



Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2025

July 30, 2024

TIS Inc.

Fiscal 2025 First Quarter: Financial Highlights

- **Sales up over corresponding period a year ago while operating income decreased slightly but still in line with expectations.**
- **Profitability declined year on year, as large-scale projects fell from peak recorded in previous fiscal year and also due to impact from unprofitable projects.**
- **Value of orders received and order backlog rose over the corresponding period a year ago, driven by increase in software development activities.**

Fiscal 2025 First Quarter: Financial Highlights

Fiscal 2025 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. (Except page 16)

Fiscal 2025 First Quarter: Financial Highlights

Fiscal 2025 Performance Forecast

Reference Materials

Fiscal 2025 First Quarter: Performance Highlights (YOY change)

- Higher sales, thanks to business expansion through accurate responses to clients' IT investment needs, including demand for digital transformation.
- Posted slight decrease in operating income, but given factors, notably, that large-scale projects had fallen from peak, operating income settled in line with expectations.

[Millions of yen]	First Quarter of Fiscal 2024	First Quarter of Fiscal 2025	YOY change	
Net Sales	129,429	134,055	+4,625	[+3.6%]
Operating Income	14,310	14,061	-248	[-1.7%]
Operating Margin	11.1%	10.5%	-0.6P	-
Net Income Attributable to Owners of the Parent Company	10,147	10,679	+532	[+5.2%]
Net Income to Net Sales Ratio	7.8%	8.0%	+0.2P	-

-Non-operating income: ¥1,216 million
(YOY change +¥51 million)

-Non-operating expenses: ¥206 million
(YOY change +¥59 million)

-Extraordinary income: ¥1,987 million
(YOY change +¥1,214 million)

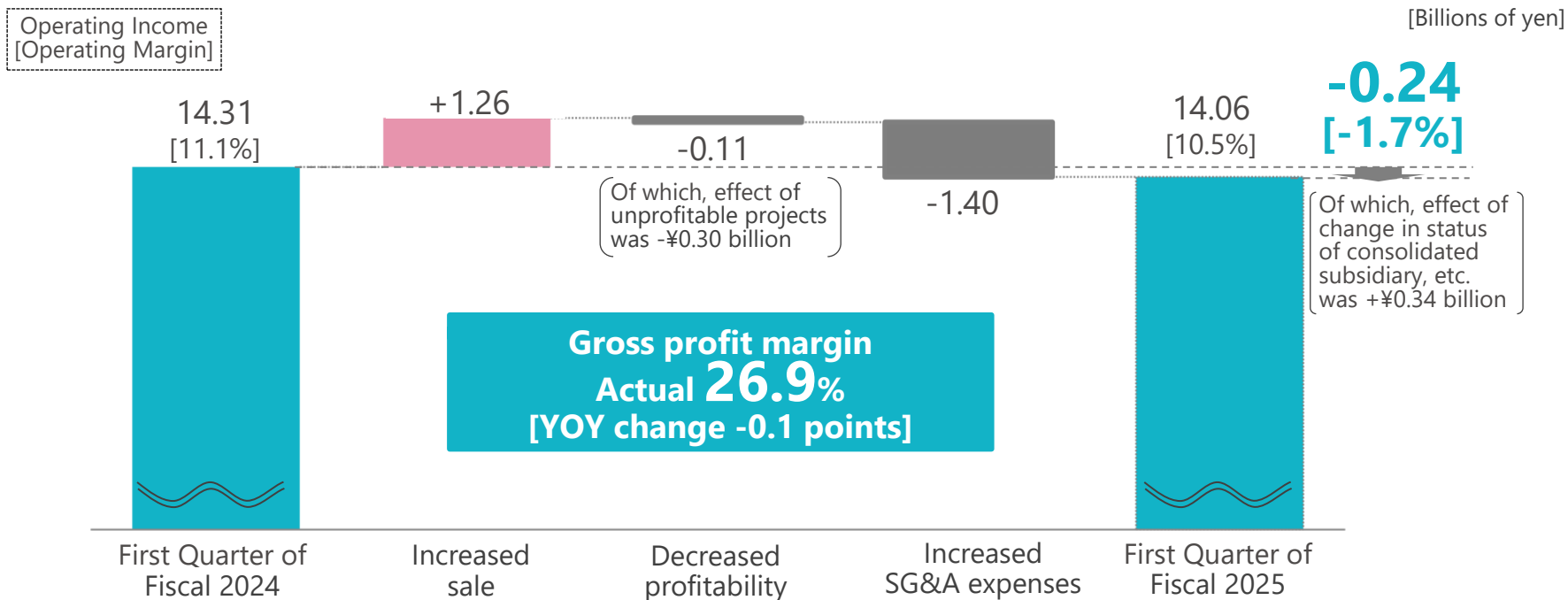
→Gain on sale of investment securities ¥1,983 million, etc.

-Extraordinary loss: ¥716 million
(YOY change +¥492 million)

Note: Companies brought under consolidation in previous fiscal year impacted consolidated results, contributing ¥2,480 million to net sales and ¥340 million (after amortization of goodwill) to operating income.

Fiscal 2025 First Quarter: Operating Income Analysis, Increase/Decrease Reasons (YOY change)

• Slight decrease in operating income and drop in profitability, as large-scale projects fell from peak and compounded impact from unprofitable projects.



Growth investment

(Investment in human resources / Investment in R&D / Software investment)

Down ¥0.00 billion (YOY change)

(Cost of sales: +¥0.06 billion, SG&A expenses: -¥0.07 billion)

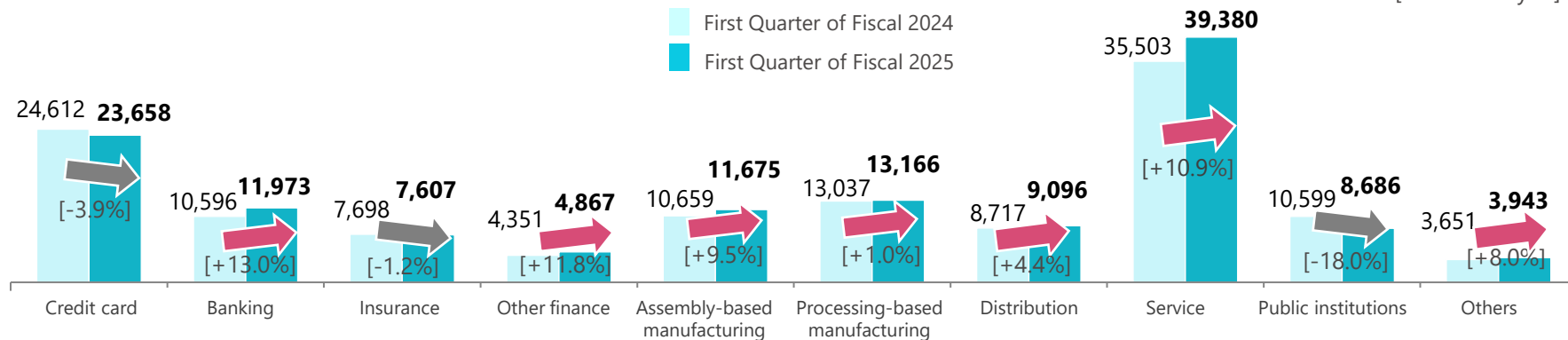
Changes in SG&A expenses

Effect of change in status of consolidated subsidiary, etc.	+1.30
Growth investment	-0.07
Progress on measures	+0.22
Other expenses	-0.05
Total	+1.40

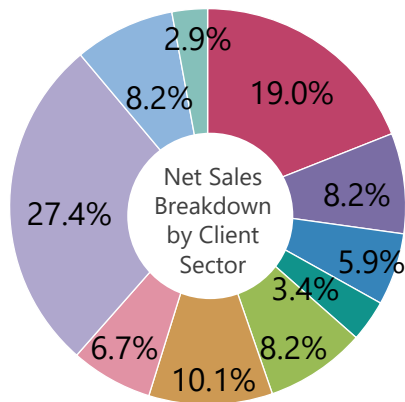
Fiscal 2025 First Quarter: Sales by Client Sector

• Overall, demand trends remained positive. However, key negative factors included lower sales to clients in credit card and public service sectors along with income from large-scale projects falling from peak.

[Millions of yen]

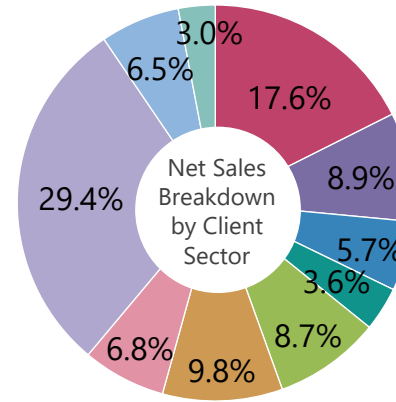


First Quarter of Fiscal 2024



Financial sector: 36.5% Industrial sector: 52.4%
Public sector: 8.2% Other sectors : 2.9%

First Quarter of Fiscal 2025



Financial sector: 35.8% Industrial sector: 54.7%
Public sector: 6.5% Other sectors : 3.0%

Fiscal 2025 First Quarter: Sales and Income by Key Business Segment (YOY change)

[Millions of yen]		First Quarter of Fiscal 2024	First Quarter of Fiscal 2025	YOY change	
Offering Service Business	Net Sales	28,018	34,001	+5,983	[+21.4%]
	Operating Income	1,157	2,206	+1,049	[+90.7%]
	Operating Margin	4.1%	6.5%	+2.4P	-
Business Process Management	Net Sales	10,300	10,008	-292	[-2.8%]
	Operating Income	727	836	+108	[+15.0%]
	Operating Margin	7.1%	8.4%	+1.3P	-
Financial IT Business	Net Sales	26,737	24,974	-1,762	[-6.6%]
	Operating Income	4,081	3,075	-1,006	[-24.7%]
	Operating Margin	15.3%	12.3%	-3.0P	-
Industrial IT Business	Net Sales	28,670	29,840	+1,170	[+4.1%]
	Operating Income	4,393	4,359	-34	[-0.8%]
	Operating Margin	15.3%	14.6%	-0.7P	-
Regional IT Solutions	Net Sales	41,784	41,060	-723	[-1.7%]
	Operating Income	4,061	3,355	-706	[-17.4%]
	Operating Margin	9.7%	8.2%	-1.5P	-

Offering Service Business:	Higher sales and higher income, largely due to wider IT investment in areas of payment settlement, platform and business management as well as positive impact of M&A activity. Overseas businesses also contributed to results.
Business Process Management:	Existing data-entry services continued to struggle, suffering a decrease in sales. Against this backdrop, cost control measures implemented, helping to push operating income up.
Financial IT Business:	Sales and income declined, as large-scale projects for core clients in credit card sector as well as public-sector financial institutions fell from peak.
Industrial IT Business:	Sales grew, reflecting wider IT investment across many sectors, including services, manufacturing and distribution, but income declined, mainly due to reactionary drop in number of large-scale software development projects for companies in manufacturing sector.
Regional IT Solutions:	Lower sales and income, primarily because of reactionary drop in projects related to medical services solutions as well as the appearance of unprofitable projects and higher system improvement costs.

Fiscal 2025 First Quarter: Order Status (Orders received during first quarter)

- Value of orders received was up year on year, driven by requests for software development. Recorded notably higher order results for Industrial IT Business and Offering Service Business.
- Lower value of orders received, other than that associated with software development, are largely due to lower sales and accounting lag in recording system operation.

[Millions of yen]		First Quarter of Fiscal 2024	First Quarter of Fiscal 2025	YOY change	
Orders received during first quarter		89,536	91,391	+1,855	[+2.1%]
Software development		59,070	62,124	+3,054	[+5.2%]
Key Business Segments					
Offering Service Business	Orders received during first quarter	16,531	18,117	+1,585	[+9.6%]
	Software development	10,630	12,228	+1,597	[+15.0%]
Business Process Management	Orders received during first quarter	10,236	9,204	-1,032	[-10.1%]
	Software development	3,524	2,677	-847	[-24.0%]
Financial IT Business	Orders received during first quarter	12,423	10,933	-1,489	[-12.0%]
	Software development	9,018	8,581	-437	[-4.9%]
Industrial IT Business	Orders received during first quarter	21,534	24,274	+2,739	[+12.7%]
	Software development	17,430	20,699	+3,268	[+18.8%]
Regional IT Solutions	Orders received during first quarter	28,809	28,862	+52	[+0.2%]
	Software development	18,465	17,937	-527	[-2.9%]

Fiscal 2025 First Quarter: Order Status (Order backlog at quarter-end)

• Order backlog increased year on year. Decrease recorded by Financial IT Business is because work on large-scale projects fell from peak.

[Millions of yen]		First Quarter of Fiscal 2024	First Quarter of Fiscal 2025	YOY change	
Order backlog at quarter-end		141,830	146,042	+4,211	[+3.0%]
Software development		94,606	96,687	+2,080	[+2.2%]
Key Business Segments					
Offering Service Business	Order backlog at quarter-end	25,634	29,510	+3,876	[+15.1%]
	Software development	14,070	16,663	+2,593	[+18.4%]
Business Process Management	Order backlog at quarter-end	7,887	7,224	-662	[-8.4%]
	Software development	7,751	6,982	-768	[-9.9%]
Financial IT Business	Order backlog at quarter-end	34,855	32,252	-2,602	[-7.5%]
	Software development	25,507	20,900	-4,606	[-18.1%]
Industrial IT Business	Order backlog at quarter-end	31,059	31,541	+482	[+1.6%]
	Software development	21,178	23,940	+2,761	[+13.0%]
Regional IT Solutions	Order backlog at quarter-end	42,393	45,512	+3,119	[+7.4%]
	Software development	26,099	28,200	+2,101	[+8.1%]

Fiscal 2025 First Quarter: Financial Highlights

Fiscal 2025 Performance Forecast

Reference Materials

Fiscal 2025: Performance Forecasts

***No change**

- Despite impact of reactionary drop in large projects, anticipating business expansion that will support higher sales and higher operating income.
- Decrease in net income attributable to owners of the parent company largely due to reactionary drop in non-operating income and extraordinary income, booked in previous fiscal year.

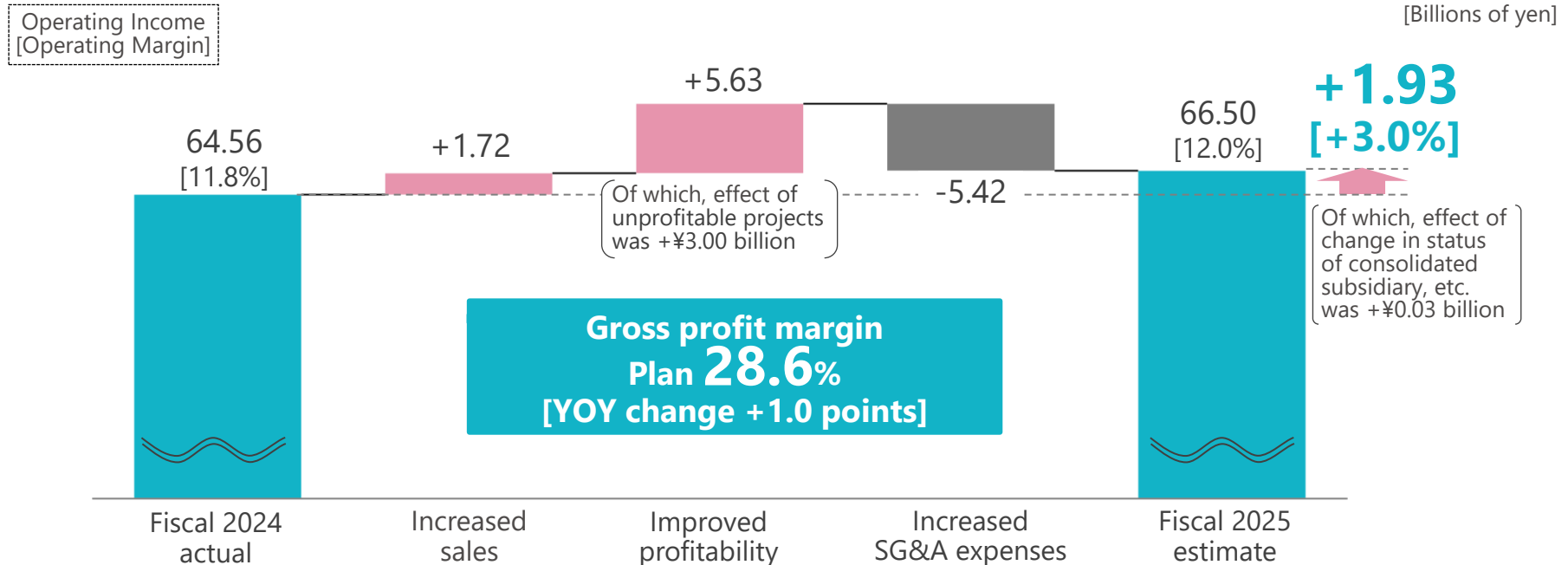
[Millions of yen]	Fiscal 2024 actual	Fiscal 2025 estimate	YOY change	
Net Sales	549,004	555,000	+5,995	[+1.1%]
Operating Income	64,568	66,500	+1,931	[+3.0%]
Operating Margin	11.8%	12.0%	+0.2P	-
Net Income Attributable to Owners of the Parent Company	48,873	44,800	-4,073	[-8.3%]
Net Income to Net Sales Ratio	8.9%	8.1%	-0.8P	-
Net Income per Share (Yen)	203.28	192.55	-10.73	[-5.3%]
ROE *	16.0%	13.9%	-2.1P	-

* ROE estimate for fiscal 2025 is a calculated value.

Fiscal 2025: Operating Income Analysis, Increase/Decrease Reasons [Forecast]

***No change**

- Will maintain robust growth investment, including investment into human resources. Anticipate higher operating income, buoyed by an increase in profit achieved by providing high-value-added services, leveraging measures to boost productivity and other approaches.



Growth investment
 (Investment in human resources / Investment in R&D / Software investment)
Up ¥0.60 billion (YOY change)
 (Cost of sales: +¥0.30 billion, SG&A expenses: +¥0.30 billion)

Changes in SG&A expenses

Effect of change in status of consolidated subsidiary, etc.	+1.58
Growth investment	+0.30
Progress on measures	+1.86
Other expenses	+1.68
Total	+5.42

Fiscal 2025: Sales and Income by Key Business Segment [Forecast]

***No change**



[Millions of yen]		Fiscal 2024 actual	Fiscal 2025 estimate	YOY change	
Offering Service Business	Net Sales	130,759	140,800	+10,040	[+7.7%]
	Operating Income	7,659	8,600	+940	[+12.3%]
	Operating Margin	5.9%	6.1%	+0.2P	-
Business Process Management	Net Sales	41,953	43,000	+1,046	[+2.5%]
	Operating Income	4,551	4,500	-51	[-1.1%]
	Operating Margin	10.8%	10.5%	-0.3P	-
Financial IT Business	Net Sales	106,304	98,500	-7,804	[-7.3%]
	Operating Income	15,185	12,000	-3,185	[-21.0%]
	Operating Margin	14.3%	12.2%	-2.1P	-
Industrial IT Business	Net Sales	121,896	125,500	+3,603	[+3.0%]
	Operating Income	18,287	19,600	+1,312	[+7.2%]
	Operating Margin	15.0%	15.6%	+0.6P	-
Regional IT Solutions	Net Sales	172,376	171,000	-1,376	[-0.8%]
	Operating Income	18,497	21,500	+3,002	[+16.2%]
	Operating Margin	10.7%	12.6%	+1.9P	-

Offering Service Business:	Expect higher sales and higher income, reflecting expansion in settlement solutions and wide spectrum of other services as well as improved profitability in overseas operations.
Business Process Management:	Despite efforts to shift business portfolio away from data entry services in favor of more priority areas, such as process optimization, sales may grow while income falls during the transition period.
Financial IT Business:	Huge impact from reactionary drop in multiple large-scale projects for existing clients could result in lower sales and lower income.
Industrial IT Business:	Higher sales and higher income are likely, owing to success in cultivating demand from existing customers, especially in manufacturing and service sectors, and capturing ERP-related IT investment demand.
Regional IT Solutions:	Despite lower sales due to reactionary drop in sales year on year, improved productivity and successful efforts to reduce number of unprofitable projects should deliver higher income.

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Fiscal 2025 First Quarter: Sales by Key Business Segment *For external clients

[Millions of yen]	First Quarter of Fiscal 2024	First Quarter of Fiscal 2025	YOY change	
Offering Service Business	24,928	30,951	+6,023	[+24.2%]
Software development	10,288	11,742	+1,454	[+14.1%]
Operating/cloud services	8,526	10,483	+1,957	[+23.0%]
Product/software sales	6,113	8,724	+2,610	[+42.7%]
Business Process Management	9,798	9,522	-275	[-2.8%]
Software development	3,222	2,954	-268	[-8.3%]
Operating/cloud services	6,385	6,270	-114	[-1.8%]
Product/software sales	189.0	297	+107	[+56.8%]
Financial IT Business	26,366	24,635	-1,731	[-6.6%]
Software development	15,336	12,420	-2,915	[-19.0%]
Operating/cloud services	9,635	10,812	+1,177	[+12.2%]
Product/software sales	1,395	1,402	+6	[+0.5%]
Industrial IT Business	28,540	29,741	+1,201	[+4.2%]
Software development	18,946	19,824	+878	[+4.6%]
Operating/cloud services	6,516	6,319	-197	[-3.0%]
Product/software sales	3,077	3,597	+520	[+16.9%]
Regional IT Solutions	39,277	38,639	-638	[-1.6%]
Software development	20,063	19,906	-157	[-0.8%]
Operating/cloud services	13,922	14,418	+496	[+3.6%]
Product/software sales	5,291	4,314	-977	[-18.5%]
Others	517	564	+47	[+9.1%]
Total	129,429	134,055	+4,625	[+3.6%]
Software development	67,857	66,848	-1,009	[-1.5%]
Operating/cloud services	44,986	48,305	+3,319	[+7.4%]
Product/software sales	16,067	18,336	+2,268	[+14.1%]
Others	517	564	+47	[+9.1%]

Fiscal 2025 First Half: Sales and Income for Key Business Segments [Forecast] *No change

[Millions of yen]	Fiscal 2024 first half	Fiscal 2025 first half	YOY change	
Net Sales	267,488	270,000	+2,511	[+0.9%]
Operating Income	30,387	30,000	-387	[-1.3%]
Operating Margin	11.4%	11.1%	-0.3P	-
Net Income Attributable to Owners of the Parent Company	20,307	20,300	-7	[-0.0%]
Net Income to Net Sales Ratio	7.6%	7.5%	-0.1P	-
Key Business Segments				
Offering Service Business	Net Sales	60,148	68,600	+8,451 [+14.1%]
	Operating Income	2,659	3,300	+640 [+24.1%]
	Operating Margin	4.4%	4.8%	+0.4P -
Business Process Management	Net Sales	20,994	21,400	+405 [+1.9%]
	Operating Income	2,108	2,100	-8 [-0.4%]
	Operating Margin	10.0%	9.8%	-0.2P -
Financial IT Business	Net Sales	54,106	50,000	-4,106 [-7.6%]
	Operating Income	7,886	6,000	-1,886 [-23.9%]
	Operating Margin	14.6%	12.0%	-2.6P -
Industrial IT Business	Net Sales	58,326	60,300	+1,973 [+3.4%]
	Operating Income	8,470	9,200	+729 [+8.6%]
	Operating Margin	14.5%	15.3%	+0.8P -
Regional IT Solutions	Net Sales	85,535	82,000	-3,535 [-4.1%]
	Operating Income	9,013	9,300	+286 [+3.2%]
	Operating Margin	10.5%	11.3%	+0.8P -

Fiscal 2025 Second Half: Sales and Income for Key Business Segments [Forecast] *No change

[Millions of yen]	Fiscal 2024 second half	Fiscal 2025 second half	YOY change	
Net Sales	281,515	285,000	+3,484	[+1.2%]
Operating Income	34,181	36,500	+2,318	[+6.8%]
Operating Margin	12.1%	12.8%	+0.7P	-
Net Income Attributable to Owners of the Parent Company	28,566	24,500	-4,066	[-14.2%]
Net Income to Net Sales Ratio	10.1%	8.6%	-1.5P	-
Key Business Segments				
Offering Service Business	Net Sales	70,611	72,200	+1,588 [+2.2%]
	Operating Income	5,000	5,300	+299 [+6.0%]
	Operating Margin	7.1%	7.3%	+0.2P -
Business Process Management	Net Sales	20,958	21,600	+641 [+3.1%]
	Operating Income	2,442	2,400	-42 [-1.7%]
	Operating Margin	11.7%	11.1%	-0.6P -
Financial IT Business	Net Sales	52,197	48,500	-3,697 [-7.1%]
	Operating Income	7,298	6,000	-1,298 [-17.8%]
	Operating Margin	14.0%	12.4%	-1.6P -
Industrial IT Business	Net Sales	63,569	65,200	+1,630 [+2.6%]
	Operating Income	9,816	10,400	+583 [+5.9%]
	Operating Margin	15.4%	16.0%	+0.6P -
Regional IT Solutions	Net Sales	86,840	89,000	+2,159 [+2.5%]
	Operating Income	9,484	12,200	+2,715 [+28.6%]
	Operating Margin	10.9%	13.7%	+2.8P -

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