



TIS

TIS INTEC Group

Go Beyond

Information Meeting Materials for the First Three Quarters of the Fiscal Year Ending March 31, 2019

February 4, 2019

TIS Inc.

Fiscal 2019 First Three Quarters: Financial Highlights

Fiscal 2019 Performance Forecast

Reference Materials

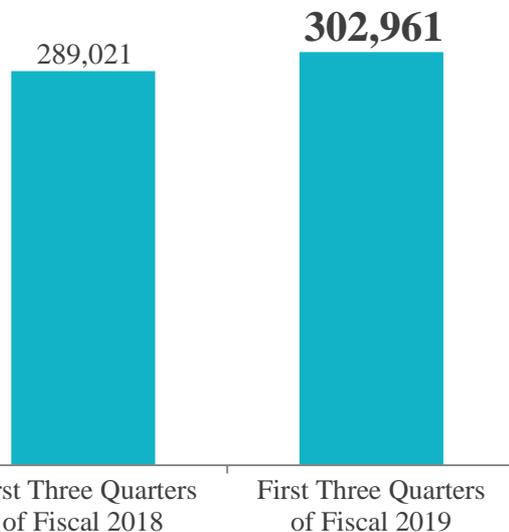
Fiscal 2019 First Three Quarters: Financial Highlights

[Millions of yen]

•Against a favorable business backdrop, sales and income were up over the corresponding period a year ago, thanks to higher business volume and efforts to improve profitability.

Net Sales

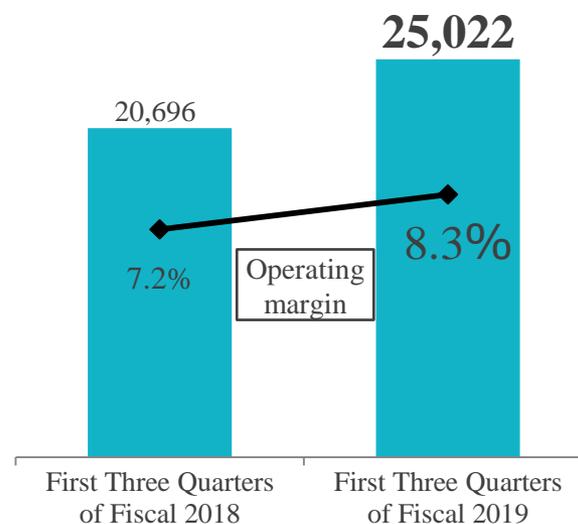
- YOY change +¥13,940 million [+4.8%]



In sectors where IT investment is showing renewed growth, we emphasized accurate identification of client needs and were rewarded with higher sales, year-on-year.

Operating Income

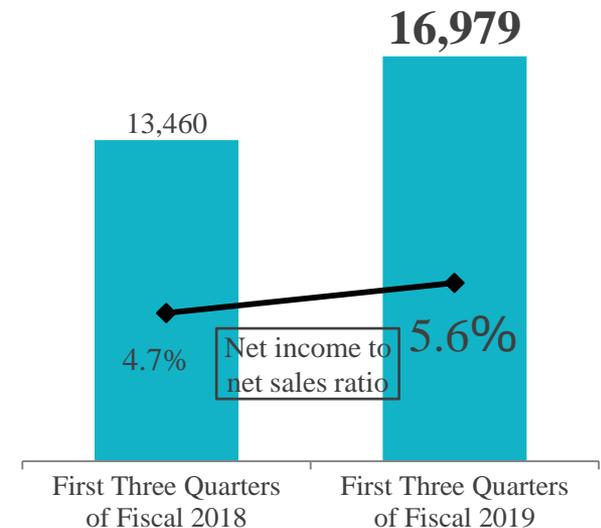
- YOY change +¥ 4,326 million [+20.9%]



Increase in gross profit, reflecting higher net sales starting point and enhanced profitability, absorbed rising selling, general and administrative expenses, primarily costs associated with stronger response to restructuring. Operating income was up year-on-year.

Net Income Attributable to Owners of the Parent Company

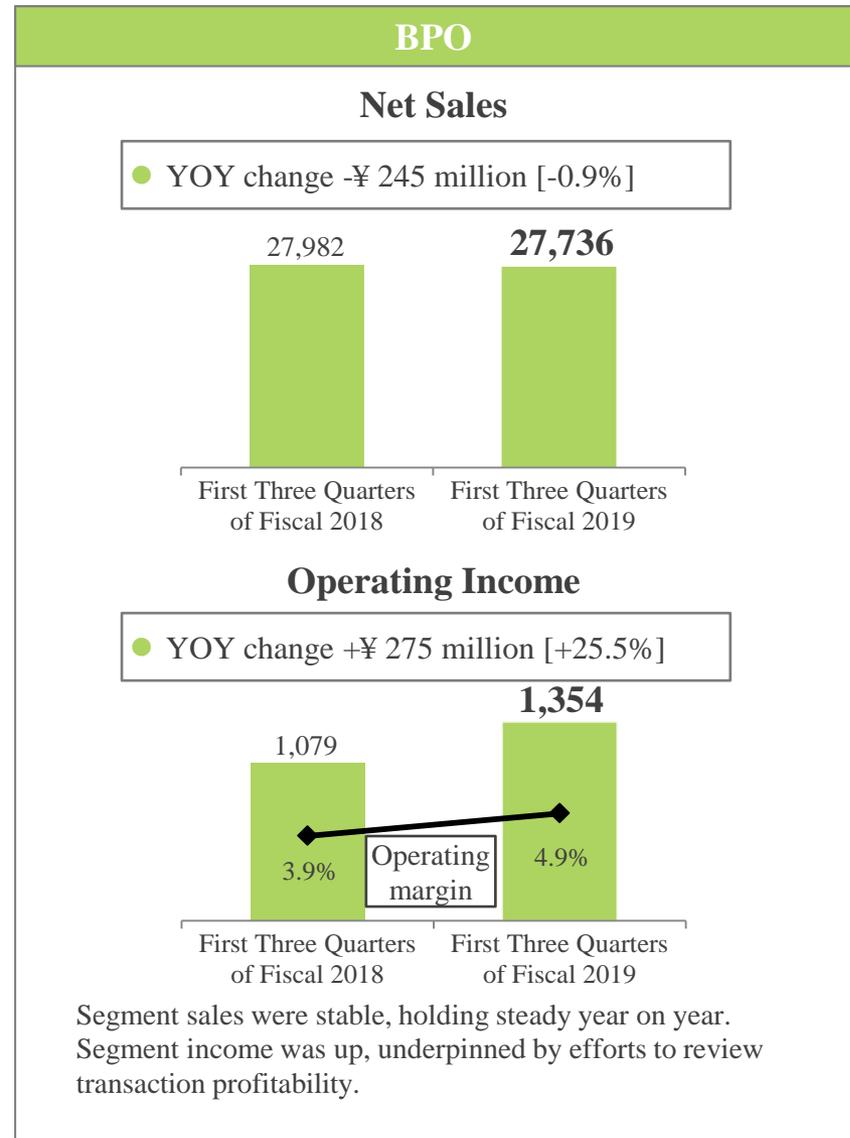
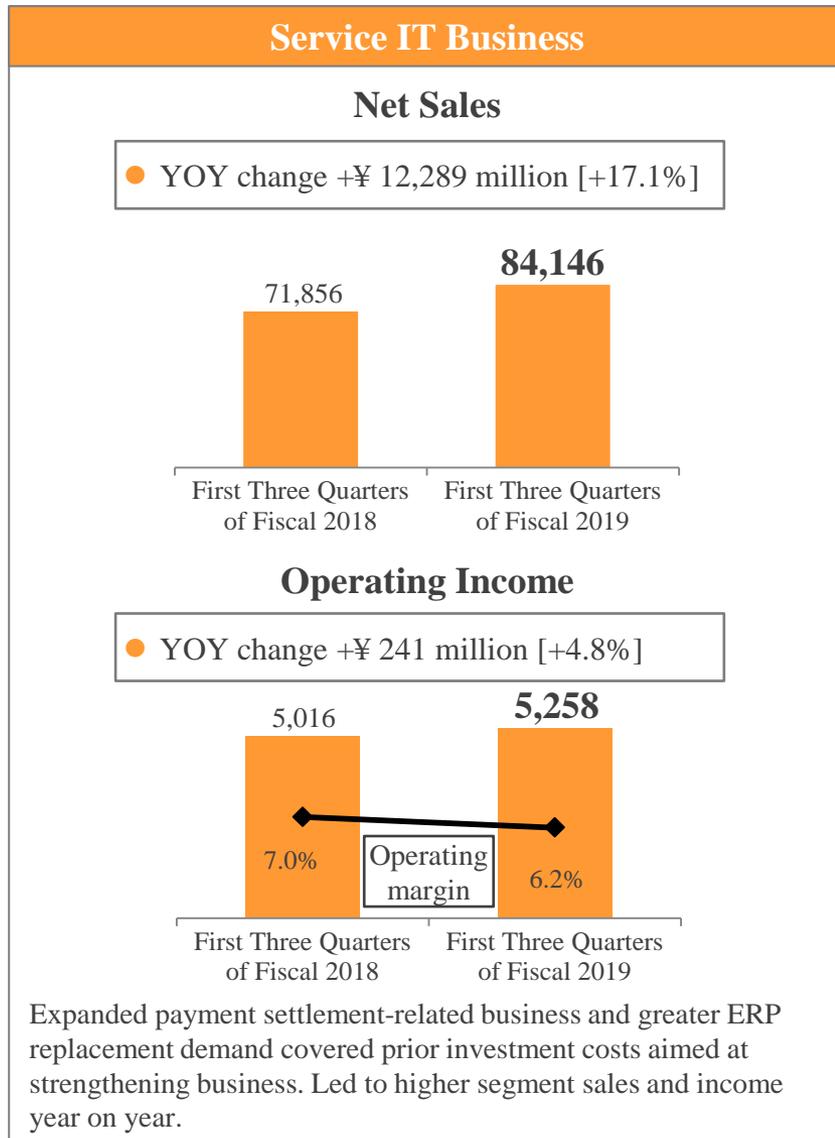
- YOY change +¥ 3,519 million [+26.1%]



Year-on-year improvement, paralleling higher operating income and net extraordinary income.

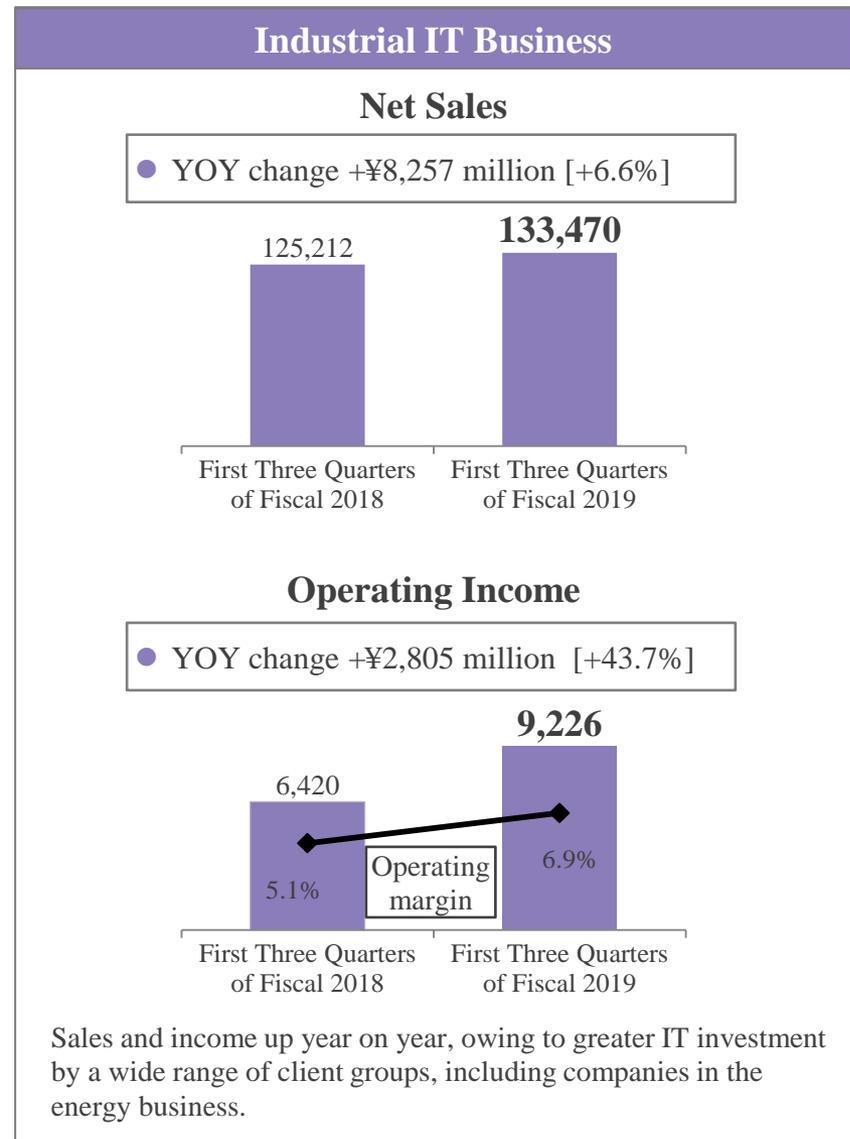
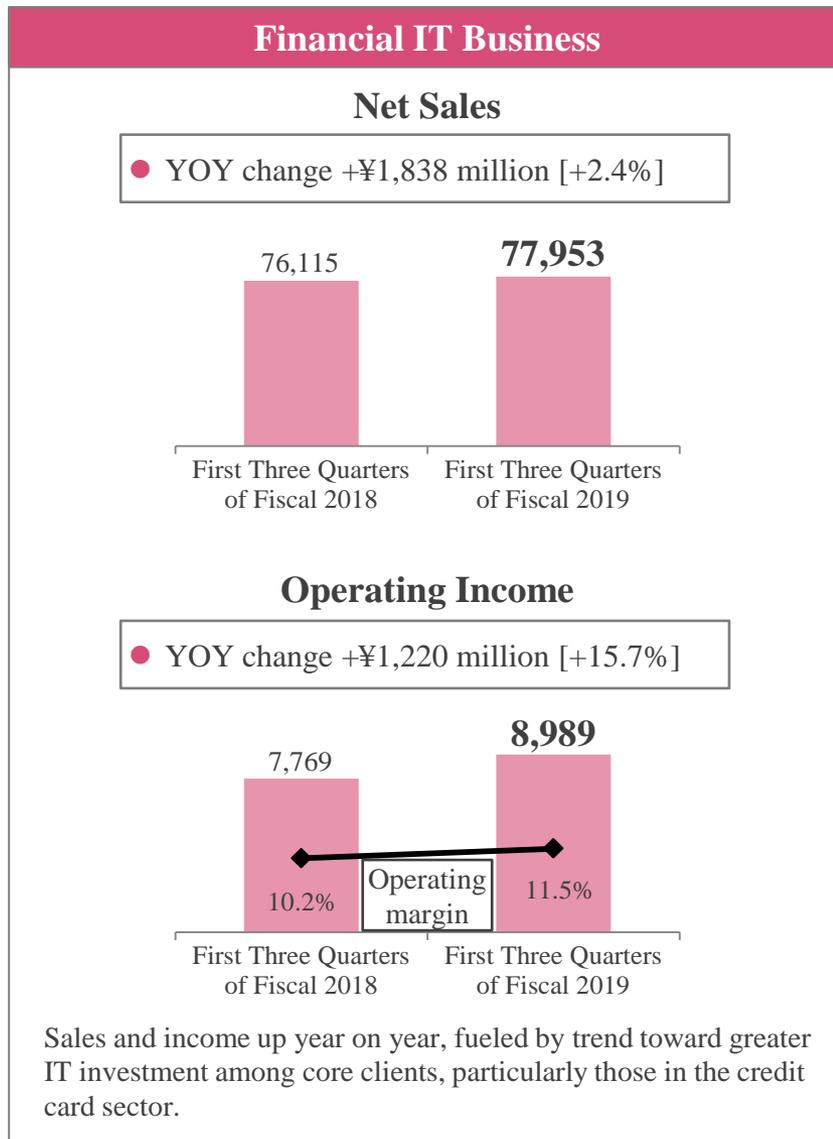
Fiscal 2019 First Three Quarters: Sales and Income for Key Business Segments-1

[Millions of yen]



Fiscal 2019 First Three Quarters: Sales and Income for Key Business Segments-2

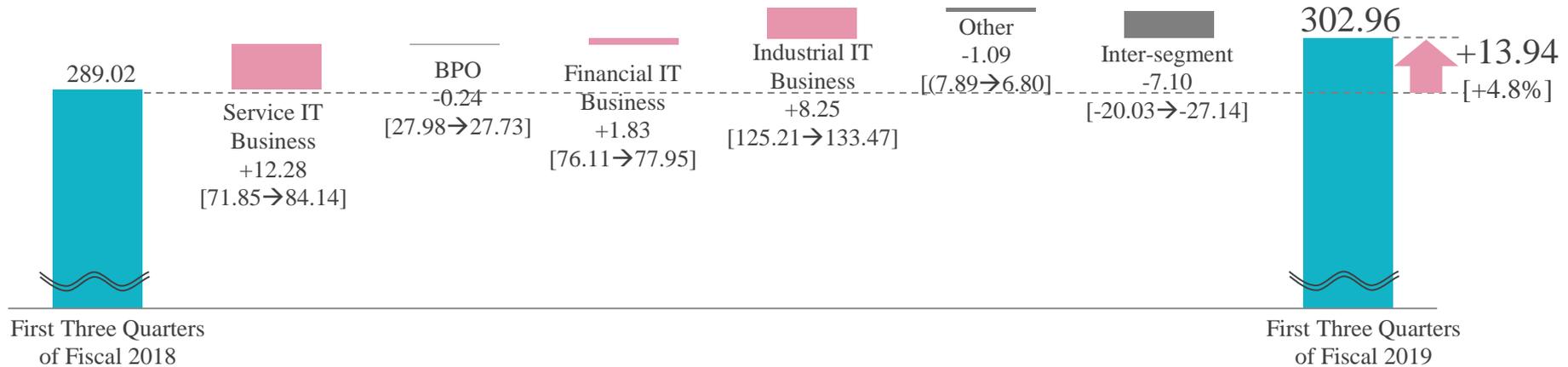
[Millions of yen]



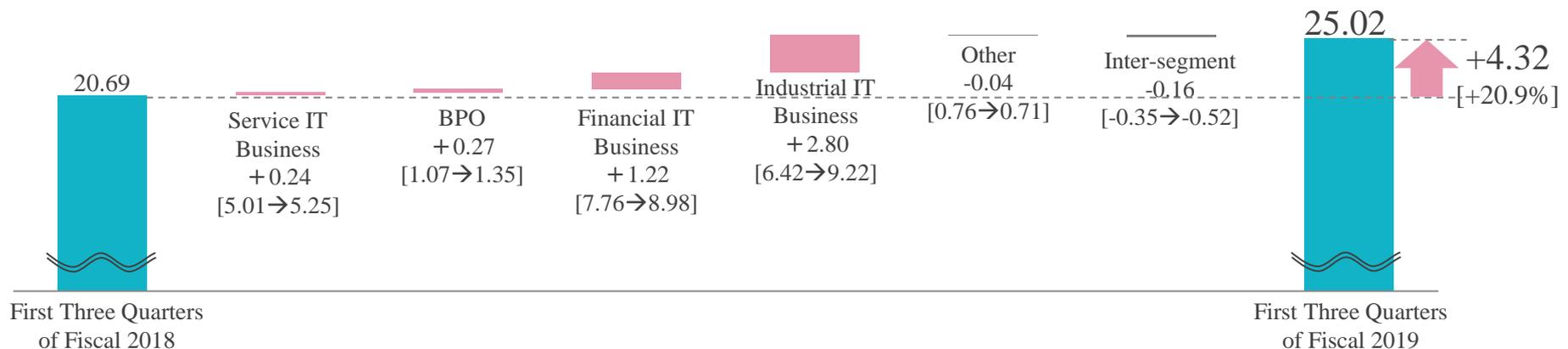
Fiscal 2019 First Three Quarters: Net Sales and Operating Income Analysis

[Billions of yen]

Net Sales

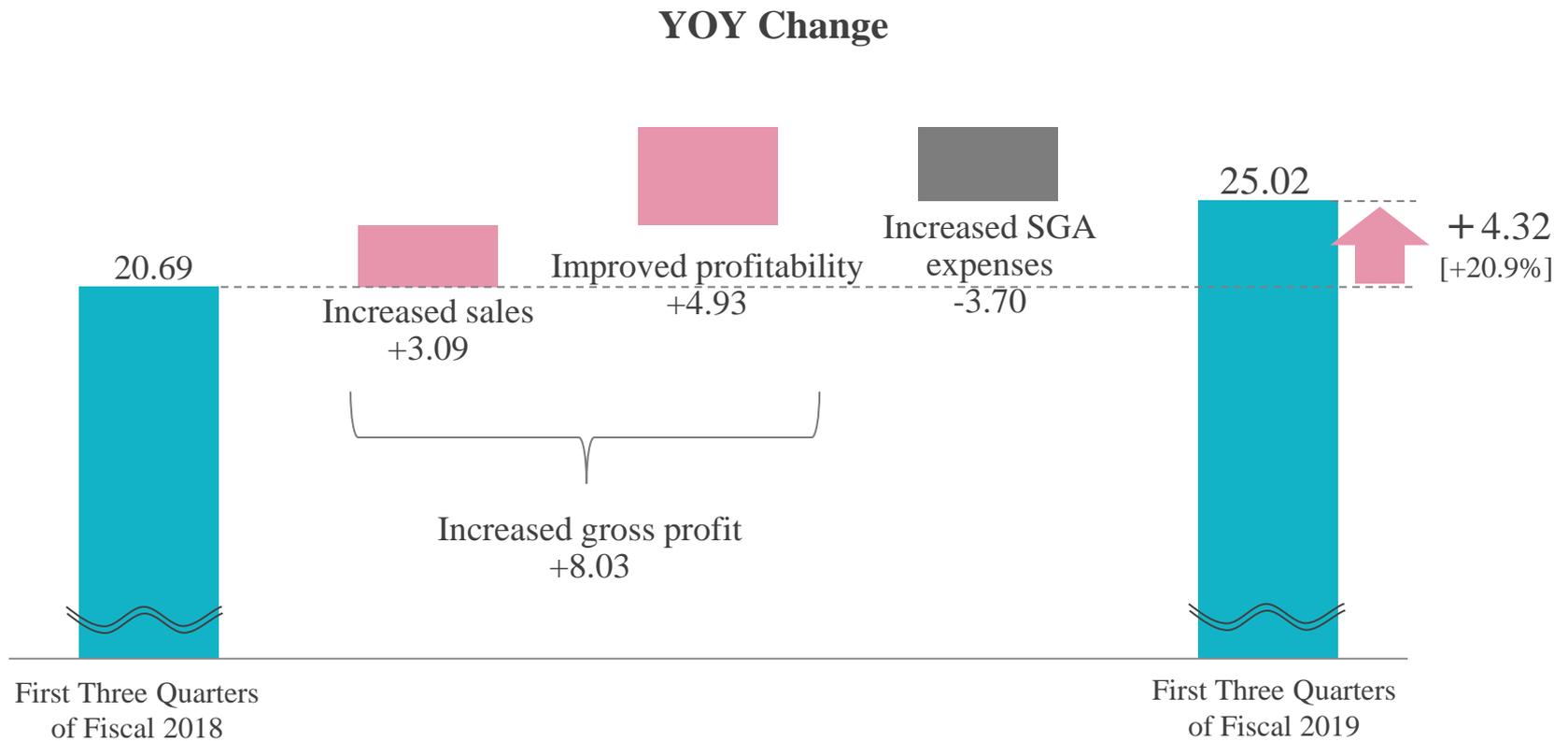


Operating Income



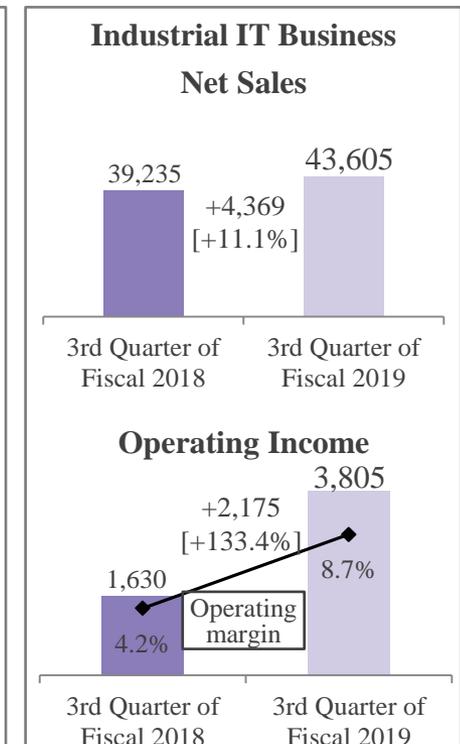
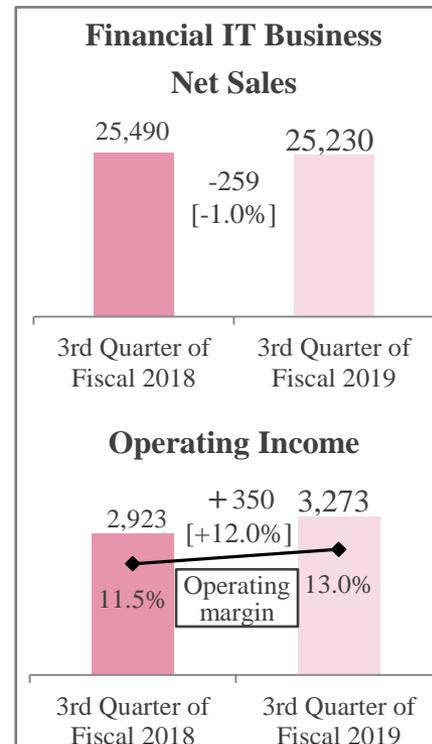
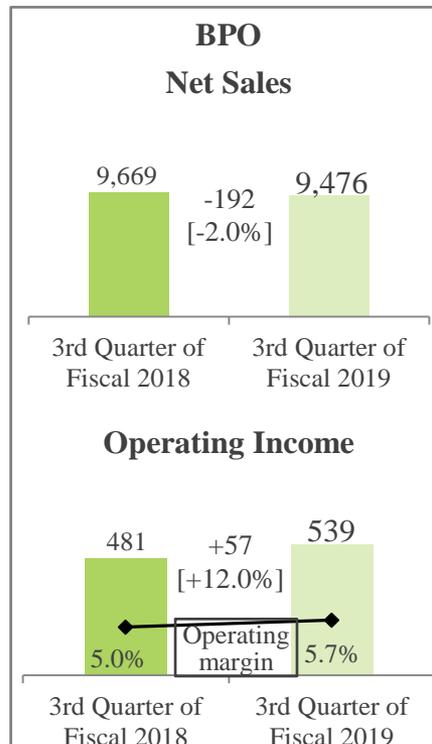
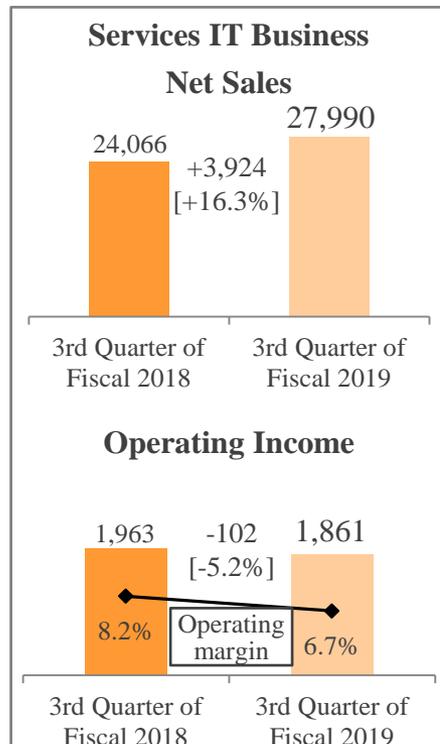
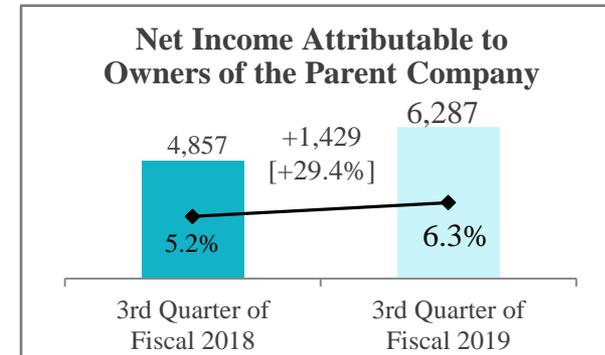
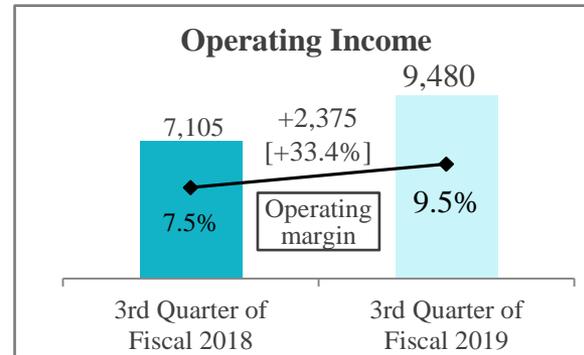
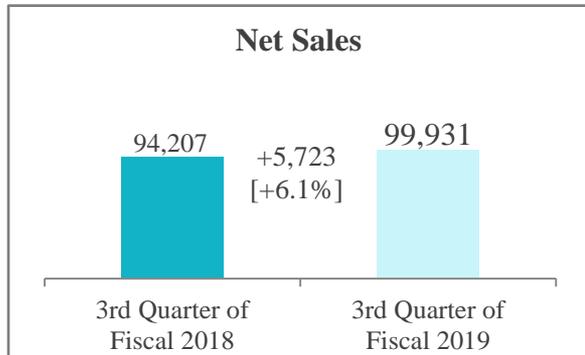
Fiscal 2019 First Three Quarters: Operating Income Analysis, Increase/Decrease Reasons

[Billions of yen]



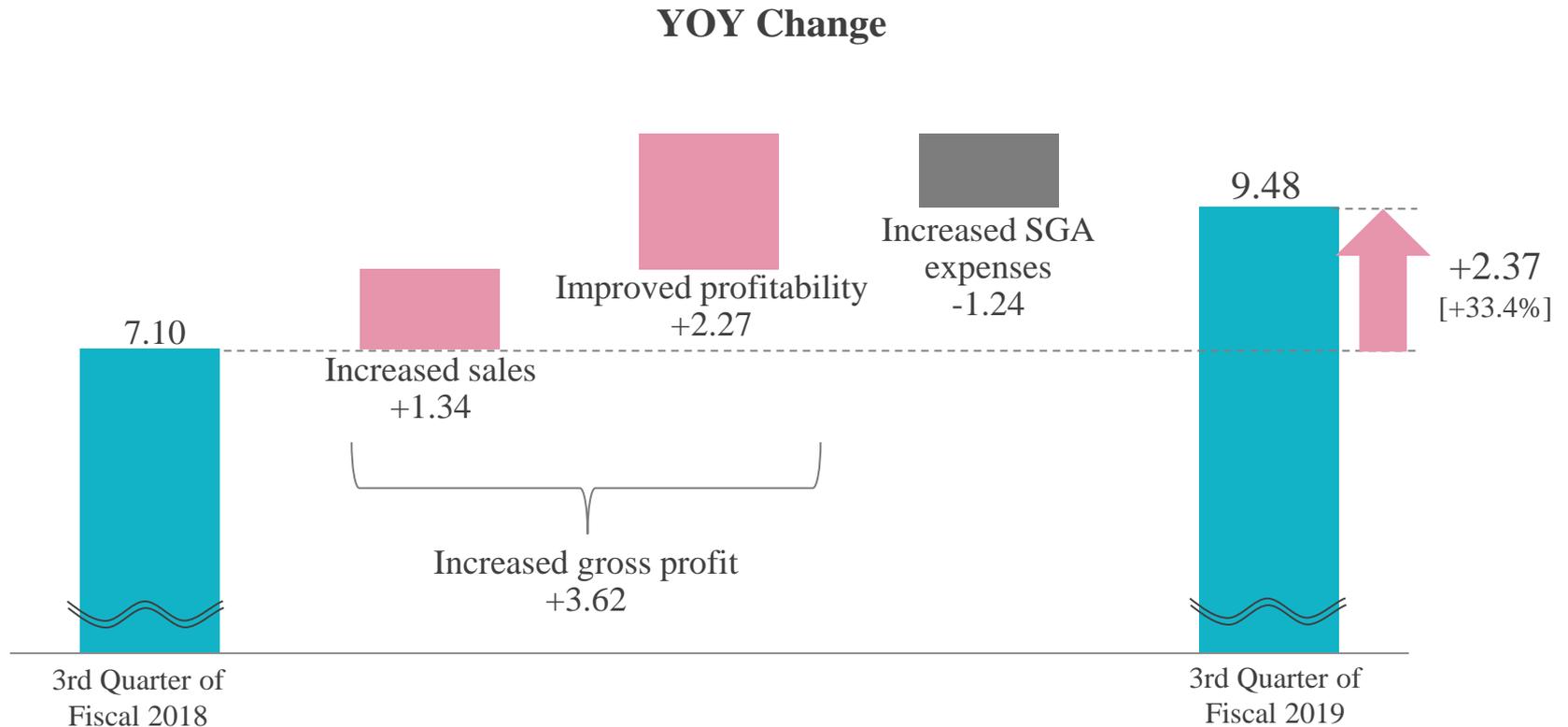
(Reference) Fiscal 2019 Third Quarter (October-December): Sales and Income for Key Business Segments

[Millions of yen]



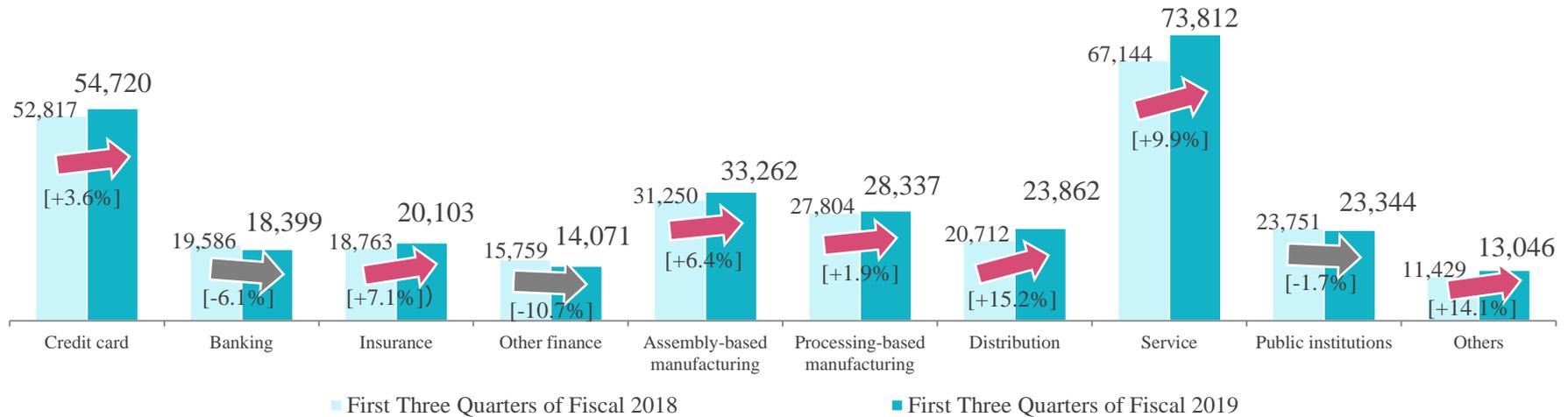
(Reference) Fiscal 2019 Third Quarter (October-December): Operating Income Analysis, Increase/Decrease Reasons

[Billions of yen]

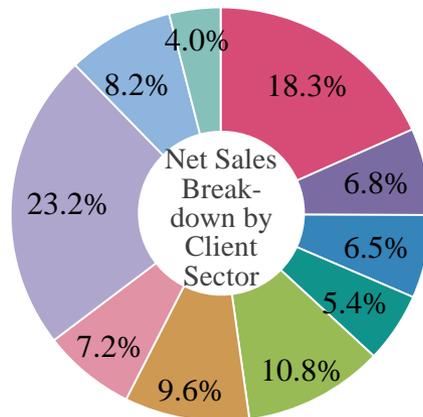


Fiscal 2019 First Three Quarters: Sales by Client Sector

[Millions of yen]

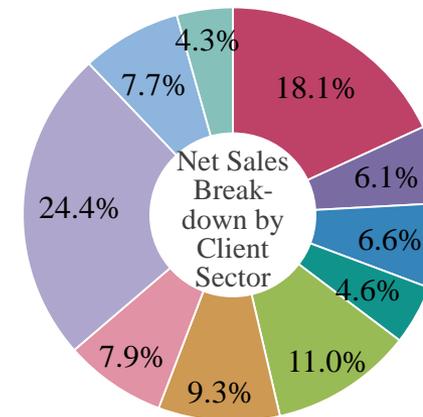


First Three Quarters of Fiscal 2018



Financial sector: 37.0% Industrial sector: 50.8%
Public sector: 8.2% Other sectors: 4.0%

First Three Quarters of Fiscal 2019



Financial sector: 35.4% Industrial sector: 52.6%
Public sector: 7.7% Other sectors: 4.3%

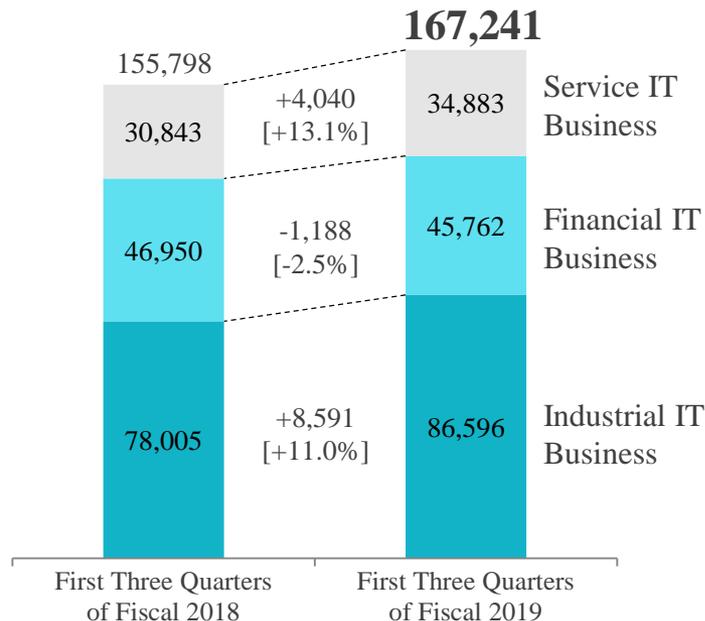
Fiscal 2019 First Three Quarters: Order Status (Software Development)

[Millions of yen]

- Absorbed impact of reactionary decrease in large projects of financial IT business as well as a lag in timing of orders, leading to year-on-year increases in both order volume and backlog at end of third quarter. Favorable results underpinned primarily by demand for settlement, ERP and energy-related software development.

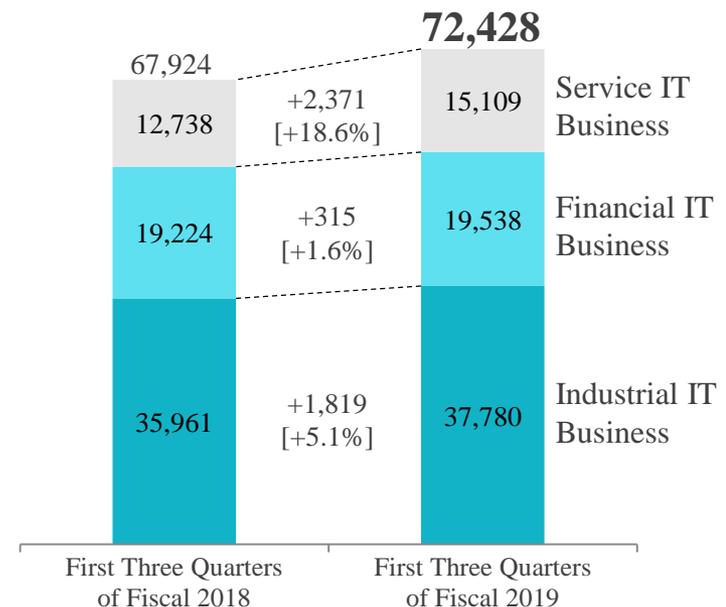
Order received during first three quarters

- YOY change +¥11,443 million [+7.3%]



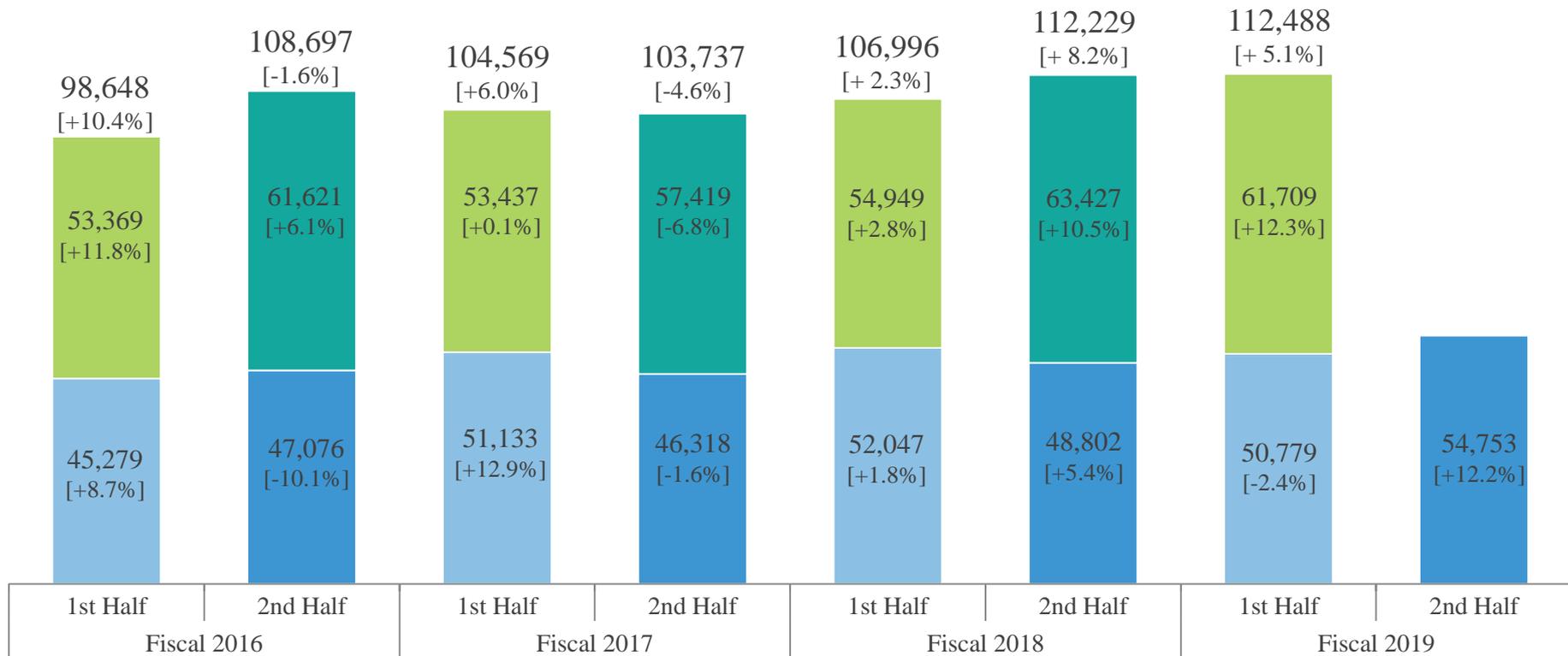
Order backlog at end of first three quarters

- YOY change +¥ 4,504 million [+6.6%]



Changes in Orders Received (Software Development)

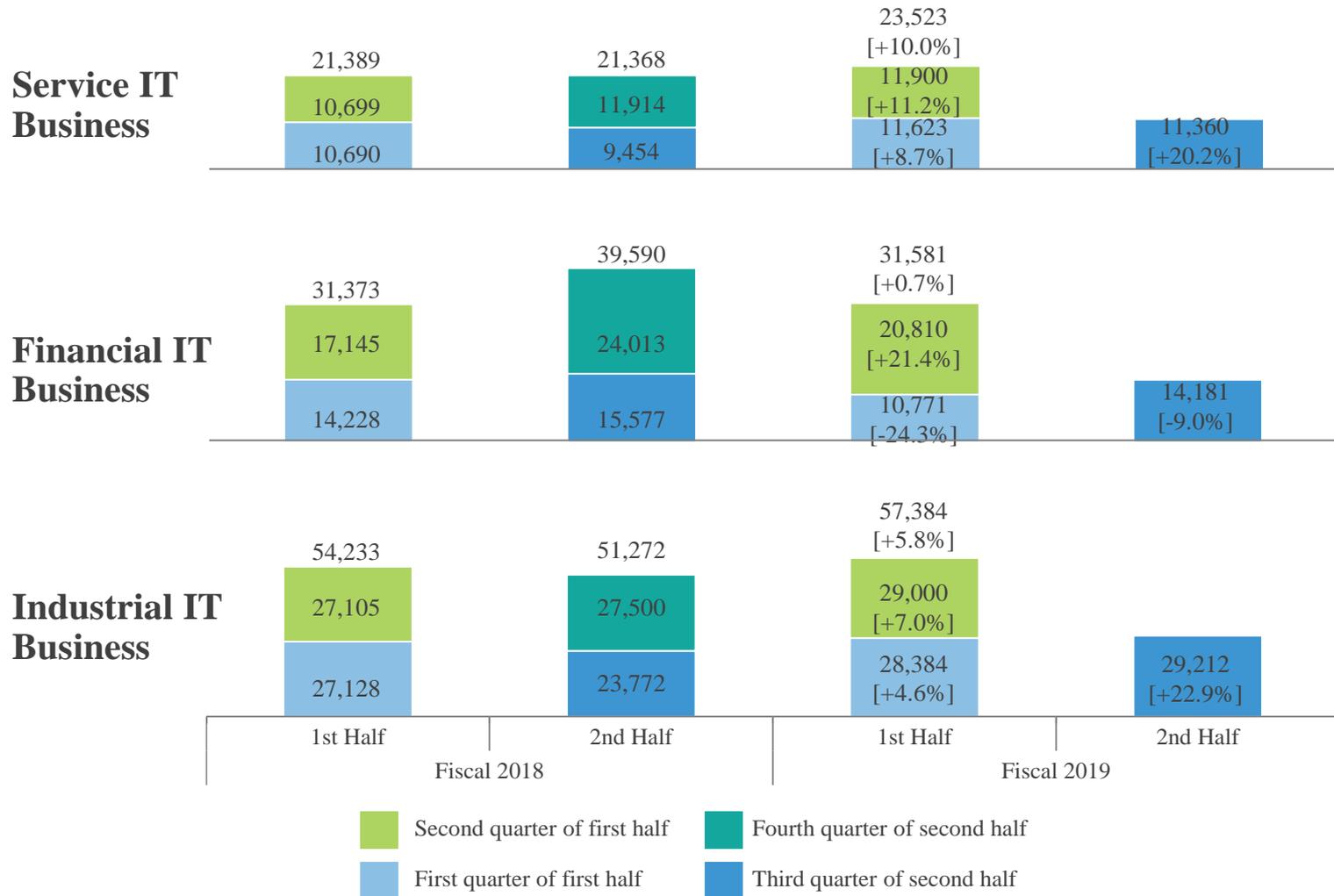
[Millions of yen]



■ Second quarter of first half ■ Fourth quarter of second half
■ First quarter of first half ■ Third quarter of second half

Changes in Orders Received by Business Segment (Software Development)

[Millions of yen]



Fiscal 2019 First Three Quarters: Financial Highlights

Fiscal 2019 Performance Forecast

Reference Materials

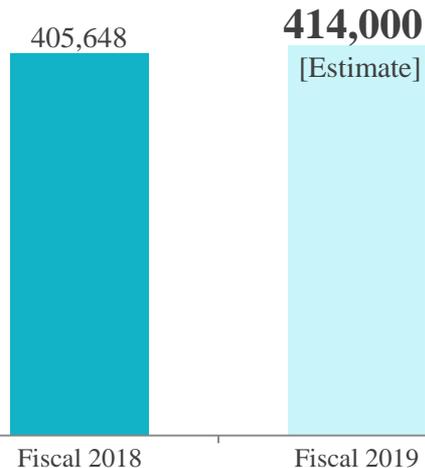
Fiscal 2019: Performance Forecasts-1

[Millions of yen]

- Amid brisk business conditions, absorb reactionary drop in large projects and work toward higher sales and higher income.
- Vigorously invest into growth domains and forte fields to facilitate structural transformation described in new medium-term management plan.
→No change to initial targets.

Net Sales

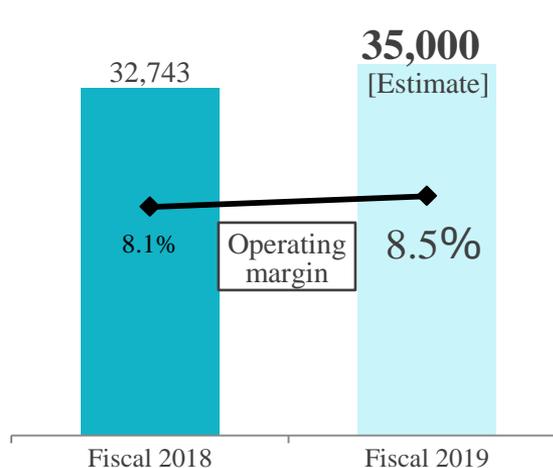
• YOY Change : + ¥8,352 million [+2.1%]



Focusing on service IT and industrial IT demand, strive to expand business through accurate responses to IT investment needs of clients,. Expect year-on-year increase in sales.

Operating Income

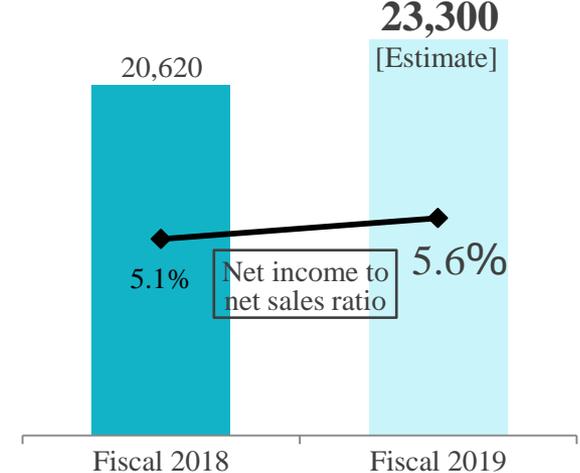
• YOY Change : + ¥ 2,257 million [+6.9%]



Higher sales effect and ongoing effort to boost productivity. Will absorb higher cost burden associated with structural transformation, including embrace of prior investment approach. Should lead to year-on-year increase in operating income.

Net Income Attributable to Owners of the Parent Company

• YOY Change: + ¥ 2,680 million [+13.0%]



Increase in operating income and net extraordinary income should deliver year-on-year improvement in income attributable to owners of the parent company.

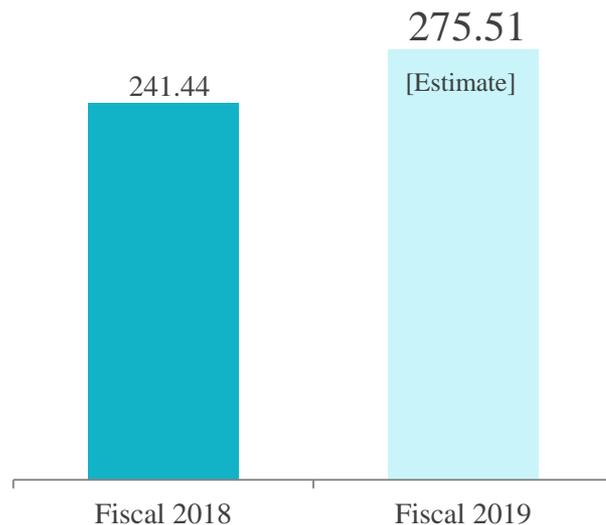
Fiscal 2019: Performance Forecasts-2

[Yen]

- Seeking to exceed initial 10% ROE target.

Net Income per Share

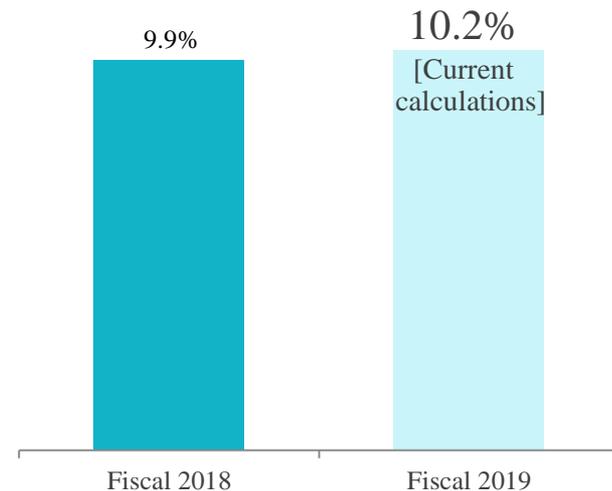
- YOY change: + ¥34.07 [+14.1%]



Anticipating year-on-year improvement, paralleling higher net income attributable to owners of parent. (Raised from initial estimate, paralleling treasury stock purchase)

ROE

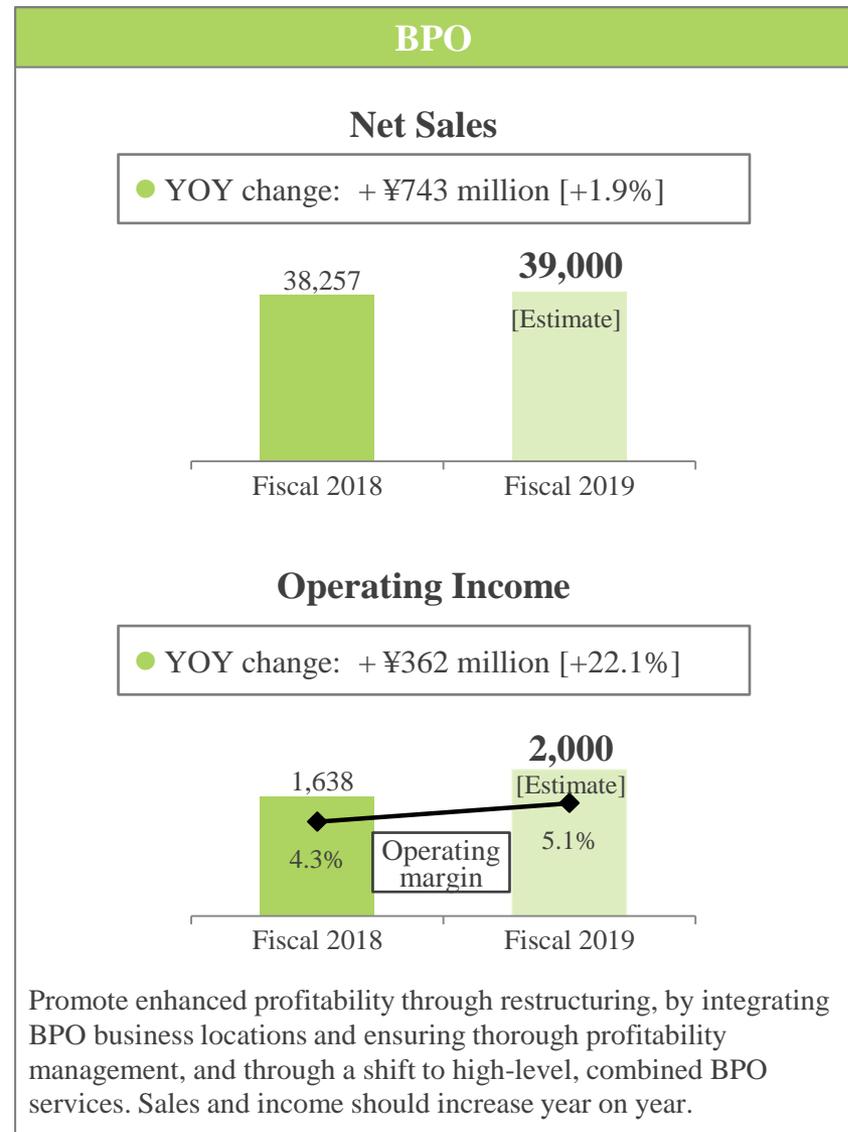
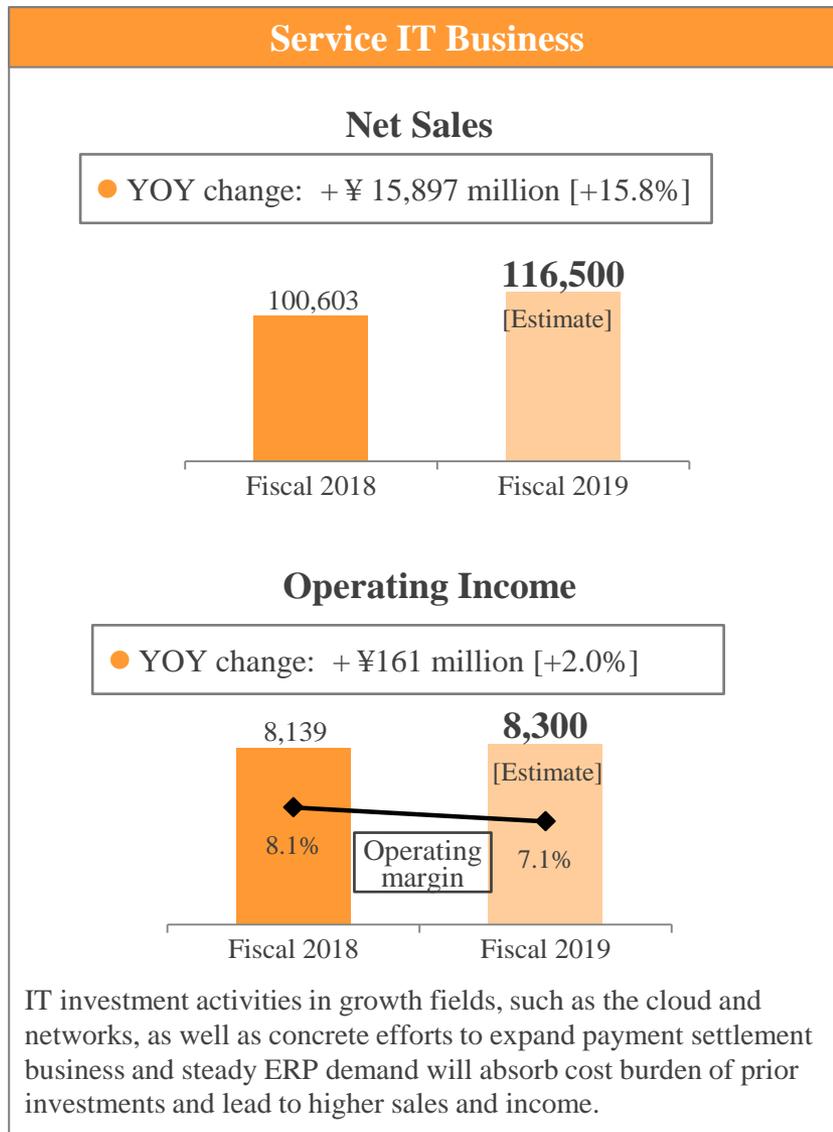
- YOY change: +0.3%



Anticipating further growth, mainly due to higher profitability.

Fiscal 2019: Key Business Segment Performances [Forecast]-1

[Millions of yen]



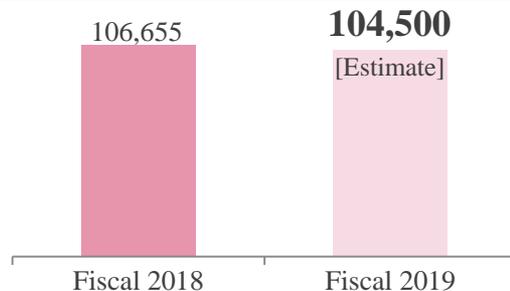
Fiscal 2019: Key Business Segment Performances [Forecast]-2

[Millions of yen]

Financial IT Business

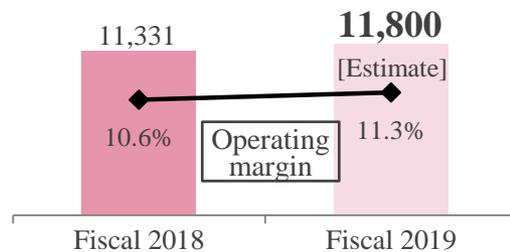
Net Sales

● YOY change: - ¥ 2,155 million [-2.0%]



Operating Income

● YOY change: + ¥ 469 million [+4.1%]

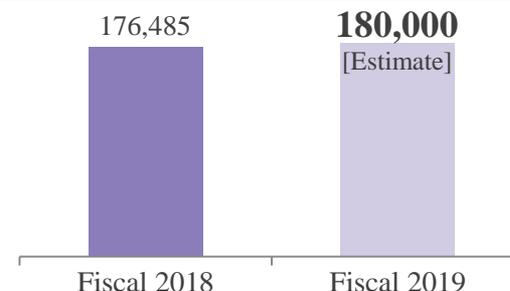


Sales likely to decrease year-on-year, mainly due to strategic reassignment of essential personnel to service IT business, but income should increase, reflecting efforts to strengthen ties to core clients, promote value-added businesses and improve productivity.

Industrial IT Business

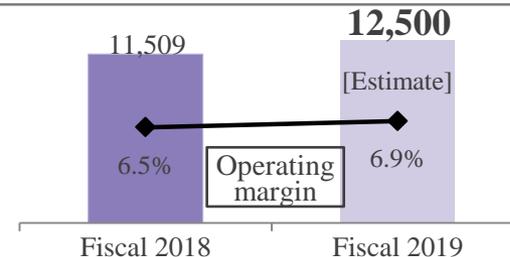
Net Sales

● YOY change: + ¥ 3,515 million [+2.0%]



Operating Income

● YOY change: + ¥ 991 million [+8.6%]



Will absorb reactionary drop in big projects, mainly by promoting high-value-added services underpinned by consultations and enhanced upstream operations and by improving productivity. Should lead to higher sales and income year on year.

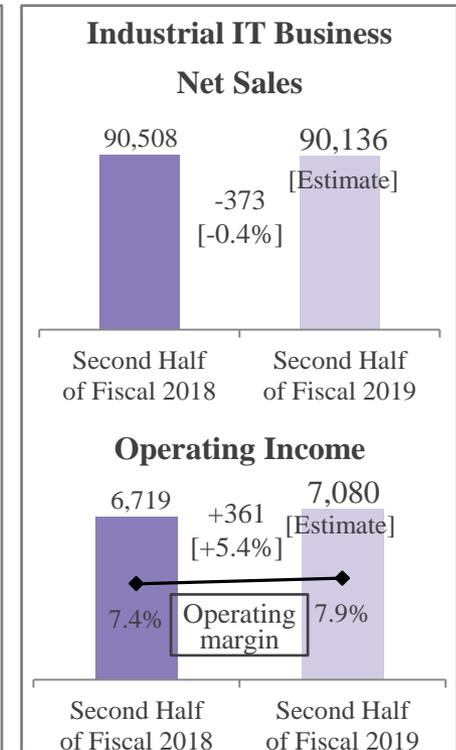
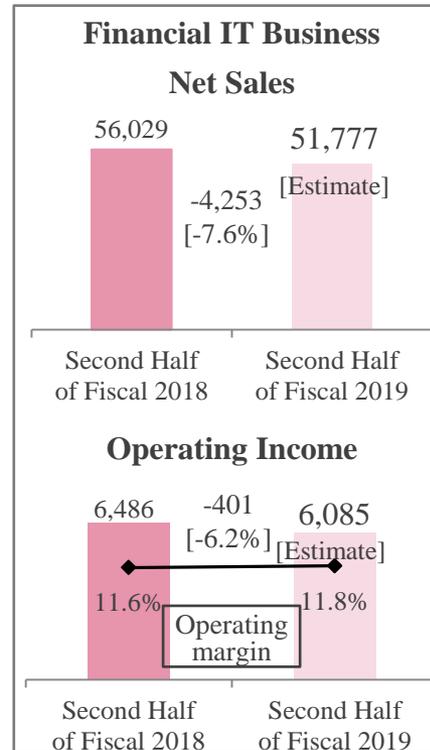
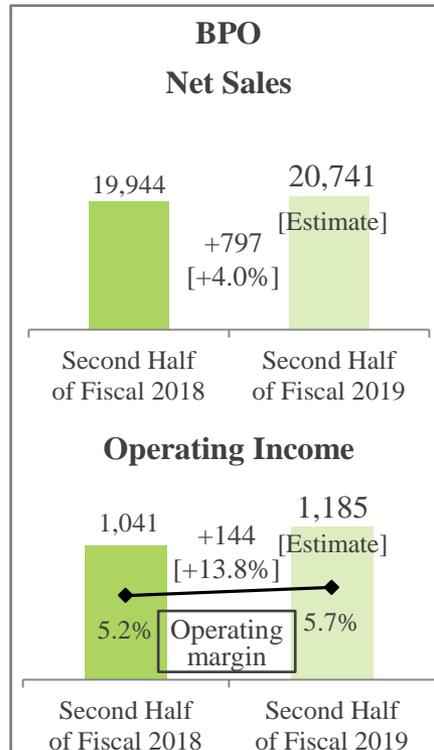
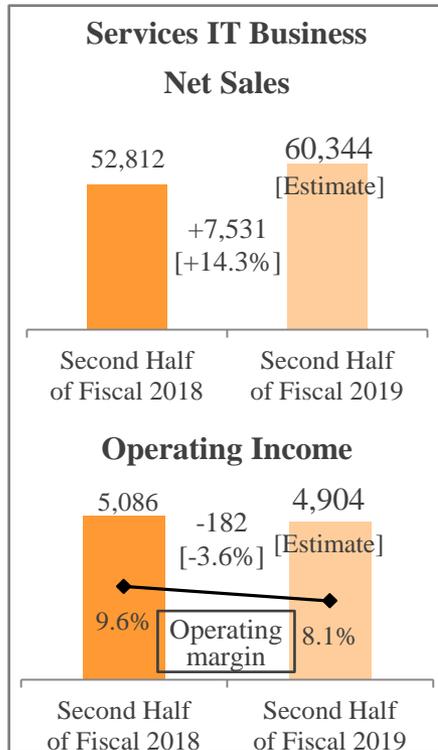
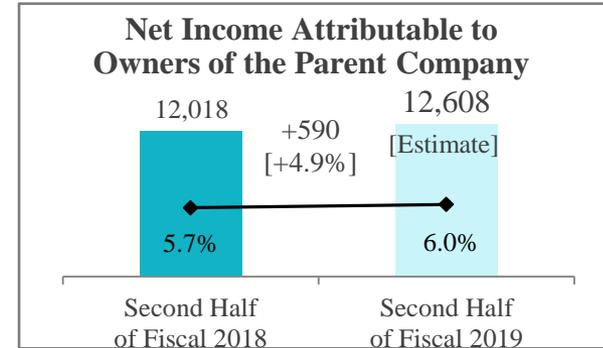
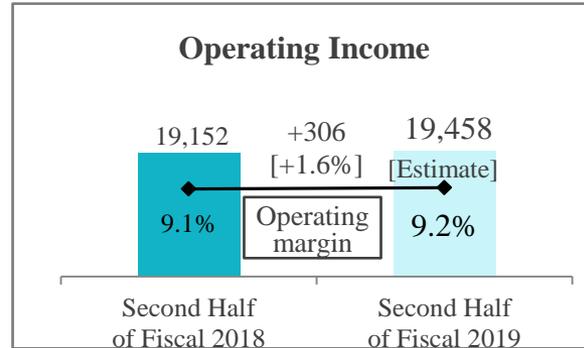
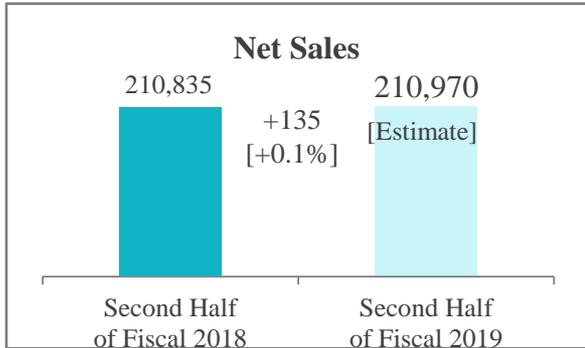
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Fiscal 2019 Performance Forecast

Reference Materials

Fiscal 2019 Second Half: Sales and Income for Key Business Segments [Forecast]

[Millions of yen]





TIS INTEC Group Logo Underlying Concepts

The logo portrays the TIS INTEC Group as a tightly knit team, powered forward by the different sets of expertise that each member brings to the table. It features our two main corporate colors: “ocean blue” for the new challenges that we are constantly tackling, and “intelligent gray” for the solid technological foundations that underpin our business.

Brand Message “Go Beyond”

The brand tagline, “Go Beyond,” embodies our constant quest into the beyond in search of new challenges. It represents our firm commitment as a group to delivering solutions that are always one step ahead, not only solving clients’ problems but anticipating and meeting their own customers’ needs too.

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.
- From the fiscal year ending March 31, 2019, Business segments were reclassified at TIS, paralleling changes in the management structure designed to promote the shift to a new business structure. For comparison purposes, figures for fiscal 2018 have been recalculated and are presented according to the new segment breakdown