



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

February 4, 2025

TIS Inc.

Highlights

Fiscal 2025 First Three Quarters: Financial Highlights

- Higher sales and higher income over corresponding period a year ago.
- Operating margin remained at same level as in corresponding period a year ago despite impact from large-scale projects falling from peak and also impact of unprofitable projects.
- Orders received and order backlog were up year on year with order volume over most recent three-month period building up very well, especially for development.

Fiscal 2025: Performance Forecast

- Progressing generally in line with estimates for full-year results.

Fiscal 2025 First Three Quarters: 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. (excluding page 19 and 20)

Fiscal 2025 First Three Quarters: Financial Highlights

Fiscal 2025: Performance Forecast

Reference Materials

Fiscal 2025 First Three 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 at same level as in corresponding period a year ago despite pressure, namely, impact from large-scale project activity falling from peak as well as unprofitable projects.

[Millions of yen]	First three quarters of fiscal 2024	First three quarters of fiscal 2025	YOY change	
Net Sales	404,744	416,561	+11,816	[+2.9%]
Operating Income	47,579	48,884	+1,304	[+2.7%]
Operating Margin	11.8%	11.7%	-0.1P	-
Net Income Attributable to Owners of the Parent Company	32,190	34,474	+2,283	[+7.1%]
Net Income to Net Sales Ratio	8.0%	8.3%	+0.3P	-

- Non-operating income: ¥2,477 million
(YOY change -¥422 million)
→ Dividend income ¥759 million
Equity in earnings of affiliated companies ¥470 million, etc.

- Non-operating expenses: ¥777 million
(YOY change +¥51 million)
→ Interest expenses ¥393 million, etc.

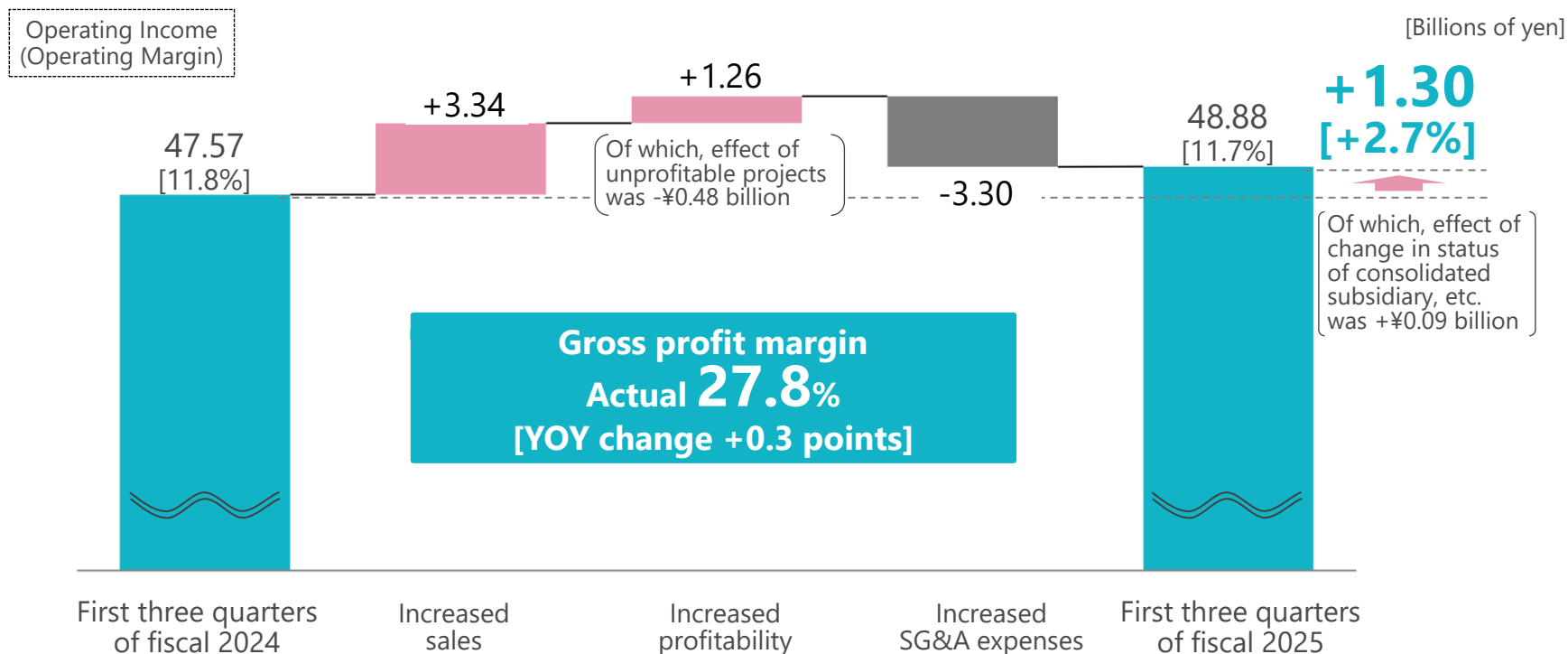
- Extraordinary income: ¥5,787 million
(YOY change +¥4,646 million)
→ Gain on sales of investment securities ¥5,370 million, etc.

- Extraordinary loss: ¥3,907 million
(YOY change +¥2,068 million)
→ Impairment loss ¥2,506 million
Loss on valuation of shares in subsidiaries ¥844 million, etc.

*Bringing a company under scope of consolidation in previous fiscal year led to impact of ¥2.9 billion on net sales and ¥90 million on operating income (after goodwill amortization).

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

- Gross profit margin improved and operating income steady despite impact from large-scale project activity falling from peak and increase in number of unprofitable projects.



Growth investment costs

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

Up ¥0.49 billion (YOY change)

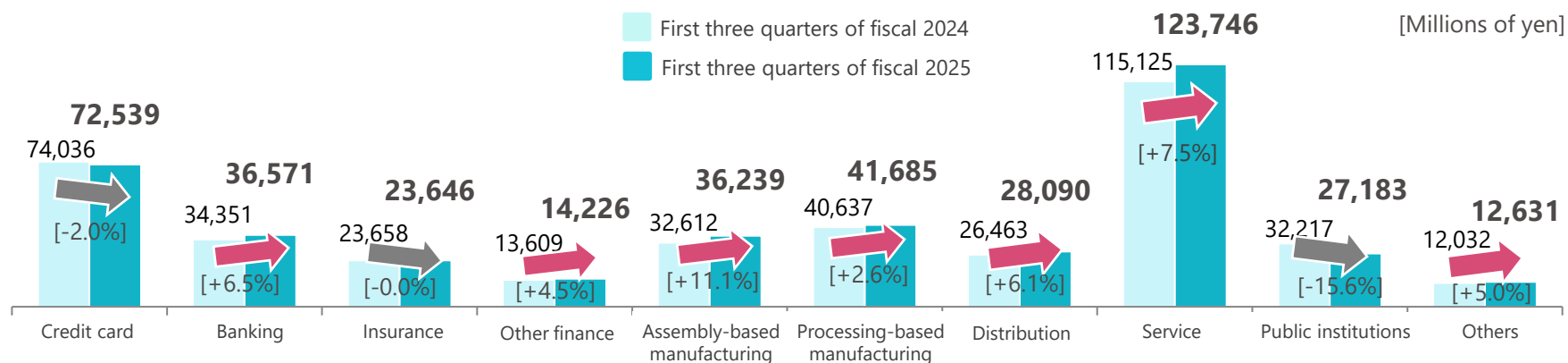
(Cost of sales: +¥0.50 billion, SG&A expenses -0.00)

Changes in SG&A Expenses

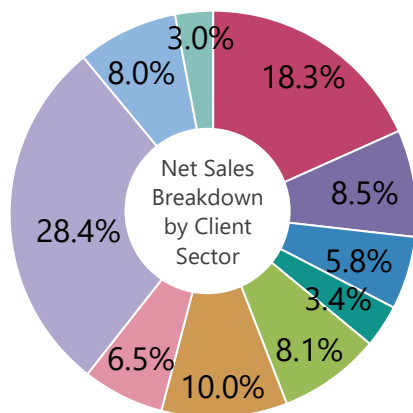
Effect of change in status of consolidated subsidiary, etc.	+1.58
Growth investment	-0.00
Progress on measures	+0.85
Other expenses	+0.87
Total	+3.30

Fiscal 2025 First Three 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.

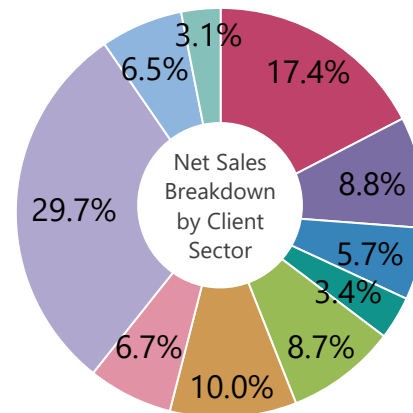


First three quarters of fiscal 2024



Financial sector: 36.0% Industrial sector: 53.0%
Public sector: 8.0% Other sectors: 3.0%

First three quarters of fiscal 2025



Financial sector: 35.3% Industrial sector: 55.1%
Public sector: 6.5% Other sectors: 3.1%

Fiscal 2025 First Three Quarters: Sales and Income for Key Business Segments (YOY change)

[Millions of yen]		First three quarters of fiscal 2024	First three quarters of fiscal 2025	YOY change	
Offering Service Business	Net Sales	93,701	106,605	+12,904	[+13.8]
	Operating Income	5,493	7,398	+1,904	[+34.7%]
	Operating Margin	5.9%	6.9%	+1.0P	-
Business Process Management	Net Sales	31,239	31,522	+282	[+0.9%]
	Operating Income	3,073	3,763	+690	[+22.5%]
	Operating Margin	9.8%	11.9%	+2.1P	-
Financial IT Business	Net Sales	79,820	74,602	-5,217	[-6.5%]
	Operating Income	11,256	9,112	-2,143	[-19.0%]
	Operating Margin	14.1%	12.2%	-1.9P	-
Industrial IT Business	Net Sales	89,679	93,520	+3,840	[+4.3%]
	Operating Income	13,268	14,127	+858	[+6.5%]
	Operating Margin	14.8%	15.1%	+0.3P	-
Regional IT Solutions	Net Sales	127,285	127,000	-284	[-0.2%]
	Operating Income	14,178	13,998	-180	[-1.3%]
	Operating Margin	11.1%	11.0%	-0.1P	-

Offering Service Business:	Higher sales and higher income, as positive factors, including expanding IT investment by clients for enterprise and platform systems and payment settlement services, despite impact of unprofitable projects.
Business Process Management:	Some existing BPO operations continued to struggle but successful efforts to secure projects, including DX business, and cost-control measures led to higher sales and higher income.
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 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.
Regional IT Solutions:	Lower sales and lower income, despite greater local government-related IT investment, as positive demand factors eclipsed by reactionary drop in opportunities for sales of medical systems as well as one-time expenses.

Reference: Fiscal 2025 Third Quarter (October-December): Sales and Income for Key Business Segments

[Millions of yen]	Third quarter of fiscal 2024	Third quarter of fiscal 2025	YOY change	
Net Sales	137,255	141,002	+3,747	[+2.7%]
Operating Income	17,191	18,374	+1,182	[+6.9%]
Operating Margin	12.5%	13.0%	+0.5P	-
Net Income Attributable to Owners of the Parent Company	11,882	13,633	+1,750	[+14.7%]
Net Income to Net Sales Ratio	8.7%	9.7%	+1.0P	-

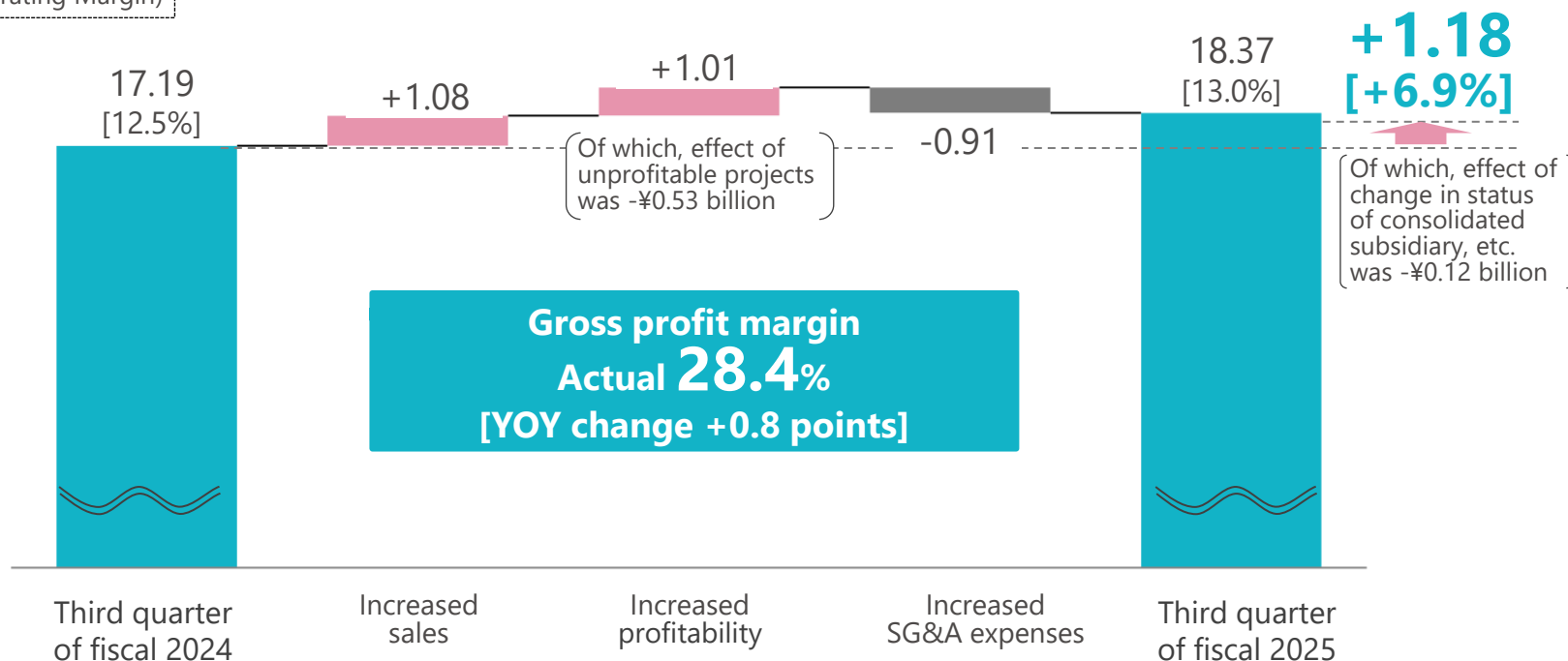
Key Business Segments

Offering Service Business	Net Sales	33,552	36,200	+2,647	[+7.9%]
	Operating Income	2,834	2,929	+95	[+3.4%]
	Operating margin	8.4%	8.1%	-0.3P	-
Business Process Management	Net Sales	10,245	10,673	+428	[+4.2%]
	Operating Income	964	1,446	+481	[+49.9%]
	Operating margin	9.4%	13.5%	+4.1P	-
Financial IT Business	Net Sales	25,713	24,560	-1,152	[-4.5%]
	Operating Income	3,370	3,022	-347	[-10.3%]
	Operating margin	13.1%	12.3%	-0.8P	-
Industrial IT Business	Net Sales	31,353	32,224	+871	[+2.8%]
	Operating Income	4,797	5,105	+307	[+6.4%]
	Operating margin	15.3%	15.8%	+0.5P	-
Regional IT Solutions	Net Sales	41,749	43,052	+1,302	[+3.1%]
	Operating Income	5,164	5,697	+533	[+10.3%]
	Operating margin	12.4%	13.2%	+0.8P	-

Reference: Fiscal 2025 Third Quarter (October-December): Operating Income Analysis, Increase/Decrease Reasons (YOY change)

Operating Income
(Operating Margin)

[Billions of yen]



Growth investment costs

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

Up ¥0.24 billion (YOY change)

(Cost of sales: +¥0.10 billion, SG&A expenses +0.14)

Changes in SG&A Expenses

Effect of change in status of consolidated subsidiary, etc.	+0.09
Growth investment	+0.14
Progress on measures	+0.26
Other expenses	+0.41
Total	+0.91

Fiscal 2025 First Three Quarters: Order Status (Orders received during first three quarters)

- Orders received were up year on year, driven by demand for software development.
- Decline in Financial IT Business offset by growth in Industrial IT Business and Offering Service Business, resulting in solid increase overall.

[Millions of yen]	First three quarters of fiscal 2024	First three quarters of fiscal 2025	YOY change	
Orders received during first three quarters	364,551	382,874	+18,322	[+5.0%]
Software development	193,889	208,133	+14,244	[+7.3%]

Key Business Segments

Offering Service Business	Orders received during first three quarters	78,143	86,216	+8,073	[+10.3%]
	Software development	34,589	37,476	+2,886	[+8.3%]
Business Process Management	Orders received during first three quarters	28,943	29,771	+828	[+2.9%]
	Software development	8,924	9,428	+504	[+5.6%]
Financial IT Business	Orders received during first three quarters	62,623	59,702	-2,921	[-4.7%]
	Software development	34,413	34,243	-169	[-0.5%]
Industrial IT Business	Orders received during first three quarters	82,871	90,750	+7,878	[+9.5%]
	Software development	57,085	65,112	+8,026	[+14.1%]
Regional IT Solutions	Orders received during first three quarters	111,969	116,433	+4,463	[+4.0%]
	Software development	58,877	61,873	+2,995	[+5.1%]

Fiscal 2025 First Three Quarters: Order Status (Order backlog at end of third quarter)

- Despite lingering impact from large-scale project activity falling from peak in Financial IT Business, posted solid increase in order backlog overall, with emphasis on software development.

[Millions of yen]	First three quarters of fiscal 2024	First three quarters of fiscal 2025	YOY change	
Order backlog at end of third quarter	143,272	157,175	+13,902	[+9.7%]
Software development	88,768	97,612	+8,844	[+10.0%]

Key Business Segments

Offering Service Business	Orders received at end of third quarter	28,713	32,981	+4,267	[+14.9%]
	Software development	15,322	16,263	+940	[+6.1%]
Business Process Management	Orders received at end of third quarter	6,692	7,362	+670	[+10.0%]
	Software development	6,509	7,116	+607	[+9.3%]
Financial IT Business	Orders received at end of third quarter	32,739	32,041	-697	[-2.1%]
	Software development	21,071	20,810	-261	[-1.2%]
Industrial IT Business	Orders received at end of third quarter	31,676	34,640	+2,963	[+9.4%]
	Software development	21,666	24,654	+2,987	[+13.8%]
Regional IT Solutions	Orders received at end of third quarter	43,450	50,148	+6,698	[+15.4%]
	Software development	24,197	28,767	+4,569	[+18.9%]

Reference: Fiscal 2025 Third Quarter (October-December): Order Status

[Millions of yen]	Third quarter of fiscal 2024	Third quarter of fiscal 2025	YOY change	
Order backlog during third quarter	92,179	101,633	+9,453	[+10.3%]
Software development	60,712	70,174	+9,461	[+15.6%]

Key Business Segments

Offering Service Business	Orders received during third quarter	20,151	20,906	+754	[+3.7%]
	Software development	10,742	12,262	+1,519	[+14.1%]
Business Process Management	Orders received during third quarter	9,318	9,935	+617	[+6.6%]
	Software development	2,825	3,184	+359	[+12.7%]
Financial IT Business	Orders received during third quarter	12,905	13,716	+811	[+6.3%]
	Software development	10,873	12,775	+1,901	[+17.5%]
Industrial IT Business	Orders received during third quarter	24,049	28,234	+4,185	[+17.4%]
	Software development	19,931	23,377	+3,445	[+17.3%]
Regional IT Solutions	Orders received during third quarter	25,754	28,839	+3,084	[+12.0%]
	Software development	16,339	18,574	+2,235	[+13.7%]

Fiscal 2025 First Three Quarters: Financial Highlights

Fiscal 2025: Performance Forecast

Reference Materials

Fiscal 2025: Performance Forecasts

No change from estimates announced on May 8, 2024

- Despite impact of reactionary drop in large-scale 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.

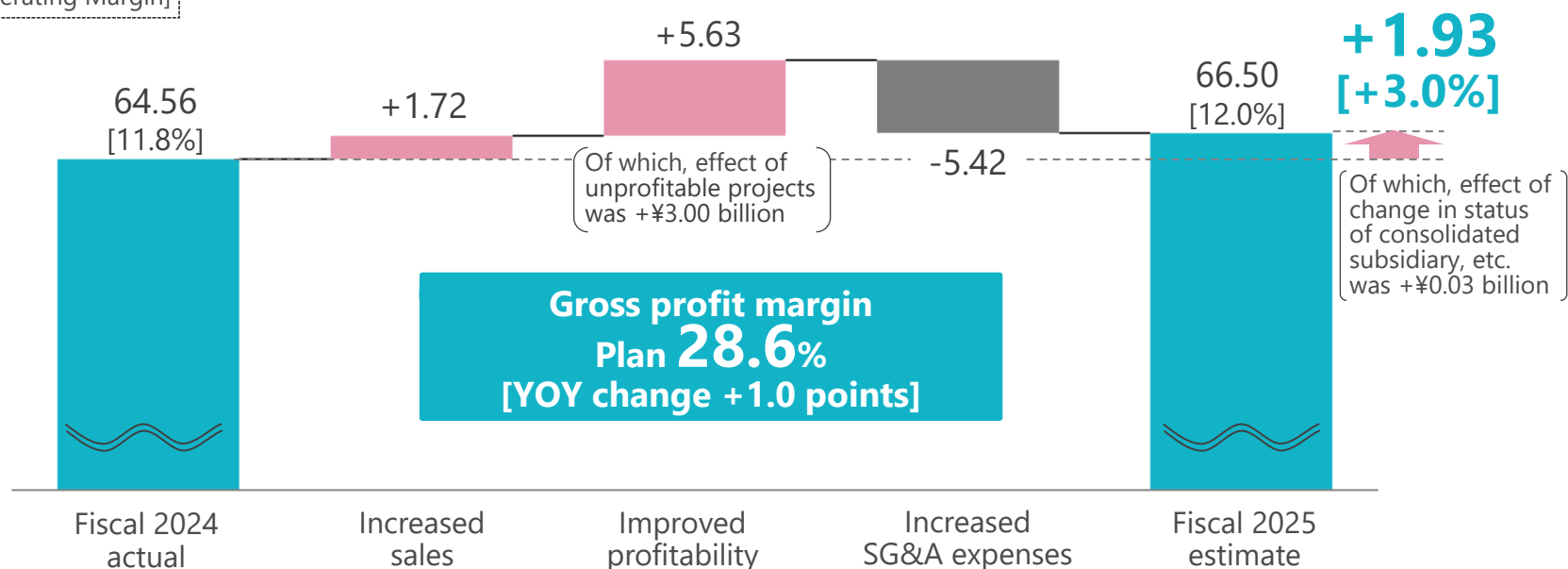
Fiscal 2025: Operating Income Analysis, Increase/Decrease Reasons [Forecast]

No change 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.

Operating Income
[Operating Margin]

[Billions of yen]



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
Total	+5.42

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	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.

Fiscal 2025 First Three Quarters: Financial Highlights

Fiscal 2025: Performance Forecast

Reference Materials

Reference: Fiscal 2025 First Three Quarters: Sales by Key Business Segment and Operating Activity

[Millions of yen]		First three quarters of fiscal 2024	First three quarters of fiscal 2025	YOY change	
Offering Service Business		84,166	96,380	+12,214	[+14.5%]
	Software development	33,197	37,604	+4,407	[+13.3%]
	Operating/cloud services	28,732	31,309	+2,576	[+9.0%]
	Product/software sales	22,236	27,467	+5,230	[+23.5%]
Business Process Management		29,700	29,952	+251	[+0.8%]
	Software development	9,864	9,571	-293	[-3.0%]
	Operating/cloud services	19,056	19,248	+192	[+1.0%]
	Product/software sales	779	1,132	+352	[+45.2%]
Financial IT Business		78,683	73,614	-5,068	[-6.4%]
	Software development	45,165	38,172	-6,993	[-15.5%]
	Operating/cloud services	29,522	31,705	+2,182	[+7.4%]
	Product/software sales	3,994	3,736	-258	[-6.5%]
Industrial IT Business		89,260	93,118	+3,858	[+4.3%]
	Software development	58,113	63,523	+5,409	[+9.3%]
	Operating/cloud services	19,914	18,439	-1,475	[-7.4%]
	Product/software sales	11,231	11,155	-75	[-0.7%]
Regional IT Solutions		121,380	121,573	+193	[+0.2%]
	Software development	62,376	63,274	+897	[+1.4%]
	Operating/cloud services	42,188	43,536	+1,348	[+3.2%]
	Product/software sales	16,814	14,762	-2,052	[-12.2%]
Others	Others	1,553	1,920	+366	[+23.6%]
Total		404,744	416,561	+11,816	[+2.9%]
	Software development	208,718	212,145	+3,427	[+1.6%]
	Operating/cloud services	139,415	144,240	+4,824	[+3.5%]
	Product/software sales	55,056	58,254	+3,197	[+5.8%]
	Others	1,553	1,920	+366	[+23.6%]

Reference: Fiscal 2025 Third Quarter (October-December): Sales by Key Business Segment and Operating Activity

[Millions of yen]		Third quarter of fiscal 2024	Third quarter of fiscal 2025	YOY change	
Offering Service Business		30,344	32,187	+1,842	[+6.1%]
	Software development	11,669	12,778	+1,108	[+9.5%]
	Operating/cloud services	10,391	10,209	-181	[-1.7%]
	Product/software sales	8,284	9,199	+915	[+11.0%]
Business Process Management		9,753	10,122	+368	[+3.8%]
	Software development	3,196	3,275	+78	[+2.5%]
	Operating/cloud services	6,325	6,482	+156	[+2.5%]
	Product/software sales	231	365	+133	[+57.7%]
Financial IT Business		25,334	24,239	-1,094	[-4.3%]
	Software development	14,260	12,685	-1,575	[-11.0%]
	Operating/cloud services	9,853	10,449	+596	[+6.0%]
	Product/software sales	1,220	1,104	-115	[-9.4%]
Industrial IT Business		31,186	32,122	+935	[+3.0%]
	Software development	19,827	21,944	+2,117	[+10.7%]
	Operating/cloud services	6,525	6,159	-366	[-5.6%]
	Product/software sales	4,833	4,018	-815	[-16.9%]
Regional IT Solutions		40,091	41,578	+1,486	[+3.7%]
	Software development	20,895	21,895	+1,000	[+4.8%]
	Operating/cloud services	14,193	14,633	+440	[+3.1%]
	Product/software sales	5,003	5,049	+46	[+0.9%]
Others	Others	544	752	+207	[+38.1%]
Total		137,255	141,002	+3,747	[+2.7%]
	Software development	69,848	72,579	+2,730	[+3.9%]
	Operating/cloud services	47,289	47,934	+644	[+1.4%]
	Product/software sales	19,573	19,737	+163	[+0.8%]
	Others	544	752	+207	[+38.1%]

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

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