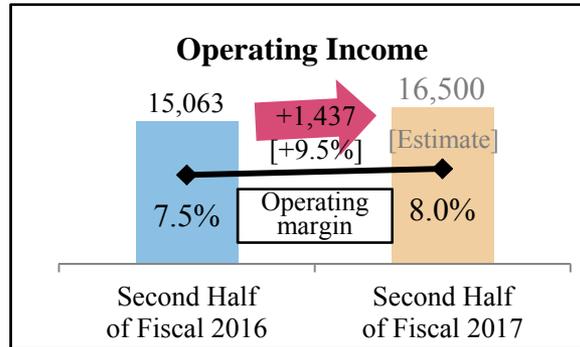
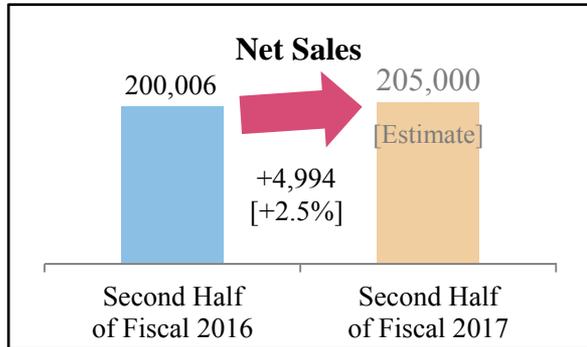
Sales and Income for Key Business Segments [Forecast]

[Millions of yen]



Fiscal 2017 Second Half: Sales and Income for Key Business Segments [Forecast]

[Millions of yen]



*Estimated amounts for the second half of Fiscal 2016 are calculated by subtracting the first half estimates from the annual estimates of Fiscal 2016. *Segment sales include intersegment sales.

**Cautionary Statements**

- All statements described in these materials are based on information available to management regarding the TIS INTEC Group—that is, TIS and the subsidiaries under its umbrella—as of the presentation date and certain assumptions deemed reasonable at this time. No intent is implied of promise by the Company to achieve such forward-looking statements. Indeed, various factors may cause future results to be substantially different from the assumptions presented in these materials.
- Amounts for each three-month quarter are calculated by subtracting data for the respective period from the cumulative total.