

# **Financial Results for the First Two Quarters (Interim Period) of Fiscal Year Ending March 31, 2025**

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**October 31, 2024**

**TIS Inc.**

# Highlights

## Fiscal 2025 First Two Quarters: Financial Highlights

- **Achieved better profit position, exceeding estimates for higher sales and lower income year on year.**
- **Operating margin slipped year on year, mainly because number of large projects fell from peak in corresponding period a year ago, but remained in line with estimate.**
- **Orders received and order backlog were up year on year with order backlog building to all-time high.**

## Fiscal 2025: Performance Forecast

- **No revisions to full-year performance forecast since progress generally in line with expectations.**

## Fiscal 2025 First Two Quarters: Financial Highlights

## Fiscal 2025: Performance Forecast

## Return to Shareholders

## Progress on Medium-Term Management Plan (2024–2026)

## 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. (excluding page 35 and 36)

## **Fiscal 2025 First Two Quarters: Financial Highlights**

**Fiscal 2025: Performance Forecast**

**Return to Shareholders**

**Progress on Medium-Term Management Plan (2024–2026)**

**Reference Materials**

## Fiscal 2025 First Two Quarters: Performance Highlights (YOY change)

- Higher sales and higher income, thanks to business expansion through accurate responses to clients' IT investment needs, including demand for digital transformation.
- Operating margin slipped, mainly due to decline in number of large projects from peak in corresponding period a year ago, but hovered at expected level nevertheless.

[Millions of yen]	First two quarters of fiscal 2024	First two quarters of fiscal 2025	YOY change	
Net Sales	267,488	<b>275,558</b>	+8,069	[+3.0%]
Operating Income	30,387	<b>30,509</b>	+121	[+0.4%]
Operating Margin	11.4%	<b>11.1%</b>	-0.3P	-
Net Income Attributable to Owners of the Parent Company	20,307	<b>20,840</b>	+533	[+2.6%]
Net Income to Net Sales Ratio	7.6%	<b>7.6%</b>	-0.0P	-

- Non-operating income: ¥1,471 million  
(YOY change -¥295 million)  
→ Dividend income ¥620 million  
Equity in earnings of affiliated companies ¥352 million, etc.

- Non-operating expenses: ¥681 million  
(YOY change +¥363 million)  
→ Interest expenses ¥215 million, etc.

- Extraordinary income: ¥4,558 million  
(YOY change +¥3,424 million)  
→ Gain on sale of investment securities ¥4,296 million, etc.

- Extraordinary loss: ¥ 3,770 million  
(YOY change +¥2,207 million)  
→ Impairment loss ¥2,432 million  
Loss on valuation of shares in subsidiaries ¥861million, etc.

\*Bringing a company under scope of consolidation in previous fiscal year led to impact of ¥2.7 billion on net sales and ¥210 million on operating income (after goodwill amortization).

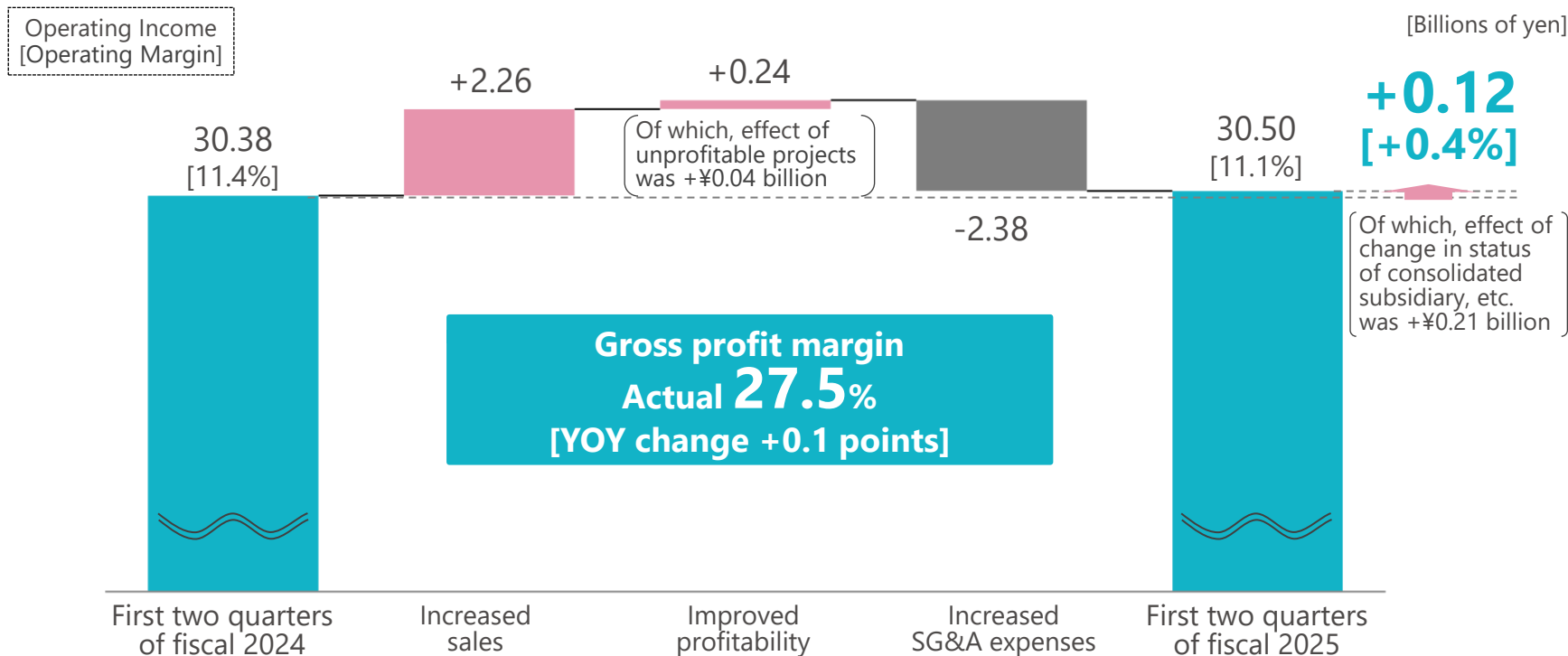
# Fiscal 2025 First Two Quarters: Performance Highlights (Compared with estimate)

- Achieved estimates against backdrop of heightened IT investment activity across broad range of clients

[Millions of yen]	First two quarters of fiscal 2025 estimate	First two quarters of fiscal 2025 actual	Compared with estimate	
Net Sales	270,000	<b>275,558</b>	+5,558	[+2.1%]
Operating Income	30,000	<b>30,509</b>	+509	[+1.7%]
Operating Margin	11.1%	<b>11.1%</b>	-0.0P	-
Net Income Attributable to Owners of the Parent Company	20,300	<b>20,840</b>	+540	[+2.7%]
Net Income to Net Sales Ratio	7.5%	<b>7.6%</b>	+0.1P	-

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

- Maintained steady increase in operating income even though number of large projects fell from peak in corresponding period a year ago



**Growth investment costs**  
(Cost of investment in human resources / Investment in R&D / Software investment)

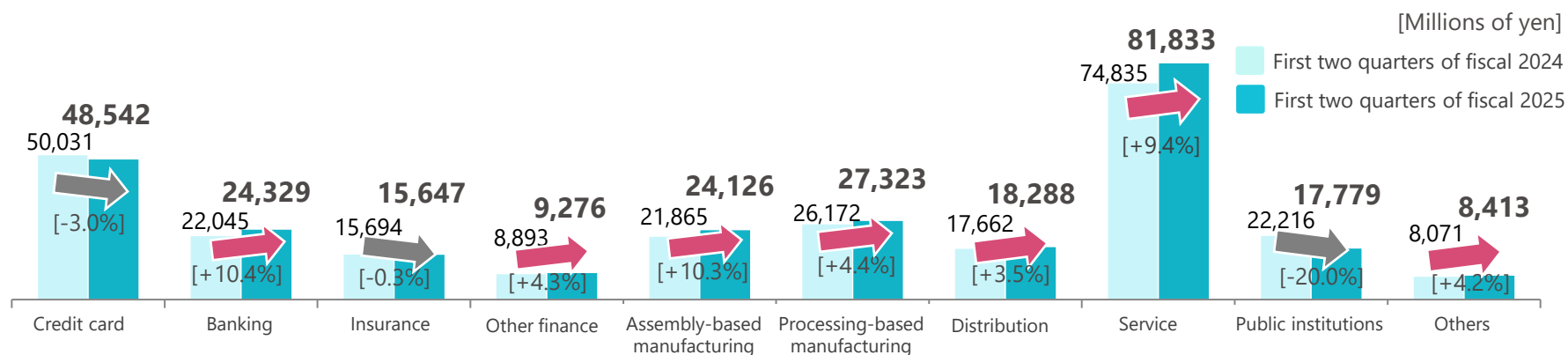
**YOY change +¥0.25 billion**  
(Cost of sales : +¥0.40 billion, SG&A expenses : -¥0.15 billion)

## Changes in SG&A Expenses

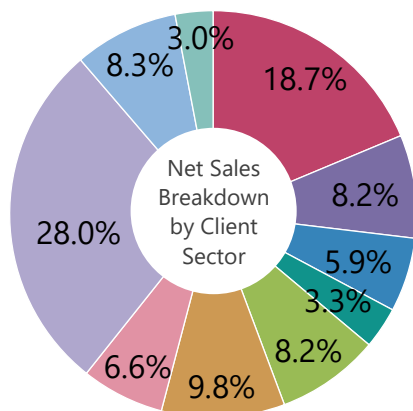
Effect of change in status of consolidated subsidiary, etc.	+1.48
Growth investment	-0.15
Progress on measures	+0.59
Other expenses	+0.46
<b>Total</b>	<b>+2.38</b>

# Fiscal 2025 First Two Quarters: 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.

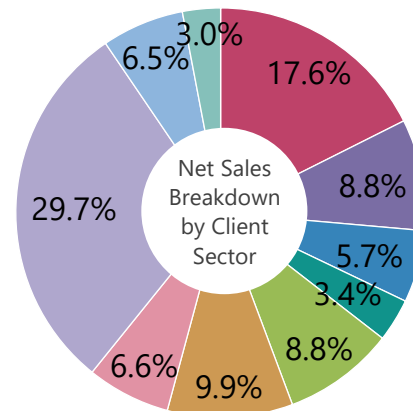


First two quarters of fiscal 2024



Financial sector: 36.1% Industrial sector: 52.6%  
Public sector: 8.3% Other sectors: 3.0%

First two quarters of fiscal 2025



Financial sector: 35.5% Industrial sector: 55.0%  
Public sector: 6.5% Other sectors: 3.0%



# Fiscal 2025 First Two Quarters: Sales and Income by Key Business Segments (YOY change)

[Millions of yen]		First two quarters of fiscal 2024	First two quarters of fiscal 2025	YOY change	
Offering Service Business	Net Sales	60,148	<b>70,405</b>	+10,256	[+17.1%]
	Operating Income	2,659	<b>4,468</b>	+1,809	[+68.0%]
	Operating Margin	4.4%	<b>6.3%</b>	+1.9P	-
Business Process Management	Net Sales	20,994	<b>20,848</b>	-145	[-0.7%]
	Operating Income	2,108	<b>2,317</b>	+209	[+9.9%]
	Operating Margin	10.0%	<b>11.1%</b>	+1.1P	-
Financial IT Business	Net Sales	54,106	<b>50,041</b>	-4,064	[-7.5%]
	Operating Income	7,886	<b>6,090</b>	-1,796	[-22.8%]
	Operating Margin	14.6%	<b>12.2%</b>	-2.4P	-
Industrial IT Business	Net Sales	58,326	<b>61,295</b>	+2,969	[+5.1%]
	Operating Income	8,470	<b>9,022</b>	+551	[+6.5%]
	Operating Margin	14.5%	<b>14.7%</b>	+0.2P	-
Regional IT Solutions	Net Sales	85,535	<b>83,948</b>	-1,586	[-1.9%]
	Operating Income	9,013	<b>8,300</b>	-713	[-7.9%]
	Operating Margin	10.5%	<b>9.9%</b>	-0.6P	-

<b>Offering Service Business:</b>	Higher sales and higher income, reflecting increase in IT investment by clients for enterprise, platform and payment settlement services. Overseas business activities also contributed to segment results.
<b>Business Process Management:</b>	Some existing BPO services continued to struggle, putting pressure on sales results. Against this backdrop, cost control measures implemented, successfully boosting income.
<b>Financial IT Business:</b>	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.
<b>Industrial IT Business:</b>	Sales and income grew, as wider IT investment across industries, including services, manufacturing and distribution, offset factors such as reactionary decrease in large development projects for companies in manufacturing sector.
<b>Regional IT Solutions:</b>	Lower sales and income, primarily because of reactionary drop in projects related to medical services solutions as well as booking of temporary expenses.

# Fiscal 2025 First Two Quarters: Sales and Income by Key Business Segment (Compared with estimate)

[Millions of yen]		First two quarters of fiscal 2025 estimate	First two quarters of fiscal 2025 actual	Compared with estimate	
Offering Service Business	Net Sales	68,600	<b>70,405</b>	+1,805	[+2.6%]
	Operating Income	3,300	<b>4,468</b>	+1,168	[+35.4%]
	Operating Margin	4.8%	<b>6.3%</b>	+1.5P	-
Business Process Management	Net Sales	21,400	<b>20,848</b>	-551	[-2.6%]
	Operating Income	2,100	<b>2,317</b>	+217	[+10.4%]
	Operating Margin	9.8%	<b>11.1%</b>	+1.3P	-
Financial IT Business	Net Sales	50,000	<b>50,041</b>	+41	[+0.1%]
	Operating Income	6,000	<b>6,090</b>	+90	[+1.5%]
	Operating Margin	12.0%	<b>12.2%</b>	+0.2P	-
Industrial IT Business	Net Sales	60,300	<b>61,295</b>	+995	[+1.7%]
	Operating Income	9,200	<b>9,022</b>	-177	[-1.9%]
	Operating Margin	15.3%	<b>14.7%</b>	-0.6P	-
Regional IT Solutions	Net Sales	82,000	<b>83,948</b>	+1,948	[+2.4%]
	Operating Income	9,300	<b>8,300</b>	-999	[-10.7%]
	Operating Margin	11.3%	<b>9.9%</b>	-1.4P	-

<b>Offering Service Business:</b>	Sales and income higher than estimates, reflecting favorable contribution from Nihon ICS and better-than expected demand for enterprise and platform services.
<b>Business Process Management:</b>	Some existing BPO services faced bigger hurdles than anticipated, causing sales to come in below estimate. But cost-control measures helped push income above estimate.
<b>Financial IT Business:</b>	Results were on track with estimates overall, even taking into account decline in number of large projects from peak in corresponding period a year ago. Sales and income reached estimated levels.
<b>Industrial IT Business:</b>	Demand from clients in manufacturing and service sectors better than anticipated, boosting sales to estimated level. But negative factors, notably, unprofitable projects, prevented income from reaching estimate.
<b>Regional IT Solutions:</b>	Demand from clients in the life and non-life insurance sectors better than anticipated, boosting sales to estimated level. But negative factors, including recognition of temporary expenses and impact from unprofitable projects, prevented income from reaching estimate.

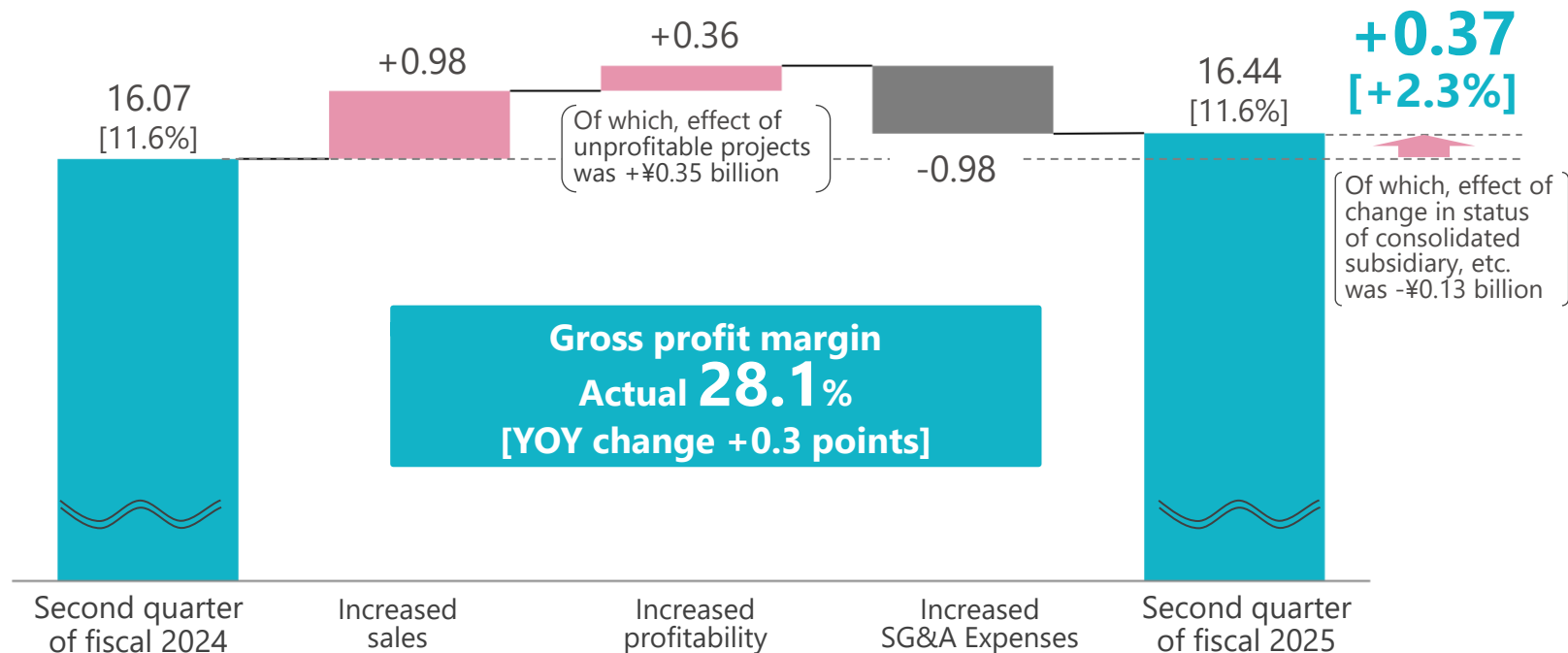
# Reference: Fiscal 2025 Second Quarter (July-September): Sales and Income by Key Business Segments

[Millions of yen]		Second quarter of fiscal 2024	Second quarter of fiscal 2025	YOY change	
Net Sales		138,059	<b>141,503</b>	+3,443	[+2.5%]
Operating Income		16,076	<b>16,447</b>	+370	[+2.3%]
Operating Margin		11.6%	<b>11.6%</b>	-0.0P	-
Net Income Attributable to Owners of the Parent Company		10,160	<b>10,161</b>	+1	[+0.0%]
Net Income to Net Sales Ratio		7.4%	<b>7.2%</b>	-0.2P	-
<b>Key Business Segments</b>					
Offering Service Business	Net Sales	32,130	<b>36,403</b>	+4,273	[+13.3%]
	Operating Income	1,502	<b>2,262</b>	+759	[+50.5%]
	Operating Margin	4.7%	<b>6.2%</b>	+1.5P	-
Business Process Management	Net Sales	10,693	<b>10,840</b>	+146	[+1.4%]
	Operating Income	1,380	<b>1,480</b>	+100	[+7.3%]
	Operating Margin	12.9%	<b>13.7%</b>	+0.8P	-
Financial IT Business	Net Sales	27,369	<b>25,066</b>	-2,302	[-8.4%]
	Operating Income	3,805	<b>3,015</b>	-790	[-20.8%]
	Operating Margin	13.9%	<b>12.0%</b>	-1.9P	-
Industrial IT Business	Net Sales	29,655	<b>31,454</b>	+1,799	[+6.1%]
	Operating Income	4,077	<b>4,662</b>	+585	[+14.4%]
	Operating Margin	13.7%	<b>14.8%</b>	+1.1P	-
Regional IT Solutions	Net Sales	43,751	<b>42,888</b>	-863	[-2.0%]
	Operating Income	4,952	<b>4,945</b>	-7	[-0.1%]
	Operating Margin	11.3%	<b>11.5%</b>	+0.2P	-

# Reference: Fiscal 2025 Second Quarter (July-September): Operating Income Analysis, Increase/Decrease Reasons (YOY change)

[Billions of yen]

Operating Income  
[Operating Margin]



## Growth investment costs

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

**YOY change +¥0.25 billion**

**(Cost of sales : +¥0.33 billion, SG&A expenses : -¥0.80 billion)**

## Changes in SG&A Expenses

Effect of change in status of consolidated subsidiary, etc.	+0.17
Growth investment	-0.08
Progress on measures	+0.37
Other expenses	+0.51
<b>Total</b>	<b>+0.98</b>

# Fiscal 2025 First Two Quarters: Order Status (Orders received during first two quarters)

- Orders received were up year on year, driven by successful order activity by Industrial IT Business and Offering Service Business.
- Drop recorded by Financial IT Business reflects decrease in number of large projects from peak in corresponding period a year ago.

[Millions of yen]		First two quarters of fiscal 2024	First two quarters of fiscal 2025	YOY change	
Orders received during first two quarters		272,371	<b>281,240</b>	+8,869	[+3.3%]
Software development		133,176	<b>137,959</b>	+4,782	[+3.6%]
<b>Key Business Segments</b>					
Offering Service Business	Orders received during first two quarters	57,991	<b>65,310</b>	+7,318	[+12.6%]
	Software development	23,846	<b>25,213</b>	+1,366	[+5.7%]
Business Process Management	Orders received during first two quarters	19,625	<b>19,835</b>	+210	[+1.1%]
	Software development	6,099	<b>6,244</b>	+144	[+2.4%]
Financial IT Business	Orders received during first two quarters	49,717	<b>45,985</b>	-3,732	[-7.5%]
	Software development	23,539	<b>21,468</b>	-2,071	[-8.8%]
Industrial IT Business	Orders received during first two quarters	58,822	<b>62,515</b>	+3,692	[+6.3%]
	Software development	37,153	<b>41,734</b>	+4,581	[+12.3%]
Regional IT Solutions	Orders received during first two quarters	86,214	<b>87,593</b>	+1,379	[+1.6%]
	Software development	42,537	<b>43,298</b>	+760	[+1.8%]

# Fiscal 2025 First Two Quarters: Order Status (Order backlog at end of second quarter)

- Order backlog hit all-time high, fueled by demand for Offering Service Business and Regional IT Solutions services.
- Decrease recorded by Industrial IT Business reflects reactionary drop on certain sales opportunities.

[Millions of yen]	First two quarters of fiscal 2024	First two quarters of fiscal 2025	YOY change	
Order backlog at end of second quarter	187,533	<b>195,631</b>	+8,098	[+4.3%]
Software development	97,863	<b>99,974</b>	+2,110	[+2.2%]

## Key Business Segments

Offering Service Business	Order backlog at end of second quarter	38,636	<b>44,102</b>	+5,466	[+14.1%]
	Software development	16,208	<b>16,736</b>	+527	[+3.3%]
Business Process Management	Order backlog at end of second quarter	7,127	<b>7,548</b>	+421	[+5.9%]
	Software development	6,880	<b>7,207</b>	+327	[+4.8%]
Financial IT Business	Order backlog at end of second quarter	45,168	<b>42,564</b>	-2,603	[-5.8%]
	Software development	24,458	<b>20,720</b>	-3,738	[-15.3%]
Industrial IT Business	Order backlog at end of second quarter	38,814	<b>38,528</b>	-286	[-0.7%]
	Software development	21,561	<b>23,221</b>	+1,660	[+7.7%]
Regional IT Solutions	Order backlog at end of second quarter	57,786	<b>62,887</b>	+5,100	[+8.8%]
	Software development	28,753	<b>32,088</b>	+3,334	[+11.6%]

## Reference: Fiscal 2025 Second Quarter (July-September): Order Status

[Millions of yen]	Second quarter of fiscal 2024	Second quarter of fiscal 2025	YOY change	
Orders received during second quarter	182,835	<b>189,849</b>	+7,013	[+3.8%]
Software development	74,106	<b>75,834</b>	+1,728	[+2.3%]

### Key Business Segments

Offering Service Business	Orders received during second quarter	41,459	<b>47,192</b>	+5,733	[+13.8%]
	Software development	13,215	<b>12,984</b>	-230	[-1.7%]
Business Process Management	Orders received during second quarter	9,388	<b>10,631</b>	+1,243	[+13.2%]
	Software development	2,574	<b>3,566</b>	+991	[+38.5%]
Financial IT Business	Orders received during second quarter	37,294	<b>35,051</b>	-2,243	[-6.0%]
	Software development	14,520	<b>12,887</b>	-1,633	[-11.2%]
Industrial IT Business	Orders received during second quarter	37,287	<b>38,241</b>	+953	[+2.6%]
	Software development	19,723	<b>21,035</b>	+1,312	[+6.7%]
Regional IT Solutions	Orders received during second quarter	57,404	<b>58,731</b>	+1,326	[+2.3%]
	Software development	24,072	<b>25,360</b>	+1,288	[+5.4%]

**Fiscal 2025 First Two Quarters: Financial Highlights**

**Fiscal 2025: Performance Forecast**

**Return to Shareholders**

**Progress on Medium-Term Management Plan (2024–2026)**

**Reference Materials**

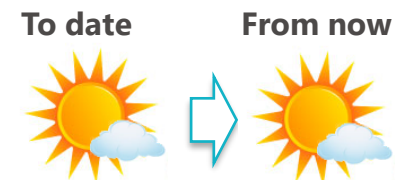


# Fiscal 2025: Understanding the Business Environment

- View that IT investment is in expansion mode for long term persists. Changes in environment require careful monitoring.

## Offering Service Business

- ✓ Cashless market continues to grow. Tailwind factors, such as political policies, business environment, DX and inbound tourism, will gain steam.
- ✓ Diverse themes and services abound, driven by efforts of finance x operating companies.
- ✓ Despite uncertainty over government policies, ASEAN economy continues to grow thanks to solid domestic demand.
- ✓ Cloud security market continues to grow. Robust activity in business management domain continues.



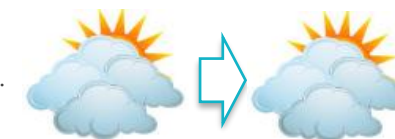
## Business Process Management

- ✓ No course correction to trends in business world, namely labor shortage and rising wages, keeping BPO market in gradual growth mode.
- ✓ Demand for simple outsourcing, such as data entry work, shrinking due to digital advances. Price competition intensifying.
- ✓ Major corporations utilizing opportunities, including M&A, to enter BPO market with high-value-added services.



## Financial IT Business

- ✓ Forecasting increase in IT investment aimed at honing sharper competitive edge against backdrop of potential for future policy interest rate hikes.
- ✓ Payment market continues to grow, paralleling increased use of credit cards and cashless options for purchasing activities.
- ✓ Competition with new players intensifying as cashless market grows. Heightened efforts to retain own economic sphere and notable shift toward restructuring.
- ✓ Separately, large projects for core clients in credit card sector and public finance declined from peak.



## Industrial IT Business

- ✓ Demand for DX solutions continues, while modernization and ERP upgrade services also continue to attract strong interest.
- ✓ Restaurant and service sectors experiencing post-COVID recovery but are short on staff. Must pay close attention to balance between IT investment and allocation of management resources.
- ✓ Impact of skyrocketing oil prices, exchange rate fluctuations and upward pressure on wages and commodity prices require close watch, especially for manufacturing sector.



## Regional IT Solutions

- ✓ Local governments getting into full-scale IT investment, including efforts to standardize systems by end of fiscal 2025.
- ✓ IT investment needs continue to increase among providers of medical services in response to construction and integration of data infrastructure and wider user of information and communication technology.
- ✓ Anticipate greater IT investment, especially by megabanks. Regional banks moving ahead on local oligopoly restructuring.



These trends may differ from general industry trends since management's assumptions also take into consideration the status of IT investment

## Fiscal 2025: Performance Forecasts

No change from estimates announced on May 8, 2024

- 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.

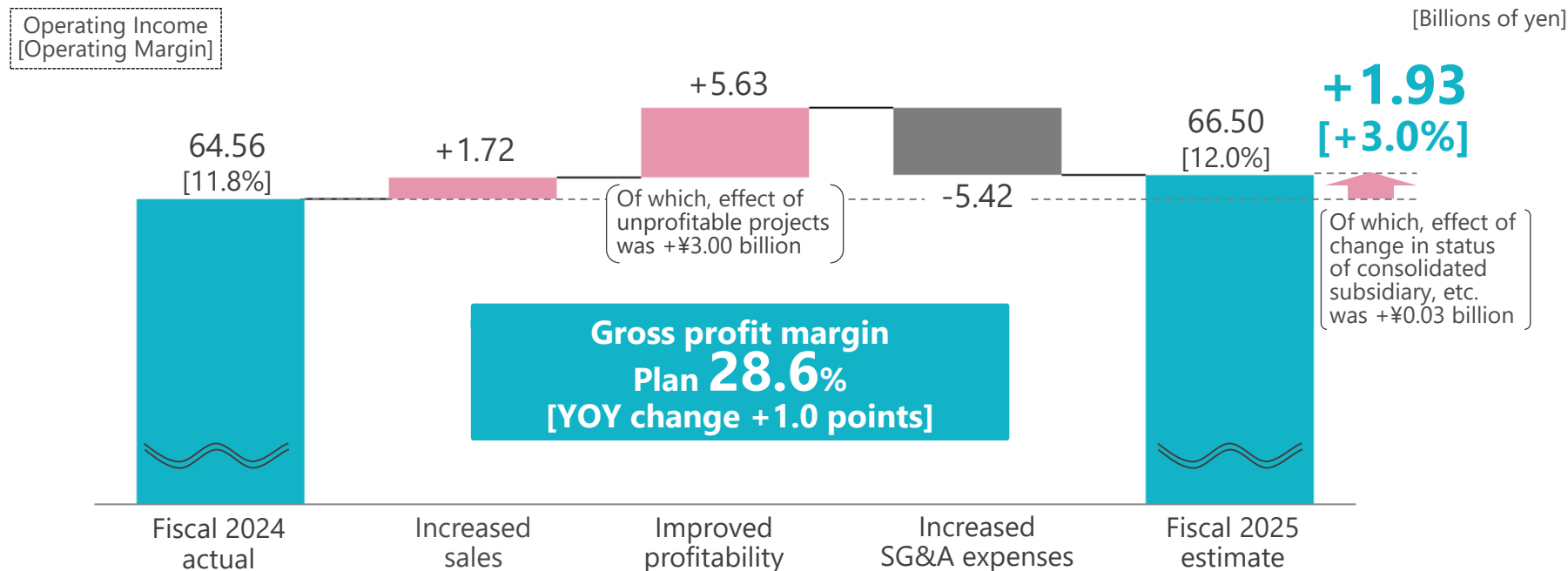
[Millions of yen]	Fiscal 2024 actual	Fiscal 2025 estimate	YOY change	
Net Sales	549,004	<b>555,000</b>	+5,995	[+1.1%]
Operating Income	64,568	<b>66,500</b>	+1,931	[+3.0%]
Operating Margin	11.8%	<b>12.0%</b>	+0.2P	-
Net Income Attributable to Owners of the Parent Company	48,873	<b>44,800</b>	-4,073	[-8.3%]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

\* ROE estimate for fiscal 2025 is a calculated value.

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

No change from estimates announced on May 8, 2024

- 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 costs

(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
<b>Total</b>	<b>+5.42</b>

# Fiscal 2025: Sales and Income by Key Business Segment

## [Forecast]

No change from estimates announced on May 8, 2024

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

<b>Offering Service Business:</b>	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.
<b>Business Process Management:</b>	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.
<b>Financial IT Business:</b>	Huge impact from reactionary drop in multiple large-scale projects for existing clients could result in lower sales and lower income.
<b>Industrial IT Business:</b>	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.
<b>Regional IT Solutions:</b>	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.

**Fiscal 2025 First Two Quarters: Financial Highlights**

**Fiscal 2025: Performance Forecast**

**Return to Shareholders**

**Progress on Medium-Term Management Plan (2024–2026)**

**Reference Materials**

## Fiscal 2025: Return to Shareholders

- Implemented return to shareholders in line with total return ratio yardstick of 50%.
- No change to dividend plan for fiscal 2025. Interim dividend will be ¥34 per share, up ¥17 year on year.

### Basic Policy on Return to Shareholders under Medium-Term Management Plan (2024-2026)

Balance efforts to promote growth investment with efforts to maintain financial health, while strengthening return to shareholders.

#### Total return ratio

**50%** <sup>\*1</sup>

[up from 45%]

Dividends per share  
**Constantly enrich the dividend**

Upper limit on treasury stock holdings  
**at 5%**

	Fiscal 2024 actual			Fiscal 2025 estimate
	[Normal]	[Capital optimized]	[Total]	
Interim dividend per share	¥17 [YOY change +¥2]	-	¥17	<b>¥34</b> <b>[YOY change +¥17]</b>
Annual dividend per share	¥56 [YOY change +¥6]	-	¥56	<b>¥68</b> <b>[YOY change +¥12]</b>
Total dividends	¥13.3 billion	-	¥13.3 billion	<b>¥15.9 billion</b>
Payout ratio [After adjustment *1]	27.5% [30.7%]	-	27.5%	<b>35.3%</b>
Acquired treasury shares	About ¥6.2 billion	About ¥22.4 billion	About ¥28.6 billion	<b>¥6.5 billion</b> <sup>*2</sup>
Total return ratio [After adjustment *1]	39.9% [44.9%]	-	85.8%	<b>50.0%</b>

Treasury stock buyback conducted from May through June 2024, ending with purchase amount totaling about ¥6.5 billion.

\*1 Based on profit (after income taxes and income attributable to non-controlling interests)

\*2 Upper limit based on treasury stock buyback announced May 8, 2024.

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# Medium-Term Management Plan (2024-2026) Overview

Basic policy	<h2>Frontiers 2026</h2> <ul style="list-style-type: none"> <li>We will set <b>frontier development</b> as a fundamental strategy and strive for <b>sustainable growth paralleling higher added value</b>. We will strive to achieve <b>changes in society and for corporate clients</b> by <b>enhancing quality across all value chains</b>, starting with <b>forward-looking market development</b> and <b>business domain expansion</b>.</li> </ul>				
	Human resources growth and added value cycle	Improved earning power	Asset (=intellectual property) value creation	Winning confidence of society	Meaningful growth
Key performance indicators	Operating income per person <b>More than ¥3.5 million</b>	Operating margin <b>13.1%</b> Adjusted operating margin 13.4% *1	ROIC/ROE <b>Above 13%/above 16%</b>	Sales <b>¥620.0 billion</b>	EPS CAGR <b>Above 10%</b>
Priority strategies	<h2>Market Strategies</h2> <ul style="list-style-type: none"> <li>Concentrate investment of management resources into defined growth areas, based on social issues and in-house strengths</li> <li>Balancing efforts to increase added value of services and reinforce technology investment, expand business with sense of speed, especially in ASEAN region</li> </ul>				
	Service Strategies	Technology Strategies	Intellectual Property Strategies	Human Resources Strategies	
	<ul style="list-style-type: none"> <li>All services, from upstream to business process outsourcing, will benefit under full value chain status</li> <li>Enrich pure services *3, focusing on four social issues *2</li> </ul>	<ul style="list-style-type: none"> <li>Leverage knowledge distribution, IT architect development and redeployment structure</li> <li>Promote process redevelopment using AI x automation</li> </ul>	<ul style="list-style-type: none"> <li>Seek balance between higher added value and expanded business scale, with greater accumulation and utilization of intellectual property</li> <li>Accelerate intellectual property creation through internal use of information on points of client contact</li> </ul>	<ul style="list-style-type: none"> <li>Bolster issue resolution capabilities by increasing number consultants to create 700-person structure and by standardizing basic consulting skills</li> <li>Secure and develop top talent and establish structure for flexible redeployment of human resources</li> </ul>	

\*1 Adjusted operating income margin: Calculated by adding goodwill amortization cost back to operating income.

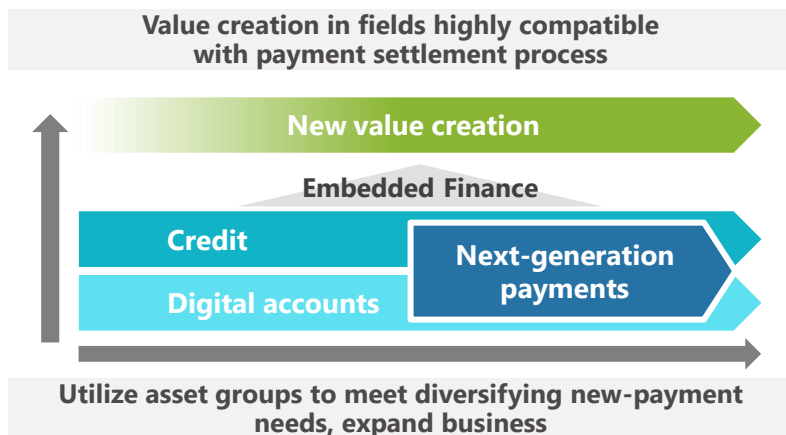
\*2 Financial inclusion, urban concentration/rural decline, low-carbon/decarbonization, and health concerns. These issues were determined by backcasting from what the world might be like in 2050 and selected on the basis of TIS INTEC Group's ability to contribute to issue resolution.

\*3 Type of services essentially offered under uniform specifications applicable to all clients.



# Activities under Medium-Term Management Plan (Topics): Service Strategies — Payment Business

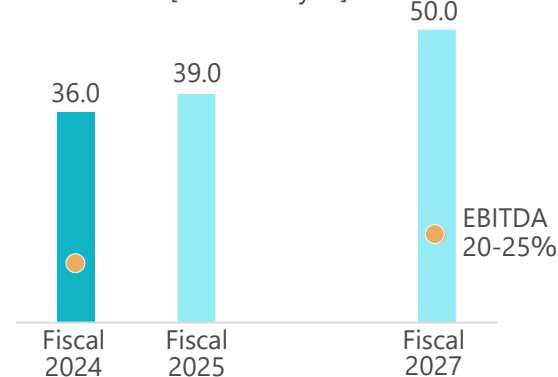
- Expand target segment through development of light version of CreditSaaS. Currently promoting marketing activities.
- Reinforce marketing activities for B2B model. Currently in progress.



**New value creation**  
Robust investment into next-generation payment solutions

**Transition digital account clients to credit solutions (including light needs)**

**Contribution of payment-related services to service-style business**  
[Billions of yen]



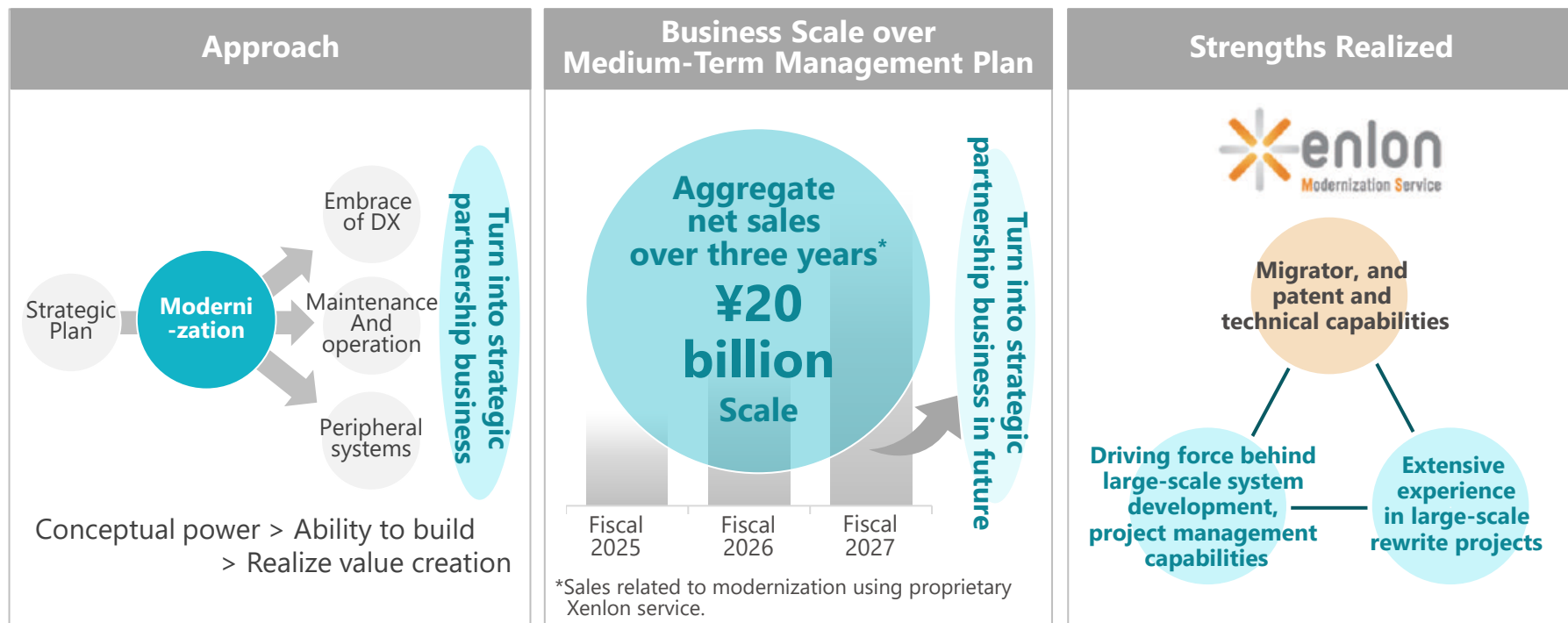
## Market trends and needs

- ✓ Demand for payment services growing along with wider use of credit cards and digital accounts. Notably steady increase in demand from small and medium-sized business operators for corporate transactions and companies involved in B2B transactions.
- ✓ With ban on digital wages lifted, countries and providers of money transfer services are ramping up efforts to implement responses. Expecting greater activity in B2E market as well.

Credit	Digital accounts
<p>Light version of CreditSaaS</p> <p><b>Pipeline</b></p> <p><b>More than 10 companies</b></p> <p><b>¥5-10 billion</b></p> <ul style="list-style-type: none"> <li>• Concluded capital and business alliance agreement with Nudge Inc., with sales of light version of CreditSaaS off to strong start.</li> <li>• Continuing to promote sales activities.</li> </ul>	<ul style="list-style-type: none"> <li>• For B2B, working with regional banks and Nihon ICS to develop DX for corporate transactions executed by regional small and medium-sized business operators. Going forward, will expand to small and medium-sized business operators throughout Japan.</li> </ul>

# Activities under Medium-Term Management Plan (Topics): Market Strategies — Modernization

- Anticipate booming demand for modernization of IT environments that support DX — the cornerstone of efforts to transform business.
- Position modernization as growth driver in Industrial IT Business and Financial IT Business pursuits, and promote initiatives using proprietary service Xenlon. Then, looking to the future, strive to develop and expand scope of strategic partnership business.

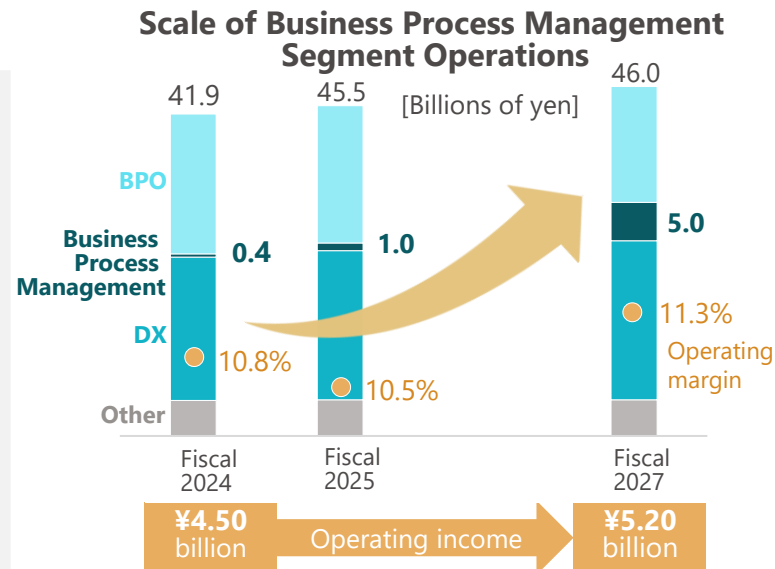
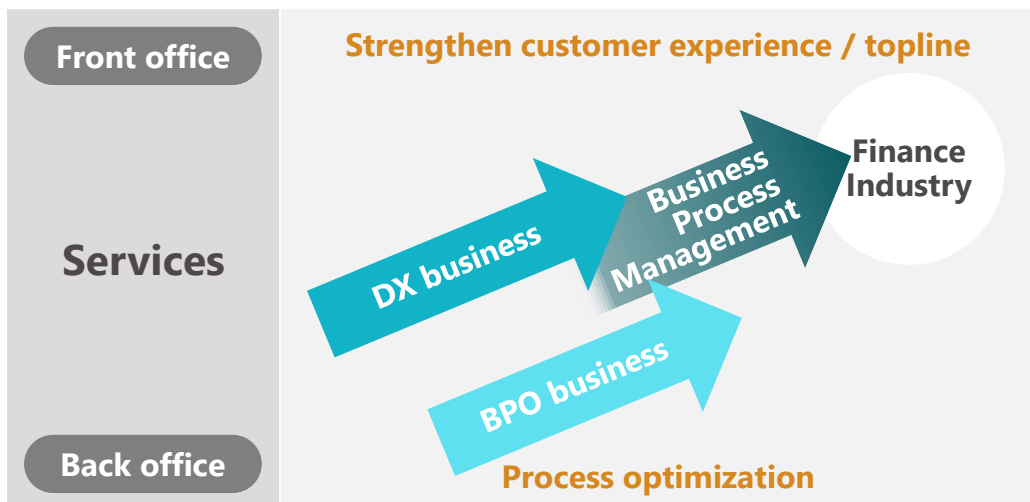


**Use modernization trend as opportunity to support core systems**  
**Deepen business relationships and build strong partnerships underpinned by client trust**

# Activities under Medium-Term Management Plan (Topics): Market Strategies —Transforming Business Process Management Segment

- Seek solid achievement of medium-term management plan targets through structural reforms designed to create leaner corporate structure.

Promote strategy of concentrating on key targets



## Improve profitability of existing businesses

- Focus on finance industry, including insurance sector, which is an area of expertise, as well as front-office operations, which will reinforce customer experience and topline profitability.
- In BPO business, shrink activities in non-growth areas and shift resources toward high-profit areas.
- In DX business, grow and expand through original services that optimize and automate data processes and Salesforce and other platform services.

## Establish Business Process Management model as high-value-added business

- Strengthen collaboration between segments and develop Business Process as a Service (BPaaS) through creation of full value chain combining Business Process Model and Notation (BPMN) consulting with SaaS and BPO.
- Promote co-creation business with clients (lateral expansion of co-creation workshop "Process Transformation Challenge").
- Increase value provided to clients in finance industry by expanding alliances that further enhance capabilities.

## Optimize cost structure

- Shift toward high-value-added services
- Implement upfront investment to get back on growth track
- Reduce selling and administrative expenses by streamlining and automating administrative and indirect operations.

# Activities under Medium-Term Management Plan (Topics): Technology Strategies — Using Generative AI

- Promote use of generative AI broadly on two fronts: client-directed business activities and internal operations.
- Reveal of real results from adding high value to business activities is yet to come.

## Adding high value to business activities

With consulting and offering services, support clients in creating value through application of generative AI

- Promote comprehensive services supporting application of generative AI to business activities, from planning and development to operation.
- Launch digital platform offering service that enables clients to develop and deploy generative AI app in short period of time

**Support clients  
in utilizing  
generative AI**

- Develop trial version of specialized solution for financial institutions seeking to improve their productivity and operational efficiency..
- Promote efficiency and sophistication of marketing process by summarizing and analyzing business meeting records and applying results to FAQs.

**Incorporate  
generative AI  
into services**

- Use GitHub Copilot in such processes and practices as coding, source code review and unit testing to enhance system development efficiency and quality.
- Measure cost reduction effect of ¥100 million per year when used by 200 people.

**Application  
to engineering  
(direct work)**

**Application  
to internal data use  
(indirect work)**

- Seeking to apply TIS AIChatLab, an in-house-only ChatGPT environment, to reduce time spent on knowledge-sharing and internal information-gathering and to improve work efficiency.
- Expand number of weekly active users (WAU) beyond level anticipated at start.

Make use of generative AI use an in-house standard, creating conditions that enable each employee to demonstrate high productivity directly or indirectly.

**Transform business productivity**

# Activities under Medium-Term Management Plan (Topics): Enhanced Management Practices

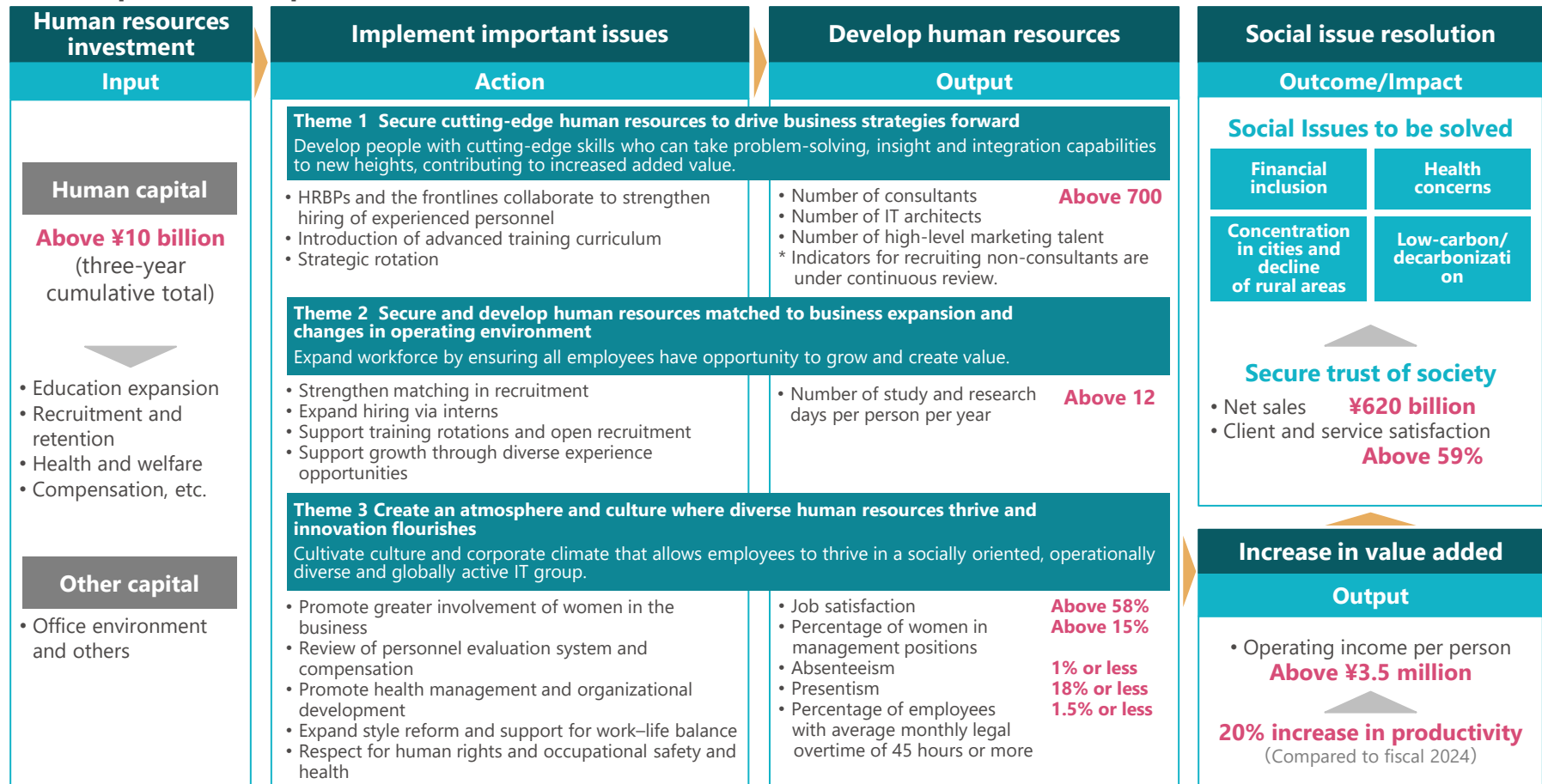
- Constantly strive to improve value exchange with stakeholders, in line with materiality themes.

Materiality themes		Perspective/Policy on Measuring Progress and Key Results for First Half of Fiscal 2025
1	Create a society in which diverse human resources are engaged and thrive	<b>Demonstrate capabilities of employees</b> <ul style="list-style-type: none"> <li>• Initiated educational programs to develop human resources with high-level marketing skills.</li> <li>• Continued to promote qualitative and quantitative expansion of consulting expertise through strategic rotation of human resources.</li> </ul>
2	Create comfortable society through innovation and joint activities	<b>Provide value to society</b> <ul style="list-style-type: none"> <li>• Began light version of credit card processing service through capital and business alliance with Nudge Inc.</li> <li>• TIS Quantum Day 2024 held with business partners to showcase latest trends in quantum technology.</li> </ul>
3	Create a safe society through high-quality services	<b>Quality demanded by society</b> <ul style="list-style-type: none"> <li>• Expanded scope of introduction and established original quality management system, and reinforced risk management activities and monitoring practices</li> <li>• Further strengthened review system across the Group to ensure constant improvement in quality and quantity of reviews.</li> <li>• Promoted improvement in workplace culture and strengthened practical project management skills.</li> </ul>
4	Enhance corporate governance and earn the trust of society	<b>Company chosen by society</b> <ul style="list-style-type: none"> <li>• Promoted introduction of renewable energy and introduced off-site corporate power purchase agreements at some locations.</li> <li>• Promote deeper perspective on monitoring to enhance effectiveness of Board of Directors.</li> </ul>

# Activities under Medium-Term Management Plan (Topics): Human Resources Strategies

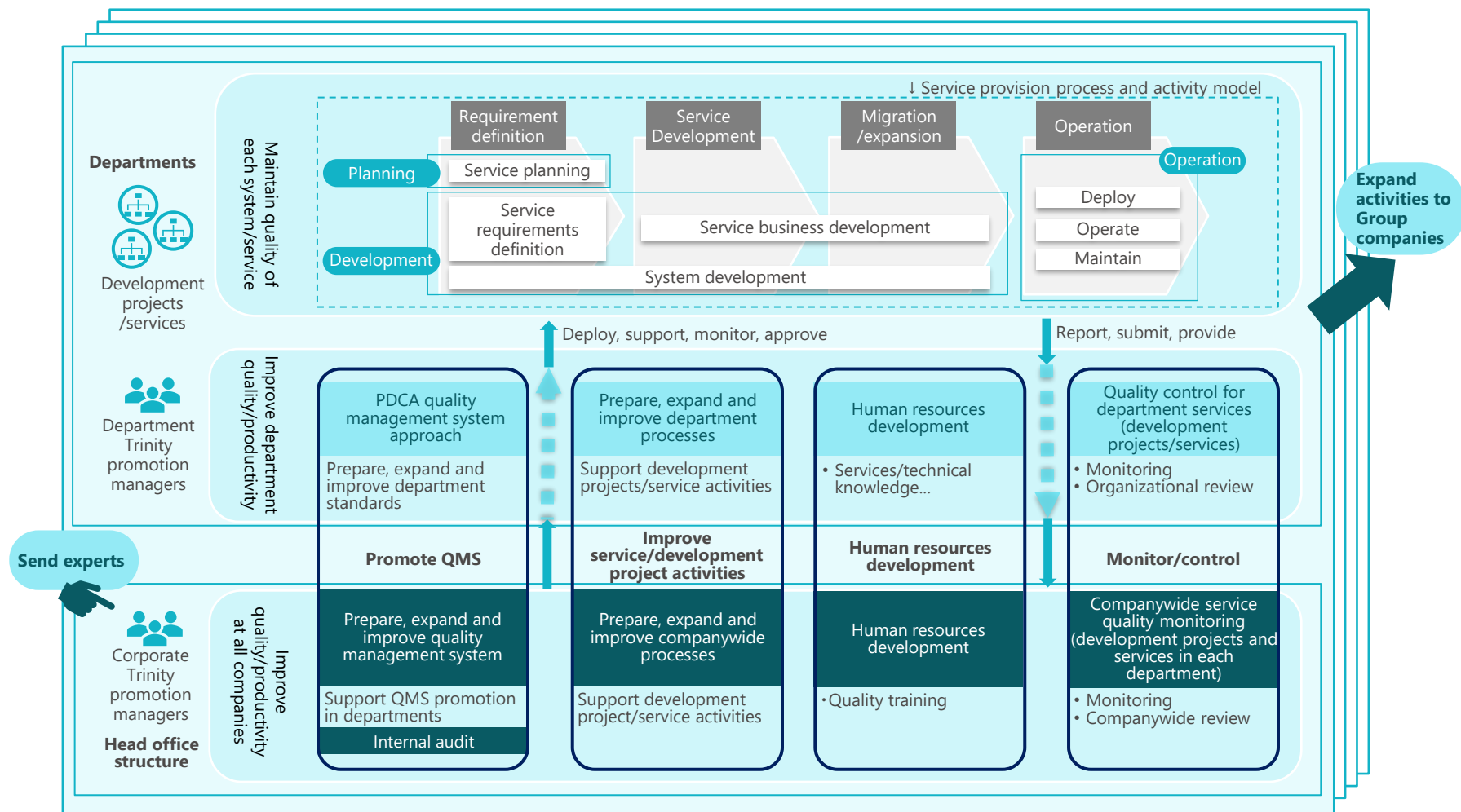
- Prepare human capital scenario to raise effectiveness of cycle for increasing added value through investment in human resources.
- Constantly build stronger corporate talent, including project managers, who are critical to business pursuits, and complement this with efforts under three-tiered themes that will deepen pool of human resources with cutting-edge skills and the ability to lead frontier development and provide high added value to clients.

## TIS' unique human capital scenario



# Activities under Medium-Term Management Plan (Topics): Efforts to Improve Quality and Productivity

- Given the appearance of unprofitable projects, the Group as a whole is working to strengthen quality control at the head office. From the second half of fiscal 2025, TIS will be sending more experts to reinforce human resources development and monitoring/control functions.

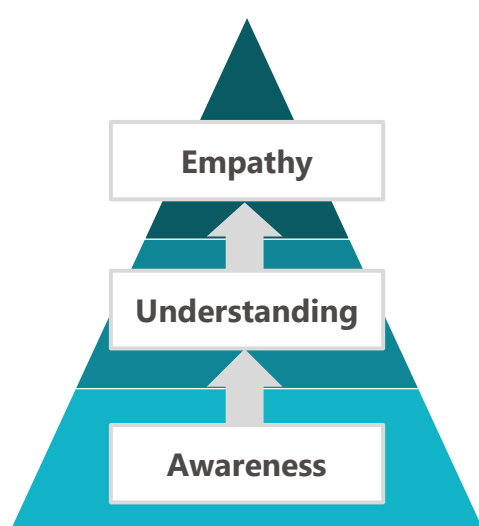


Quality assurance is conducted at two levels within the Group: by business and by the head office. Businesses are responsible for ensuring quality of respective systems and services provided, while the head office takes a companywide perspective to improve quality/productivity.



# Activities under Medium-Term Management Plan (Topics): Brand Strategies

- Seek to be corporate group of choice to all stakeholders and will constantly strive to improve grand value.



Raise brand value so that it contributes to sustainable improvement in corporate value

**Chosen**

Epitome of the ideal to  
**"Make society's wishes  
come true through IT."**

**Known**

## Group recognition

TIS survey on February 2024 (Among business people)

**70%**

Up 51 percentage points  
after television commercial

## Knowledge of TV Commercial

TIS survey on February 2024 (Among business people)

**83%**

IT industry new graduate job seekers

## Company ranking by popularity

Rakuten Minsyuu "Ranking of popular companies for new graduates in the IT industry in 2025"

**Overall : No.8    Independent : No.2**



**Television commercial  
"Just can't leave that wish alone"  
begins to air.**



# Seeking Further Improvement in Corporate Value

April 2008

IT Holdings Corporation (ITHD) established through management integration

December 2009

SORUN Corporation joined ITHD Group.

April 2011

ITHD orchestrated three-company merger involving TIS, SORUN and UFIT Co., Ltd., with TIS as surviving company.

July 2016

Transition to TIS INTEC Group, with an operating holding company

March 2015

ITHD turned AGREX Inc. into 100% consolidated subsidiary.

October 2020

MFEC Public Company Limited (Thailand) brought under consolidation.

March 2023

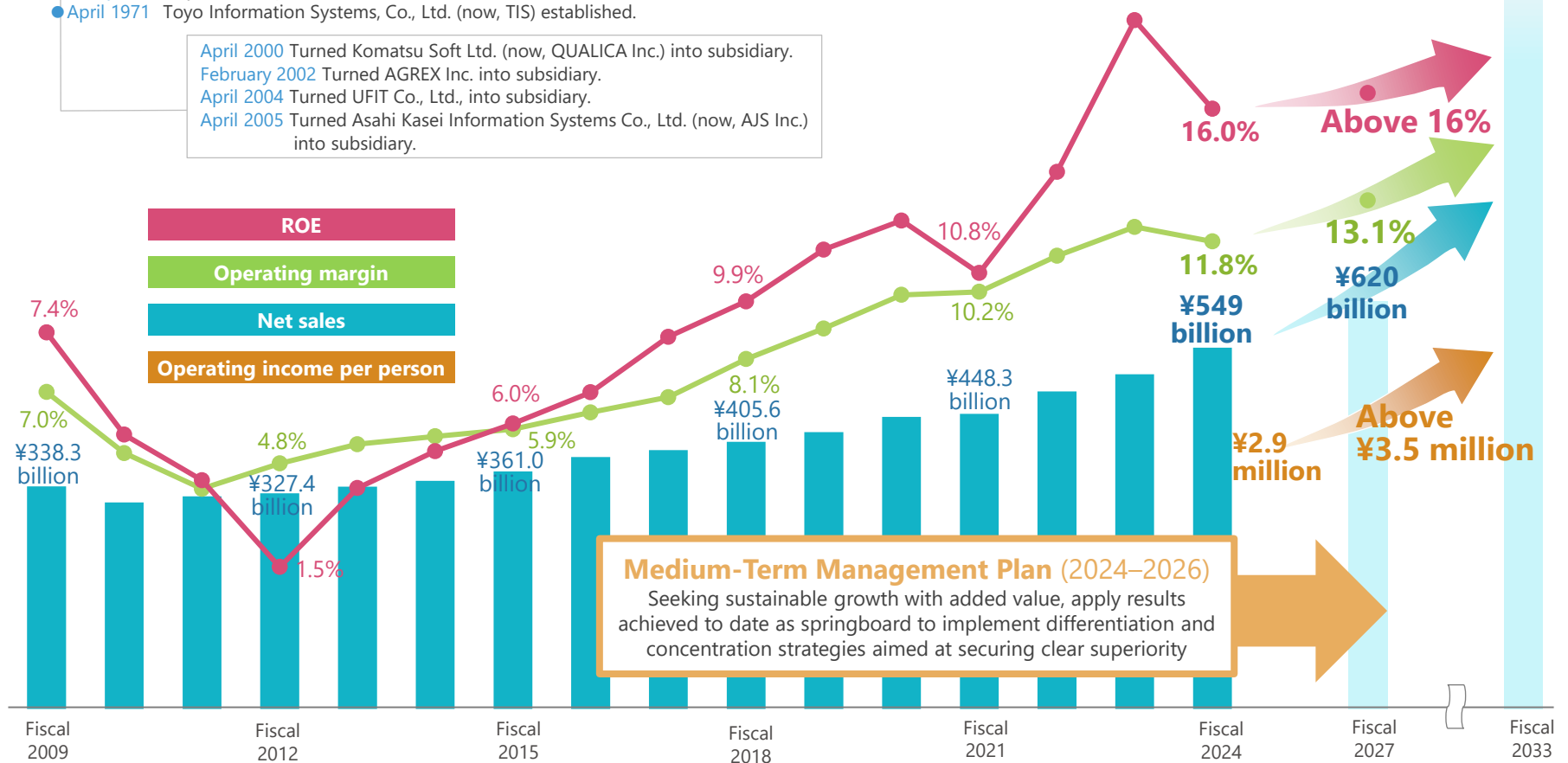
Turned Nihon ICS Co., Ltd. into consolidated subsidiary

April 2024

Formulated Group Vision 2032, Medium-Term Management Plan (2024–2026)

- January 1964 Toyama Computer Center, Inc. (now, INTEC) established.
- April 1971 Toyo Information Systems, Co., Ltd. (now, TIS) established.

April 2000 Turned Komatsu Soft Ltd. (now, QUALICA Inc.) into subsidiary.  
February 2002 Turned AGREX Inc. into subsidiary.  
April 2004 Turned UFIT Co., Ltd. into subsidiary.  
April 2005 Turned Asahi Kasei Information Systems Co., Ltd. (now, AJS Inc.) into subsidiary.



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# Reference: Fiscal 2025 First Two Quarters: Sales by Key Business Segment \*For external clients

[Millions of yen]	Second quarter of fiscal 2024	Second quarter of fiscal 2025	YOY change	
Offering Service Business	53,821	<b>64,192</b>	+10,371	[+19.3%]
Software development	21,527	<b>24,825</b>	+3,298	[+15.3%]
Operating/cloud services	18,341	<b>21,099</b>	+2,757	[+15.0%]
Product/software sales	13,952	<b>18,267</b>	+4,315	[+30.9%]
Business Process Management	19,947	<b>19,830</b>	-116	[-0.6%]
Software development	6,667	<b>6,295</b>	-371	[-5.6%]
Operating/cloud services	12,730	<b>12,766</b>	+35	[+0.3%]
Product/software sales	548	<b>767</b>	+219	[+40.0%]
Financial IT Business	53,348	<b>49,374</b>	-3,974	[-7.4%]
Software development	30,905	<b>25,487</b>	-5,417	[-17.5%]
Operating/cloud services	19,669	<b>21,256</b>	+1,586	[+8.1%]
Product/software sales	2,774	<b>2,631</b>	-142	[-5.1%]
Industrial IT Business	58,073	<b>60,996</b>	+2,923	[+5.0%]
Software development	38,286	<b>41,578</b>	+3,292	[+8.6%]
Operating/cloud services	13,389	<b>12,280</b>	-1,108	[-8.3%]
Product/software sales	6,397	<b>7,137</b>	+740	[+11.6%]
Regional IT Solutions	81,288	<b>79,995</b>	-1,293	[-1.6%]
Software development	41,481	<b>41,378</b>	-103	[-0.2%]
Operating/cloud services	27,995	<b>28,903</b>	+908	[+3.2%]
Product/software sales	11,811	<b>9,712</b>	-2,098	[-17.8%]

# Reference: Fiscal 2025 Second Quarter (July-September): Sales by Key Business Segment \*For external clients

[Millions of yen]	First two quarters of fiscal 2024 estimate	First two quarters of fiscal 2024 actual	Compared with estimate	
Offering Service Business	28,893	<b>33,241</b>	+4,347	[+15.0]
Software development	11,239	<b>13,082</b>	+1,843	[+16.4%]
Operating/cloud services	9,815	<b>10,615</b>	+800	[+8.2%]
Product/software sales	7,838	<b>9,543</b>	+1,704	[+21.7%]
Business Process Management	10,148	<b>10,307</b>	+158	[+1.6%]
Software development	3,445	<b>3,341</b>	-103	[-3.0%]
Operating/cloud services	6,345	<b>6,496</b>	+150	[+2.4%]
Product/software sales	358	<b>470</b>	+111	[+31.1%]
Financial IT Business	26,982	<b>24,739</b>	-2,242	[-8.3%]
Software development	15,568	<b>13,067</b>	-2,501	[-16.1%]
Operating/cloud services	10,034	<b>10,443</b>	+409	[+4.1%]
Product/software sales	1,378	<b>1,229</b>	-149	[-10.9%]
Industrial IT Business	29,532	<b>31,254</b>	+1,722	[+5.8%]
Software development	19,340	<b>21,754</b>	+2,413	[+12.5%]
Operating/cloud services	6,872	<b>5,960</b>	-911	[-13.3%]
Product/software sales	3,319	<b>3,539</b>	+220	[+6.6%]
Regional IT Solutions	42,011	<b>41,356</b>	-654	[-1.6%]
Software development	21,417	<b>21,472</b>	+54	[+0.3%]
Operating/cloud services	14,073	<b>14,484</b>	+411	[+2.9%]
Product/software sales	6,519	<b>5,398</b>	-1,121	[-17.2%]

# Fiscal 2025 Second Half: Sales and Income for Key Business Segments [Forecast]

[Millions of yen]		Fiscal 2024 second half	Fiscal 2025 second half	YOY change	
Net Sales		281,515	<b>279,441</b>	-2,074	[-0.7%]
Operating Income		34,181	<b>35,990</b>	+1,809	[+5.3%]
Operating Margin		12.1%	<b>12.9%</b>	+0.8P	-
Net Income Attributable to Owners of the Parent Company		28,566	<b>23,959</b>	-4,607	[-16.1%]
Net Income to Net Sales Ratio		10.1%	<b>8.6%</b>	-1.5P	-
<b>Key Business Segments</b>					
Offering Service Business	Net Sales	70,611	<b>70,394</b>	-216	[-0.3%]
	Operating Income	5,000	<b>4,131</b>	-869	[-17.4%]
	Operating Margin	7.1%	<b>5.9%</b>	-1.2P	-
Business Process Management	Net Sales	20,958	<b>22,151</b>	+1,192	[+5.7%]
	Operating Income	2,442	<b>2,182</b>	-260	[-10.6%]
	Operating Margin	11.7%	<b>9.9%</b>	-1.8P	-
Financial IT Business	Net Sales	52,197	<b>48,458</b>	-3,739	[-7.2%]
	Operating Income	7,298	<b>5,909</b>	-1,388	[-19.0%]
	Operating Margin	14.0%	<b>12.2%</b>	-1.8P	-
Industrial IT Business	Net Sales	63,569	<b>64,204</b>	+634	[+1.0%]
	Operating Income	9,816	<b>10,577</b>	+760	[+7.7%]
	Operating Margin	15.4%	<b>16.5%</b>	+1.1P	-
Regional IT Solutions	Net Sales	86,840	<b>87,051</b>	+210	[+0.2%]
	Operating Income	9,484	<b>13,199</b>	+3,715	[+39.2%]
	Operating Margin	10.9%	<b>15.2%</b>	+4.3P	-

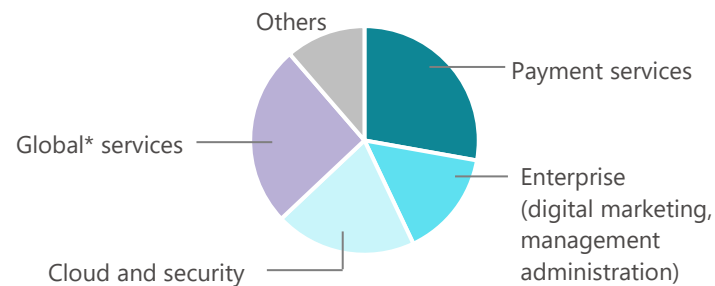
# Business Model by Segment

## Offering Service Business

### Definition

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

### [Supplement] Business composition of Offering Service Businesses



\*Partial transactions are amounted on other segments

## Business Process Management

### Definition

Addresses issues related to business processes with IT technology, business know-how and skilled human resources to **provide more sophisticated, more efficient outsourcing services**.

## Industrial IT Business

### Definition

**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.

## Financial IT Business

### Definition

**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.

## Regional IT Solutions

### Definition

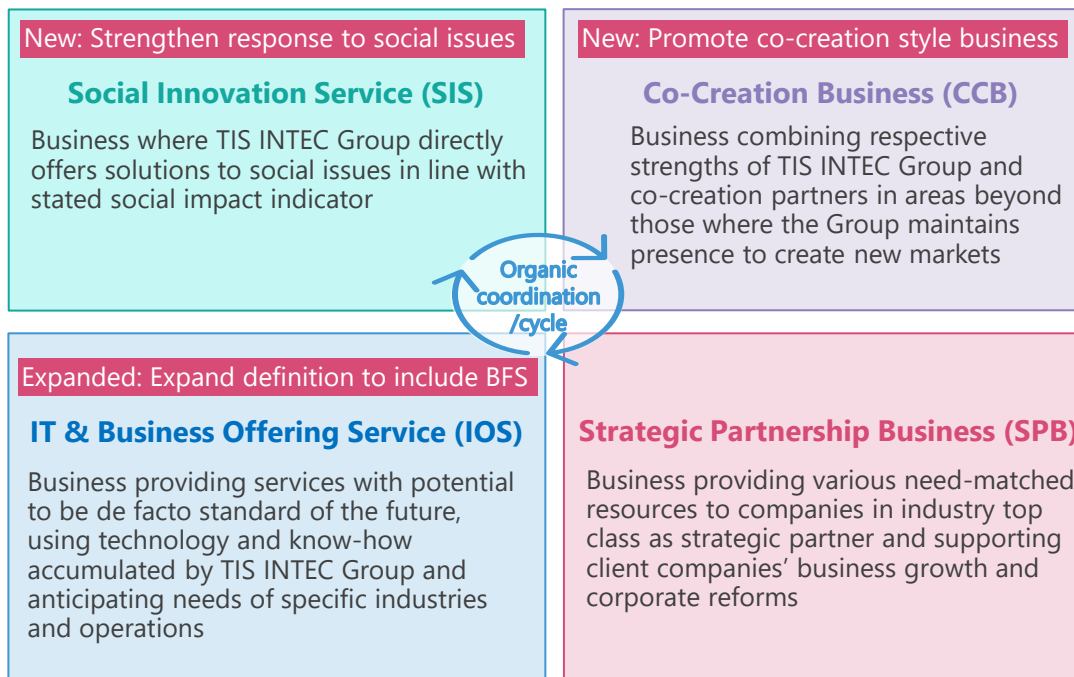
**Provides** IT professional services **extensively, across regions and client sites**, and **collects and develops** this know-how **as the source of solutions** to support efforts to address issues and promote business activities.

# New Strategic Domains, New Strategic Domains, Desired Status

- We will partially revise strategic domains, based on long-term business direction, with aim of developing business pursuits hinging on social issue resolution and co-creation and commercializing services that go beyond IT alone.

## Redefined Strategic Domains under Group Vision 2032

- ✓ Since 2017, when Group Vision 2026 was prepared, very clearly highlighted social role that TIS INTEC Group must fulfill and best business approach to take over next 10 years, shaping new priority business areas.

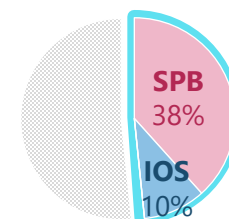


## Strategic Domains: Desired Composition

- ✓ SPB and IOS domains will be much bigger, new CCB and SIS domains will have grown to certain size, and business portfolio will be well-balanced mix of diverse business models

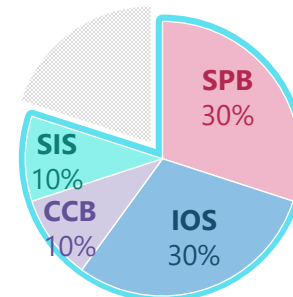
### Fiscal 2024 (actual)

Sales in strategic domains as percentage of net sales  
(Calculation based on new strategic domain)  
**48%**



### Fiscal 2033 (expectation)

Sales in strategic domains as percentage of net sales  
**80%**



Make society's wishes come true through IT.



**Handling these materials**

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