



Information Meeting Materials for the First Three Quarters of the Fiscal Year Ending March 31, 2021

February 5, 2021

TIS Inc.

Fiscal 2021 First Three Quarters Financial Highlights

Fiscal 2021 Performance Forecast

Reference Materials

- 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.
- Segment sales include intersegment sales.
- The Company carried out a three-for-one common stock split on April 1, 2020. The impact of said stock split is reflected in “Net income per share” and “Dividends per share” presented for fiscal 2020.
- Due to a shift from business based on expert service know-how specific to the financial sector to knowledge-intensive business using a template of general, financial sector know-how, transactions with certain clients were booked under Financial IT Business in fiscal 2020 and under Service IT Business in fiscal 2021. Pages affected: 5,7,10,13 and 18.

Fiscal 2021 First Three Quarters Financial Highlights

Fiscal 2021 Performance Forecast

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Fiscal 2021 First Three Quarters: Performance Highlights (YOY change)

- Results holding relatively stable at year-on-year par. Third-quarter showed return to higher sales and higher income year on year.
- Maintained profitability even while continuing to pursue strategic investments for the future, including improved employee benefits and stronger brand image.

[Millions of yen]	First three quarters of fiscal 2020	First three quarters of fiscal 2021	YOY change	
Net Sales	319,009	318,033	-976	[-0.3%]
Operating Income	30,103	30,088	-15	[-0.1%]
Operating Margin	9.4%	9.5%	+0.1P	—
Net Income Attributable to Owners of the Parent Company	20,436	18,121	-2,314	[-11.3%]
Net Income to Net Sales Ratio	6.4%	5.7%	-0.7P	—

- Non-operating income: ¥1,556 million (YOY change -¥405 million)
→ Dividend income ¥874 million etc.
- Non-operating expenses: ¥4,113 million (YOY change +¥3,440 million)
→ Equity in losses of affiliates: ¥3,719 million etc.

- Extraordinary income: ¥4,063 million (YOY change -¥3,169 million)
→ Gain on sale of investment securities ¥3,854 million etc.
- Extraordinary loss: ¥2,250 million (YOY change -¥4,946 million)
→ Impairment loss ¥893 million
Loss on valuation of investment securities ¥970 million, etc.

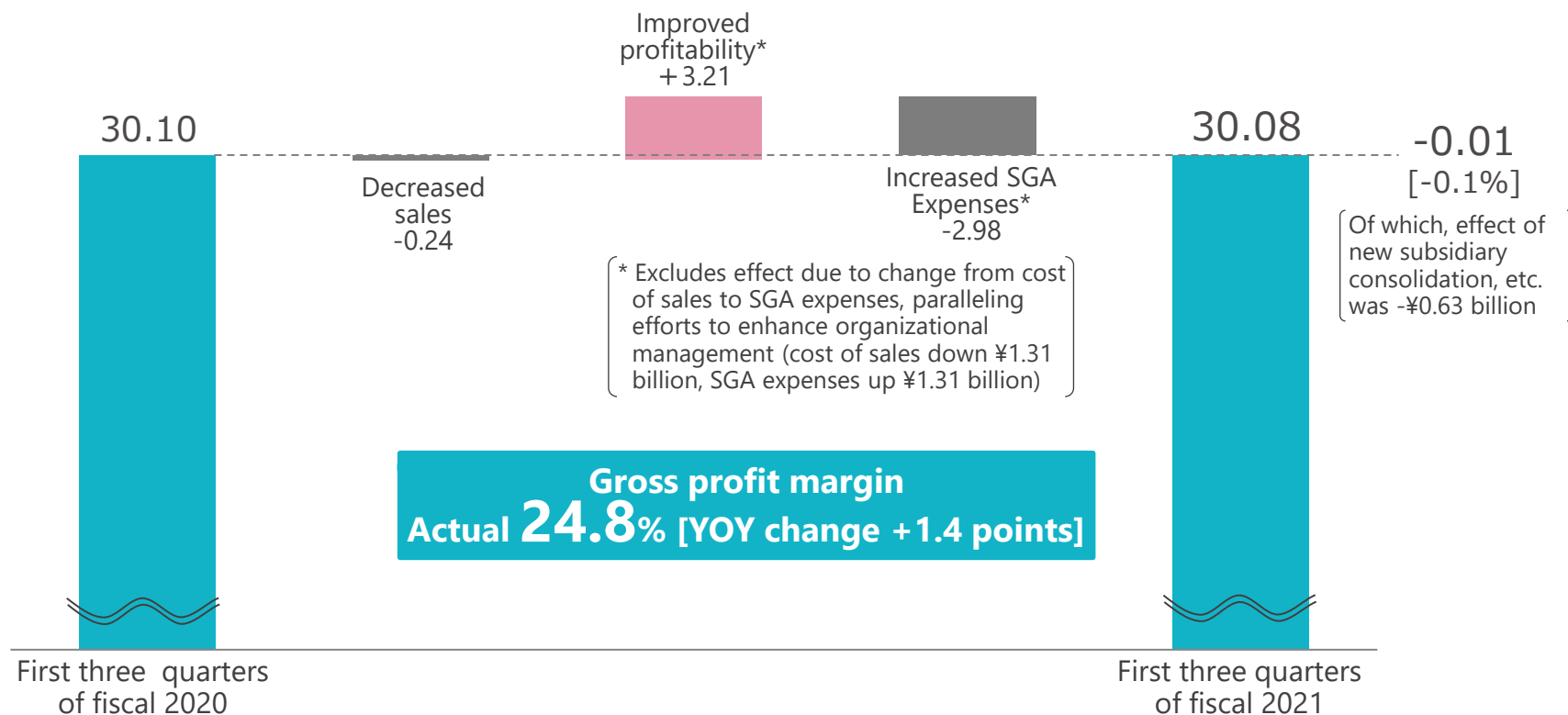
Fiscal 2021 First Three Quarters: Sales and Income for Key Business Segments (YOY change)

[Millions of yen]		First three quarters of fiscal 2020	First three quarters of fiscal 2021	YOY change	
Service IT Business	Net Sales	89,901	93,695	+3,794	[+4.2%]
	Operating Income	5,112	5,123	+11	[+0.2%]
	Operating margin	5.7%	5.5%	-0.2P	—
BPO	Net Sales	24,619	26,025	+1,406	[+5.7%]
	Operating Income	1,767	2,142	+375	[+21.2%]
	Operating margin	7.2%	8.2%	+1.0P	—
Financial IT Business	Net Sales	81,963	80,597	-1,365	[-1.7%]
	Operating Income	10,510	10,680	+170	[+1.6%]
	Operating margin	12.8%	13.3%	+0.5P	—
Industrial IT Business	Net Sales	144,506	137,905	-6,600	[-4.6%]
	Operating Income	12,601	12,430	-170	[-1.4%]
	Operating margin	8.7%	9.0%	+0.3P	—

- Service IT Business:** Higher sales and income, driven by expansion of payment- and cloud-related business activities. Absorbed consolidation effect of new subsidiaries.
- BPO:** Sales and income up, reflecting increased demand for outsourcing services, including call center operations, and operations related to special cash payments.
- Financial IT Business:** Despite steady demand from core clients, negative factors such as sluggish business activity caused drop in sales, but income was up, reflecting improved project profitability.
- Industrial IT Business:** Despite favorable demand from core clients and contributions from newly consolidated subsidiaries, curbs on IT investment, particularly by regional/small and mid-sized companies, intensified, leading to lower sales and income.

Fiscal 2021 First Three Quarters: Operating Income Analysis, Increase/Decrease Reasons (YOY change)

[Billions of yen]



Prior investment costs for promoting structural transformation:

Down ¥0.11 billion (YOY change)

- ✓ Software investment to create new services
 - ✓ Investment in human resources to fuel structural transformation
 - ✓ Investment in R&D to acquire advanced technologies
- } Costs related to

Brand-related costs incurred to ensure quick recognition in market:

Up ¥0.87 billion (YOY change)

Changes in SGA Expenses

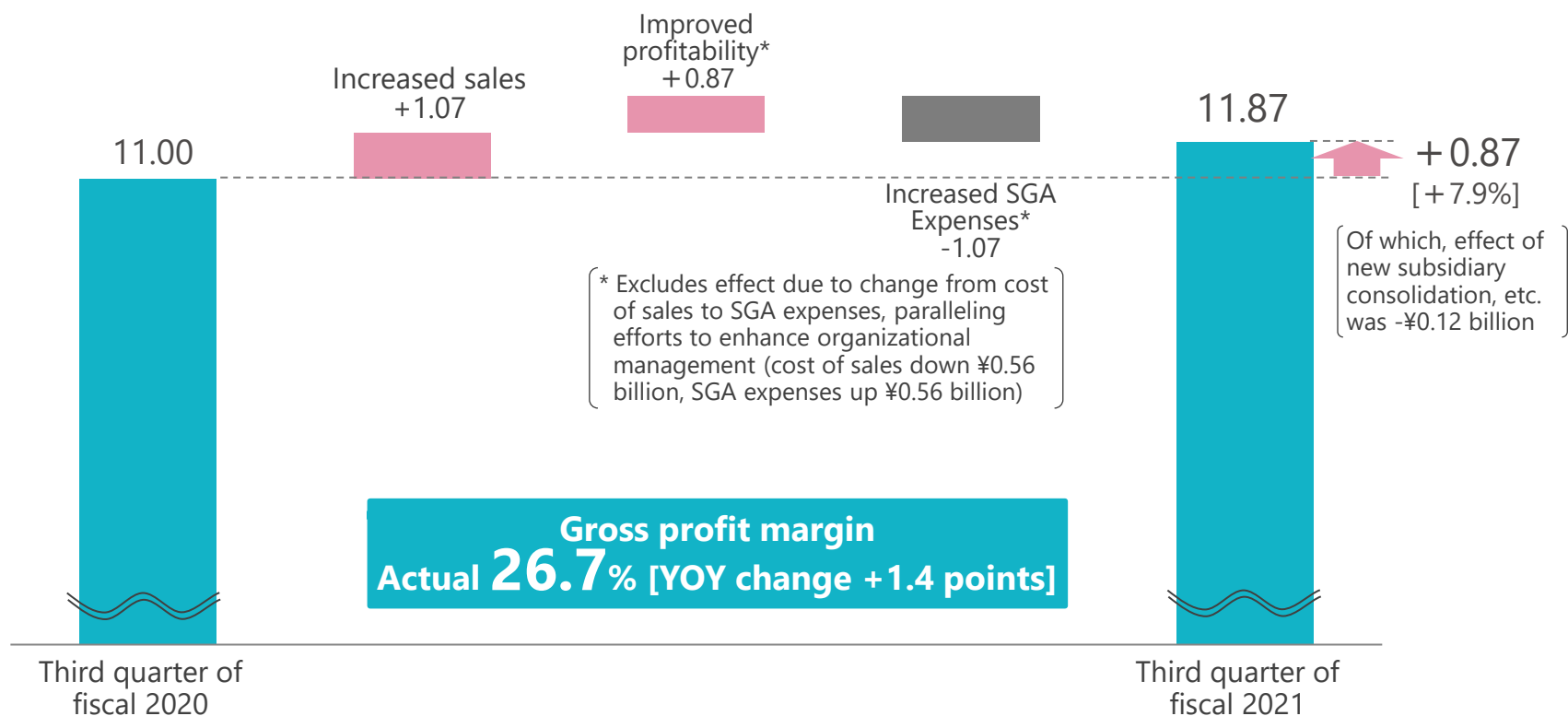
Fiscal 2020 first three quarters (Actual)	44.38
Enhanced organizational management	+1.31
Effect of new subsidiary consolidation, etc.	+1.22
Other decrease	+1.76
Fiscal 2021 first three quarters (Actual)	48.67

Reference: Fiscal 2021 Third Quarter (October-December) Sales and Income for Key Business Segments

[Millions of yen]		Third quarter of fiscal 2020	Third quarter of fiscal 2021	YOY change	
Net Sales		102,713	106,724	+4,011	[+3.9%]
Operating Income		11,003	11,876	+873	[+7.9%]
Operating Margin		10.7%	11.1%	+0.4P	—
Net Income Attributable to Owners of the Parent Company		7,169	7,844	+674	[+9.4%]
Net Income to Net Sales Ratio		7.0%	7.4%	+0.4P	—
Key Business Segments					
Service IT Business	Net Sales	30,033	30,825	+792	[+2.6%]
	Operating Income	2,654	2,550	-104	[-3.9%]
	Operating Margin	8.8%	8.3%	-0.5P	—
BPO	Net Sales	8,397	8,959	+562	[+6.7%]
	Operating Income	773	833	+59	[+7.7%]
	Operating Margin	9.2%	9.3%	+0.1P	—
Financial IT Business	Net Sales	26,506	27,006	+499	[+1.9%]
	Operating Income	3,584	4,005	+420	[+11.7%]
	Operating Margin	13.5%	14.8%	+1.3P	—
Industrial IT Business	Net Sales	45,092	46,432	+1,339	[+3.0%]
	Operating Income	4,088	4,630	+542	[+13.3%]
	Operating Margin	9.1%	10.0%	+0.9P	—

Reference: Fiscal 2021 Third Quarter (October-December) Operating Income Analysis, Increase/Decrease Reasons (YOY change)

[Billions of yen]



Prior investment costs for promoting structural transformation:

Down ¥0.01 billion (YOY change)

- ✓ Software investment to create new services
 - ✓ Investment in human resources to fuel structural transformation
 - ✓ Investment in R&D to acquire advanced technologies
- } Costs related to

Brand-related costs incurred to ensure quick recognition in market:

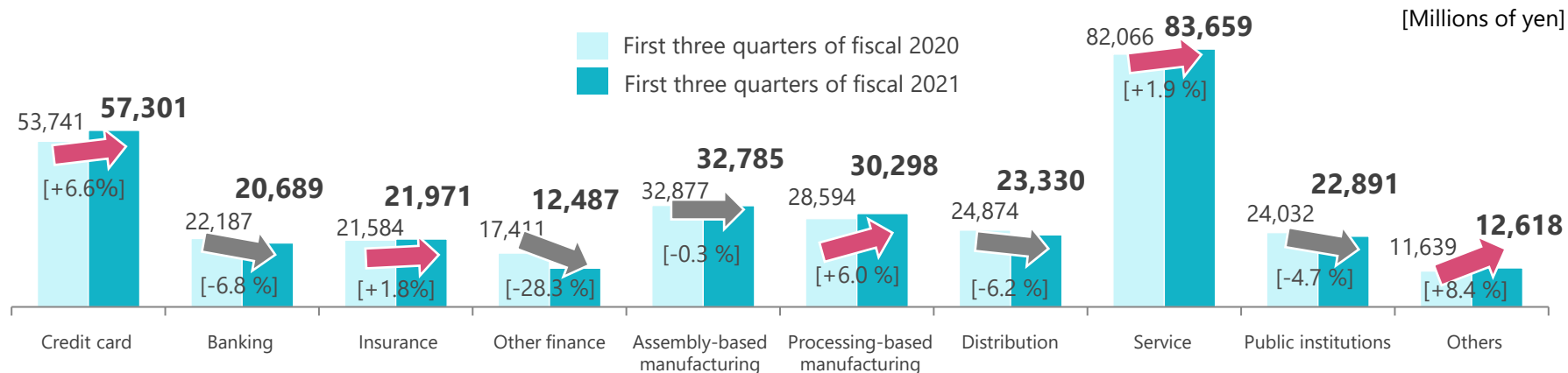
Up ¥0.07 billion (YOY change)

Changes in SGA Expenses

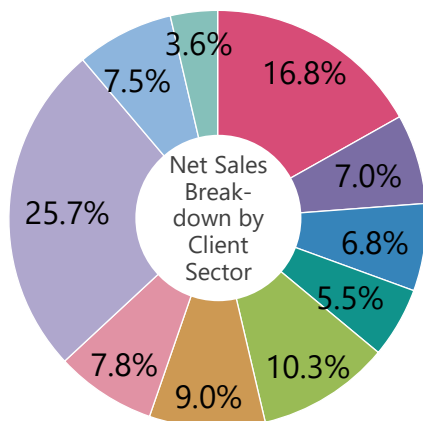
Fiscal 2020 third quarter (Actual)	14.99
Enhanced organizational management	+0.56
Effect of new subsidiary consolidation, etc.	+0.57
Other decrease	+0.51
Fiscal 2021 third quarter (Actual)	16.63

Fiscal 2021 First Three Quarters: Sales by Client Sector

• Favorable demand from core clients in credit card and processing-based manufacturing sectors, fueling business activities. Challenging demand situation from other segments, notably, banking and distribution.

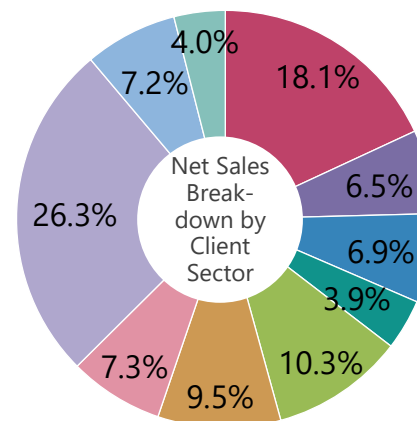


First Three Quarters of Fiscal 2020



Financial sector: 36.1% Industrial sector: 52.8%
Public sector: 7.5% Other sectors: 3.6%

First Three Quarters of Fiscal 2021



Financial sector: 35.3% Industrial sector: 53.5%
Public sector: 7.2% Other sectors: 4.0%

Fiscal 2021 First Three Quarters: Order Status (Software Development)

- Order volume was down year on year, despite favorable demand from core clients. Industrial IT orders rallied in third quarter (October–December), year on year, and Financial IT orders suffered a decrease, but no major change in desire of clients to pursue IT investment.
- Service IT order backlog at end of third quarter benefited hugely from MFEC being turned into subsidiary in October 2020.

[Millions of yen]	First three quarters of fiscal 2020	First three quarters of fiscal 2021	YOY change	
Orders received during first three quarters	175,008	162,020	-12,988	[-7.4%]
Service IT Business	41,419	41,063	-356	[-0.9%]
Financial IT Business	47,797	43,705	-4,091	[-8.6%]
Industrial IT Business	85,791	77,251	-8,540	[-10.0%]
Order backlog at end of first three quarters	77,328	74,984	-2,343	[-3.0%]
Service IT Business	17,669	22,145	+4,475	[+25.3%]
Financial IT Business	23,011	22,311	-700	[-3.0%]
Industrial IT Business	36,647	30,528	-6,119	[-16.7%]

Reference: Third Quarter Performance Comparison.

[Millions of yen]	Third quarter of fiscal 2020	Third quarter of fiscal 2021	YOY change	
Orders received during third quarter	55,558	52,599	-2,958	[-5.3%]
Service IT Business	13,477	13,612	+134	[+1.0%]
Financial IT Business	15,714	13,127	-2,587	[-16.5%]
Industrial IT Business	26,365	25,859	-506	[-1.9%]

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Fiscal 2021: Performance Forecasts

- Business results impacted by COVID-19 pandemic, but effect of M&A activity also apparent. Seek to hold performance level around year-on-year par.
- Will maintain management policy on profitability emphasis and keep operating margin at 10%.

[Millions of yen]	Fiscal 2020 actual	Fiscal 2021 revised estimate	YOY change	
Net Sales	443,717	445,000	+1,283	[+0.3%]
Operating Income	44,839	44,500	-339	[-0.8%]
Operating Margin	10.1%	10.0%	-0.1P	-
Net Income Attributable to Owners of the Parent Company	29,411	29,500	+89	[+0.3%]
Net Income to Net Sales Ratio	6.6%	6.6%	+0.0P	-
Net Income per Share (Yen)	116.78	117.77	+0.99	[+0.8%]
ROE	12.5%	11.8%*	-0.7P	-

*ROE for fiscal 2021 is a calculated value.

Assumptions in Fiscal 2021 Performance Forecast

- No possible to realistically predict when COVID-19 will be stamped out, making it difficult to estimate business results with high degree of accuracy.
- Fiscal 2021 performance forecast based on assumption that TIS INTEC Group's business environment will normalize from the third quarter, paralleling gradual recovery in economic activity.
- Possibility that performance forecast will change, depending on actual status of COVID-19 pandemic.

*No change

Fiscal 2021: Sales and Income for Key Business Segments [Forecast]

[Millions of yen]		Fiscal 2020 actual	Fiscal 2021 revised estimate	YOY change	
Service IT Business	Net Sales	125,518	134,500	+8,982	[+7.2%]
	Operating Income	8,198	8,800	+602	[+7.3%]
	Operating margin	6.5%	6.5%	±0.0P	-
BPO	Net Sales	33,699	33,500	-199	[-0.6%]
	Operating Income	2,622	2,600	-22	[-0.8%]
	Operating margin	7.8%	7.8%	±0.0P	-
Financial IT Business	Net Sales	114,472	115,000	+528	[+0.5%]
	Operating Income	14,936	15,300	+364	[+2.4%]
	Operating margin	13.0%	13.3%	+0.3P	-
Industrial IT Business	Net Sales	202,701	196,000	-6,701	[-3.3%]
	Operating Income	19,159	18,100	-1,059	[-5.5%]
	Operating margin	9.5%	9.2%	-0.3P	-

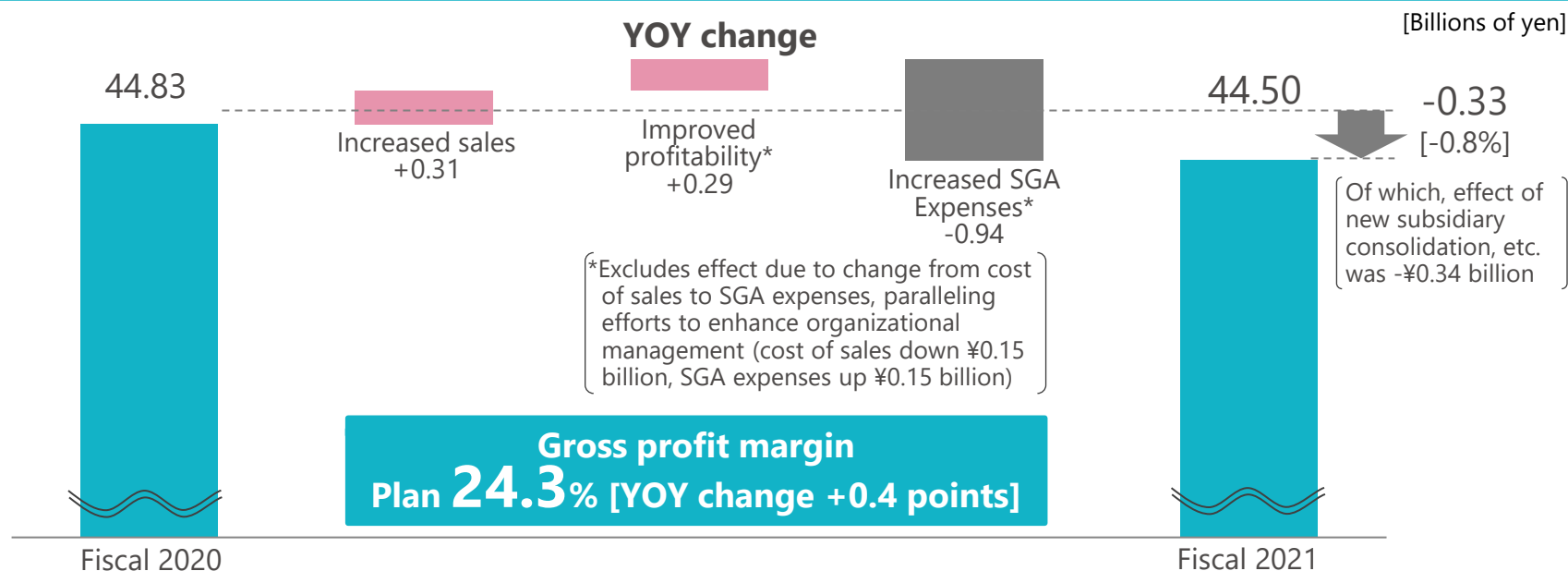
- **Service IT Business:** Anticipate higher sales and income as clients' investment in IT, such as payment services and the cloud, generates demand. Positive impact from M&A activity during fiscal 2021 should support higher results.
- **BPO:** New orders may be impacted by prevailing challenges, but changes in the business environment will probably have only minimal overall impact. Nevertheless, expecting slightly lower sales and operating income.
- **Financial IT Business:** Will capture IT investment demand from core clients, emphasize value-added services and improve productivity, which should underpin higher sales and income.
- **Industrial IT Business:** Despite positive aspect of M&A activity, anticipate negative effect from reduced IT investment by clients in manufacturing sector and small and medium-sized companies, causing drop in sales and income.

Fiscal 2021: Operating Income Analysis, Increase/Decrease Reasons [Forecast]

***No change**



- Expect to maintain year-on-year par on a performance basis excluding such factors as the impact of newly consolidated subsidiaries.
- Will maintain investment that contributes to future growth, while promoting enhanced cost-control, which includes sustained approaches to boost productivity and the results of "G20" project to elevate head office functions.



Anticipated prior investment costs for promoting structural transformation:

Up ¥1.10 billion (YOY change)

- ✓ Software investment to create new services
 - ✓ Investment in human resources to fuel structural transformation
 - ✓ Investment in R&D to acquire advanced technologies
- Costs related to

Anticipated brand-related costs incurred to ensure quick recognition in market:

Up ¥0.50 billion (YOY change)

Changes in SGA Expenses

Fiscal 2020 (Actual)	61.05
Enhanced organizational management	+1.50
Effect of new subsidiary consolidation, etc.	+1.59
Other decrease	-0.65
Fiscal 2021 (Plan)	63.50

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Changes to Corporate Identity Logo and Brand Message

•As part of effort to strengthen brand, TIS redesigned corporate identity logo and revised brand message in February 2021.

Group Logomark



Brand Message

Go Beyond



Make society's wishes come true through IT.

Logo design evokes idea of reliability and warmth and our goal to be a partner to clients in pursuing solutions to their concerns.

Expresses our goal to be a corporate group that addresses social issues and creates new value as a mover using digital technology, which is described in OUR PHILOSOPHY—the philosophy that guides the TIS INTEC Group.

Our mission is to draw on leading-edge digital technology and know-how to shape completely new concepts and approaches that solve issues affecting our world. Guided by this mission, we seek to make society a more colorful and vibrant place and create a tomorrow full of more smiles than yesterday. IT has the power to make the future brighter.

Make society's wishes come true through IT.



Fiscal 2021 Second Half: Sales and Income for Key Business Segments [Forecast]

***No change**



[Millions of yen]	Fiscal 2020 second half	Fiscal 2021 second half	YOY change		
Net Sales	227,420	233,692	+6,272	[+2.8%]	
Operating Income	25,739	26,289	+550	[+2.1%]	
Operating Margin	11.3%	11.2%	-0.1P	-	
Net Income Attributable to Owners of the Parent Company	16,144	19,223	+3,079	[+19.1%]	
Net Income to Net Sales Ratio	7.1%	8.2%	+1.1P	-	
Key Business Segments					
Service IT Business	Net Sales	65,650	71,631	+5,981	[+9.1%]
	Operating Income	5,741	6,228	+487	[+8.5%]
	Operating Margin	8.7%	8.7%	±0.0P	-
BPO	Net Sales	17,478	16,434	-1,044	[-6.0%]
	Operating Income	1,629	1,291	-338	[-20.7%]
	Operating Margin	9.3%	7.9%	-1.5P	-
Financial IT Business	Net Sales	59,016	61,410	+2,394	[+4.1%]
	Operating Income	8,010	8,625	+615	[+7.7%]
	Operating Margin	13.6%	14.0%	+0.5P	-
Industrial IT Business	Net Sales	103,287	104,527	+1,240	[+1.2%]
	Operating Income	10,646	10,301	-345	[-3.2%]
	Operating Margin	10.3%	9.9%	-0.4P	-

*Estimated amounts for the second half of Fiscal 2021 are calculated by subtracting the first half results from the annual estimates of Fiscal 2021.

Make society's wishes come true through IT.



TIS INTEC
Group