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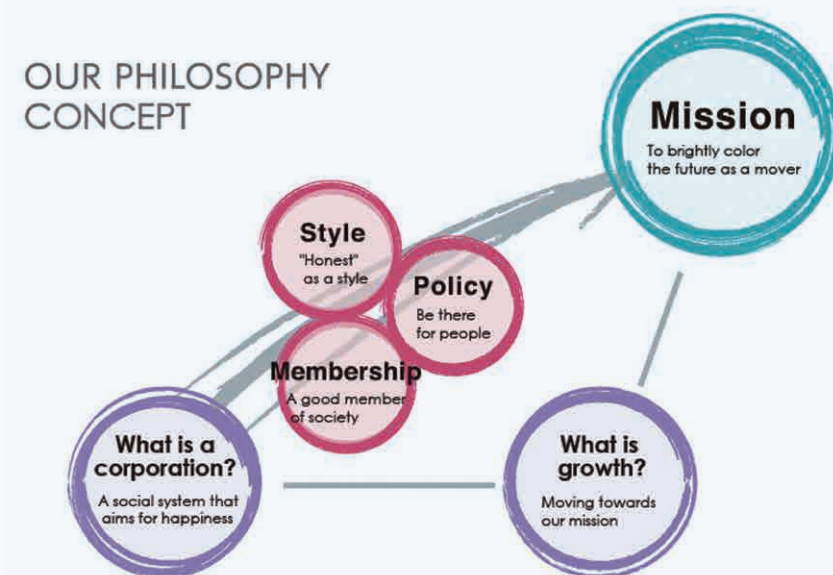
Make society's wishes come true through IT.

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.

OUR PHILOSOPHY (TIS INTEC Group Philosophy)

OUR PHILOSOPHY represents the values of TIS INTEC Group. It broadly but clearly delineates the thinking and ideals of particular importance to the TIS INTEC Group regarding management, corporate activities, and officers, employees and other members of the Group. The TIS INTEC Group's entire business revolves around OUR PHILOSOPHY.



Mission to brightly color the future as a mover

Our mission, as the TIS INTEC Group, is to fulfill a social role, but our mission statement also reflects a corporate raison d'être. The word "mover" refers to the people who create objects, services and systems that take the world—that is, the world around us—to a new level. For us, "mover" encompasses the TIS INTEC Group and the people at companies under the Group umbrella. As a mover drawing on the power of digital technology, the TIS INTEC Group will infuse the future—still essentially a blank canvas—with vibrant colors by providing innovative possibilities and options that appeal to society.

For details, go to <https://www.tis.com/group/philosophy/>

Group Vision 2032 — The TIS INTEC Group's corporate ideal

Under the theme "society oriented, operationally diverse, globally active," Group Vision 2032 will guide us as we work toward our goal of becoming a progressive, global IT group combining social responsibility and the spirit of innovation. To solve social issues, we will proactively adopt innovative technologies and incorporate capabilities from different industries while leveraging diverse and global operations. This will lead to further business innovation and fuel market creation.

For details, go to <https://www.tis.com/group/vision/>

Group
VISION
2032

**Society oriented, operationally
diverse, globally active**

Group Code of Conduct

To fulfill social responsibilities and maintain trust and transparency, we established the Group Code of Conduct as a concrete set of standards for judgment and action.

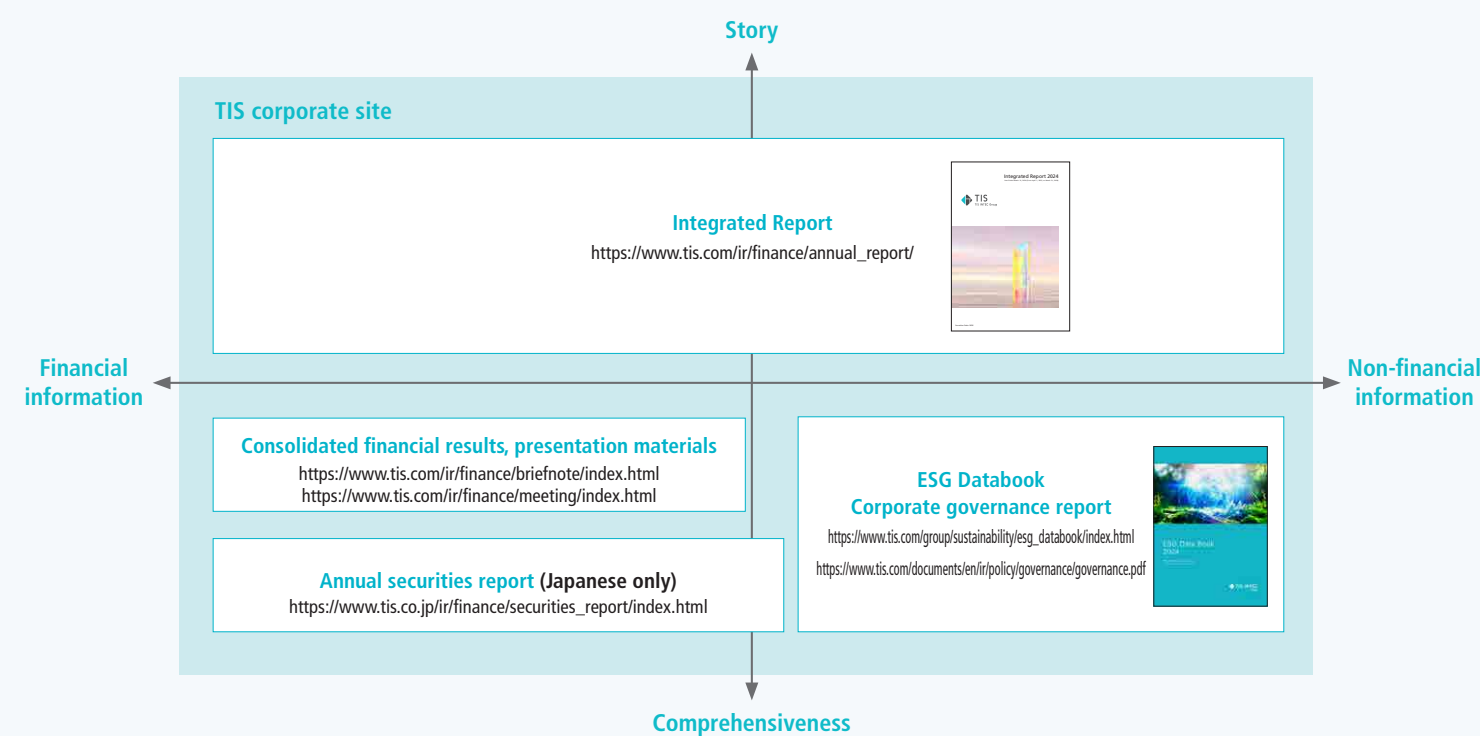
For details, go to <https://www.tis.com/group/sustainability/governance/compliance/index.html>

TIS regards the Integrated Report as an important tool for dialogue with all stakeholders, including shareholders and other investors. This year's report features matters of particular importance that we wish to convey while also providing key financial and non-financial information that will give readers a clearer understanding of the approaches taken to achieve a sustainable improvement in corporate value and the reasoning behind such approaches from a groupwide perspective. Please refer to our corporate website for more detailed information.

The 2024 report focuses on newly established long-term management policy, Group Vision 2032, and Medium-Term Management Plan (2024–2026), which is the first stage of our journey toward our 2032 destination, and describes how we will increase corporate value through the pioneering challenge of frontier development.

We hope that this report will give readers a better understanding of the Group and encourage greater dialogue.

Information Disclosure Structure



About Our Website

Our website is the source of timely, up-to-date information for all stakeholders.

IR Information

Find financial results and IR-related news as well as the latest event information.
<https://www.tis.com/ir/>

Sustainability information

Find information about sustainability initiatives.
<https://www.tis.com/group/sustainability/>

Scope of reporting
Reporting organization: TIS (parent) and TIS INTEC Group
Reporting period: April 1, 2023, to March 31, 2024
*Some content reflects activities that occurred subsequent to the end of the reporting period.

Issued:
September 2024
*The information contained in this report is accurate as of the date of publication.

Guidelines:
International Integrated Report Framework,
Guidance for Collaborative Value Creation 2.0

Disclaimer: Forward-looking statements, such as performance forecasts, described in this report are based on information available to management regarding the TIS INTEC Group—that is, TIS and the subsidiaries under its umbrella—as of the production date and certain assumptions deemed reasonable at this time. No intent of promise is implied 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.

The names of the products and services described in this report are TIS trademarks or else registered trademarks of the respective company.

Introduction

TIS INTEC Group Philosophy—OUR PHILOSOPHY..... 1

Editorial Policy/Information Disclosure Structure..... 3

Top Message 5



Our Achievements:

About the TIS INTEC Group

Growth Trajectory..... 11

About the TIS INTEC Group 13

TIS INTEC Group by the Numbers 15

Positioning in the IT Services Market..... 17

For the Future:

Long-Term Vision and Value Creation Story

Taking Long-Term Perspective on Target Trajectory..... 19

Group Vision 2032: Toward Sustainable Growth 21

Value Creation Process 23

Sources of Value Creation and Competitive Advantage..... 25

Sustainability Management 27

Materiality-Related Initiatives and Targets..... 29

Stakeholder Engagement..... 32

Stakeholder Dialogue 33

Road to Value Creation:

Medium-Term Growth Strategy and Commitment

Executive Vice President's Message (Business Strategy) 37

Looking Back on Past Medium-Term Management Plans... 39

Outline of Medium-Term Management Plan (2024–2026) 41

Roundtable Discussion on Group Vision and Medium-Term Management Plan..... 59

Executive Vice President's Message (Corporate) 63

Financial Investment Strategy —Message from the Director in Charge of Finance..... 65

Business Strategies by Segment..... 71



Platform for Growth:

Capable Management and Stakeholder Engagement

Corporate Governance Roundtable Discussion 84

Corporate Governance 87

Compliance/Information Security/ Personal Information Protection..... 101

Risk Management 103

Quality Control and Production Innovation 105

Natural Capital—For the Global Environment..... 107

Social and Related Capital—With Clients 111

Social and Related Capital—With Business Partners 112

Social and Related Capital —With Shareholders and Investors 113

Social and Related Capital —With Local Communities and Society 114

*Please refer to “Key Strategy of the Medium-Term Management Plan/Human Resources Strategies” on page 53 regarding human capital.



Corporate Data

Group Data 116

Consolidated Financial / Non-Financial Highlights..... 119

Consolidated Financial Summary 121

Non-Financial Summary 125

Evaluations from External Parties 127



On the cover

The multihued object, rising majestically at the water's edge in the morning sun, represents a gateway to the future and a new start.

It is a symbol of the pioneering spirit that infuses “Frontiers 2026,” the catchphrase of our new medium-term management plan, and expresses not only TIS’ keen desire to use digital technology in carving out a bright and colorful future but also latent possibilities that we seek to realize in that future.

A tireless approach to frontier development will underpin efforts to achieve sustainable growth from a next-generation perspective.



Yasushi Okamoto, President

Our evolution must continue if we are to reach goals set for 10 years into the future.

In April 2024, TIS launched Group Vision 2032, and the TIS INTEC Group embarked on Medium-Term Management Plan (2024–2026) as the first step toward realizing this new blueprint for the future.

Under the previous medium-term management plan, with the benefit of accelerated interest in digitization, we overcame challenges precipitated by the COVID pandemic and marked steady growth. However, the social environment remains uncertain, and I feel it's extremely difficult today to predict what the future will look like.

In addition, technological innovation is proceeding at an unprecedented speed, with artificial intelligence (AI) in particular becoming as much an integral part of society as the Internet. Moreover, quantum computing and other technologies with the potential to transform business models and the way society functions are steadily moving into practical application, highlighting how increasingly essential IT is to society. To maintain growth against this fluid backdrop, I believe a greater level of flexibility and adaptability will be required to squarely analyze prevailing circumstances and successfully create businesses that showcase the indispensable value of IT in society.

This is a new start, and each and every one of us must embark on the journey with an awareness that the road ahead is more than just an extension of the path we've been traveling on until now. We must grasp the needs of society and the requirements of clients through dialogue, and expedite steps to address identified challenges based on the underlying policy of frontier development. Naturally, OUR PHILOSOPHY is fundamental to the process, and we will adhere to this concept as it exemplifies the enduring values of the TIS INTEC Group.

We achieved major successes during the previous medium-term management plan, but there are still issues to address.

We marked solid improvement in key management metrics described in the previous medium-term management plan and hit many performance targets in fiscal 2023, a year ahead of schedule. In addition, we continued to raise compensation to fulfill our corporate responsibility to reward the commitment of employees whose efforts are the driving force behind enhanced fiscal results. We made progress qualitatively speaking as well, notably by enhancing sustainability management, deepening the pool of consultants who underpin a strong frontline, and expanding global operations hinging on MFEC Public Company Limited in Thailand. On the flip side, an issue that still requires attention is development of the IT Offering Service (IOS), which is taking longer than anticipated, and the associated improvement in profitability.

Our payment business strategy hinges on the digital settlement platform PAYCIERGE, which continues to evolve even today, and functions as the driver of IOS growth. The three years of the previous medium-term management plan saw the start of CreditSaaS — a credit card processing service — and scaled-up functionality through proactive investment aimed at medium- to long-term growth. This really helped

expand the scale of the IOS business. However, the business has yet to reach a point where it can deliver a major boost in the recurring revenue ratio, and consequently, profitability is not increasing at the pace we had hoped for. Given rising demand for digital accounts prompted by widespread use of smartphones and a rapidly developing need for lighter — that is, less complicated — payment methods, we have taken a flexible approach to reframe the business strategy. In the short term, we will respond to the need for light payment options while maintaining efforts to expand the business through comprehensive development of PAYCIERGE, including a sustained marketing push for CreditSaaS.

New Group Vision

We will provide value from a “society oriented, operationally diverse, globally active” perspective.

The theme of Group Vision 2032 is “Society oriented, operationally diverse, globally active.” As always, we will strive to address social issues, but “society oriented” carries a broader significance, embodying the realization that contributing to society through business activities is a given, something expected and accepted in today's world. The components “operationally diverse” and “globally active” represent diversity in that we create diverse businesses powered by diverse human resources who provide diverse value and options to society. At the same time, “globally active” also expresses our desire to establish a presence beyond Japan as a global enterprise seeking a more extensive presence in the markets of Southeast Asia.

In light of the above, we partially restructured our strategic domains — that is, priority business areas — under Group Vision 2032. We have always provided solid support to clients through contract software development services that help them grow their businesses and, in the process, we turned our Strategic Partnership Business (SPB) into a strong pillar of revenue. In addition, under Group Vision 2026, we pursued structural transformation hinging on strategic domains, including the original IT Offering Service, a proactive, proposal-style business. We recently merged the Business Function Service (BFS) into the existing IOS, creating the IT & Business Offering Service —IOS acronym unchanged — to provide business services along with IT services and setting the stage for accelerated growth driven by IOS as a second pillar of revenue. Looking to the future and a third pillar of revenue, we gave the existing Frontier Market Creation Business a reboot and in its place defined two new domains — the Social Innovation Service (SIS), where the TIS INTEC Group gets directly involved in solutions to deal with social issues through IT, and the Co-Creation Business (CCB), which seeks to combine the respective strengths of the Group and its business partners in joint efforts. These are our four strategic domains as of now.

We aim to raise the strategic domain ratio to 80% by fiscal 2033, from 48% in fiscal 2024, and build a diverse but well-balanced business portfolio. This will enable us to achieve growth driven by the TIS INTEC Group's distinctive presence in society.

*For details, please go to page 22: Strategic Domain Portfolio

Core facets of our strategic domains are direct approaches to social issues and co-creation projects.

In recent years, the TIS INTEC Group has increased its efforts to address social issues through IT while at the same time embracing more opportunities for co-creation with business partners, including companies in different industries. Of significance, given this backdrop, is our recognition of how connected we are in society, as this will inevitably underpin the creation of new businesses. Designating SIS and CCB as strategic domains and establishing the Social Innovation Division to reinforce our ability to create and leverage new businesses aimed at social issue resolution are part of a framework to develop business centered on social issues and co-creation responses.

We identified four social issues — financial inclusion, health concerns, urban concentration/rural decline, and low-carbon/decarbonization — that we, as a corporate group, have the ability to help ameliorate through business activities based on sustainability management materiality (priority issues). It's worth noting that efforts to address these four social issues are not limited to any specific strategic domain. For example, SPB is responsible for building core systems for clients in the finance sector, but this is not the only service related to financial inclusion offered by the TIS INTEC Group. The service menu also includes the digital payment settlement platform PAYCIERGE, a core service under IOS, as well as Mobility as a Service (MaaS) and local e-currency operations, which are the responsibility of SIS and CCB. Regardless of which strategic domain is the service starting point, the first step is always to think about the new value we want to provide to society and to our clients. In finding solutions to social issues, cooperation — in-house and with external partners — is vitally important.

New medium-term management plan
Our basic policy is to venture into uncharted territory and cultivate new frontiers.

The fundamental strategy in Medium-Term Management Plan (2024–2026), which was launched in April 2024, is to cultivate new frontiers.

Since assuming the position of president in April 2021, I have emphasized the importance of developing a stronger frontline to employees. Frontier development conjures up an image of a stronger frontline, but it also evokes a clear picture of the challenges involved in venturing into uncharted territory in pursuit of new business opportunities. I keep telling employees that now and then they have to imagine where they want to be in the future and carve a unique path to the desired destination, and I am hopeful that proactive thinkers who want IT to have a really positive impact on society will make great strides toward this reality during Medium-Term Management Plan (2024–2026).

IOS, modernization and global perspectives are key to business growth.

We have identified three business themes for the three years of Medium-Term Management Plan (2024–2026): enhanced IOS profitability, progress in legacy modernization services, and an expanded global presence. Multiple large-scale development projects peaked during the previous medium-term management plan, with associated earnings subsequently trending downward. Going forward, the rate of growth will slow somewhat but it will be short term, and with a concerted focus on the aforementioned business themes, I am sure we will get back on a growth track and profitability will improve.

It's really important to think about our connection to society, because that contact point is the source of new businesses.

✓Enhanced IOS profitability

IOS is already generating a certain level of sales, but we aim to turn this strategic domain into a second pillar of revenue over the next three years. PAYCIERGE, at the core of IOS, has continued to evolve through robust investment in various areas and scaled-up functions. Looking ahead, we expect services associated with credit, debit, prepaid and other payment formats that have enjoyed a stretch of sales growth so far to enter a period of expanding yields as we move through the third year of the plan. Therefore, in addition to sustaining sales growth, we need to build a solid framework for securing and then increasing IOS profits while keeping firm control on investments.

Also of note, Nihon ICS Co., Ltd., which became part of the TIS INTEC Group in April 2023, serves an extremely large number of small and midsized companies. To date, we have supported large corporate clients with SI services, but the base of potential clients for recurring business is now much wider through Nihon ICS, and this should lead to enhanced profitability. In addition, ultimately, our goal is to provide services that become the de facto standard in the payment solutions sector, a TIS forte field.

✓Progress in legacy modernization services

As described in the Ministry of Economy, Trade and Industry's *DX Report: Overcoming of "2025 Digital Cliff" Involving IT Systems and Full-Fledged Development of Efforts for Digital Transformation*, migration from mainframe to open architecture is an urgent issue for many companies, mainly due to a shortage of IT-knowledgeable human resources as engineers age and retire and also due to a disconnect between traditional marketing and the latest technological trends. The continued use of mainframes not only increases maintenance costs but also slows service improvements and hampers companies' ability to respond to new business opportunities, which could lead to future economic losses. Xenlon–Shinryu Modernization Service, developed in-house and for which we hold patents on some elements, addresses the challenges faced by our clients. This service has earned top marks from users as a tool that enables safe and reliable modernization in a short timeframe. The conversion rate for Xenlon-driven migration from legacy languages, such as COBOL, to Java, is nearly 100%, but Xenlon does much more, boasting the ability to automatically generate source code for high maintainability after conversion, and stable operational performance. We already have a strong track record for safely and reliably migrating large-scale applications running on mainframes to open systems for financial and industrial clients, and some clients choose to remain in a continuous business relationship with us as their core solution provider even after migration. Typically, it takes a long time — maybe 20–30 years — to build a relationship of trust with a new client and have that client appreciate us as a strategic partner, but we have high hopes that Xenlon will allow us to quickly gain the trust of new clients with the promise of becoming core clients.

✓Expanded global presence

Working toward our goal for the TIS INTEC Group to be the top-class IT group in the ASEAN region, we aim to achieve

¥100 billion in consolidated net sales by 2026. To date, we have built an overseas presence, especially in the ASEAN region, by focusing on the development of marketing channels and access to technologies, and then maximizing consulting opportunities. We complemented these activities through a robust capital and business alliance strategy targeting companies boasting high local market shares as well as companies with advanced technologies. As a result, consolidated net sales have surged over the past decade, from about ¥4 billion in 2014 to ¥33.6 billion in 2023, and our scale of business, including the involvement of equity-method affiliates, has already exceeded ¥100 billion. We expect consolidated net sales to hover at ¥40 billion by 2026 through organic growth, and we will continue to implement strategic business investments to achieve this target. When deciding on an investment target, we want to know that the company will be on board with the TIS INTEC Group philosophy OUR PHILOSOPHY. This point is relevant even beyond global business, however, because to us, shared common values are a determining factor in the success or failure of any alliance anywhere.

Global business profitability is still low from a consolidated results perspective, and I know there is room for improvement. We will actively promote initiatives to raise profitability, including continued introduction of Japanese know-how into Group companies in Southeast Asia to enhance local management efficiency. Through this approach, we hope to initiate a virtuous cycle in which these companies are themselves able to invest in growth fields, which will ultimately accelerate expansion of our global business as well.

We now include operating income per person and ROIC as metrics to highlight improvement in profitability.

In Medium-Term Management Plan (2024–2026), management indicators of note are net sales of ¥620 billion, an operating margin of 13.1%, return-on-equity (ROE) above 16%, and an earnings-per-share compound annual growth rate (EPS CAGR) above 10%. In addition, for the first time, we have included operating income per person, set at more than ¥3.5 million, and return-on-invested-capital (ROIC), set above 13%. To date, management with a profitability emphasis has underpinned steady improvement in consolidated business results. But I believe higher profitability per employee is essential to higher profitability overall.

Operating income per person has traditionally been a metric managed internally, but it is now included as a key metric to underscore our commitment to external stakeholders. Currently, metrics on a per-person basis are low for the Offering Service Business, which has yet to launch a sufficient number of investment-driven services, and for the Business Process Management Business, which is more labor-intensive since it involves quite a bit of simple operation services. But I believe the recent review of strategic domains will strengthen the connection between services and business segment and raise added value, paving the way for enhanced profitability.



Regarding ROIC, the expanding scale of TIS INTEC Group operations has precipitated opportunities for upfront investment aimed at growing businesses beyond traditional system development. Against this backdrop, it is important to realize greater investment efficiency in growing businesses and manage new activities through proper application of the PDCA (Plan-Do-Check-Act) cycle. We have always placed importance on management being conscious of capital costs, and by adopting ROIC, which is unaffected by capital structure, this metric becomes a key management indicator for heightened awareness of profitability in the business where an investment has been made.

Long-term growth
We will leverage changes as opportunities while accurately addressing risks to move business forward.

In the process of realizing long-term growth, various risks can and do emerge, including risks related to human resource mobility, information security and natural disasters as well as geopolitical risks. Naturally, risks also accompany any new challenges we take on. The only way to deal with anticipated risks is to be prepared for the eventuality, but at the same time, there is no point in needlessly worrying about risks that cannot be anticipated. Rather, we should strive to maximize opportunities while minimizing risks. What is a risk? What is an opportunity? It all depends on perception. For example, new technologies, such as generative AI, may in some cases have a negative impact on Group businesses. At the same time, advances also herald significant positive contributions, including the opportunity to expand business by incorporating new technologies into operations and cutting costs through innovative productivity-boosting capabilities. We are working to achieve a successful balance of risk and opportunity. In addition, we will strive to respond quickly to new technologies in areas where proof-of-concept experiments are ongoing, such as healthcare and robotics, with the aim of creating and establishing new businesses.

We aim to be a corporation known for the high interpersonal skills of its staff.

We have long been working to elicit a change in mindset among employees on the theme of structural transformation. Looking at how business has evolved in recent years, I see steady progress along a trajectory I envisioned 10 years ago when I was still on the frontline. Proposal-based business activities involving consultants as well as collaboration inside and outside TIS and other TIS INTEC Group companies are becoming the norm. On a groupwide basis, our people have to satisfy certain basic prerequisites for IT business: technical expertise, system configuration skills and system operation capabilities. We also place importance on interpersonal skills. We aim to be a corporate group with people who have the expertise to pinpoint essential issues by talking to clients, and, ultimately, demonstrate strong interpersonal skills that encourage clients and business partners to continue to work with us. Becoming this kind of group will not happen

overnight. It will take time, but the results will be worth the wait. Human resources are without a doubt our most valuable management asset and truly indispensable in fulfilling our business obligations, and clients expect that our people can do the job and do it well. On that basis, I want TIS to be a company known for the high interpersonal skills of its employees, which I believe will reinforce the management foundation and fuel long-term growth.

To our stakeholders
My role is to establish the next pillar of business and pass it on to the next generation of leaders.

Since assuming the position of president in April 2021, I have spearheaded steps to reinforce the frontline, and I have made it a point to meet with many members of top management at client companies as the face of TIS and the TIS INTEC Group. My efforts are perhaps more visible because I attract more attention as a top executive, but they are reflective of a groupwide commitment. With a view to cultivating new frontiers, we will maintain and deepen stakeholder engagement so that clients have a better idea of what the Group can do, which in turn will enable us to foster an environment that facilitates work on the frontline.

I mentioned this at the time we announced Medium-Term Management Plan (2024–2026), but it bears repeating here. There is no guarantee that the business environment over the next three years will be as favorable as it has been to date. Many issues still need to be addressed, including how to get back on a growth trajectory after the number of large projects peaked in the previous fiscal year and are now on a downtrend. However, we will face these challenges head on, with a strong desire and determination to overcome difficult situations and grow, and we will be thorough in doing what must be done to achieve stated goals.

As IT becomes increasingly more indispensable to society, my role will be to establish the next pillar of business and pass it on to the next generation of corporate leaders to ensure the sustainable growth of the TIS INTEC Group. I ask all stakeholders for your continued support and encouragement as we tackle challenges and maximize opportunities going forward.

Our Achievements: About the TIS INTEC Group

Growth Trajectory	11
About the TIS INTEC Group	13
TIS INTEC Group by the Numbers	15
Positioning in the IT Services Market	17



Growth Trajectory

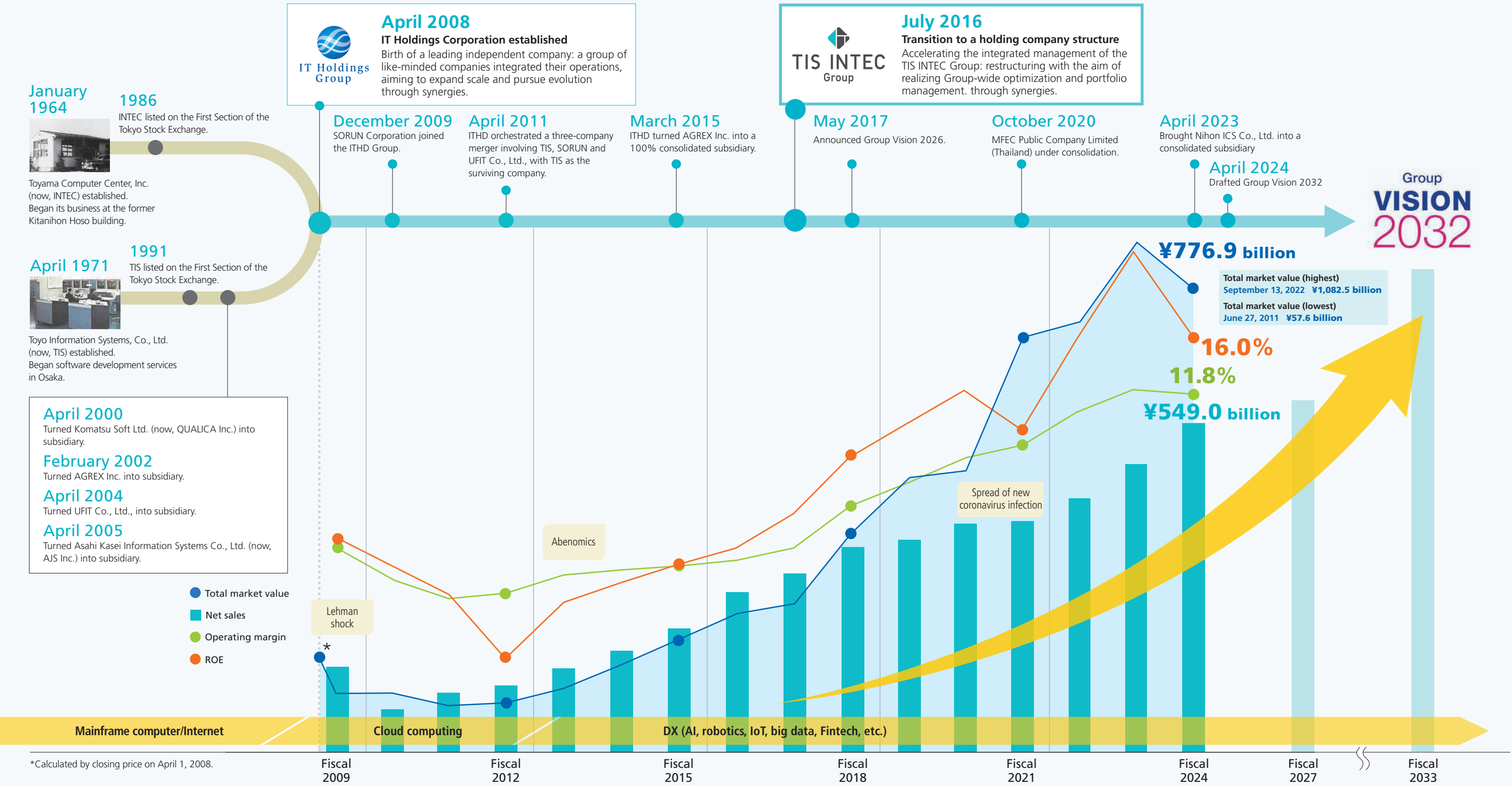
Making the most of the advanced technologies and know-how the TIS INTEC Group has accumulated over the years, we aim to revitalize society and contribute to the well-being not only of our clients, but of society as a whole.

We will continue to challenge ourselves to achieve further growth, contribute to a sustainable society, and realize sustainable enhancement of corporate value based on an unwavering ambition to contribute to the development of society through digital technology.

Progress after transition to holding company structure

Following its transition to a holding company structure in 2016, the Group has grown rapidly and with a greater sense of unity. During this period, too, its total market value has expanded steadily.

	March 2016	March 2024
Net sales	¥382.6 billion	¥549.0 billion
Operating margin	6.4%	11.8%
ROE	7.0%	16.0%
Market value	¥233.8 billion	¥776.9 billion



Three Characteristics and Strengths of the TIS INTEC Group

1.

Solid management platform

TIS' solid management platform comprises three building blocks—a broad client base, an extensive business base and a stable financial base—which provides the leverage to drive business forward and underpins good financial health and capital efficiency.
2.

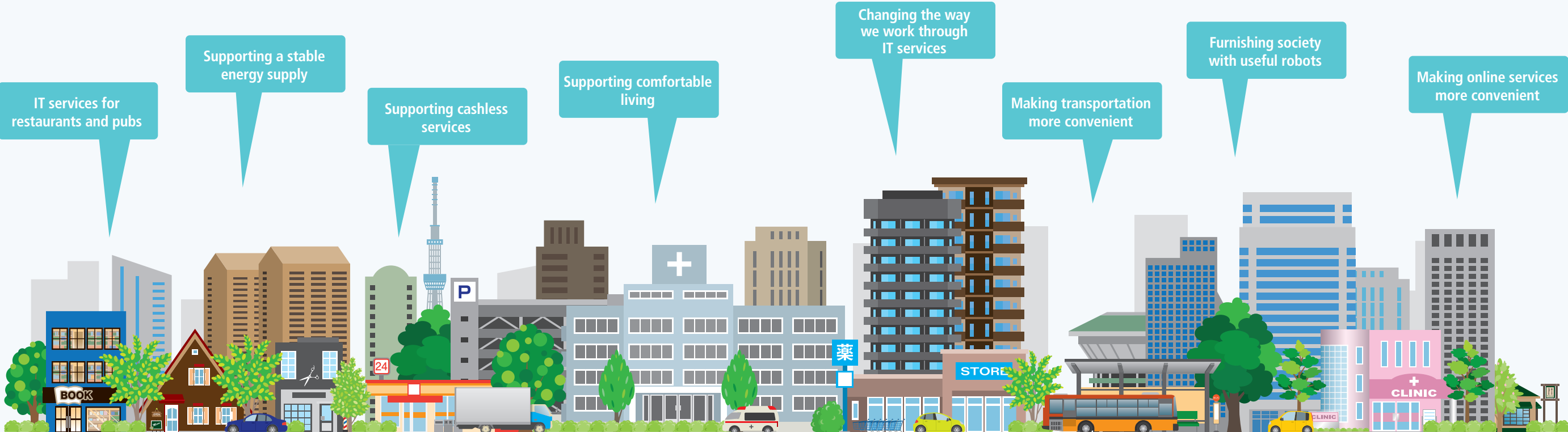
Dominant presence in payment services domain

TIS has cemented its position as a leading system integrator in the domestic payment services domain. Drawing on capabilities accumulated through SI activities, we are quickly rolling out service-style operations matched to technological innovation and diversifying payment methods.
3.

Flexible management strategies and speedy decision-making thanks to independent status

The TIS INTEC Group established itself as the top of Japan's IT services industry as a major, independent corporate group free from *keiretsu* ties. The absence of a controlling shareholder ensures management independence facilitates decisions that leverage robust, flexible and speedy business development of Group operations.

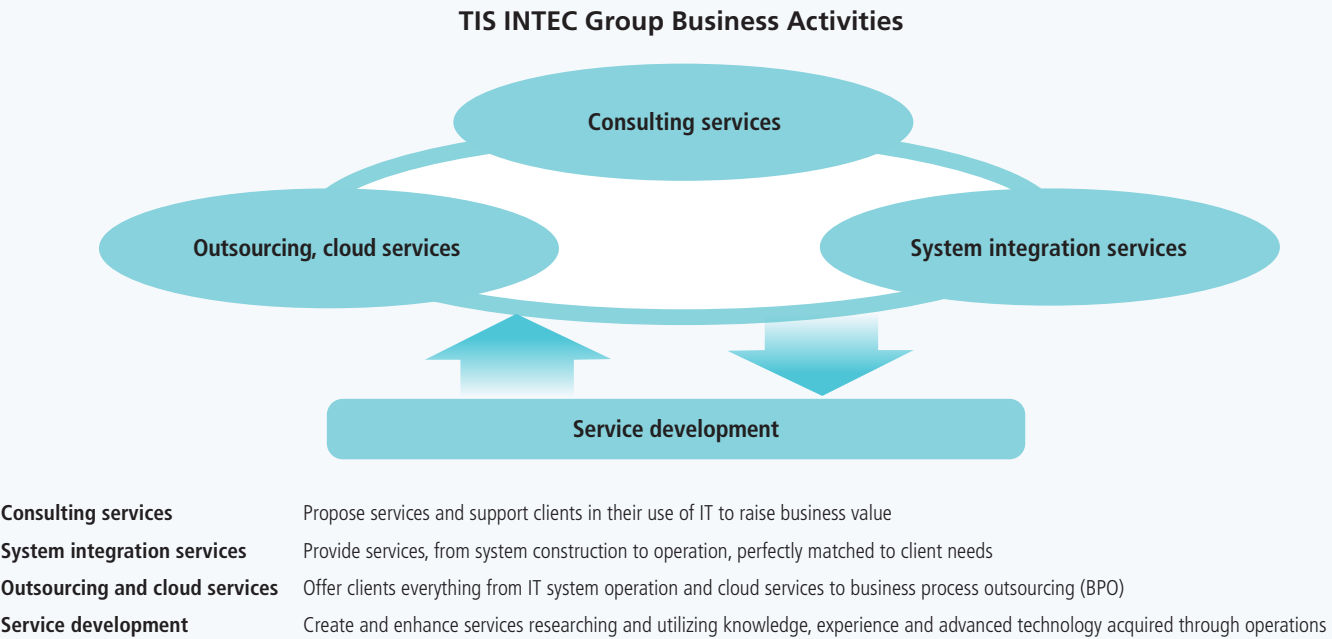
Meeting Various Social Needs by Providing IT Services
— The TIS INTEC Group operates across all these domains (examples) —



Business Activities

As an IT specialist working closely with clients, TIS handles a wide range of IT services on its own and through the TIS INTEC Group to provide optimal one-stop support.

As a corporate group specializing in IT, we support society in ways some people might take for granted, and we help solve social issues through our business activities.



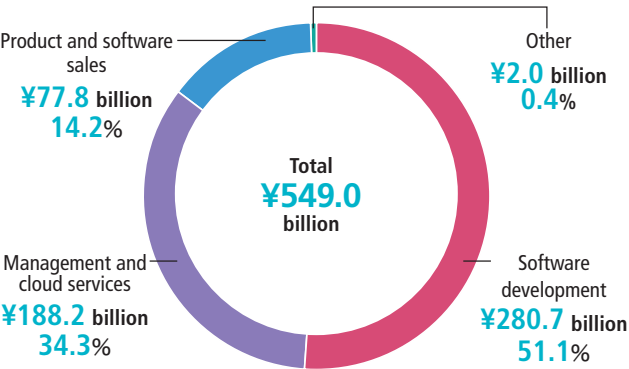
TIS INTEC Group by the Numbers (Year ended March 31, 2024)

TIS has achieved sustainable growth based on sound financial health and capital efficiency.

In fiscal 2024, we recorded our best results ever, marking 14 consecutive years of higher net sales and 13 consecutive years of higher operating income. These results reflect successful efforts to expand business by accurately responding to the IT investment needs of our clients, including help to implement digital transformation, and by providing high-value-added services.

Consolidated Net Sales ¥549.0 billion	Consolidated Operating Income ¥64.5 billion	Consolidated Operating Income to Net Sales Ratio 11.8%
Consolidated ROE 16.0%	Consolidated Equity Ratio 59.5%	Rating (At November 13, 2023) A+/Stable (Long-term/Japan Credit Rating Agency, Ltd.)
Number of Group Companies 110 companies (TIS + consolidated subsidiaries + equity method affiliates)	Number of Client Companies Domestic about 15,000 companies Overseas Above 600 companies	Number of Employees, Consolidated 21,972

Net Sales by Business Segment

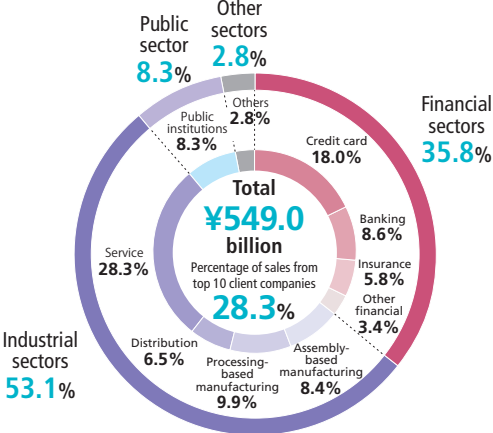


Software Development
Offers consulting services related to IT management, development of IT systems from scratch and development and maintenance of systems using business packages to address client-side management and business issues.

Operation and Cloud Services
Provides on-demand IT resources using SaaS and other categories of cloud computing, including system operation through Company-run data centers.

Product and Software Sales
Sale and maintenance of hardware, such as servers and network equipment, and software.

Net Sales by Client Sector



Financial sectors
Major clients
• JCB • Mitsubishi UFJ NICOS • Sumitomo Mitsui Card
• MUFG Bank • Nippon Life

Industrial sectors
Major clients
• Asahi Kasei • Komatsu • Tokyo Gas • Recruit • NTT Docomo

Public sector
Major clients
• Local governments
• Federation of National Health Insurance Organizations
• Japan Housing Finance Agency

*Client names are short-form.

Below are some examples of IT services in the TIS INTEC Group's portfolio that support clients' businesses and also benefit daily life and social infrastructure.

Supporting safe and secure daily credit card settlement

Credit cards

Core system development results

Domestic market share

About **50%**

(On annual transaction volume basis for clients served)

Of 25 companies in Japan with significant consumer credit transaction volumes, 11 are in the Group's client base for core system development.

Total credit extended for card-facilitated purchases has reached ¥94 trillion in Japan. The 11 companies in the TIS INTEC Group client base have aggregate membership of about 200 million people and credit transaction volume representing about 50% of the total market.

Promoting cashless settlement in Japan

Branded debit cards

Related service provision/system development results

Domestic market share

Above **80%**

The number of debit cards issued in Japan has reached about 460 million, and settlement transactions, mainly using debit cards affiliated with international brands, have increased to about 900 million per year, for an aggregate value of ¥3.8 trillion. The TIS INTEC Group boasts an overwhelming share—more than 80%—of the market, on a transaction-handling financial institution basis, through such solutions as DebitCube+, which provides one-stop access to services required for branded debit card issuance and operation.

Supporting promotion of overall banking business through use of digital data generated from client contact points

fcube

Implementation

54 of 99 banks

(regional banks)

Launched "full cloud-based call center service" in collaboration with Amazon Connect in March 2024. Supports AI-based voice call text conversion and sentiment analysis. Going forward, plan to offer CRM (SFA) functions, including business-specific solutions using generative AI, as multi-cloud and microservice deployment models.

Supporting business DX (optimization, greater efficiency) in business-to-business transactions

EDI

SaaS market

Market share

About **20%**

Hold industry's top share of EDI/SaaS market.

Introduced EDI Platform Service that achieves parallel and distributed processing at two remote locations (patented technology).

Will take co-creation platform Industrial OS business to new level, bridging existing EDI and API, for which demand is expected to expand.

Highly evaluated as a restaurant sector-specific shop management system

TastyQube Growth

System implementation

About **20%**

(Top 250 companies in the restaurant sector)

TastyQube Growth is highly versatile and can be applied to any restaurant format, helps to visualize shop operations, and realizes enhanced operating efficiency.

Earning high regard for offering functions necessary for restaurant/shop management in one package, this solution enjoys a domestic market share of about 20%, mainly for restaurants, cafes and pubs.

Contributing to the business of new electric power companies in the wake of electricity deregulation

EneLink

50 systems deployed at 30 companies

New electric power businesses

10 of 30 leading PPSs

Following the full deregulation of the electricity retail market that began in April 2016, we have contributed to the businesses of PPSs and Japan's power system reforms by providing rate calculation systems, supply-demand management systems, and other products as part of the EneLink series.

We will continue to address issues related to electric power and energy, which are the foundation of industry and daily life, such as stable supply, cost reduction, and decarbonization.

Contributing to stable insurance system platform creation

For Federation of National Health Insurance Associations

Track record in system implementation/operation/maintenance

11 of 47 prefectures

Of the 47 prefecture-based members of the Federation of National Health Insurance Associations in Japan, the TIS INTEC Group has been tapped to install, operate and maintain systems for 11 members.

About 4.6 million people*3 are covered by these 11 insurance associations*2.

Contribute to greater efficiency in clients' address management operations

National address master file "ADDRESS"

Implementation ratio in non-life insurance sector

Above **95%**

(Excludes insurance companies offering specialized products, such as pet insurance and reinsurance)

All addresses in Japan are assigned a 10-digit code, creating a master file of some 300,000 *kanji-kana*-based addresses.

ADDRESS deals with changes in client addresses caused by the merger of cities, towns and villages, standardizes address information, and facilitates efficient profile-building. Applications in the non-life insurance sector include estimating fire insurance premiums.

Note: Market data (market share) is based on TIS research.

*1 Fiscal 2023 results of EDI, SaaS/PaaS, vendor share and amount are based on "Software Business New Market 2024" by Fuji Chimera Research Institute, Inc.

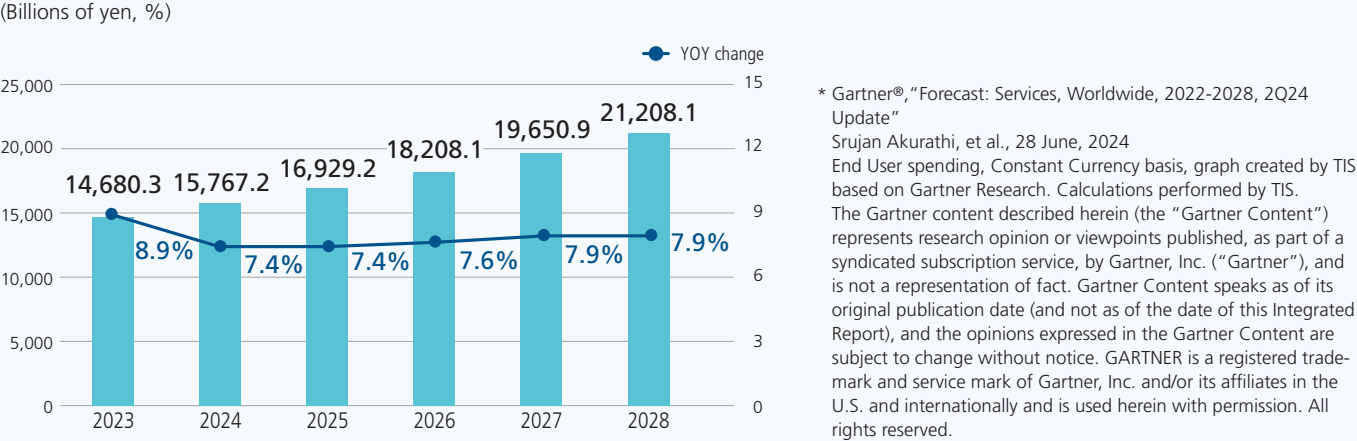
*2 Covers National Health Insurance system.

*3 As of August 2024.

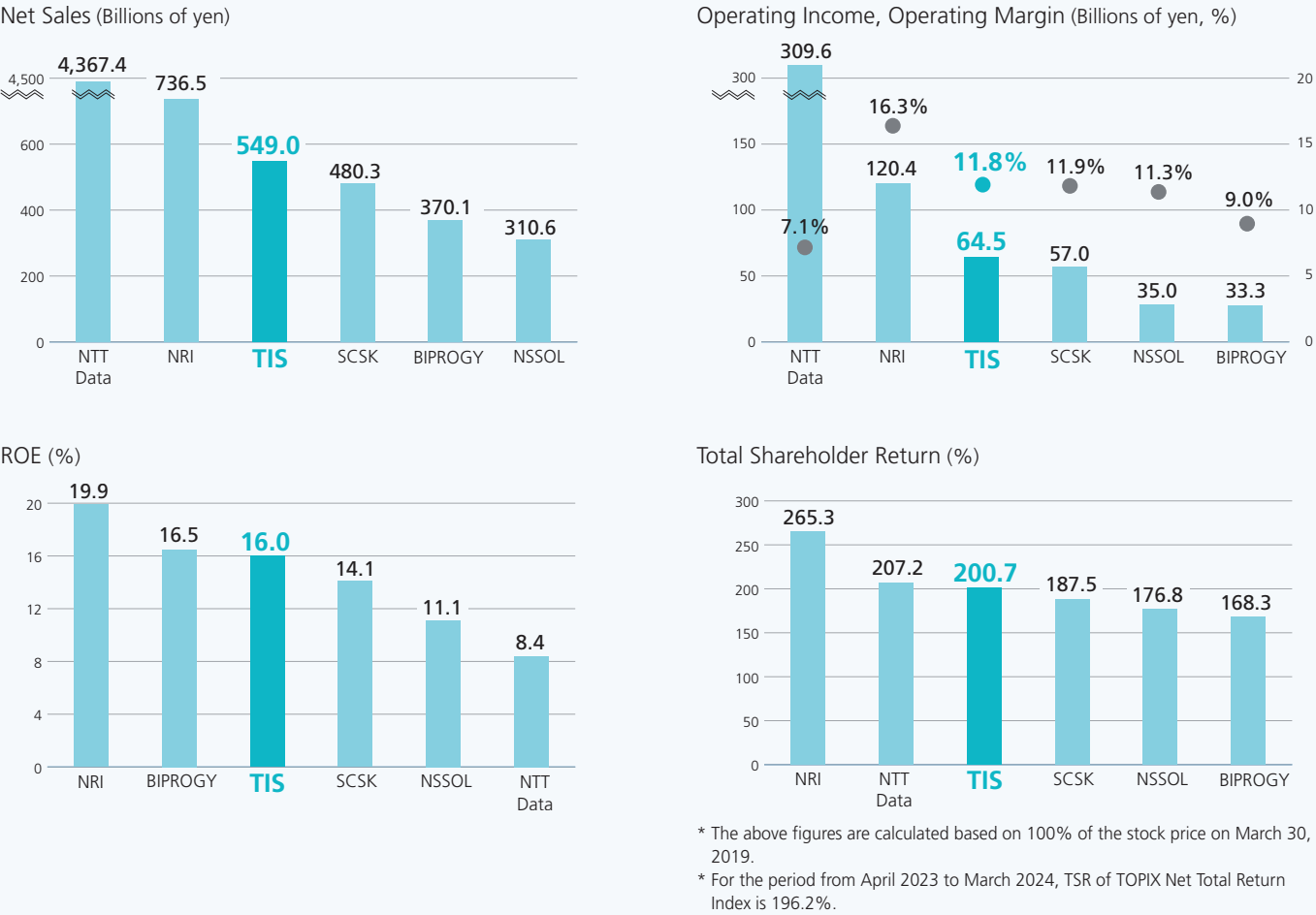
Positioning in the IT Services Market

TIS INTEC Group has cemented a position as a leading, independent prime contractor in Japan’s IT services industry—a market that is expected to continue growing against a backdrop of robust corporate demand for digital technology.

IT Services Market Size in Japan



Comparison of Japan’s Leading IT Companies (Year ended March 31, 2024)*1



*1 The full company names used in the above graphs (NTT Data, NRI, SCSK, BIPROGY, and NSSOL) are: NTT Data Group Corporation, Nomura Research Institute, Ltd., SCSK Corporation, BIPROGY Inc., and NS Solutions Corporation. NTT Data, NRI, SCSK, BIPROGY, and NSSOL amounts are based on the IFRS (International Financial Reporting Standards).

For the Future: Long-Term Vision and Value Creation Story

Taking Long-Term Perspective on Target Trajectory	19
Group Vision 2032: Toward Sustainable Growth	21
Value Creation Process	23
Sources of Value Creation and Competitive Advantage	25
Sustainability Management	27
Materiality-Related Initiatives and Targets	29
Stakeholder Engagement	32
Stakeholder Dialogue	33

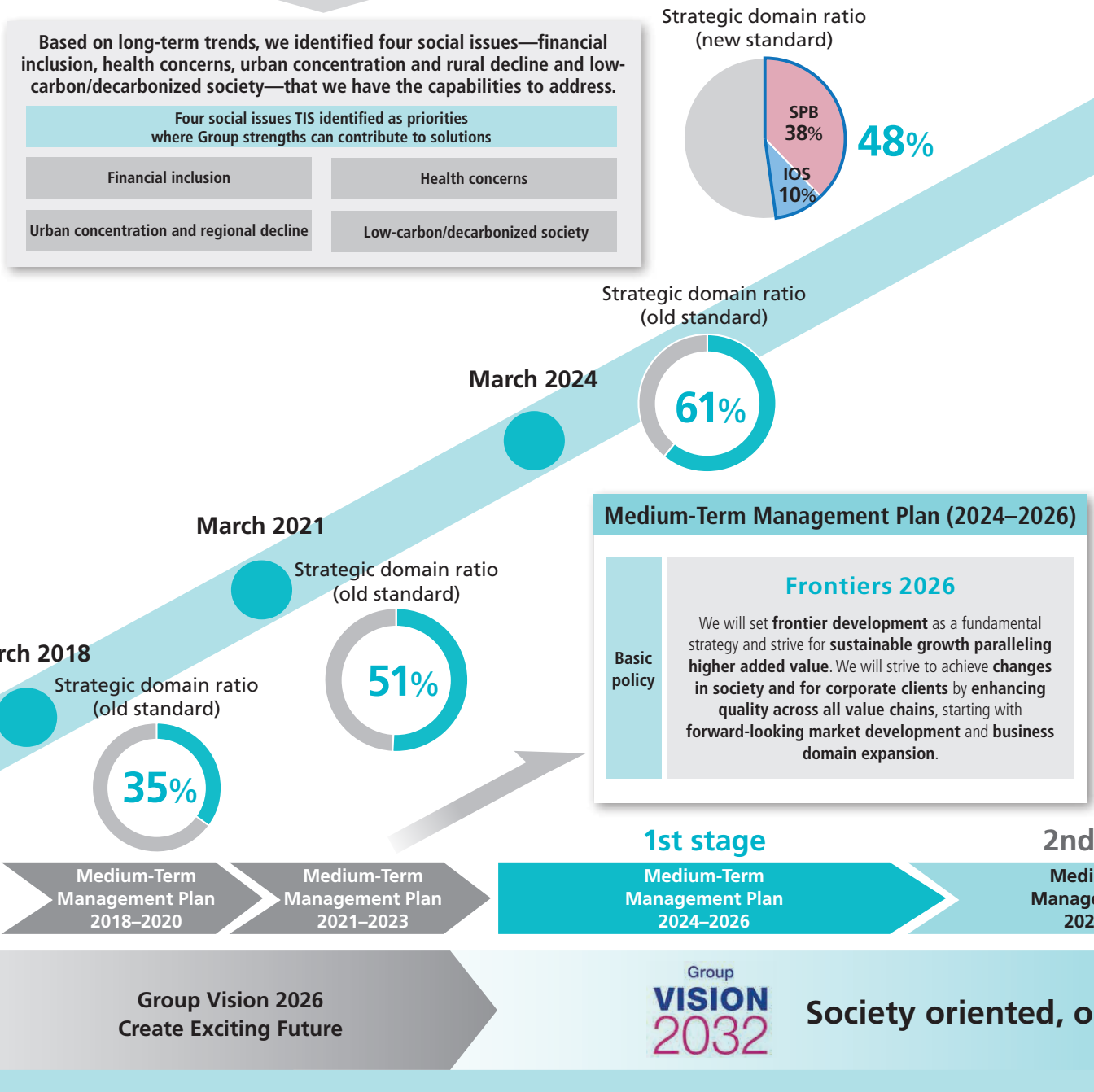


World in 2050

In making assumptions for 2050, we took into account 24 political, economic and social themes, in parallel with technological progress and the impact that such advances might have, and performed PEST analysis.

Politics	<ul style="list-style-type: none">Predict pension and social security system failure due to changing demographicsTrend to limit impact of corporate activities on society, with tougher restrictions on use of fossil fuels and use of resources as measures to deal with climate change
Economy	<ul style="list-style-type: none">Hub of global economy will shift to emerging countries of Asia that continue to enjoy high economic growthDisparity between countries will shrink, paralleling economic growth, but personal income gap will widen
Society	<ul style="list-style-type: none">Population growth is particularly noticeable in Asia, where the benefits of economic progress have extended average life expectancy and produced an aging societyTechnological innovation is fueling economic growth in urban areas while regional economies, impacted by a decrease in population and little promise of a demographic turnaround, are in decline
Technology	<ul style="list-style-type: none">Technological innovation will accelerate, technological breakthroughs will become more frequent, and technology will have a major impact on political, economic and social activity

*View of the world in 2050 drawn at Sustainability Project in 2019.



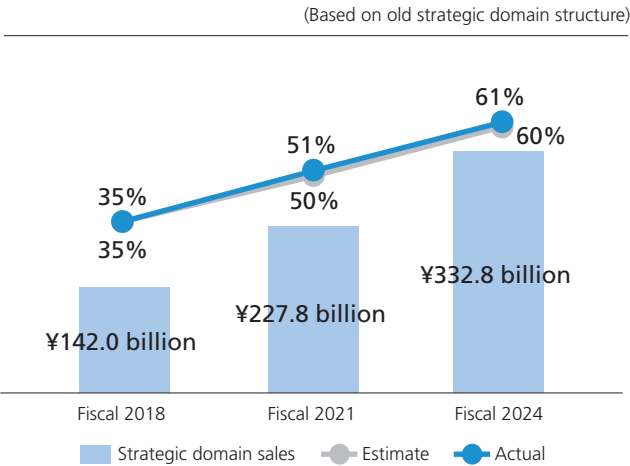
Group Vision 2032: Toward Sustainable Growth

In 2017, TIS announced Group Vision 2026, which described a corporate ideal to be achieved by 2026 under the catchphrase “Create Exciting Future.” Seven years on, in 2024, a decision was made to define a new group vision for where TIS and the TIS INTEC Group should be in 10 years’ time. Management had made adjustments in recent years to address significant changes in-house and externally toward achieving Group Vision 2026, but it became clear that prevailing conditions required TIS to reorient operations groupwide with a long-term perspective and draw on composite capabilities to realize its corporate ideal and sustainable improvement in corporate value.

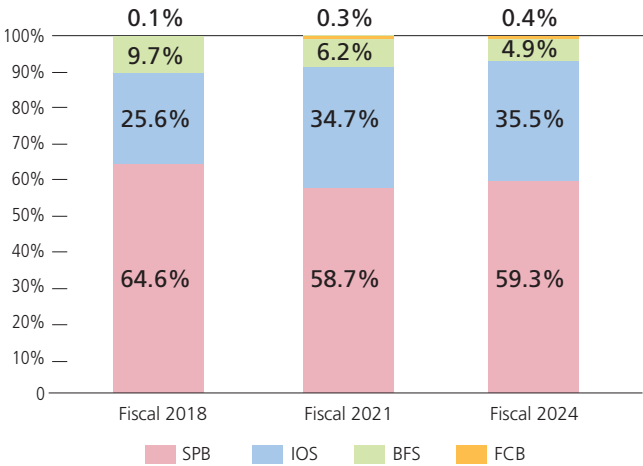
Evaluating the Success of Group Vision 2026

Group Vision 2026 defined strategic domains as areas of business with the potential to fuel the sustained growth of the TIS INTEC Group and guided efforts to boost the contribution from activities in strategic domains as a percentage of overall business. The strategic domain ratio generally tracked as expected, thanks primarily to growth driven by high-revenue services, but the balance among domains remained an issue of concern to management.

Changes in Strategic Domain Ratio



Changes in Strategic Domain Portfolio



Background to Creation of Group Vision 2032

External Environment

Heightened uncertainty in competitive circles, fueled by technology development and growing interest in SDGs

- Technologies with potential to change business models, industrial structures and state of society over next 10 years will become practicable one after another.
- Various services utilizing these technologies will be required as measures to address social issues become more top-priority for companies.
- Related to this, opportunities to co-create and compete with various players, including those from other industries, are increasing.

Internal Environment

Good progress toward medium- to long-term management objectives but need to revise targets, given changes in external environment

- Generally exceeded targets stated in Medium-Term Management Plan (2021–2023)
- Progress on strategic domain ratio set under group vision tracking as expected
- Various activities at nascent stage, like buds ready to blossom, so need to rethink corporate position and set new targets given changes in external environment but based on these emerging activities

Must update management policy with long-term perspective based on current conditions

Group Vision 2032 Themes

Group VISION 2032

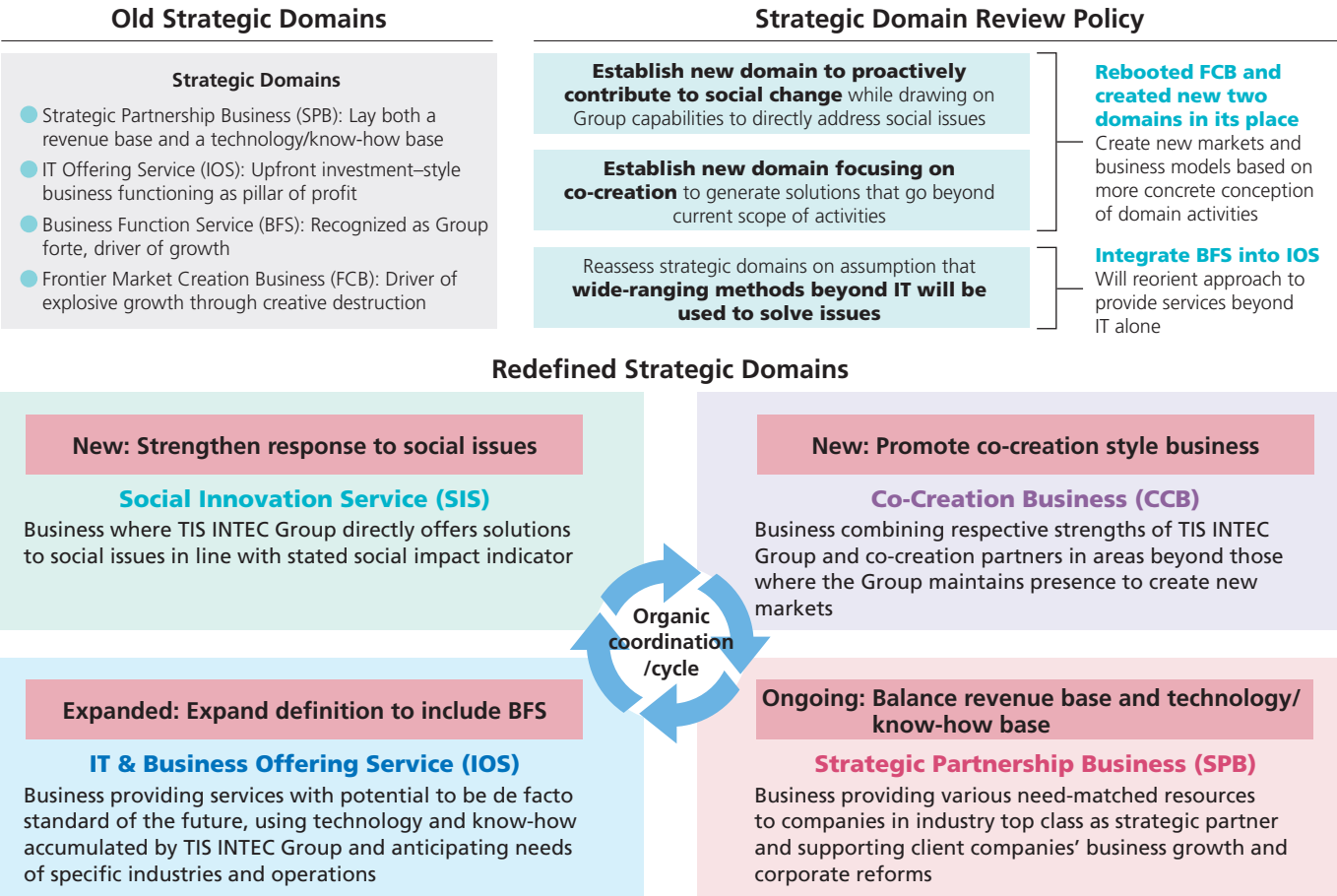
Society oriented, operationally diverse, globally active

Business policy guiding progress toward successful conclusion

Seek to gain insights into future and improve ability to solve issues, integrate capabilities of various players, maintain position conducive to co-creation, and be indispensable to social change

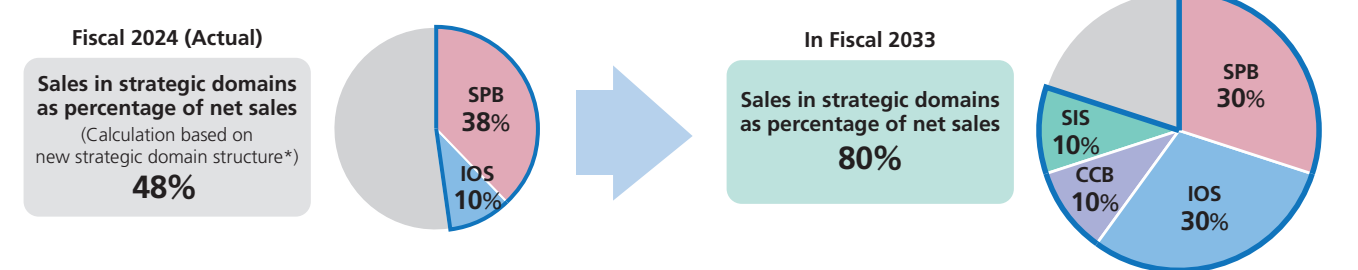
Four Strategic Domains to Realize Corporate Ideal

Since 2017, when Group Vision 2026 was prepared, we see with greater clarity the social role that TIS INTEC Group must fulfill and the best business approach to take over the next 10 years, allowing us to identify new priority business areas.



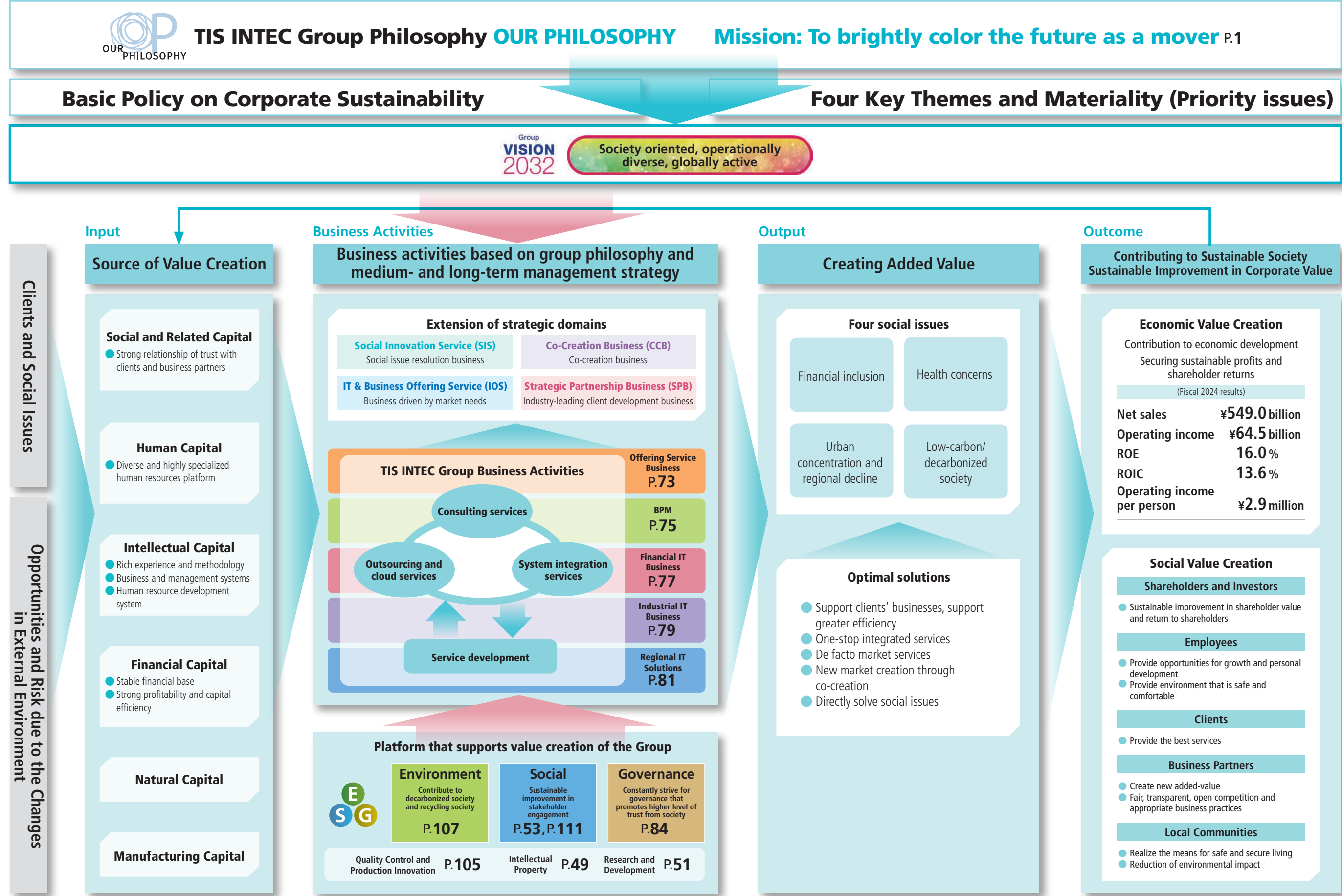
Strategic Domains: Desired Composition

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









*The actual strategic domain ratio for fiscal 2024 reached 61% but was reset to 48% based on new criteria reflecting a rigorous review paralleling revision of strategic domains under the new medium-term management plan.

We will balance efforts to realize a sustainable society with efforts to achieve sustainable improvement in corporate value by leveraging unified Group management based on "OUR PHILOSOPHY," the TIS INTEC Group philosophy.



Sources of Value Creation and Competitive Advantage

The management capital that the TIS INTEC Group has developed over the years is an indispensable element for sustainable corporate value growth and a source of value creation. We aim to create further value through the enhancement and effective utilization of this capital.

Management Capital	Inputs		Scope of Data Collection	Features	Initiatives to Maintain and Strengthen Capital
Social and Related Capital 	Number of clients	Approx. 15,000 companies More than 600 companies	Domestic Overseas	● Stable business promotion through a strong relationship of trust	Strengthen client relationships and satisfaction by capturing a wide range of client requirements and leveraging them in development and service provision Please refer to "With Clients" on page 111. Please refer to "With Business Partners" on page 112.
	Results of client satisfaction survey*1 Number of business partners	85.6% About 600 companies	E E		
Human Capital 	Results of business partner satisfaction survey*2 Linkage with startups (CVC investees)	77% 51 companies	D E	● Diverse human resources engaged as movers ● Sustainable engagement	Secure cutting-edge human resources; recruit the talent who will lead the future business; support self-directed career development; ensure personnel evaluation and compensation remain commensurate with the true value of human resources; promote diversity and health management Please refer to "Key Strategy of the Medium-Term Management Plan/Human Resources Strategies" on page 53.
	Number of employees (consolidated) Results of job satisfaction surveys*3 Percentage of female employees in management positions Number of consultants	21,972 52% 11.8% 510	A C C C		
Intellectual Capital 	Extensive service menu (aggregate number of solutions) Group awareness (among business people) Trinity: Original quality management system	About 500 70%	Domestic Domestic	● Strong technological capability ● Abundant experience and know-how ● Dedication to improving quality, productivity, and technology	Share of development knowhow and technical issues / Tech Lead Team activities / Brand maintenance and enhancement Please refer to "Key Strategy of the Medium-Term Management Plan/Intellectual Property Strategies" on page 49.
Financial Capital 	Net assets Equity ratio Credit rating Investments in growth	¥324.7 billion 59.5% A+ / Stable ¥100 billion (3 years, estimates)	A A A A	● Stable financial base ● Strong profitability and capital efficiency	Promote structural transformation of business by strengthening investment Promote capital optimization Reduce cross-shareholdings Please refer to "Financial Investment Strategy" on page 65.
Natural Capital 	Energy consumption (electricity)	138,511 MWh	B	● High energy efficiency through environmentally friendly data centers	Promote use of renewable energy Consolidate data centers Please refer to "For the Global Environment" on page 107.
Manufacturing Capital 	Business sites throughout Japan Overseas sites centered in ASEAN	About 160 sites 10 countries	Domestic Overseas	● Outsourcing sites based on business continuity	Development of high-quality services that respond to environmental changes and client needs

Figures are as of March 31, 2024.
*1 Percentage of respondents who answered we were "an irreplaceable business partner" in the client satisfaction survey.
*2 Percentage of respondents who answered "satisfied with our business and relationship" in the business partner satisfaction survey.
*3 Percentage of respondents answering positively to the question "Overall, this company is a good place to work" in the employee awareness survey.
Scope of data collection
A. TIS INTEC Group, consolidated
B. TIS and 12 consolidated companies (domestic) and nine consolidated companies overseas.
C. TIS and domestic consolidated companies.
D. TIS and INTEC
E. TIS parent

Here we introduce examples of human and intellectual capital, which are the source of value creation and symbolize the competitive advantage of the Group.

Human resources engaged as movers

Meet members of the Group who have a high level of expertise and extensive experience in using advanced technology and know-how to achieve business innovation and market creation.

Profile

Joined the Company in 1995. After being assigned to a system development division and gaining experience as a systems engineer, from 2000 Ms. Fukuyama worked in business planning in a planning division for solution services targeting regional financial institutions. After being transferred to a consulting department in 2014, she is currently in charge of a business division specializing in new business planning and development.



Tomoko Fukuyama
INTEC Executive Officer
Division Head, Business Innovation Division

I gained experience in business planning for the Company's solutions services for regional financial institutions, IT consulting for clients in a wide range of industries and company sizes, and running workshops related to new business planning. In the process, I became interested in business planning and product development from the client's perspective, and I have also participated in research activities related to usage quality and UX. Currently, I am in charge of a business division specializing in the planning and development of new businesses, where I can apply my past experience. I strive daily to achieve a more comfortable society by solving social issues.



Toshihide Kawamitsu
TIS Department Manager
Strategy & Innovation Consulting Dept.

Profile

After joining Japan's Ministry of Agriculture, Forestry and Fisheries, Mr. Kawamitsu worked as an IT consultant for a major consulting firm. After that, seeking social significance, he worked in corporate revitalization, and then in strategy, DX, and new business development at a major consulting firm. He joined TIS in 2021, where he provides support to companies in innovative ways.

TIS is staffed by consultants with experience at other consulting firms, including myself, who can provide consulting services comparable to those of other firms. In addition, TIS is engaged as a partner in the establishment of new businesses and has developed the expertise to co-create businesses. TIS is also known as an organization that can develop and operate new businesses and implement digital solutions based on the know-how it has cultivated as a systems integrator, while co-creating as a valued partner to our clients.
In these turbulent times, known by the acronym VUCA (volatility, uncertainty, complexity, and ambiguity), I am confident in the indispensability of organizations like TIS that can support companies in various ways. I intend to create businesses that have social value by close cooperation with our clients.

Technology platforms to enhance development competitiveness

Here we introduce platforms for sharing development and technical know-how within the Group to support the development of technology and the promotion of innovation as well as enhancing competitiveness in development activities.

Fintan: A website that offers its development know-how free of charge

This is a website that publishes the technical know-how that has been developed by the Group. The Technology & Innovation SBU is engaged in development of various technologies, new business development, and R&D initiatives, the results of which are published on Fintan (<https://fintan.jp/en/>).
We have compiled the know-how we have gained through our R&D, system development, and new business development projects and are making it available on the Internet. Anyone can use the Group's array of tools, processes, and know-how needed to promote open innovation from anywhere, free of charge.



Nablarch: An application development and execution platform

This is a platform for developing mission-critical enterprise systems. Various software applications and processes to improve productivity and quality are developed and utilized throughout the Group.



canal: A mutual technical support site for employees

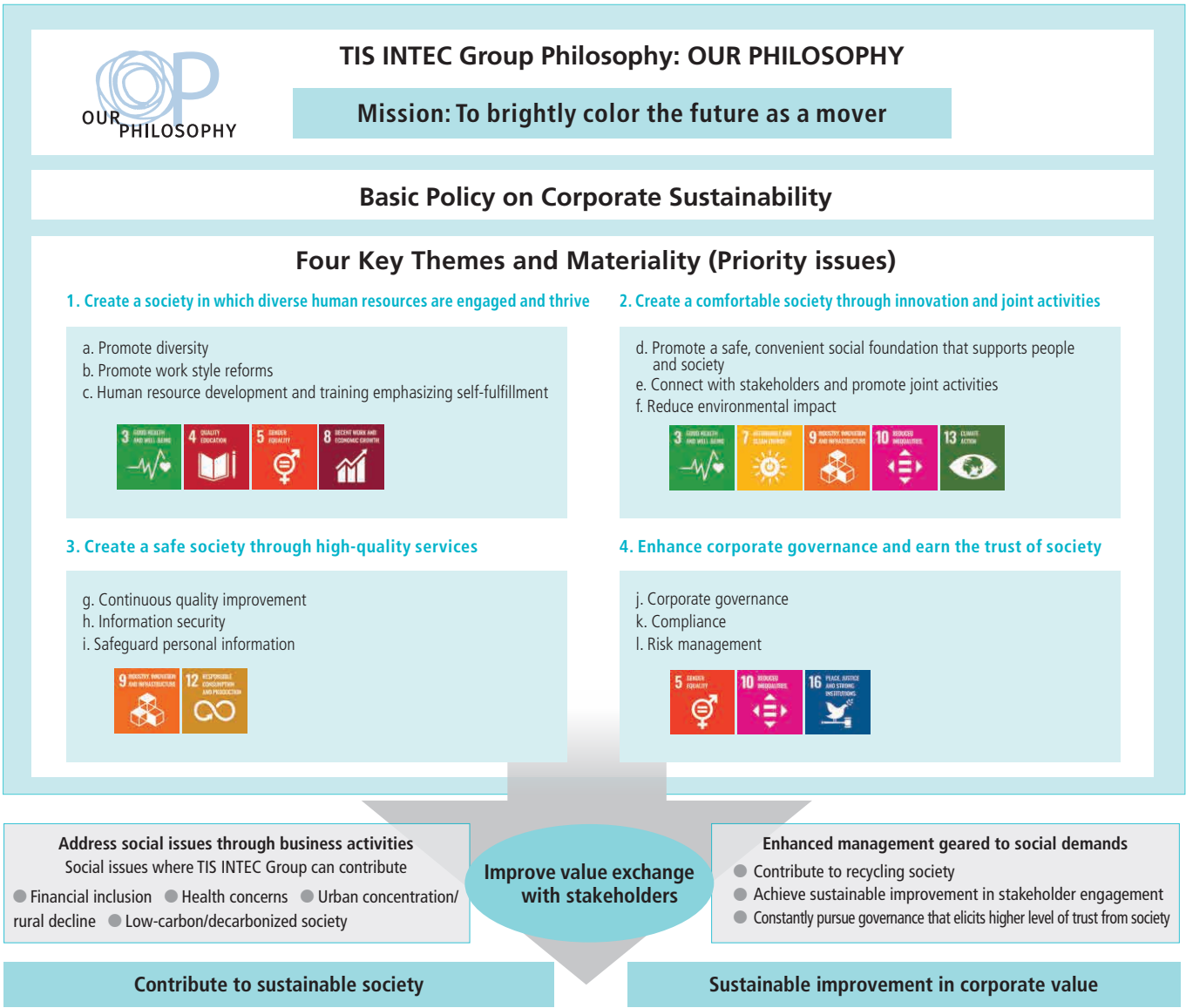
canal is a mutual support platform that connects engineers across the entire Group. Those posting technical questions on canal can receive exceptionally specialized and useful answers primarily from the 160 experts certified by the Group. We are able to respond quickly to customer needs and technical issues by leveraging the collective strength of the Group and demonstrate the value that only a large company can provide.
canal is used by 21 companies in the Group, with a total of about 10,000 users. It has also fostered a corporate culture of mutual support among Group companies.



Seeking to deepen sustainability management

TIS INTEC Group will reinforce its commitment to corporate social responsibility through its contribution to the sustainable development of society by resolving social issues through its business, and will further strengthen its corporate sustainability initiatives.

Overall picture of sustainability management



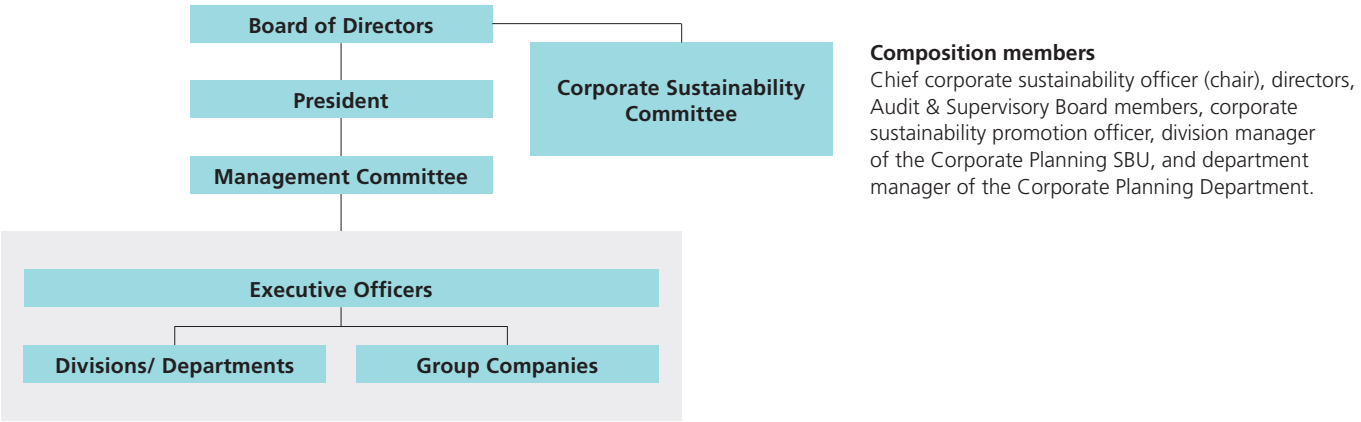
Changes in Sustainability Initiatives

The Group's sustainability initiatives have steadily evolved under the management structure of the holding company since July 2016, based on the identification of materiality and the entrenchment of sustainability in the consciousness of employees. In April 2024, the Company announced concrete non-financial targets in the current medium-term management plan under the new group vision. We look forward to great advances under the new structure.



Sustainability Promotion System

TIS promotes sustainability activities on a groupwide basis under the leadership of the TIS President and Chief Executive Officer, who chairs the Corporate Sustainability Committee. This committee, which meets twice a year in principle, identifies new trends in sustainability and presents to the Board of Directors a selection of issues to focus on and the direction that responses to should take. These issues and the respective suggested course of action are reflected in the medium-term management plan and annual business plans as specific measures of response. Progress is discussed by the Management Committee and tracked by the Board of Directors.



Main topics discussed at the Corporate Sustainability Committee meeting (June 2024)













- The importance of materiality assessment was reviewed as shown in the chart on page 31. The current materiality items remain unchanged.
- In terms of sustainability management, we will work to better understand the Group's current status and broaden the measures it is undertaking.
- To solve social issues, the need for cross-segment linkages in segment management was recognized.
- The committee will work on planning measures efficiently and effectively with an awareness of materiality items and their connection to other issues.
- The committee will endeavor to strengthen human capital from a medium- to long-term perspective.

The Group determines the organization in charge of each ESG area to increase the effectiveness of ESG initiatives.

ESG issues	Responsibility	
Sustainability management	Corporate sustainability promotion officer	Masakazu Kawamura, Managing Executive Officer, Division Manager of Corporate Planning SBU
Internal control	Director in charge of internal control	Tsuneoyoshi Ito, Managing Executive Officer, Division Manager of Corporate Management SBU
Compliance	Director in charge of compliance	Tsuneoyoshi Ito, Managing Executive Officer, Division Manager of Corporate Management SBU
Information security/ personal information protection	Director in charge of information security	Tsuneoyoshi Ito, Managing Executive Officer, Division Manager of Corporate Management SBU
Quality control/ product innovation	Trinity administration officer	Kyoko Takayanagi, Managing Executive Officer, System Development & Quality Management Innovation SBU
Tax affairs	Director in charge of tax affairs	Masakazu Kawamura, Managing Executive Officer, Division Manager of Corporate Planning SBU
Environment	Corporate sustainability promotion officer Environmental promotion officer	Masakazu Kawamura, Managing Executive Officer, Division Manager of Corporate Planning SBU Tsuneoyoshi Ito, Managing Executive Officer, Division Manager of Corporate Management SBU
Human capital	Corporate sustainability promotion officer Human resources strategy promotion officer	Masakazu Kawamura, Managing Executive Officer, Division Manager of Corporate Planning SBU Yoshiyuki Hayashi, Executive Officer, Division Manager of Human Resources SBU
Human rights	Human rights officer	Shinichi Horiguchi, Representative Director, Executive Vice President, in charge of Corporate Planning SBU
Supply chain	Corporate sustainability promotion officer	Masakazu Kawamura, Managing Executive Officer, Division Manager of Corporate Planning SBU
Social contributions	Corporate sustainability promotion officer	Masakazu Kawamura, Managing Executive Officer, Division Manager of Corporate Planning SBU

Materiality-Related Initiatives and Targets

We clarified issues of priority—materiality themes—to achieve our mission, as stated in our basic philosophy. In addition, by analyzing the impact and opportunities presented by each materiality theme, we are able fine-tune measures and raise the effectiveness of initiatives implemented. We aim to reach each target through the roadmap laid out in our medium-term management plan.

Theme	Materiality	Impacts to Be Reduced	Opportunities to Be Seized
1. Create a society in which diverse human resources are engaged and thrive	<div>a. Promote diversity</div> <div>b. Promote workstyle reforms</div> <div>c. Human resource development and training emphasizing self-fulfillment</div> <div></div>	<ul style="list-style-type: none">Labor shortages that reduce productivityInability to input the necessary human resources causing business growth to be impededLack of technology for new areasLess creativity and imagination among employeesLess intra-Group and intra-organizational synergy	Boost value creation capacity <ul style="list-style-type: none">Enhance innovation abilitiesSecure human resourcesBoost productivity through greater employee engagement
2. Create a comfortable society through innovation and joint activities	<div>d. Promote a safe, convenient social foundation that supports people and society</div> <div>e. Connect with stakeholders and promote joint activities</div> <div>f. Reduce environmental impact</div> <div></div>	<ul style="list-style-type: none">Opportunities lost through stagnation of R&D, etc.Weak framework for considering new business causing lost business opportunitiesEnvironmental burden triggering natural disasters, which in turn damage social infrastructureChanges to environmental regulations	Construct a sustainable profit model <ul style="list-style-type: none">Shift to a better profit structureMarket growthGlobal environmental protection and climate change adaptation
3. Create a safe society through high-quality services	<div>g. Continuous quality improvement</div> <div>h. Information security</div> <div>i. Safeguard personal information</div> <div></div>	<ul style="list-style-type: none">Productivity and quality reduced due to lack of manufacturing capacityDeterioration in business sentiment causing customers and business partners to go bankrupt and existing customers to fall awayLack of understanding of technological trends and customer needs, among other deficiencies, creating the risk of providing services of inappropriate quality and safety, and reducing competitivenessInformation leaks and cyberattacksIntellectual property lawsuits	Boost market competitiveness <ul style="list-style-type: none">More attractive products and servicesOptimization of manufacturing costsResponses to country risk and technological advance
4. Enhance corporate governance and earn the trust of society	<div>j. Corporate governance</div> <div>k. Compliance</div> <div>l. Risk management</div> <div></div>	<ul style="list-style-type: none">Group governance deficiencies causing vulnerabilities (compliance, risk management, and IT governance)Fund planning failuresCredibility affected by fraudulent transactions	Enhance corporate credibility <ul style="list-style-type: none">Better management qualityEradication of misconduct

*1 A: TIS INTEC Group consolidated; B: TIS and consolidated companies (domestic); C: TIS, INTEC, AGREX, QUALICA, AIS, and TIS Solution Link; D: TIS and INTEC
*2 New standard ratio based on the review of strategic domain in Medium-Term Management Plan (2024–2026)

Status of Fiscal 2024 Initiatives	Medium- to Long Term Targets				
	Perspectives on Progress Measurement	Indicators	Scope*1	Fiscal 2024 Results	Fiscal 2027 Targets
<ul style="list-style-type: none">Introduction and start of operation of a personnel system based on the Must/Will/Can framework, with the aim of aligning the aspirations of the Company and individuals.Clarification of position roles, responsibilities, and personnel requirements through the introduction of job descriptionsVisualization of talent using career frames and their use in human resources portfolio managementFocused on strategic job rotation to strengthen consulting skillsContinued creation of an environment for career formation that allows diverse human resources to both play an active role and achieve work-life balance	Demonstration of employees' capabilities	Job satisfaction	B	52%	Above 58%
		Number of consultants	B	510	Above 700
		Percentage of female employees in management positions	B	12%	Above 15%
<ul style="list-style-type: none">Formulated new strategic domains based on the themes of solving social issues and co-creationSet long-term goals for new strategic domainsSupported NPOs that focus on eliminating the digital divide and worked to cultivate a market where digital technology can be used safely.	Providing value to society	Strategic domain ratio*2	A	48% (New standard)	52% (New standard)
		Operating income per person	A	¥2.9 million	Over ¥3.5 million
		Growth investment	A	Three-year cumulative total ¥72.0 billion	Three-year cumulative total ¥100 billion
<ul style="list-style-type: none">Analyzing surveys and implementing improvement measures to increase client satisfactionActivities to strengthen relationships with business partners, such as holding exchange meetings and forums, to increase business partner satisfactionRolled out personal information protection measures based on the latest global perspectives to the GroupInternal roll out of OUR Quality, the TIS INTEC Group's common philosophy on qualitySupported the establishment of quality management systems at major Group companiesStrengthened the cycle of intellectual property creation with the aim of improving points of client contact	Quality demanded by society	Client and service satisfaction	C	54%	59%
		Business partner satisfaction	D	77%	81%
<ul style="list-style-type: none">Promoted BCP by conducting disaster preparedness drills and initial response drills in case of emergencyImplemented Self-Assessment Questionnaire (SAQ) for business partnersImplemented training to entrench OUR PHILOSOPHYImplemented study sessions to raise the level and awareness of the whistleblower systemImplemented e-learning on human rightsImplemented measures to reduce GHG emissions, such as data center consolidation and planned switchover to renewable energy	A company chosen by society	GHG emissions (Scope 1 + 2)*3 [Compared to fiscal 2020]	A	60% reduction	70% reduction
		Renewable energy utilization rate*3 (Offices and data centers)	B	57% introduction	100% introduction in fiscal 2031

*3 Scope of fiscal 2024: TIS, INTEC, AGREX, QUALICA, AIS, TIS Solution Link, TIS System Service, TIS Tohoku, TIS Nagano, TIS West Japan, TIS Hokkaido, TIS Business Service, SorunPure, MFEC Public, Business Application, Motif Technology Public, Hongson, MISO Digital, Prain Fintech, Msyne Innovations, and Playtorium Solutions

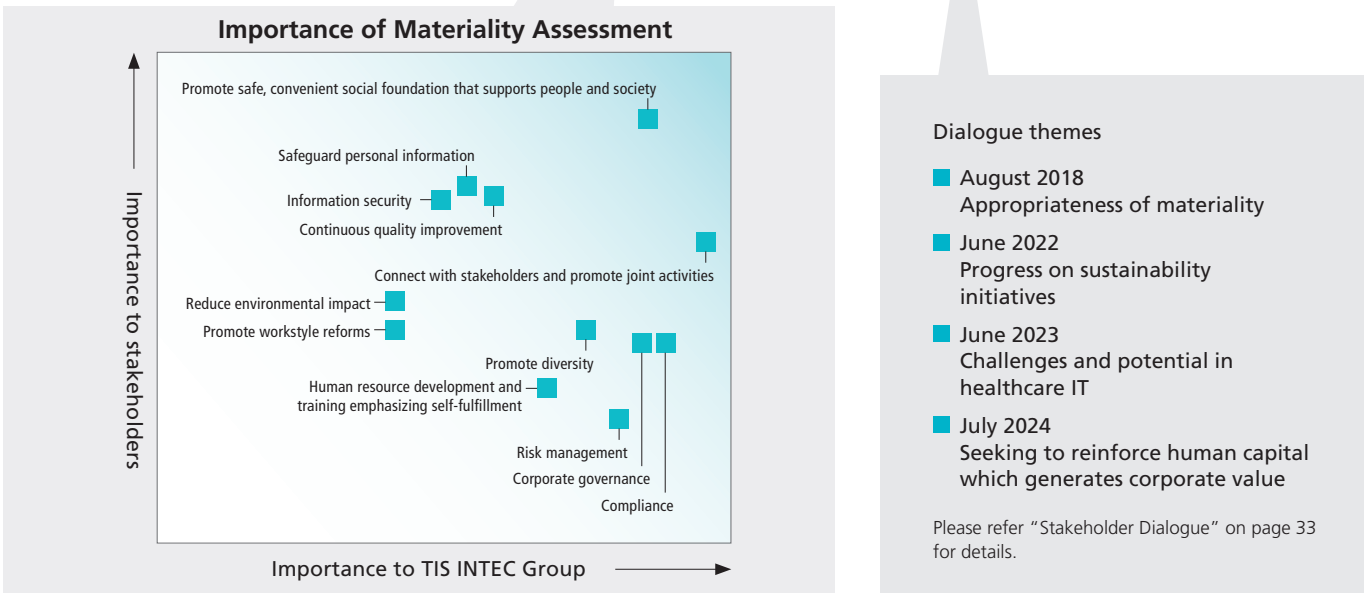
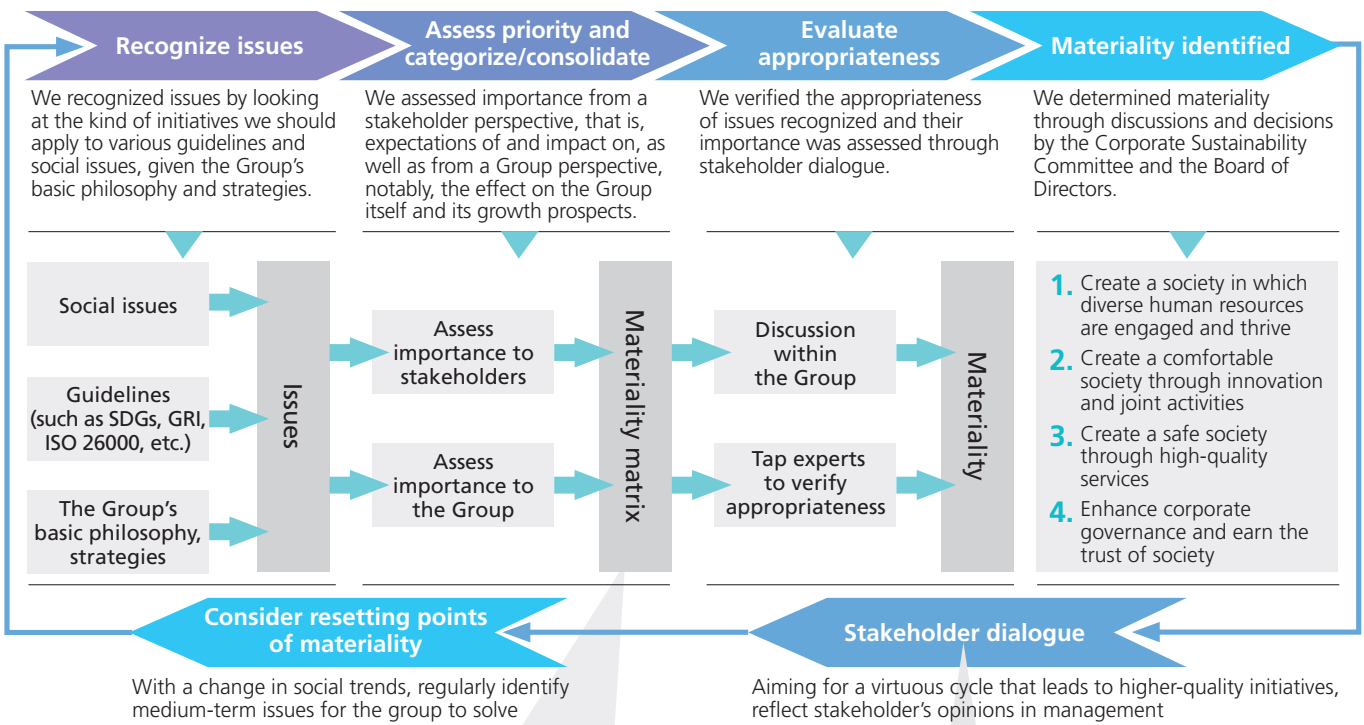
■ Materiality (Key Issues) for the TIS INTEC Group

To strengthen measures for corporate sustainability, TIS identified materiality as a key issue for the Group in fiscal 2019, and clarified priority themes where efforts would be focused, considering stakeholders' expectations of us, our impact on society, and the Group's strength.

To clarify important themes and identify materiality, we assessed importance from a stakeholder perspective, that is, impact on, as well as from a Group perspective, notably, the effect on the Group itself and its growth prospects.

1. Create a society in which diverse human resources are engaged and thrive a. Promote diversity b. Promote workstyle reforms c. Human resource development and training emphasizing self-fulfillment	3. Create a safe society through high-quality services g. Continuous quality improvement h. Information security i. Safeguard personal information
2. Create a comfortable society through innovation and joint activities d. Promote safe, convenient social foundation that supports people and society e. Connect with stakeholders and promote joint activities f. Reduce environmental impact	4. Enhance corporate governance and earn the trust of society j. Corporate governance k. Compliance l. Risk management

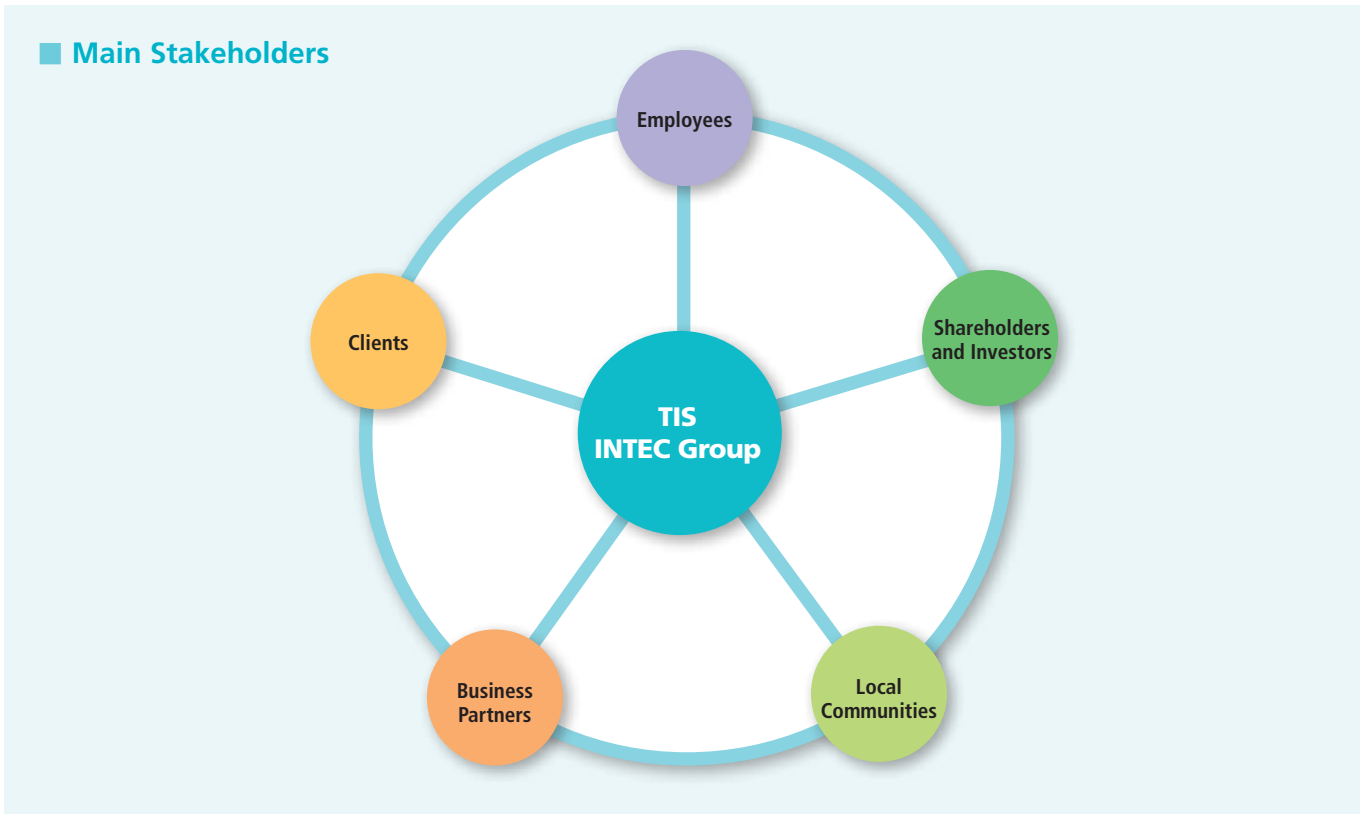
■ Identifying Materiality



• The materiality matrix is assessed by the Corporate Sustainability Committee annually to ensure there is no discrepancy between social trends and the Group's current position. The materiality matrix was reviewed most recently in 2024.

Stakeholder Engagement

The Group places a high priority on improving value exchangeability with stakeholders to contribute to a sustainable society and achieve sustainable corporate value enhancement. The Group aims to build relationships of trust through active engagement and, in harmony with society, continuously improve sustainable value.



Stakeholders	Engagement opportunities	Value provided
Employees Indispensable to Group operations, bringing about corporate growth through demonstration of diverse personal skills and self-directed collaboration and development	● Company news, Group news, internal portal site ● Employee awareness surveys ● Personnel exchange groups, opinion exchange groups ● One-on-one career development ● Manifest issue of Human Resources SBU and others	■ Provide opportunities for growth and personal development ■ Provide an environment that is safe and comfortable ■ Promote diversity and good physical and mental health ■ Providing appropriate and attractive compensation for performance
Clients Users of services offered by Group companies to address client-side business concerns and help solve social issues	● Customer service points of contact (call center, website, main phone line) ● Seminars, fairs and forums for clients ● Publication of PR magazine, technical brochures and e-mail newsletters ● Client satisfaction surveys ● Regular and extraordinary meetings and others	■ Provide the best services ■ Plan/propose new application formats for IT ■ Lead/support realization of vision and strategies
Shareholders and Investors Provide capital that supports Group business activities and participate in management through the exercise of voting rights, etc.	● General meeting of shareholders ● Results briefings ● Small meetings, domestic and overseas roadshows, participation in conferences ● Information disclosure on IR section of corporate websites ● Integrated Report and others	■ Sustainable improvement in shareholder value and return to shareholders ■ Highly transparent disclosure ■ Engaging in constructive dialogue
Business Partners Partners helping to enhance value provided through Group operations and contributing to business growth and creation	● Information meetings on policy (guidelines) ● Creating opportunities for discussion (project information) ● Engineer development and support (educational support, seminars) ● Opinion exchange groups ● Business Partner Satisfaction Survey and others	■ Create new added value ■ Fair, transparent, open competition and appropriate business practices ■ Responsible procurement
Local Communities Direct and indirect support of Group's corporate activities in areas where companies operate through provision of various infrastructure	● Participation in local events ● Support for activities contributing to society ● Charity concerts ● Public feedback posted on website ● Responses to requests from relevant ministries/agencies, industry associations and others	■ Realize the means for safe and secure living ■ Active interaction with local residents in areas in which we operate ■ Reduction of environmental impact

Strengthening human capital to increase corporate value

For this section, we invited Mr. Fukuhara, an expert in human capital theory, and Mr. Senoo, who has a deep knowledge of the labor market, to give their objective and frank opinions on what we should consider and what we should do to strengthen the Group’s human capital.



	Masakazu Kawamura	Yutaka Tabushi	Yutaka Senoo	Masahiro Fukuhara	Yoshiyuki Hayashi
Participants:	[Outside experts]	Masahiro Fukuhara			
		Yutaka Senoo			
[TIS Inc.]		Masakazu Kawamura			
		Yoshiyuki Hayashi			
		Yutaka Tabushi			
[Facilitator]		Tomohiko Yamaguchi			

(Project Professor, Graduate School of Hitotsubashi University; Representative Director, Chairman and CEO, Institution for a Global Society Corporation; Co-Chairman, Research Consortium on Human Capital and Corporate Value)

(Representative Director, President, Persol Career Co., Ltd.)

(Managing Executive Officer; Division Manager of Corporate Planning SBU; corporate sustainability promotion officer)

(Executive Officer, Division Manager of Human Resources SBU; human resources strategy promotion officer)

(Deputy Division Manager of Technology & Innovation SBU; Department Manager of Design & Engineering Dept.; Section Manager, Development Platform Center)

(Consultant, Cre-en Inc.)

The Group’s human resources: challenges and strategies



Kawamura: The Group has achieved business growth by supporting a diverse range of clients across various industries. We have particularly strong capabilities in large-scale development projects in the financial and industrial sectors. In recent years, we have also developed a service-based business that

leverages our accumulated knowledge and expertise to resolve our clients’ problems. Furthermore, we have expanded our business beyond Japan into the ASEAN region as we pursue global growth. Under these circumstances, a major priority is to activate our Group-wide human resources, covering more than 20,000 people, and harness them as a united force.

Under our new medium-term management plan, which began in April 2024, we will focus on frontier development and target sustainable growth with added value. To achieve this, enhancing the value of our human resources through a strategic approach is our top priority. Our human resources strategy focuses on strategically investing in talent essential for business and management roles. By developing our people, we aim to enhance the value we deliver to clients and society, thus fostering a positive cycle that leads to further investments in talent.

As a related KPI, we have set a target of ¥3.5 million in operating income per person. Here, we will place particular emphasis on developing consultants who can solve problems in the upstream process, high-level marketing talent who can explore new frontiers, and IT architects who can create high added value to enhance our comprehensive capabilities. I would like to discuss what type of personnel we are looking for as we seek to elevate the Group to the next level.

Our image of high-level human resources

Hayashi: When considering advanced talent, it’s important to note that while we do have skilled professionals, the skill sets that we require are evolving. In recent years, we have been developing an offering-based business model. However, the skill sets required to make this our core focus differ significantly from those of the top-tier professionals traditionally engaged in contract development, which has been our longstanding area of expertise. To enable professionals with such skill sets to thrive, we need individuals who can bridge the gap between our legacy business and the offering business. These are the high-level human resources we want.



Tabushi: In my field of expertise as an engineer and IT architect, I believe that application skills are more important than technical stacks, while communication skills developed through working with a variety of clients and services are also important.

In addition, as we persist in our work, we will naturally encounter difficulties, whether in existing areas or when cultivating new fields. Therefore, we need to have the resilience to navigate these difficulties and continue moving forward. To achieve this, we must gain diverse experiences and develop the ability to embrace and enjoy change.

Overall, sustainability is key. Rather than focusing solely on recruiting and deploying high-level human resources, it is crucial to build a pyramid structure for cultivating advanced engineers and to ensure that individuals at various levels can thrive and contribute. We need managers who fully understand and effectively address this necessity.

Skills required for high-level human resources

Fukuhara: In addressing what defines high-level human resources, I understand from the comments of Mr. Hayashi and Mr. Tabushi that we need managers who can articulate and quantify not only skill sets and skill levels but also competencies, dispositions, and values. Mr. Tabushi also highlighted the need to establish a pyramid structure for developing advanced engineers across the organization and to ensure their success at various levels. This involves the challenge of visualizing the skills required for each level.

From this perspective, we can divide the skills that are useful in corporate activities into two categories: general skills applicable across the entire market and specific skills that are useful only within particular companies.

In the future, when building the pyramid structure for personnel recruitment and development, we will need to consider an optimal balance between these general skills and company-specific skills. In doing so, we will also need to consider how to deal with the risk of general skills becoming obsolete and company-specific skills being too limited to be effective. Especially in light of our global expansion, it is important to articulate and quantify all aspects related to the recruitment and training of our own high-level human resources.

Hayashi: As you pointed out, our focus in the area of transferable skills has leaned heavily towards IT skills, which has been our emphasis to date. As a result, we have been limited in our ability to visualize our company-specific skills. To address this, we launched a new initiative last year called the Career Framework, with the goal of clearly defining our company-specific skills. We are defining the skills required for each field, with around 60% focused on IT and the remaining 40% encompassing areas that we are working to articulate and quantify, such as consulting, sales, and produce.

Recruiting high-level human resources

Senoo: For my part, I would like to share my insights from a practical, on-the-ground perspective, while also making some general observations. As a starting point, it’s important to acknowledge that, as you know, society is undergoing structural changes due to declining birthrates and an aging population, resulting in a shrinking workforce. In this context, business leaders must first recognize, albeit reluctantly, that a pool of potential hires is no longer readily available. In this context, business leaders must rate recruitment as a priority management issue and make it a companywide effort. Instead of hiring first and assessing later, we should clearly define our desired talent’s skill level and attributes. Only with this commitment can we attract and recruit high-level human resources.

In your company’s case, I sense a growing awareness. You’ve begun to clearly define not only tangible skills like IT architecture but also intangible skills like issue-resolution capabilities, the power of insight, and comprehensive capabilities, as well as understanding client characteristics and competencies as mentioned in the medium-term management plan. This suggests you’re increasingly defining the profile of the talent you seek with greater precision.

Factors contributing to employee performance

Yamaguchi: As we discuss the two axes of new recruitment and employee retention, I would like to briefly discuss the fundamental question of human development—namely, the roles of genetics and environment—and how these factors are proportionally balanced. In recruitment, the focus would be more on the individual’s genetic potential, while in retention it would be providing an environment for shaping and developing that individual. Could you share your thoughts on this perspective?

Senoo: As someone involved in human resources, I am inclined to continue believing in individual potential, but I also feel that people change depending on their environment, and I have seen this firsthand.



Fukuhara: From the perspective of “nature versus nurture,” it is undeniable that certain abilities, such as mathematical aptitude, have a genetic component. However, it’s also widely acknowledged that many skills are acquired and developed over time. On the other hand, an individual’s temperament is heavily influenced by genetics as shown in the so-called Big Five*—extroversion, openness, agreeableness, conscientiousness, and neuroticism.

Traits with strong genetic components are harder to improve later in life. For example, while everyone has some degree of extroversion, the extent varies from person to person. It is said that introverted individuals are more likely to

* Big Five: A personality trait classification method based on common language descriptors, suggesting five broad dimensions commonly used to describe human personality and mental states. These five dimensions are defined as openness, conscientiousness, extroversion, agreeableness, and neuroticism.

experience stress when developing and utilizing communication skills. It is crucial to consider how we understand and address these traits that are strongly influenced by genetics. If we place too much emphasis on intangible skills, we risk undermining individuals who possess strong tangible skills. Ultimately, balance is key.

Enhancing our human capital

Hayashi: Not too long ago, companies usually focused their business in a single direction, leaving no place for those who were not suited to that approach. On the other hand, with the recent increase in varying business models, there seems to be a growing consensus that people have their own strengths and weaknesses as you pointed out. We emphasize one-on-one dialogue, the essence of which is to acknowledge and understand the other person. We want to ensure that our staff recognize that they have options and elicit their options by engaging in face-to-face discussions about their abilities, strengths, and the roles that best suit them.



Senoo: I believe we need to establish detailed requirements outlining the qualities and characteristics of individuals—including IT architects, high-level marketing talent, and consultants—who can fully leverage their abilities to create value. This isn't

something that can be captured through surface-level conversations or the standard content of a résumé. For example, in your current business model, the focus has primarily been on contract development, where most team members, aside from project managers, have been executing tasks as planned. Shifting to an offering-based business requires individuals who can engage proactively and take the initiative. In other words, there needs to be a shift in mindset to discern between personnel who ask, “What should I do?” and those who confidently declare, “This is what I intend to achieve.”

It's important to hire individuals who at the outset say, “This is what I intend to achieve.” However, as I mentioned earlier, I want to believe that people can change through their environment. In other words, individuals who say “This is what I intend to achieve” can also be nurtured through the right environment.

I know it is a lot of work for the HR people, but through the one-on-one process you mentioned earlier, we can find out what people really want to do and let them do it on their own initiative. By embracing each person's diversity, we create an environment where the desire to say “This is what I intend to achieve next” naturally emerges. This positive cycle will, in turn, foster the development of many high-level human resources.

*Ethan Rouen, Assistant Professor, Harvard Business School



Hayashi: Our HR system encourages employees to consider how their personal goals align with their motivation and abilities. Additionally, we have implemented a system that uses career planning sheets to facilitate discussions between employees and

their supervisors about the employee's motivation, thereby continuously asking the question, “What do you want to achieve?” By articulating each other's expectations, we aim to create a positive cycle of motivation, leading to the production of high-level human resources. We still face numerous challenges in our journey to becoming an attractive company that is consistently chosen by a diverse pool of talented individuals.

Tabushi: Today, I feel like I have been confronted with a harsh reality once again. I feel we need to continuously reflect on how we can remain an attractive company for job seekers and keep pursuing various initiatives to achieve that goal.

Fukuhara: In the relationship between human capital and corporate value, research* has uncovered a significant positive correlation between investing adequately in employee compensation and the future value of those investments, as well as the relative stock price of the company.

I believe that your company's pioneering efforts in articulation and quantification will positively impact most of the topics we discussed today. It would be beneficial to continue to focus on advancing these initiatives.

Kawamura: In today's discussion, I was reminded of the critical importance of personnel recruitment and retention for the Group, especially in the current competitive hiring environment. I gained valuable insights into how we can attract and develop the high-level human resources we seek, including potential candidates, through strategic investment in human capital. I've realized that for the Group to convey its thoughts on human resources to society at large, it is important for top management to personally articulate their vision. This approach fosters a sense of ownership, enhances our recruiting capabilities, and ultimately strengthens internal communication.

Road to Value Creation: Medium-Term Growth Strategy and Commitment

Executive Vice President's Message (Business Strategy)	37
Looking Back on Past Medium-Term Management Plans	39
Outline of Medium-Term Management Plan (2024–2026)	41
Roundtable Discussion on Group Vision and Medium-Term Management Plan	59
Executive Vice President's Message (Corporate)	63
Financial Investment Strategy—Message from the Director in Charge of Finance	65
Business Strategies by Segment	71



From the foundation we have built, we will promote frontier development and cultivate new business possibilities for the TIS INTEC Group.

Looking back on Medium-Term Management Plan (2021–2023)
Favorable business environment fueled steady progress on structural transformation

Society changed during the three years of the previous medium-term management plan, impacted most significantly by the COVID-19 pandemic, yen depreciation, environmental issues and geopolitical risks. The new social landscape spurred wider interest in and acceptance of IT, highlighted by full-scale efforts by Japan’s Digital Agency to promote DX, the announcement of the Digital Garden City Nation concept, and allocation of budget for GX (Green Transformation). Riding this favorable tailwind, TIS marked steady progress on structural transformation and improved productivity to the extent that many key management targets were met a year

ahead of schedule. Of note, in system integration, which represents a core business, we steadily progressed and completed multiple large-scale projects. The success of these efforts certainly contributed greatly to the achievement of financial targets. At the same time, we were able to demonstrate yet again the engineering capabilities of TIS INTEC Group, perceptible improvements in quality and productivity, and an ability to see things through. I am also proud of our ability to make steady progress despite ever-present challenges in the service business.

Highlights of Medium-Term Management Plan (2024–2026)
Focus on key growth areas in frontier development

Under Medium-Term Management Plan (2024–2026), we aim to strengthen the foundation that underpins system integration through services such as system modernization while reinforcing service-based businesses. There are also three growth areas that will support our frontier development theme. The first is global operations. Our goal is to achieve consolidated net sales of ¥100 billion by 2026, which will cement the TIS INTEC Group as a top-tier IT corporate group in the ASEAN region. In raising our global profile, we are keen to develop a more extensive presence in Indonesia and India, which as young, dynamic countries are primed for major economic growth. In Indonesia, efforts to expand operations hinge on PT Anabatic Technologies Tbk, a TIS INTEC Group company. Meanwhile, in India, TIS concluded a capital and business alliance in January 2023 with Vector Management Consulting Pvt. Ltd., a major management consulting company in that market, and both extended corporate groups are working to boost collaborative activities.

The second growth area is the small and medium-sized business (SMB) market. Major corporations comprise the bulk of the TIS INTEC Group’s client base, but by bringing Nihon ICS Co., Ltd., which provides accounting/taxation software packages to the SMB market, under consolidation in April 2023, TIS has gained access to a complementary set of companies and will realize new business opportunities. Many small and mid-sized enterprises are suffering due to labor shortages and tend to lag behind large companies in their embrace of digital technology. Services that improve productivity could lessen the burden carried by companies in the SMB market with limited human resources, and we will extend our reach to this market in collaboration with regional banks and other organizations from Nihon ICS’s client base.

The third growth area is regional DX. This is an area where INTEC in particular can demonstrate strength. Focusing on data integration platforms, INTEC will actively develop solutions in five categories — government DX, medical DX, financial DX, industry DX and infrastructure DX — under the name “47 Models” and work to attract interest from clients across Japan. With DX being promoted on a national scale in Japan, INTEC and by extension the whole TIS INTEC Group is keen to play a part in the evolution of government DX.

Clarified efforts to resolve social issues as a new strategic domain

Under Medium-Term Management Plan (2024–2026), we have placed more importance than ever before on efforts to resolve social issues. With the Social Innovation Service (SIS) added to the strategic domain list in Vision 2032, the expanded business approach will facilitate direct involvement by TIS INTEC Group in solutions that use IT to address social issues. At TIS, we established a new division — the Social Innovation Division — to reinforce our ability to create and leverage new businesses whose aim is social issue resolution. This division is also tasked with smart city projects, such as Aizu Coin, a digital regional currency service; web 3 initiatives using blockchain technology and other elements; green DX, a collaborative effort with local governments; and activities linked to the Osaka Kansai Expo, which I will touch on later. I will be taking the lead in leveraging the power of the Social Innovation Division to ensure that the Group showcases its strength in addressing social issues.

The Co-Creation Business (CCB), joining SIS as a new strategic domain, is a growth domain emphasizing co-creation with business partners. In line with our frontier development strategy, we are keen to venture into uncharted territory. But going it alone might be too much of a challenge, so through CCB, we will combine our strengths with those of our co-creation partners to push more powerfully forward.

Examples of initiatives in social issue resolution

An example of recent activities is the June 2024 establishment of Pixel Intelligence, a joint venture with PIX Japan. PIX Moving, China head office of PIX Japan is a self-driving electric vehicle start-up with locations in China, Italy and the United States. Pixel Intelligence, located in Japan, will serve as PIX Moving’s main base for marketing, manufacturing and selling RoboBus, a shuttle bus, and other vehicles in Japan and internationally. Self-driving functions and RoboBus itself are attracting attention as solutions to the shortage of drivers and the conundrum of transportation refugees in rural areas — people who are essentially stuck in population-sparse areas for lack of personal vehicles or access to public transportation — and we expect Pixel Intelligence will help ameliorate this issue.

Another example is our support for Osaka Healthcare Pavilion “Nest for Reborn” at 2025 World Expo, Japan (Osaka Kansai Expo), which opens in April 2025. But we also wanted to support the theme “Designing Future Society for Our Lives” and the concept “People’s Living Lab” of the upcoming expo, because IT is integral to both the theme and concept. We will also be involved in building a healthcare platform — the Personal Healthcare Record — that will integrate healthcare services, and support the Osaka Healthcare Pavilion through IT. It is vitally important from a healthy society perspective that this healthcare platform continue to be used even after the expo closes, and we believe that active involvement in this initiative will also benefit future business development.

Frontier development is survival strategy for the future

The boundaries between business domains are becoming more blurred than ever in every aspect of society, and the environment surrounding our operations is likely to become intensely more competitive across all industries. If we just sit back and do nothing, we will become irrelevant in no time at all. To remain a driving force, we must evolve, expanding our business domains to a degree not seen before. Frontier development, as described in Medium-Term Management Plan (2024–2026), requires us to establish new pillars of business to ensure our survival. This is essential. We must develop as a company and as a corporate group with boundless potential and a keen desire to explore beyond the scope of IT services in search of a better, brighter future.

At the same time, our core competence is in engineering, and dormant intellectual assets must be revived to increase the probability of business success as we expand operations in key domains. For example, the use of generative AI is becoming widespread, but ultimately, we have to make our own decisions and create our own systems. Being able to utilize inherent strengths will boost our chances of success in new business areas.

In exploring new frontiers, human resources have been and always will be absolutely vital. Over the past three years, we enhanced human capital management, which undoubtedly raised the value of each employee, and that led to sharper competitiveness and better fiscal results. But to realize our vision and management goals for the future when the path ahead is so uncertain, we really need to attract and keep excellent human resources who are able to adapt to changes in the environment. Toward this end, the TIS INTEC Group must remain an appealing organization, and over the next three years, I would like to show all our stakeholders, including clients and employees, that we are a dynamic corporate group, driven by a commitment to frontier development and a vision for growth.



Josaku Yanai
Representative Director,
Executive Vice President

Looking Back on Past Medium-Term Management Plans

We look back on the three medium-term management plans that have led the TIS INTEC Group to the Medium-Term Management Plan (2024–2026).

Fiscal 2016–Fiscal 2018			Fiscal 2019–Fiscal 2021	
Beyond Borders 2017			Transformation to 2020	
	Portfolio management		Constant transformation, with sense of speed	
Theme	Portfolio management, in a project sense, blending exceptional businesses and key strengths into a single approach		Achieving structural transformation as a corporate family and taking the lead in finding solutions to social issues	
Basic Concept/ Medium-Term Management Direction	<ul style="list-style-type: none">● Profit emphasis● IT brain● Portfolio management ⇒ Set ROE as key performance indicator and strive for improved corporate value and sustainable growth		<ul style="list-style-type: none">● Sustainable profit growth● Emphasis on employee self-fulfillment● Concentrate on core businesses● Shift to prior investment style of business development● Expand global business	
Key indicators	Fiscal 2018		Fiscal 2021	
	Estimates	Actual	Estimates	Actual
Net sales	¥400 billion	¥405.6 billion	¥430 billion	¥448.3 billion
Operating income	¥30 billion	¥32.7 billion	¥43 billion	¥45.7 billion
Operating margin	7.5%	8.1%	10.0%	10.2%
ROE	8.0%	9.9%	12.0%	10.8%
Policy on return to shareholders	Strive for total return ratio of 35%		Strive for total return ratio 40%	
Payout ratio	16.6% in fiscal 2018		31.9% in fiscal 2021	
Total return ratio	30.5% in fiscal 2018		42.8% in fiscal 2021	
Reference: Average annual growth rate over three years				
Net sales	+4.0%		+3.4%	
Operating income	+15.7%		+11.8%	
Major priorities in group management	<ul style="list-style-type: none">● Integrate/centralize shared functions with the Group ⇒ Make office procedures more efficient, enhance capital and asset efficiency, raise Group profile, and cultivate corporate culture with sense of solidarity● Realize higher level of administrative management ⇒ Promote management with profit emphasis, work to enhance accounting, taxation, finance reporting, and implement Group personnel strategies		<ul style="list-style-type: none">● Elevate head office functions and promote greater efficiency ⇒ “G20” project to elevate head office functions Integrate groupwide core systems Cut head office costs by 10%	
Key reflections	<ul style="list-style-type: none">● Expansion in value-added creation style services, along with assignment solution style services geared to client requests, fueled growth. Shift to market-cultivating style services requires faster responses. Profitability steadily improving, and efforts to control unprofitable projects showing results. But low-level control still required.● Transition to operating holding company structure and steady implementation of measures, including business realignment, office consolidation and improved capital efficiency, to achieve overall optimization of the Group. Made progress in cultivating corporate culture with sense of solidarity through design of single logo and creation of group vision.● To achieve sustainable growth and improved corporate value, prioritized structural transformation and establishment of resilient management platform through additional reforms within the Group in anticipation of major changes in society.		<ul style="list-style-type: none">● Posted profit growth and hit operating income and strategic domain ratio targets—two key performance indicators—by leveraging structural transformation and improving productivity. Hit ratio of 51% (exceeded target of 50%) in fiscal 2021.● Quantitatively, Service IT Business maintained upfront investment emphasis. Net sales grew but profitability was an issue despite. BPO, Financial IT Business and Industrial IT Business raised added value and productivity and were rewarded with higher profitability.● Made progress on strategic domain restructuring and achieved profit growth, but advance on monetizing Service IT Business and achieving qualitative structural transformation through new pillars of business only reached midway point.	

Fiscal 2022–Fiscal 2024

Be a Digital Mover 2023

Accelerate structural transformation by improving value provided in DX services

Basic Policies

Landmark changes to business landscape

- With heightened importance of DX in new normal world, presence of consulting firms and other providers of DX services is increasing, fueling intense competition.
- Global platformers and enterprise SaaS companies are particularly active, as well, prompting possibility that market for contract development will shrink in long term.
- ESG investment rapidly expanding, and importance of sustainability management based on long-term strategies is gaining ground

Virtuous cycle of value created jointly by society and employees

Business layer

Turn SI capabilities into strength that underpins transformation into global DX partner

Improve value provided by DX

Expand investment to generate strengths

Deepen and extend global operations

Resource layer

Shift to human resources composition conducive to structural transformation

Diversification of human resources, sharper skills

Key Performance Indicators

Net Sales

¥500 billion
Fiscal 2024
[at time plan drawn up] / ¥549 billion
Fiscal 2024
[actual results]

Operating Income

¥58.0 billion
Fiscal 2024
[at time plan drawn up] / ¥64.5 billion
Fiscal 2024
[actual results]

Operating Margin

11.6%
Fiscal 2024
[at time plan drawn up] / 11.8%
Fiscal 2024
[actual results]

EPS Growth CAGR

Exceeding 10%
Fiscal 2024
[at time plan drawn up] / 22.5%
Fiscal 2024
[actual results]

Strategic Domains Ratio

60%
Fiscal 2024
[at time plan drawn up] / 61%
Fiscal 2024
[actual results]

Sales of Societal Issue Solution Service

¥50.0 billion
Fiscal 2024
[at time plan drawn up] / ¥49.7 billion
Fiscal 2024
[actual results]

Major Initiatives

- Revitalized various initiatives in accordance with basic policy of medium-term management plan.
- Many new initiatives only halfway through to producing concrete results pegged to profit, and bringing such initiatives to fruitful conclusion that sets stage for next-stage growth remains issue to address going forward.

Improve value of DX services provided	<ul style="list-style-type: none">Strengthen client base through delivery of large-scale projects, enhance issue-solving capabilities by supplementing upstream functionsResponded to orders and completed multiple large-scale projects for clients in finance, industry and public service sectorsResponded to orders for large-scale core upgrade projects by constantly reinforcing migration and ERP introduction servicesTurned Fixel—company specializing in enterprise system UI/UX design—into subsidiary
Expand investment to generate new strengths	<ul style="list-style-type: none">In addition to establishing credit/debit processing, expand scope of activities to new themes, with sights on embedded financeLaunched CreditSaaS and began providing service to NTT DoCoMoTurned Nihon ICS into wholly-owned consolidated subsidiary, and began collaborating on new business creation, including DX on business transactions for small and medium-sized enterprisesAchieved new business creation through co-creation, including release of Sumitomo Mitsui Card Mobile Payment Package and steps to turn ULTRA into consolidated subsidiaryPromote initiatives to grow existing businesses and fuel long-term business developmentMaintained continuous solution improvement and marked growth in core business solutions, such as ERP and modernizationReinforced regional revitalization and healthcare activities, including area data usage service and electronic health record/medical information platform
Deepen and extend global operations	<ul style="list-style-type: none">Form new global partnerships, especially in ASEAN region, and accelerate activities to create new businessesReceived and completed order for large-scale project through Group connections at MFEC Public Co., Ltd., and IAM Consulting Co., Ltd.Turned Vector Consulting Group, a major management consulting firm in India, into an equity-method affiliateTransportation payment package, developed jointly with PT Aino Indonesia, adopted by integrated transportation platform in JakartaFormed capital and business alliance with PIX Moving, a self-driving electric vehicle start-up
Diversify human resources, sharpen skills	<ul style="list-style-type: none">Add more consulting staff through internal transfers and external recruitmentExpanded number of DX consultants to 510, above target of 500, and worked to create new framework for human resources portfolio
Turn virtuous circle of value co-creation by society and employees	<ul style="list-style-type: none">Review human resources system with goal to raise value provided by human resources and improve structure for dealing with ESG issuesRevised human resources system, raised basic compensation to boost employee job satisfaction, and achieved certain level of success in attracting highly skilled individualsEstablished structure to promote sustainability issues (human rights, corporate governance, human capital, taxes, etc.) and improved external evaluations

40

Introduction

Our Achievements:
About the TIS INTEC Group

For the Future:
Long-Term Vision and Value Creation Story

Road to Value Creation:
Medium-Term Growth Strategy and Commitment

Platform for Growth:
Capable Management and Stakeholder Engagement

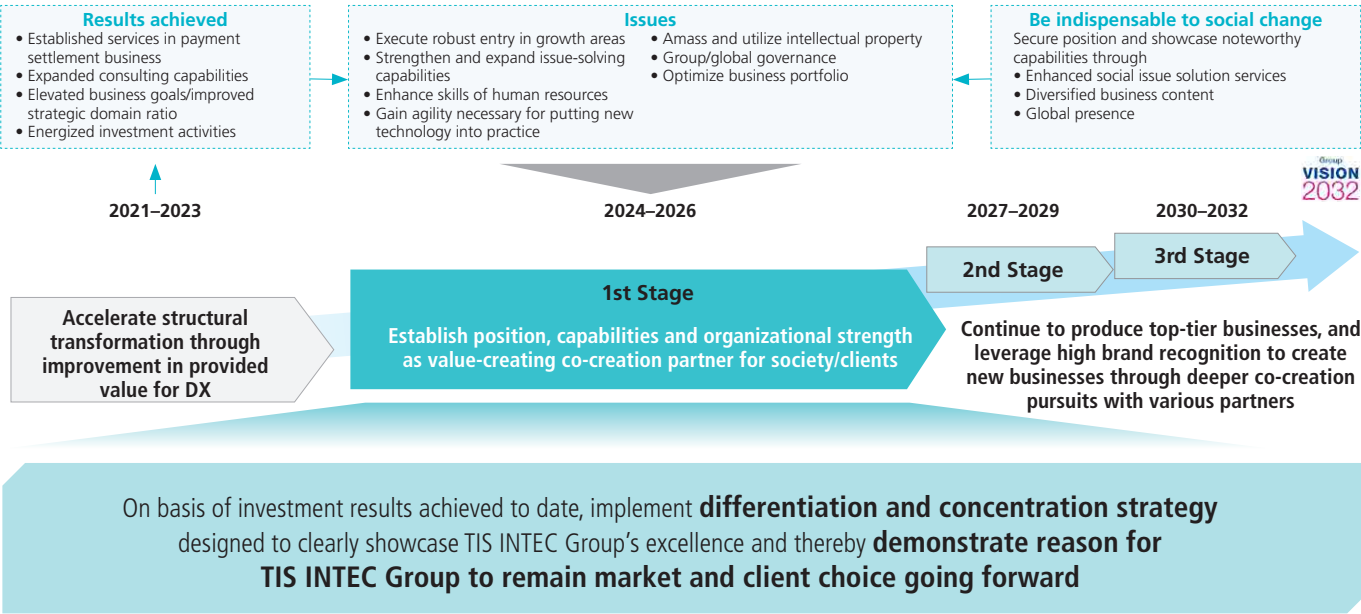
Corporate Data

Medium-Term Management Plan (2024–2026) Overview

We will achieve sustainable improvement in corporate value through progress in structural transformation, guided by our new group vision and underlying strategy of frontier development.

Positioning of Medium-Term Management Plan (2024–2026)

Tie relationships forged with clients and each type of investment made during Medium-Term Management Plan (2021–2023) to results and also, positioning the plan as the first stage of our journey to realize Group Vision 2032, secure new capabilities.



Basic Policy and Key Performance Indicators

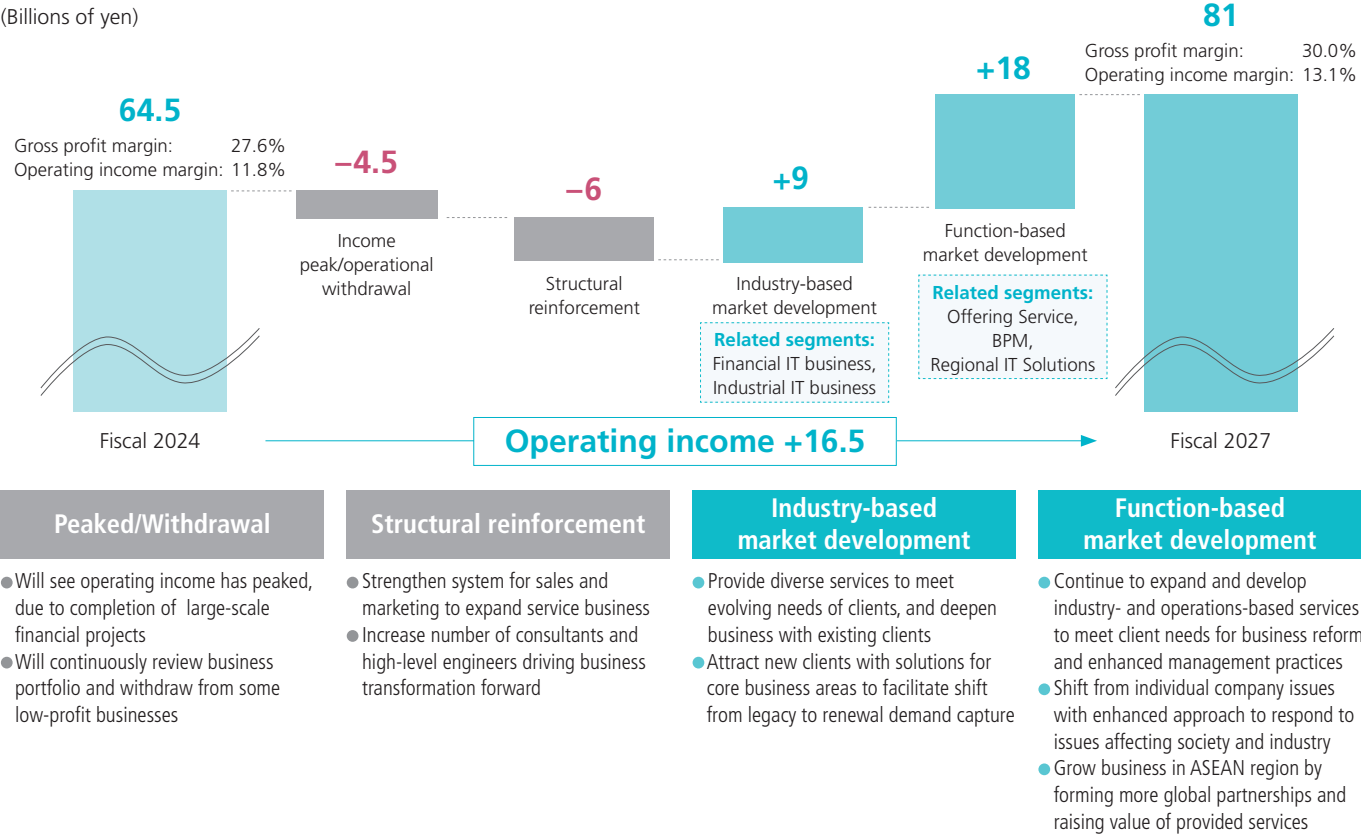
We set frontier development as our basic policy under the medium-term management plan and will aim for sustainable growth driven by added value. With a future-oriented approach, we will develop new markets, attract new clients and expand our business domains, transforming society and the activities of corporate clients through enhanced quality across the entire value chain.

Basic policy	Frontiers 2026				
	We will set frontier development as a fundamental strategy and strive for sustainable growth paralleling higher added value . We will strive to achieve changes in society and for corporate clients by enhancing quality across all value chains , starting with forward-looking market development and business domain expansion .				
Key performance indicators	Human resources growth and added value cycle	Improved earning power	Asset (=intellectual property) value creation	Winning confidence of society	Meaningful growth
	Operating income per person More than ¥3.5 million	Operating margin 13.1% Adjusted operating margin 13.4%*1	ROIC/ROE Above 13%/above16%	Net sales ¥620 billion	EPS CAGR Above 10%
Priority strategies	Market Strategies				
	Concentrate investment of management resources into defined growth areas, based on social issues and in-house strengths				
	Balancing efforts to increase added value of services and reinforce technology investment, expand business with sense of speed, especially in ASEAN region				
	Service Strategies	Technology Strategies	Intellectual Property Strategies	Human Resources Strategies	
	All services, from upstream to business process outsourcing, will benefit under full value chain status Enrich pure services*3, focusing on four social issues*2	Leverage knowledge distribution, IT architect development and redeployment structure Promote process redevelopment using AI x automation	Seek balance between higher added value and expanded business scale, with greater accumulation and utilization of intellectual property Accelerate intellectual property creation through internal use of information on points of client contact	Bolster issue resolution capabilities by increasing number consultants to create 700-person structure and by standardizing basic consulting skills Secure and develop top talent and establish structure for flexible redeployment of human resources	

*1 Adjusted operating income margin: Calculated by adding goodwill amortization cost back to operating income.
*2 Financial inclusion, health concerns, urban concentration/rural decline, and low-carbon/decarbonization,. 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.

Consolidated Operating Income Growth Scenario

- Continue to strengthen frontline, and develop market from function perspective as driver of growth
- Seek to reinforce business foundation primed for sustainable growth while maintaining short-term—that is, current—growth



Key Strategy of the Medium-Term Management Plan/Service Strategies

- Define priorities from both industry and function perspectives, concentrate investment of management resources into select targets, and promote expansion of services and raise added value.

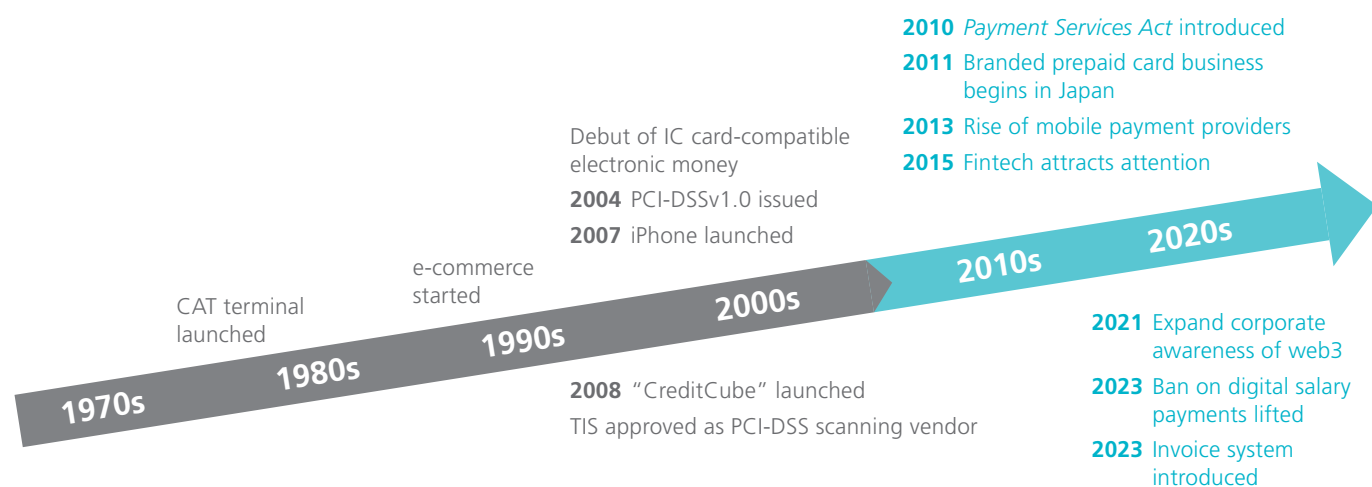
Develop market from industry perspective		Develop market from function perspective	
Business direction	<ul style="list-style-type: none">● Apply knowledge laterally, cultivate client base from industry perspective, deepen relationships with clients as core partner.● Develop relationships with clients as strategic partner, including launch of co-creation businesses.	<ul style="list-style-type: none">● Provide services with potential to become de facto standard for specific operations and functions in the future.● Strengthen approach to address social and industry issues, shifting from emphasis on large-scale to include small- and medium-sized businesses as well.	
Service strategies	<p>Establish competitive services aimed at cultivating core business areas</p> <ul style="list-style-type: none">✓ Differentiate ERP by enriching software system with original industry templates and optional modules → Mainly chemicals and assembly-based manufacturing sectors✓ Modernization services will expand banking systems and address need for large-scale removal of legacy systems	<p>Expand and promote pure services for specific operations and functions and social issue solutions</p> <ul style="list-style-type: none">✓ Develop payment settlement solutions into pillar of business with strengths in finance and payment settlement to address social issues → Digitize transactions, including B2B✓ Expand and promote specialized-function, top-selling niche services → Including accounting/business management, CRM/SFA/ digital marketing, healthcare/medical services, government administration, IT-managed services	
Shared	<ul style="list-style-type: none">✓ Promote full value chain of services to address clients’ wide-ranging transformation needs → Covering consulting, UX design, analytics, BPO expansion✓ Hone sharper competitive edge in services by reinforcing feedback cycle of client comments		

Key Strategy of the Medium-Term Management Plan/ Service Strategies—Payment Business

Currently, the payment business market is undergoing major changes as the shift to cashless transactions progresses. Viewing this situation as a new growth opportunity, we will address diverse needs by expanding the PAYCIERGE business, our total payment solutions brand, aiming to create new value for society.

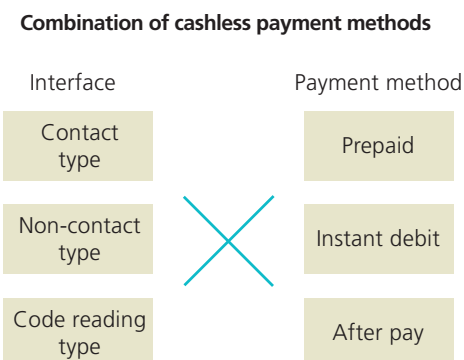
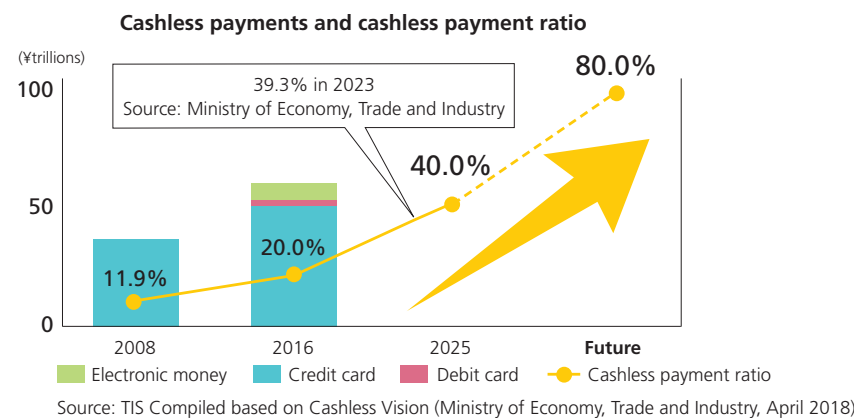
History of Payment Services Expansion

The Company has been providing payment services since the 2010s based on its long experience in building mission-critical systems for major credit card companies. PAYCIERGE, our total payment solutions brand, leverages our advanced technology and extensive payment know-how, which boasts a dominant market share of the credit card industry. We will continue to aim to create new value for society through payments and will accelerate further business expansion by broadening our service lineup in response to changes in the business environment.



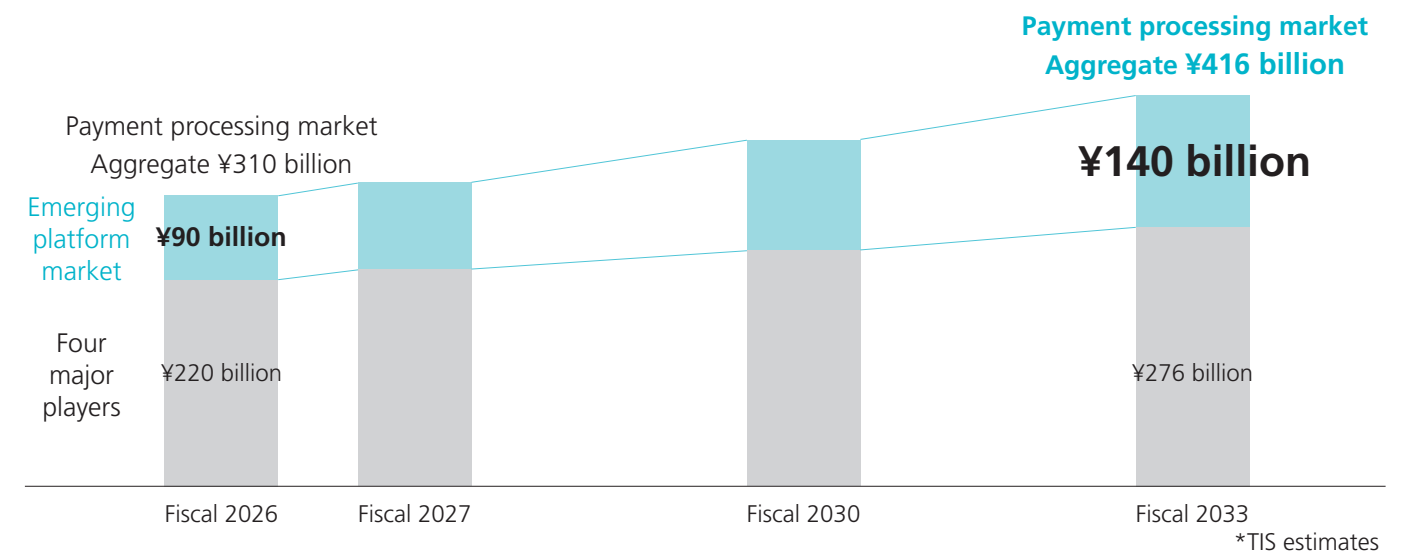
Status of Cashless Payments in Japan

- The Japanese government is promoting cashless payments, which are expected to become more widespread in the future
- The credit card is a typical tool for making cashless payments, and the credit card transaction volume is expected to increase in the future alongside an increase in mechanisms for linking cards to code-based credit services, such as QR codes and barcodes, that have become popular in recent years.



Market Scale

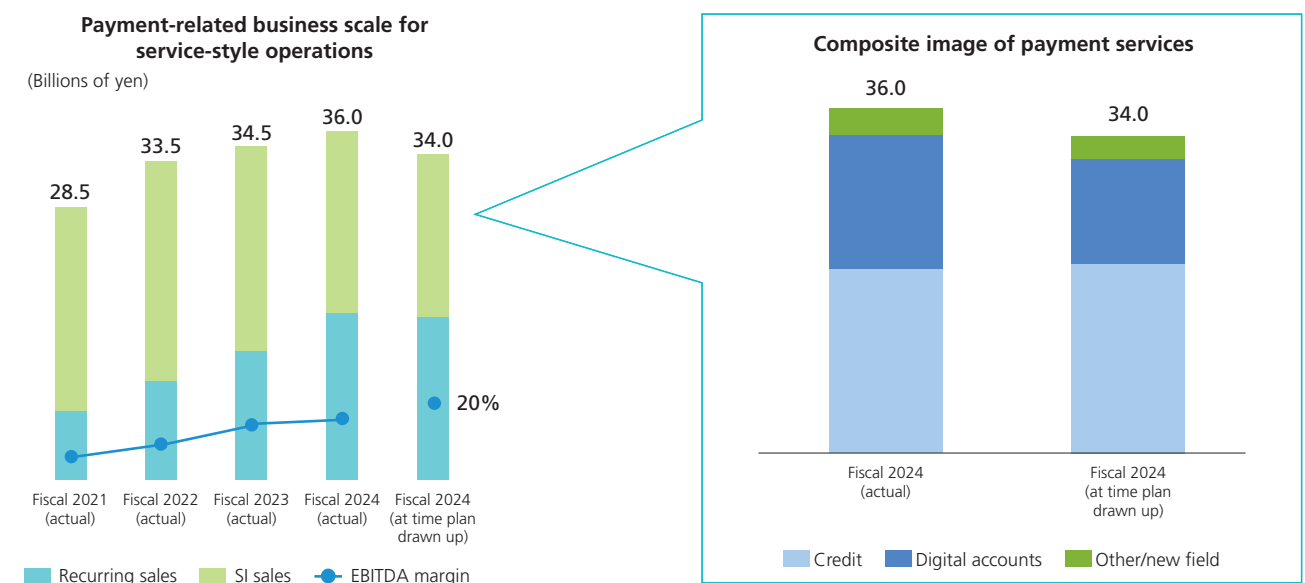
As the trend toward cashless transactions continues, we envision the overall payment processing market expanding to ¥416 billion in fiscal 2033, with the B2C cashless payment ratio remaining high, complemented by further progress in other e-commerce models, such as B2B and B2E.



Looking Back on Previous Medium-Term Management Plan and Changes in the Business Environment

The hospitable business environment was a tailwind for the Company's business as well. In addition to credit processing services, digital accounts drove our business, and we were able to achieve our goals in the Medium-term Management Plan (2021–2023) a year ahead of schedule. On the other hand, the burden of upfront investment in launching services and new initiatives had an impact, and profitability and the shift toward recurring businesses remained an issue.

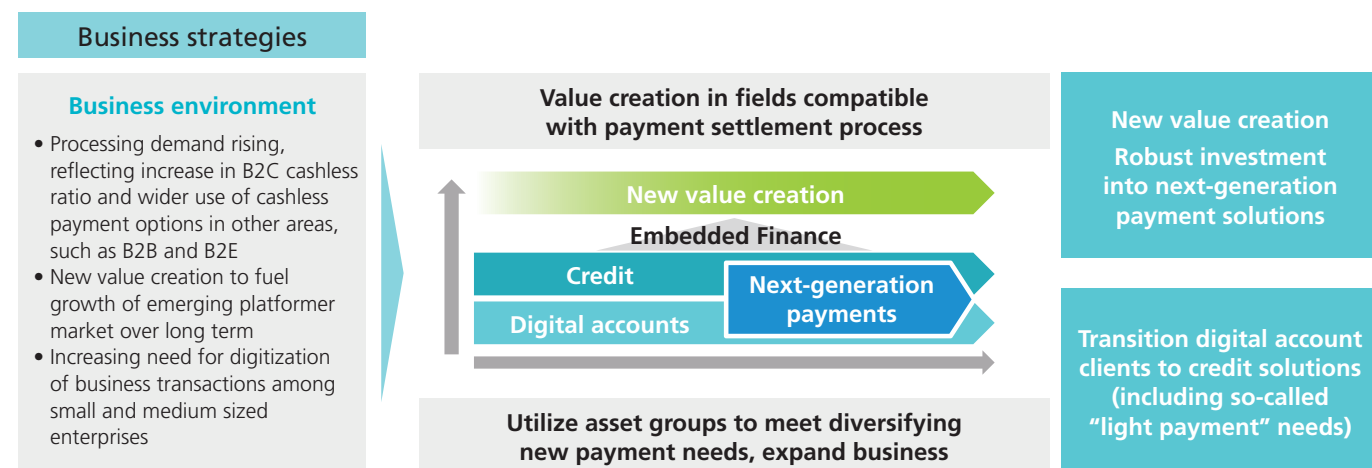
Until now, we have provided services on a product or service basis, such as debit, prepaid, and wallet services. Yet with the spread of smartphones and the accompanying growth in code payments and other new payment needs, there is a growing demand for digital accounts that provide a fusion of services, as described above. Our strategy for further PAYCIERGE evolution in light of these circumstances is explained on the following pages.



In December 2023, we held a briefing on the theme of "Payment Services" to provide a detailed explanation of our focus areas, strategies, and the like. Please follow the link below to see presentation materials from that day.
https://www.tis.com/documents/en/ir/finance/meeting/231207_1.pdf

PAYCIERGE Evolution in the Medium-Term Management Plan (2024–2026)

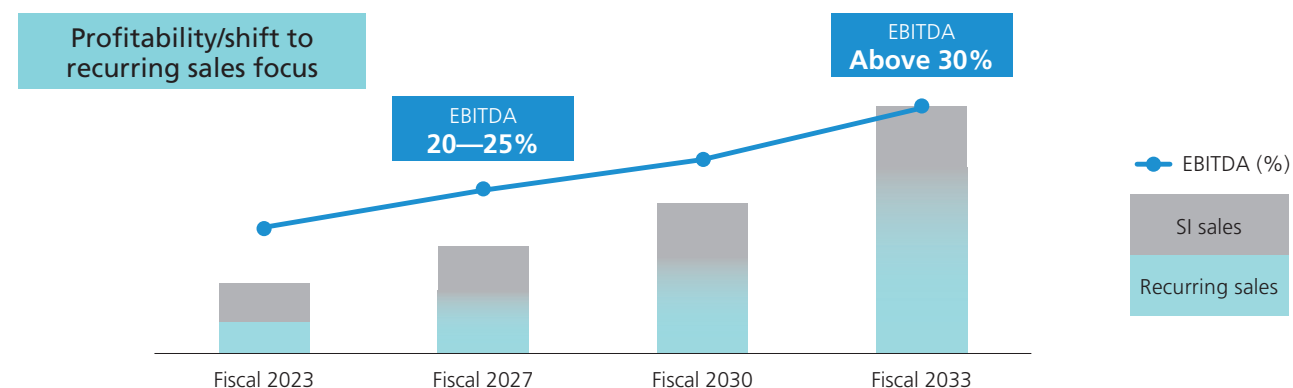
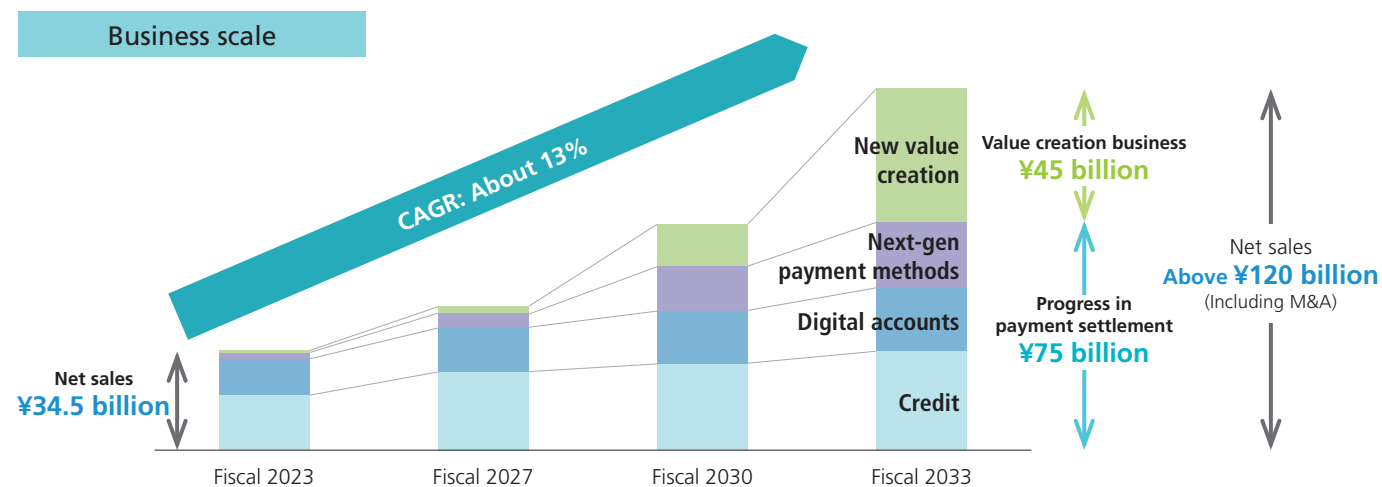
- Amid expectations of continued growth in the cashless market, expand scale of business with broader lineup of services, including digital wallets and embedded finance, to complement CreditSaaS, which launched in fiscal 2023
- Address diversifying payment needs by quickly and efficiently expanding operations utilizing existing assets while increasing profitability and taking on challenge of new value creation



Business Scale and Profitability Goals

As stated in the payment business strategy in the Medium-term Management Plan (2024–2026), we believe that the key to achieving sales of over ¥120 billion and EBITDA of over 30% in 10 years’ time is to develop the business on two fronts: further strengthening existing assets to meet diversifying payment needs and investing intensively in the creation of new value.

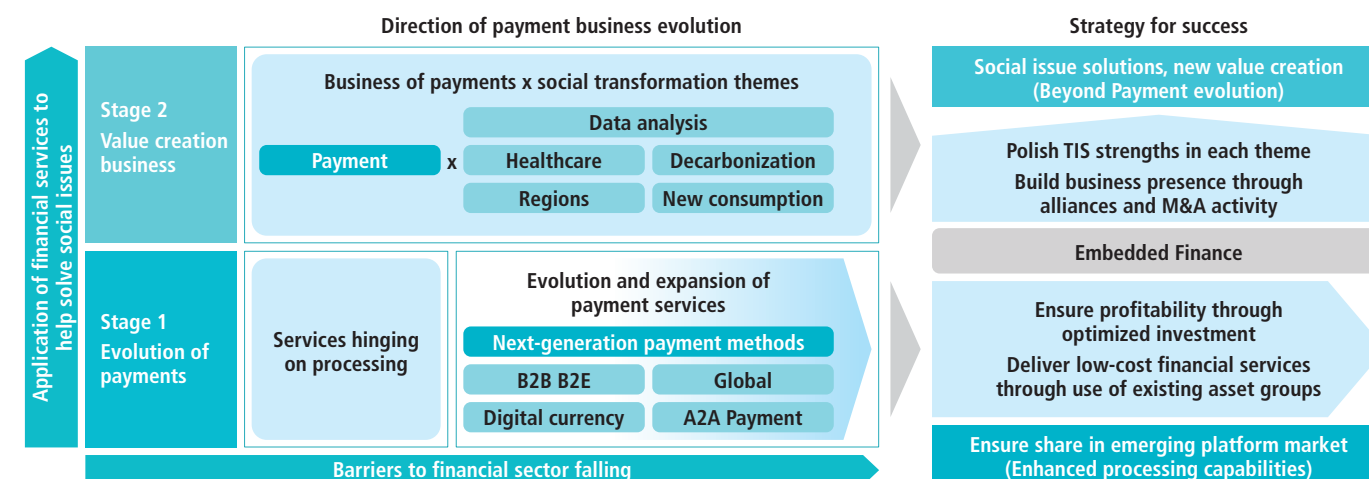
To this end, we aim to achieve an EBITDA margin of around 25% during this medium-term plan period, while improving the profitability of existing businesses and pursuing new value creation.



Strategies Toward Plan Achievement

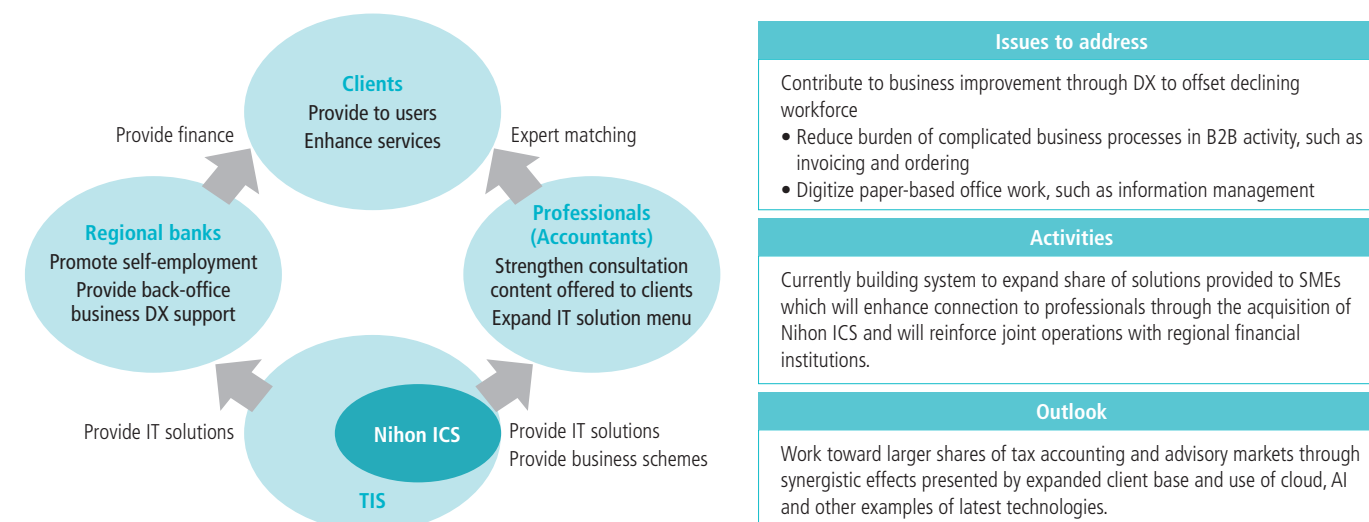
As for the evolution of our payment business (Stage 1 in the diagram below), we will further strengthen assets centered around processing services and expand our development into B2B/B2E businesses even further. We are also preparing to expand our assets ahead of the transformation of the payment infrastructure, such as digital currency and A2A payments.

As well as strengthening activities under the Stage 1, we will create new value by building a business that embeds the assets of the Stage 1. This means that, for each of the themes set out, there is a path toward creating a business entity utilizing alliances and M&A.



New Initiatives in an Increasingly Cashless Society (B2B Transactions DX Business)

Provided Value	We will link business-to-business transactions end-to-end by combining corporate transactions such as invoicing and ordering with payment methods and thereby reduce administrative burden
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Isao Otokita
TIS Managing Executive Officer,
Deputy Division Director,
Digital Innovation SBU

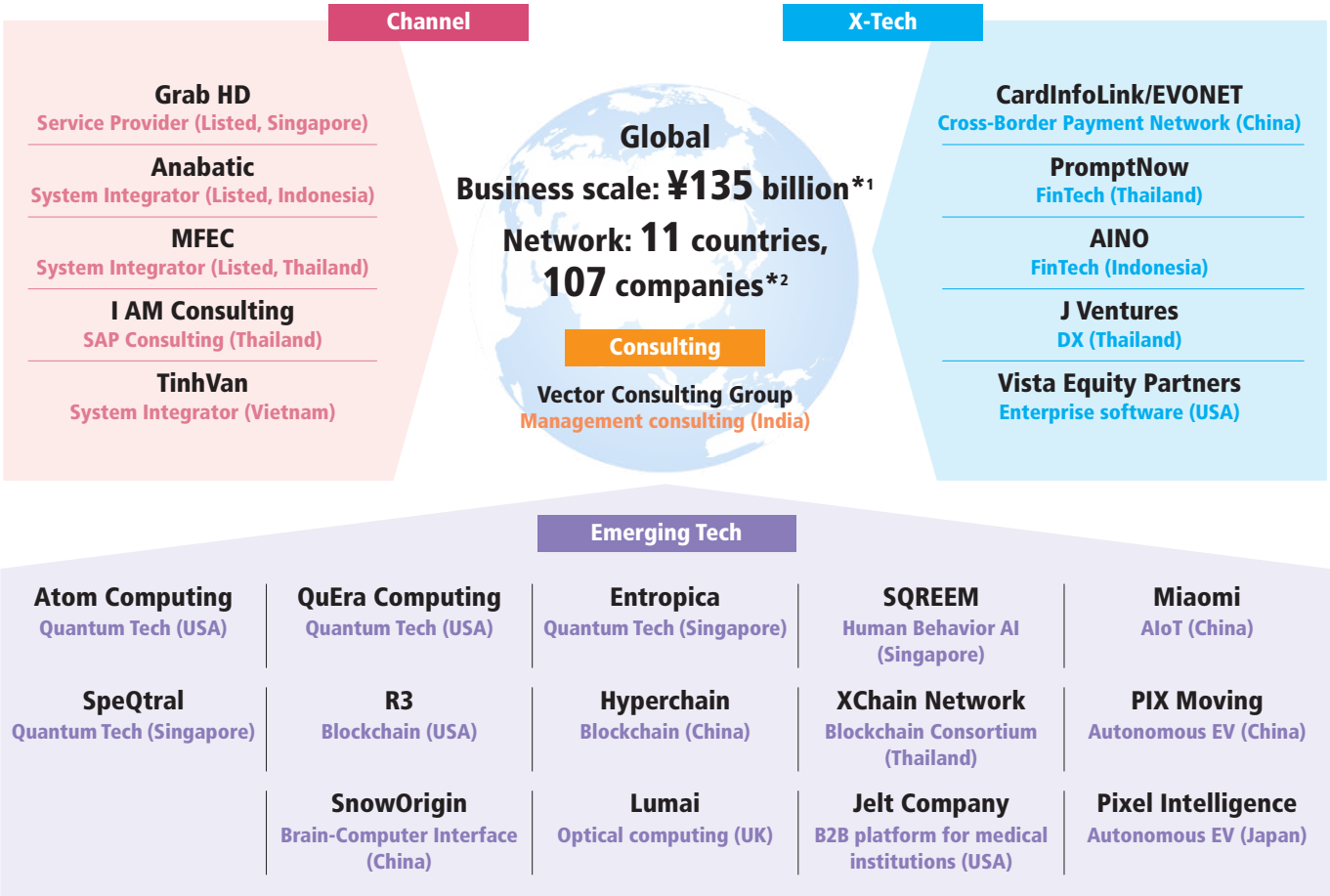
With the domestic payment market growing alongside the acceleration of cashless transactions, we enjoyed steady expansion of our PAYCIERGE business under our previous medium-term management plan, mainly in the issuing domain. Because we prioritized investments in launching new services and initiatives, our profitability has not yet reached the expected level.

In recent years, the widespread use of smartphones and the growing demand for QR code and other “light” payment options have led to an increased need for integrated services, such as digital accounts. Given the increasing adoption of digital accounts by emerging platform providers and large companies in their new ventures, we plan to introduce a “Light Credit Card Processing Service” as part of our new strategy. Over the next three years, we will also focus on expanding our offerings to improve our recurring ratio and thus ensure greater profitability. In addition, we expect the B2B and B2E markets to grow and will work to expand our services accordingly.

As a leader in the payment market, we will continue adapting flexibly to the rapid changes in society and technology. By creating innovative payment services that drive social transformation, we aim to provide new value and help realize a prosperous future society.

Key Strategy of the Medium-Term Management Plan/
Global Business Strategies

The TIS INTEC Group aims to expand its business in ASEAN within a long-term target of Asia, which has enormous market potential and aims to achieve consolidated sales of ¥100 billion in FY 2026.



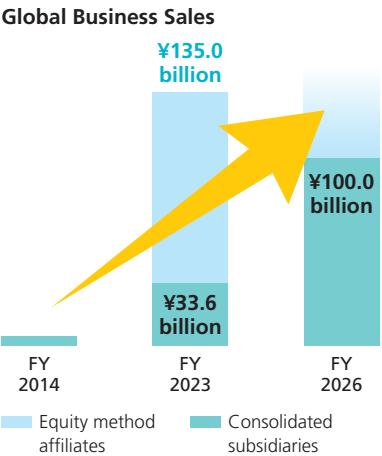
*1 Total sales of subsidiaries and equity method affiliates (fiscal year ended December 31, 2023) are converted at period-end rate
*2 As of June 30, 2024

Table with 2 columns: Category (Channel, X-Tech, Emerging Tech, Consulting) and Description. Channel: Capital and business alliances with local companies to expand business in local markets. X-Tech: Capital and business alliances to create new business and services. Emerging Tech: Joint efforts with leading companies, universities and government agencies in each country to cultivate next-generation technology. Consulting: Capital and business alliances to expand value chain.

Priority Measures

We have identified the following four points as priority measures for global business expansion to achieve consolidated net sales of ¥100 billion in FY 2026.

- 1 Raising channel value: To improve profitability, take on the challenge of transforming the business structure of existing businesses and shifting to high-value-added services.
- 2 Diversifying investment targets: Accelerate investment emphasizing innovative services that lead to social issue resolution or else related leading-edge technology.
- 3 Enriching value chain: Develop consulting business centered on Vector Consulting Group of India, with which we formed a partnership in 2023. Expand consulting operations in Asia.
- 4 Attracting and developing business creation talent: Collaborate on industry-government-academia projects involving top universities and provide students with opportunities to engage in and learn about business to attract and develop individuals who will take lead in new business creation and transformation.



Topics 1 Growth Strategy of MFEC

MFEC, which is at the core of our global business, continues to endure a challenging business environment due to the economic uncertainty caused by the geopolitical situation in Thailand and the impact of rising personnel and outsourcing costs. Even amid such circumstances, we will achieve both business growth and improved profitability by implementing proactive business strategies that include withdrawing from unprofitable businesses and restructuring, investing in growth areas through CVC, and developing high-value-added services by consolidating the know-how and expertise of the entire Group.

Main activities aimed at business growth. 1. Accelerating investment in promising companies through MFEC's CVC. 2. Consolidation and streamlining of MFEC Group's data team. 3. First independent event MFEC INSPIRE held. Includes images of Synergy Group Ventures, DataWise, and the MFEC INSPIRE event.

Topics 2 Business Promotion with Global Partners

With the advancement of electric vehicles (EVs) and autonomous driving technology, the automotive industry is amid a major transformation, and the importance of software is increasing. PIX Moving, an autonomous driving EV startup with which TIS formed a capital and business alliance in 2022, aims to create new IT services in the areas of Mobility as a Service (MaaS) and smart cities. PIX Moving continues to expand its business, including the roll out of its mainstay product, the RoboBus, in countries around the world. TIS will continue to provide innovative IT services that encompass mobility robots, including the linkage of PIX Moving's autonomous driving technology with TIS's proprietary RoboticBase platform for integrated management of multiple robots.

Establishment of Japanese joint venture. Future areas of focus: Service robots, Supply chain DX, Autonomous driving. Includes images of service robots and autonomous vehicles.

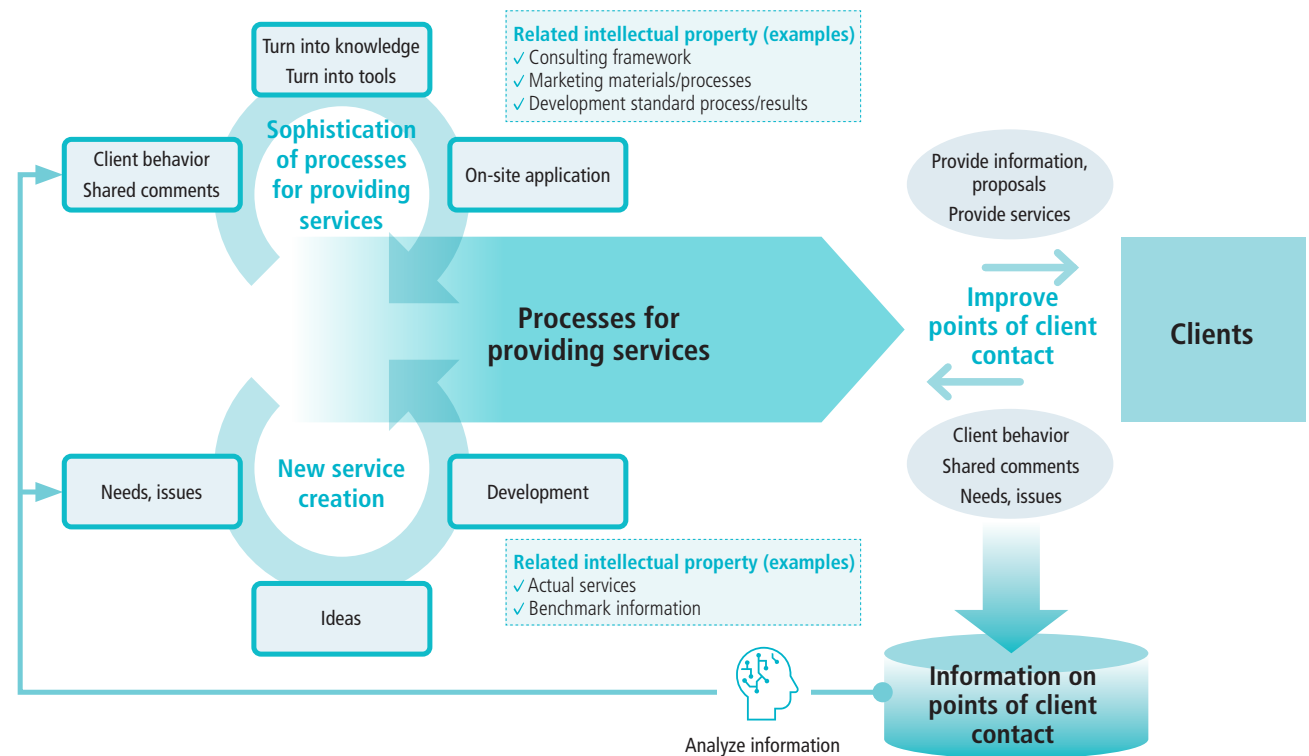


Kensaku Furusho
TIS Executive Officer,
Division Manager of
Global Division

In our global business, we have designated Southeast Asia as our focal target market since 2014. Specifically, we have promoted capital and business alliances and M&As with local partners to strengthen relationships and create synergies. As a result, sales in Southeast Asia reached ¥135 billion in FY 2023, up significantly from the previous year. On the other hand, the profitability of partner companies operating SI businesses in various countries remains low. To address this situation, we will leverage the expertise we have developed domestically to transition to high-value-added services while expanding our solutions through collaboration with global partners. Meanwhile, we formed a partnership with a major local management consulting firm in India in 2023. Going forward, we will fully leverage the partnership to actively enhance our competitive edge by acquiring consulting capabilities across different countries. On the technology front, we will continue striving to generate tangible synergies by partnering with world-leading quantum technology companies to stay at the forefront of cutting-edge technology, while also establishing joint ventures with Chinese companies specializing in autonomous driving technology. While continuing to focus on specific markets, we remain committed to helping resolve social issues by providing optimal solutions to our customers around the world who have diverse values and needs. We have set a consolidated net sales target of ¥100 billion for FY 2026, a benchmark worthy of a leading IT consortium in Southeast Asia, and we will spearhead our global business to achieve this target at an early stage.

Key Strategy of the Medium-Term Management Plan/
Intellectual Property Strategies

We leverage internal use of points of client contact and apply to new service creation and sophistication of processes for providing services. And we use processes to provide high-value services and services with high satisfaction rate to improve client communication, and create virtuous circle that generates high-value information from client communication which will in turn lead to next intellectual property asset.



Virtuous Cycle Driven by Technology Development (Patent Acquisition) and Business Promotion

Xenlon is a good example of how we create new services through original, in-house technology development, based on information obtained from client contact points as well as know-how and other intangible assets accumulated within the Group, and how such services fuel business expansion. Let me dive into the details behind the launch of Xenlon.



Xenlon-Shinryu Modernization Service

We rewrite legacy languages, such as COBOL and PL/I, to Java, with Xenlon-Shinryu Migrator, a proprietary rewriting tool, to safely and reliably modernize large-scale legacy systems. The rate of conversion using Xenlon-Shinryu Migrator, compared with other tools, is overwhelmingly high. Also of note, this tool facilitates modernization of targeted systems in a short period of time.

It is a challenge to incorporate the latest technologies into legacy systems that tend to be particularly unique to the user company and lack flexibility, which in turn limits efforts by the user company to improve productivity. In some cases, such companies also face the pressing issue of expiring support for their respective legacy systems. Many vendors have been unable to provide concrete solutions, citing such technical issues as insufficient case studies on automatic conversion into different languages for large-scale system migrations and the inability to guarantee the performance of an open system. The situation was frustrating for companies, and we saw a business opportunity in alleviating this frustration. We develop new technologies to solve migration problems and patent these technologies to provide clients with competitive and sustainable services. Patent acquisition gives our clients peace of mind and encourages them to utilize our services.

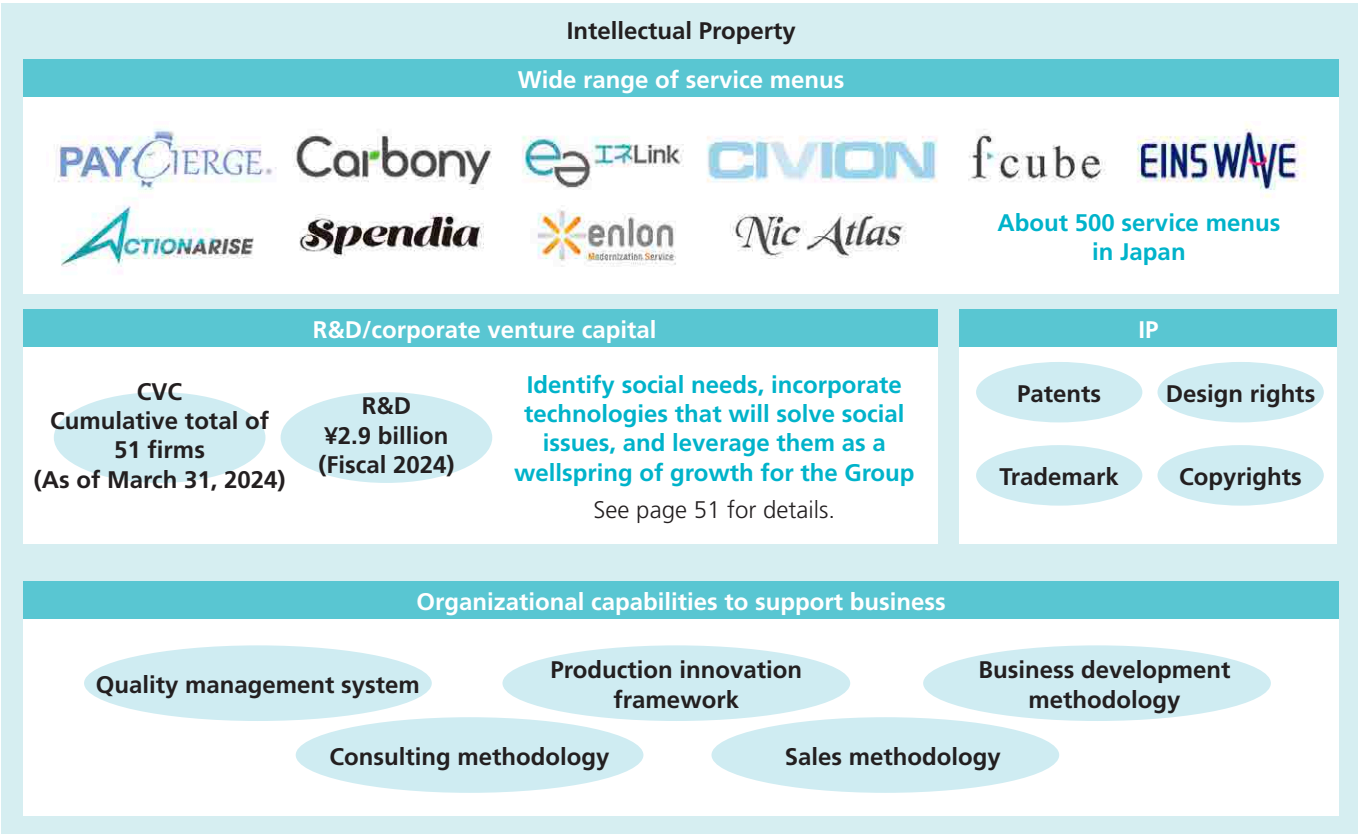
Profile Joined the Company in 1986. He has developed systems using object-oriented technology, and since 1999 he led the technical development of multiple large-scale mission-critical systems as an architect. He is currently the officer in charge of technology for Modernization Services.



Hiroki Kumagai
TIS Senior Executive Fellow,
Industries & Public Solutions SBU,
Financial Industry SBU,
and Technology & Innovation SBU

Aiming to Enhance Corporate Value Accumulating and Utilizing High-Quality Intellectual Property

The Group, together with its clients, partners, and employees, has accumulated technologies and know-how over many years and applies these as organizational capabilities to provide a variety of services that solve a variety of issues facing its clients and society.



Wide Range of Service Menus

The Group offers a broad menu of services, with approximately 500 differentiated services in Japan. In fiscal 2024, the company updated its services as ACTIONARISE by integrating services related to the acquisition of IP such as SME transaction DX through M&A and business management that it has provided up to now. We will continue to promote intensive growth investment and accumulate and utilize high-quality IP to expand our menu of services designed to solve social issues.

Intellectual Property Rights

To gain a competitive advantage in its businesses, the Group proactively promotes the acquisition and utilization of IP, while providing education to each Group company. We are also encouraging the use of IP landscapes to contribute to the formulation of business strategies.

Organizational Capabilities to Support Business

The experience and knowledge of system development accumulated by the Group over the years has been developed into a quality management system and a production innovation framework to promote quality improvement and productivity enhancement. (See page 105 for details.)






Also, to expand forward-looking investment-style service businesses, we have developed sophisticated management business development methodologies such as Stage Gate, and we are continuing to innovate and establish such methodologies. New businesses have also emerged from such efforts.

Furthermore, to fortify our upstream functions, we have established a methodology for training and enhancing our consultants. In addition to promoting measures to broaden our consulting talent, we are also working on developing sales methodologies, such as sales training programs and the company-wide use of sales and marketing data.

The accumulation and utilization of such IP is the foundation that underpins the Group's services.

Key Strategy of the Medium-Term Management Plan/Technology Strategies

Based on technology portfolio featuring technologies selected from all globally available technologies as key from TIS INTEC Group perspective, we develop comprehensive measures to facilitate proactive research on these technologies and realize practical application as soon as possible.

Short-Term Initiatives				Medium- to Long-Term Initiatives
Comprehensive development of measures aimed at verification of technologies for practical use that have entered/are entering that stage, early implementation and on-site deployment				Applied research on technology that will differentiate business over medium to long term
				
Framework for knowledge distribution	Human resources development	Early implementation	Priority research themes	Priority research themes
Framework for knowledge distribution attuned to technology readiness level	Create programs and environment to train high-level engineers, and strategic rotation	Early implementation of advanced technology through in-house application	Research aimed at practical use, hinging on AI	Applied research on mass data transfer technology and algorithms required to fuse digital and real worlds
✓ Knowledge distribution platform (components, rules, guidelines, etc.) ✓ Mutual technical support platform ✓ On-site deployment of highly skilled engineers	✓ Enhance level-specific technical training ✓ Implement job rotation for highly skilled engineers ✓ Create and expand generative AI training curriculum	✓ Process redevelopment through AI x automation <Candidate areas/themes> ✓ Acquiring insight from client/market contact information ✓ Internal audit DX ✓ Legal tech ✓ Training materials, test generation, etc.	✓ AI utilization (for data-labeling, fraud detection, etc.) ✓ Generative AI utilization (for system development processes, automated document production)	✓ XR research ✓ Multi-Level Edge Computing research ✓ Research on high-performance computing using quantum and classical computers

R&D Initiatives

The Group is continuously engaged in R&D activities with the aim of creating new businesses, achieving medium- and long-term business growth, and strengthening competitiveness.

We believe it is important to identify social needs and incorporate technologies that can help solve social issues into our core business. We are focusing on R&D in the following three areas to analyze and apply a wide range of cutting-edge technology trends.

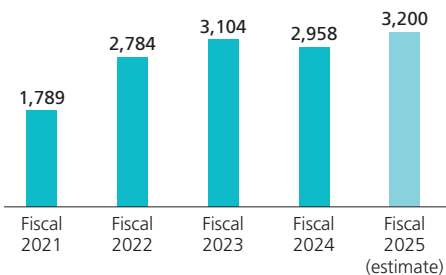
- (1) R&D focusing on fundamental technologies that will form the core of businesses in the future
- (2) R&D into elemental technologies that contribute to the realization of a sustainable society and contribute to solving social issues*
- (3) Advanced software production technologies

*We have identified financial inclusion, health concerns, urban concentration/rural decline, and low-carbon/decarbonized society as social issues to be addressed and are conducting R&D with the aim of developing core businesses over the medium to long term.

In addition, in 2016, the Group established Corporate Venture Capital, which invests in venture companies, with the aim of promoting open innovation and innovation ecosystem and is encouraging collaborative businesses with promising startups. As well as providing funds to our investees, we also provide access to people such as our engineers and goods such as workspace and IT resources through a multifaceted collaboration.

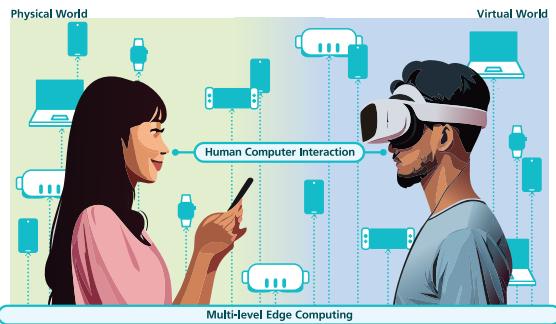
*Please refer to the following for more information on CVC.
<https://incubation.tokyo/cvc/> (Japanese only)

Changes in R&D Expenses
(Millions of yen)



Initiatives for Service Development Utilizing XR

XR is a technology that seamlessly connects people's virtual and physical activities and contributes to solving various social issues. As a foundation for this, TIS is working on such themes as research into edge computing, which enables large-capacity data transfer between multiple sites, and human-computer interaction (HCI), which enables rich communication in XR spaces. In addition, we are promoting the commercialization of the XR payment service XR Pay and BURALIT, a live-action sightseeing metaverse app, to implement the results in society.

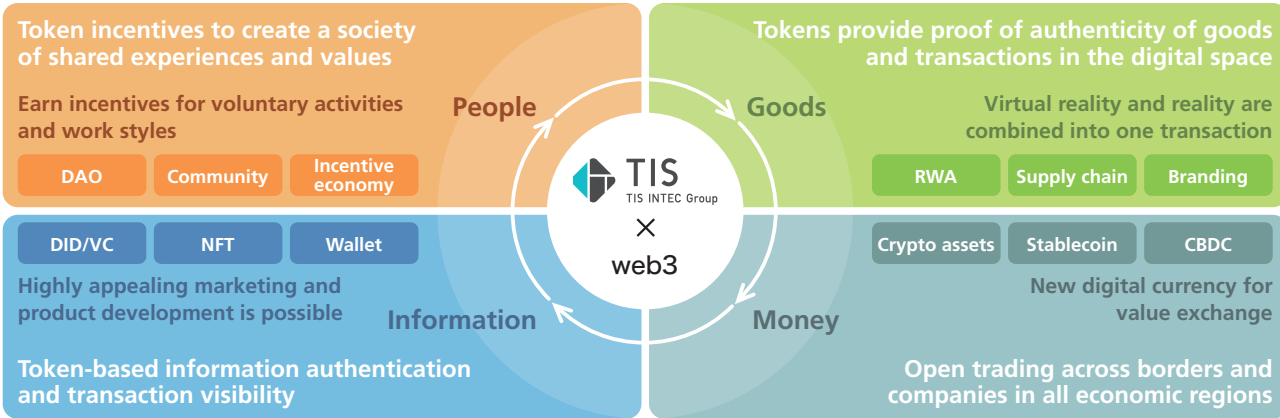


Initiatives to Create New Businesses Utilizing Web3 Technology

The token economy enabled by web3 will promote the diversification of social connections and means of value exchange and will greatly improve convenience in various domains, such as people, goods, money, and information. To realize this web3 society, we are examining various technical elements to improve the transparency and reliability of data using distributed systems.

The use of these technological elements is also expected to create new business models that will drive decentralized finance, digital identity, and supply chain transparency.

TIS will play numerous of roles in the token economy created by web3, including the fusion of web2 and web3 and will support newly created businesses and local government projects with a variety of technologies and services.



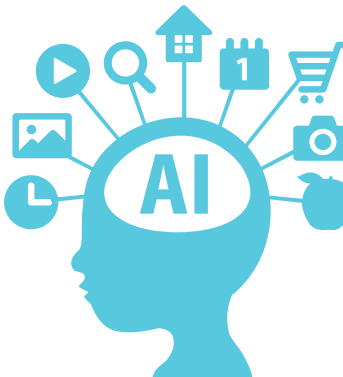
Generative AI Initiatives

AI-enhanced development

A secure tool environment has been established centered on the in-house AI chat TIS AIChatLab and AI-enhanced development support tools, which can be used at each stage of the system development process. Requirements are organized together with AI, and AI generates base code based on these requirements. Engineers work with AI-enhanced development support tools to improve code quality and maintain testing and design documents to raise the final product quality. Furthermore, we are also promoting the use of AI-enhanced development support tools in offshore development.

Standardization of next-generation development processes

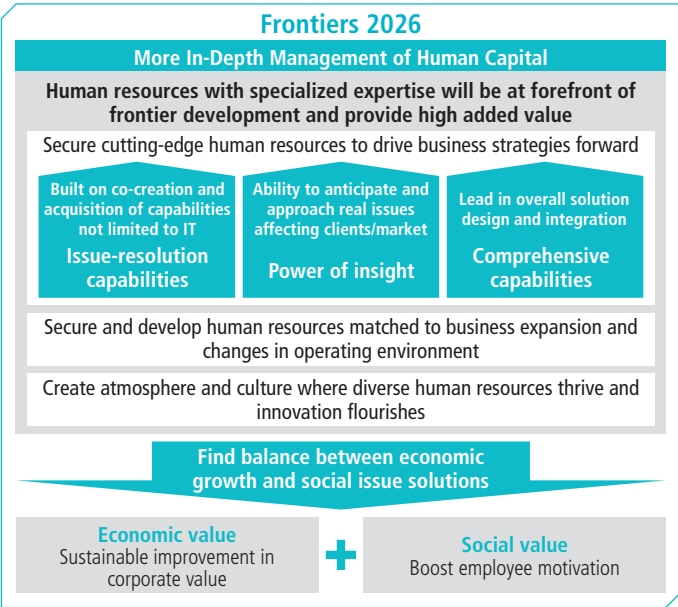
In AI-enhanced development, we improve development efficiency and quality by modifying the order and format of the development deliverables. We aim to make these success stories into a format that can be widely used as the next-generation development process for with AI and to make it the standard for use Group-wide.



Key Strategy of the Medium-Term Management Plan/ Human Resources Strategies

We consider human resources to be the core of value creation and our most vital business asset. In the Medium-term Management Plan (2024–2026), we set the goal of simultaneously achieving economic growth and solving social issues by providing society with high added value through pioneering new frontiers to achieve our group vision. To achieve this, we must further deepen our approach to human capital management and enhance the alignment between our business strategy and human resources strategy. To ensure that our skilled professionals can deliver high added value, we will pursue initiatives based on the three key themes listed below.

Interlocking of Management Strategies and Human Resources Strategies



- Three themes
- (1) Secure cutting-edge human resources to drive business strategies forward
 - (2) Secure and develop human resources matched to business expansion and changes in operating environment
 - (3) Create atmosphere and culture where diverse human resources thrive and innovation flourishes

Regarding our Groupwide human resources strategy, TIS takes the initiative in developing and implementing initiatives and systems. Successful cases are then shared and supported across the various companies in the Group. TIS leads the Group's overall strategy by using common monitoring indicators to measure effectiveness over time and ensure continuous improvement.

We are committed to fostering an organizational culture where diverse talent can independently shape their careers, creating new value with high energy and engagement. This will enhance our overall competitiveness and strengthen our collective ability to address social challenges.

Human Resources Portfolio

Our human resources portfolio enables us to visualize the experience and skill requirements, as well as the necessary number of personnel at each level, for each business area. This ensures we secure the talent needed to continuously support the growth of our business. We develop our plans based on the gaps between our current state and our desired future state.

The strategic domains outlined in Group Vision 2026 represent high-value-added focus areas essential for the Group's sustainable growth, and increasing the ratio of these strategic domains to our total business is an important challenge for us. In our Medium-Term Management Plan (2024–2026), we emphasize problem-solving skills, insight, and integrative ability as key talent requirements for leading the exploration of new frontiers. In addition to our reinforced pool of consultants, we plan to strengthen our teams of IT architects and high-level marketing talent. We are working to expand our human resources and create a workplace environment where they can demonstrate their strengths.

Expand Human Resources and Cultivate an Organizational Culture for Them to Demonstrate Their Strengths

Aligned with our human resources portfolio, we are advancing talent expansion by integrating the three strategies of talent development, talent deployment, and talent acquisition.

We are committed to supporting employees in shaping their desired careers by providing learning opportunities and promoting talent mobility within the Group. By giving employees new experiences and new challenges, we accelerate our own growth. At the same time, we will continue recruiting individuals who resonate with the Group's values and can adapt to business expansion and change.

"Sustainable engagement" is a talent strategy aimed at creating a work environment where employees, as self-driven professionals, are highly motivated to contribute and can fully leverage their strengths.

We aim to build a corporate culture that connects individual talent to corporate value by enhancing systems and workplace environments in the following areas: a "human resources system" that encourages autonomous action from each employee; "diversity and inclusion" that allows diverse talent to express their true selves and fully utilize their abilities; "health management" focused on improving employee well-being through their work; and flexible "work styles" that align with each individual's values.

In addition, we are developing a Group HRDX infrastructure as a system and mechanism to support the above strategies.



Increase Added Value by Investing in Human Resources

The Group actively invests in its most vital business asset—its people. We support each employee in taking on new challenges, ensuring that those with specialized expertise can fully utilize their abilities. Developing human resources who are keen to contribute and provide value to clients and society will facilitate our next round of investments in human resources. We aim to create a virtuous cycle that enhances the reciprocal exchange of value between employees and the Company.

The indicator we use for value-added improvement of human resources is productivity improvement. Any progress in productivity improvement will lead to increased compensation and, consequently, greater job satisfaction.

We are strengthening our investment in human resources along three themes: significance of work, work environment, and compensation. To differentiate ourselves and establish a superior position, the medium-term management plan focuses on investments in high-value-added human resources and competitive compensation levels.

Significance of Work

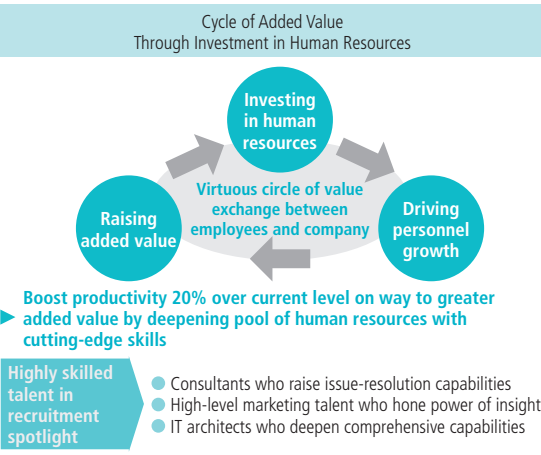
We are developing a human resources system that encourages diverse talent to autonomously shape their careers and take independent action.

Working Environment

We are expanding our systems to offer flexible work options that accommodate diverse values and life stages. We also strive to improve the workplace and promote health management to enhance energy and productivity.

Compensation

To establish competitive compensation levels, we are making a Groupwide effort to raise wages.



Achieve targets noted below through robust investment exceeding ¥10 billion in training and compensation

Operating income per person	Job satisfaction rate
¥2.9 million Fiscal 2024	52% Fiscal 2024
More than ¥3.5 million Fiscal 2027	58% Fiscal 2027

Human Resource Monitoring Indicators

The Medium-Term Management Plan (2024–2026) includes a plan to invest over ¥10 billion in human resources. To enhance the effectiveness of our investments, we have established measures and indicators for each of the three-tiered themes of our human resources strategy and are monitoring performance over time while promoting improvement measures. We believe that securing cutting-edge human resources and forming a high-quality climate and culture will not only increase the ratio of strategic domains but will also contribute to improving the profitability of the Group's overall accounts and services. By increasing the added value of the entire Group, we aim to achieve an operating income per person of more than ¥3.5 million (a 20% increase in productivity over fiscal 2024).

Ideal	Seek to possess insight into future and ability to solve issues, integrate capabilities of various players, maintain position conducive to co-creation, and be indispensable to social change		
Human resources investment	Implement important issues	Develop human resources	Social issue resolution
Input	Action	Output	Outcome/Impact
<div>Human capital</div> <div>Approx. above ¥10 billion (three-year cumulative total)</div> <div>Education expansion</div> <div>Recruitment and retention</div> <div>Health and welfare</div> <div>Compensation, etc.</div>	<div>(1) Secure cutting-edge human resources to drive business strategies forward</div> <div>● HRBPs and the frontlines collaborate to strengthen hiring of experienced personnel</div> <div>● Introduction of advanced training curriculum</div> <div>● Strategic rotation</div>	<div>● Number of consultants Above 700</div> <div>● Number of IT architects</div> <div>● Number of high-level marketing talent</div> <div>*Indicators for recruiting non-consultants are under continuous review.</div>	<div>Social Issues to be solved</div> <div>Financial inclusion</div> <div>Health concerns</div> <div>Concentration in cities and decline of rural areas</div> <div>Low-carbon/ decarbonization</div> <div>● Net sales ¥620.0 billion</div> <div>● Client and service satisfaction Above 59%</div>
	<div>(2) Secure and develop human resources matched to business expansion and changes in operating environment</div> <div>● Strengthen matching in recruitment</div> <div>● Expand hiring via interns</div> <div>● Support training rotations and open recruitment</div> <div>● Support growth through diverse experience opportunities</div>	<div>● Number of study and research days per person per year Above 12</div>	
	<div>(3) Create an atmosphere and culture where diverse human resources thrive and innovation flourishes</div> <div>● Promote greater involvement of women in the business</div> <div>● Review of personnel evaluation system and compensation</div> <div>● Promote health management and organizational development</div> <div>● Expand style reform and support for work–life balance</div> <div>● Respect for human rights and occupational safety and health</div>	<div>● Job satisfaction Above 58%</div> <div>● Percentage of women in management positions Above 15%</div> <div>● Absenteeism 1% or less</div> <div>● Presentism 18% or less</div> <div>● Percentage of employees with average monthly legal overtime of 45 hours or more 1.5% or less</div>	
<div>Other capital</div> <div>Office environment and others</div>			<div>Increase in value added</div> <div>Output</div> <div>● Operating income per person Above ¥3.5 million</div> <div>*20% increase in productivity (Compared to fiscal 2024)</div>

*The red text shows targets for fiscal 2027. Please refer to the ESG Databook for fiscal 2024 results.

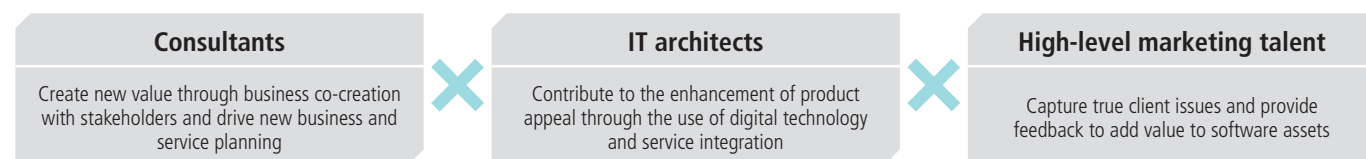
Human Resource Strategy [Theme 1] ▶

Secure Cutting-Edge Human Resources to Drive Business Strategies Forward

As social issues become more complex, there is a growing need for consulting and interest in digital transformation. The Group focuses on securing consultants, IT architects, and high-level marketing talent as cutting-edge human resources. By being involved in the processes of business and service planning and development, duty and service provision, and sales and proposal activities, such cutting-edge human resources will drive the provision of more profitable businesses and services, the acceptance of projects with high margins, and the completion of projects. This in turn will contribute to increasing the strategic domain ratio. In securing cutting-edge human resources, in addition to acquiring talent from outside, we believe it is important to add on to our talent the skill sets required in new fields to the competencies and skills cultivated through existing business. We will secure high-quality human resources who can apply the Group's strengths to differentiate it from its peers.

Definition of Cutting-Edge Human Resources and Measures to Secure Them

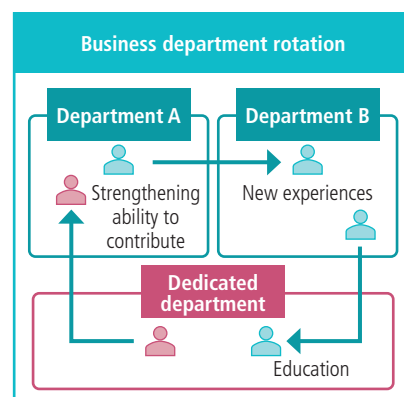
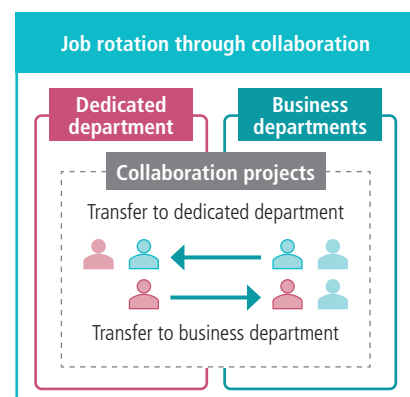
We define issue-resolution capabilities, power of insight, and comprehensive capabilities as vital competencies for the cutting-edge human resources who drive the business strategy. We will secure consultants who create new value through their issue-resolution capabilities, IT architects who enhance product capabilities through their comprehensive proficiencies, and high-level marketing talent who approach clients' true issues with the power of insight.



Individual-focused training arrangement

Develop competencies through work experience in a professional organization

We select talented individuals and develop the skills necessary for them to be cutting-edge. We provide experiential opportunities to talent at Group companies and organizations responsible for business creation and solution development and reassign such personnel to operations and organizations that can maximize the effectiveness of their talent development.



Talent acquisition

HRBPs and the frontlines collaborate to hire experienced personnel and support their active participation

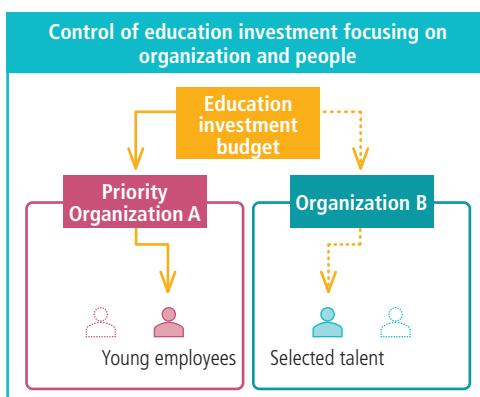
In recruiting experienced personnel, TIS works with HRBPs and frontline managers who possess talent recruiting know-how to clarify personnel requirements and levels based on medium- to long-term human resources portfolio planning, and to engage in targeted recruiting activities.



Differentiated investment in talent development

Advanced talent development curriculum matched to business strategies

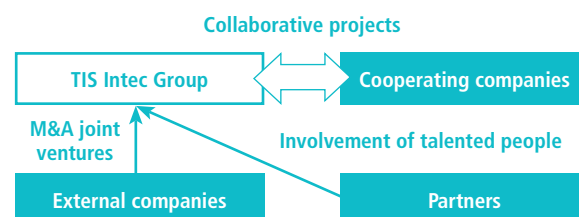
We will strengthen our investment in talent development with a focus on improving quality by boosting investment in training for individuals who we want to develop as well as in advanced training programs such as the Business Leader Development Program.



Co-creation with companies outside the Group

M&A and other talent acquisition

We are strengthening our competitiveness in the DX field by welcoming as members of the Group Miotsukushi Analytics Co., Ltd., in 2020 and Fixel Inc. in 2022. To secure talent and acquire organizations that can quickly handle new businesses, we will increase our investment in M&A, promote co-creation with partners and companies across industries, while proactively utilizing talented human resources from outside the Group.



Human Resource Strategy [Theme 2] ▶▶

Secure and Develop Human Resources Matched to Business Expansion and Changes in Operating Environment

Given the rapid decline in Japan's working-age population, ensuring sustainable growth hinges on how effectively we can recruit and develop the talent that will drive our future business. This is a critical management challenge. We actively recruit talent who align with the Group's philosophy and vision, providing an environment for new challenges and diverse growth opportunities.

Enhancing Matching in New Graduate Recruitment

Traditionally, our process has been to hire new graduates centrally by the head office and assign them to business organizations after a set training period. As mobility in the labor market progresses, the retention of young employees, who are expected to be active in the future, has become an issue.

We are increasing opportunities for frontline internships and hiring after internships so that job seekers can choose the Group after learning its corporate culture and operations before joining. After hiring, we assign employees to the organizations and work of their choice, thereby reducing mismatches after the assignment and enabling the employees to become contributors at an early stage.

Visualization of Talent

TIS flexibly defines its image of the talent it needs through the "Career Frame" introduced in April 2023. The definition of what we want our employees to aspire to as professionals is structured as field (domain) x stage (role). Employees can declare their current role and multiple roles they would like to play in the future. The current status of the human resources portfolio is visualized based on the Career Frame, which is used as the basis for talent reviews in each organization. This information is used in deployment and training plans for business planning and the individual's career development.

Self-Directed Career Development

Learning as a habit—which is necessary for improving professional abilities and ensuring skills have taken root, and which is measured by the number of study and research days per person per year—has exceeded the targets. Going forward, we will support our employees in acquiring the skills they need to develop new businesses and in continuing to learn actively in the fields they aim for. By creating multilayered career paths for employees, the Group will build a foundation that allows it to respond flexibly to technological advancements and changes in business models.

"Next" Education to Add New Skills

In addition to the learning required for job tasks, TIS also provides and recommends participation in Next Training, which provides basic knowledge and practical programs related to cutting-edge technology. In addition, a summary mapping the Career Frame (field and stage) to educational programs is available for employees to use in their own course planning.

Operation of Open Application Programs

Within each of the Group's companies, open recruitment is conducted on a regular basis. Employees can select a department that matches their career aspirations and an organization where they can use the skills they have acquired to take on new challenges. If they are accepted, they will have the opportunity to test their abilities in a new workplace and job.

Encouraging Diverse Experiential Opportunities

Employees are encouraged to proactively take advantage of activities that transcend the boundaries of organizations and companies within the Group. The aim is to strengthen the ability to embrace and respond flexibly to the realizations, growth, and changes that come with a change in environment.

Growth Support System

We allow employees to participate in external learning and social contribution activities, and engage in dual-employment so that they can gain a broader perspective from exposure to the values of diverse people and to enhance their sensitivity to social changes and issues.

In fiscal 2024, approximately 100 employees at TIS participated in social contribution activities, and approximately 150 employees had dual-employment.

Developmental Rotation

While it is important to master a single task, it can also lead to a lack of development of competencies and a decline in ambition for growth. We promote the mobility of human resources within the Group and within its companies. Rotations are conducted in line with each individual's career plan so that they can gain experience working in different teams and organizations, thereby enhancing their ability to adapt to change and the potential to develop new skills.



Structure of Career Frame

Stage (Role)	St1-1	St1-2	St2	St3	St4
	Learning and Practice	Member	Supervisor	Representative	Industry Leader
Field (Area of expertise)	Sales	Management planning	Producer	UX designer	Business consultant
	Data scientist	IT consultant	Project manager	IT architects	Application specialist
					IT specialist



Human Resource Strategy [Theme 3] ▶▶▶

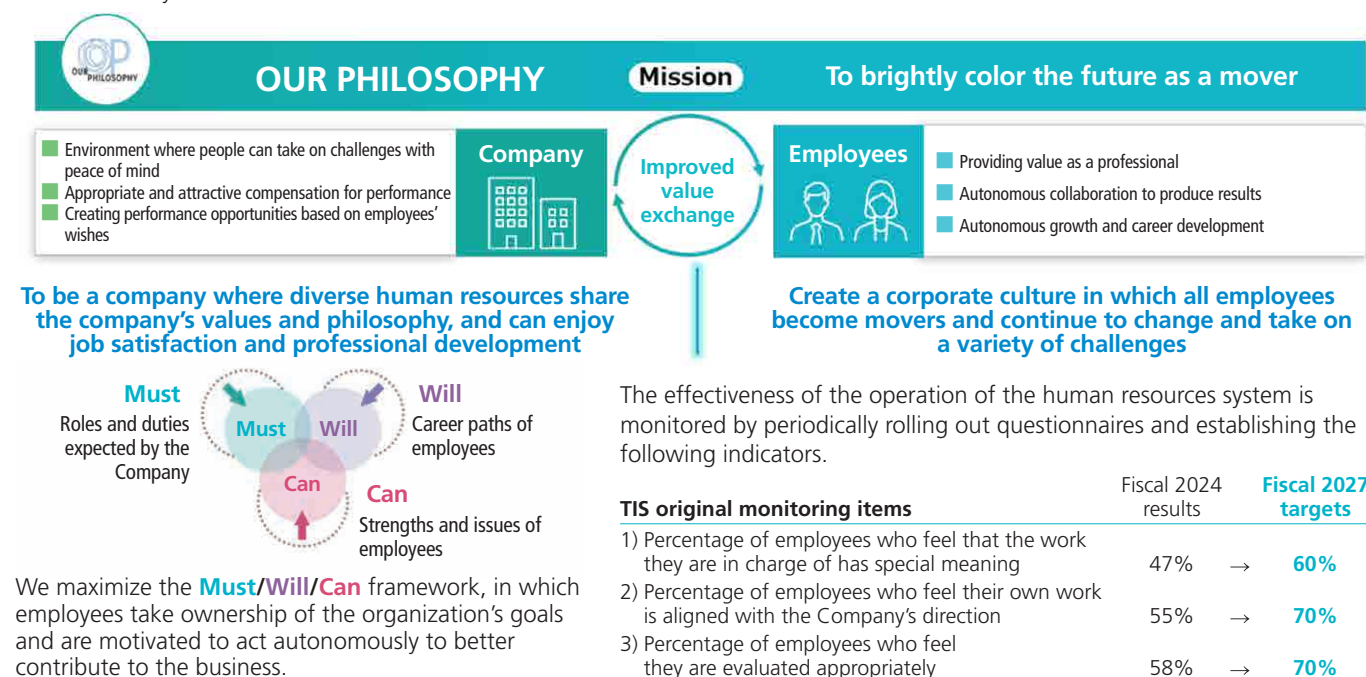
Create Atmosphere and Culture Where Diverse Human Resources Thrive and Innovation Flourishes

We are working to achieve personnel evaluation and compensation commensurate with the true value of human resources, nurturing diversity, and health and productivity management. This is aimed at creating a diversified workforce that is highly motivated to contribute and cooperate with their colleagues to achieve their personal goals and help to foster an organization in which they can be active as their authentic selves. The willingness to make autonomous contributions is positioned as an important indicator of human resources strategy, and the entire Group is working to improve job satisfaction.

Human Resources System That Supports the Active Participation of Human Resources

From April 2023, TIS led the Group with the release of a human resources system that draws on the initiative of each employee. We aim to become a company where diverse human resources share the Group's philosophy regarding activities, and can enjoy job satisfaction and professional development. Our goal is also to create a corporate culture that encourages innovation and tackling challenges in a variety of different ways.

When setting goals, the Must/Will/Can framework is used to emphasize aligning the individual's own direction with that of the Company. In performance evaluations, the system was changed to one that evaluates not only performance but also the process of implementation and actions that embody the Company's philosophy for activities. We monitor the status of implementation to ensure that appropriate evaluations and their linkage to compensation and appointments are firmly established. With regard to roll-out in the Group, we are gradually introducing the framework in the most appropriate way for each Group company's existing business and systems.



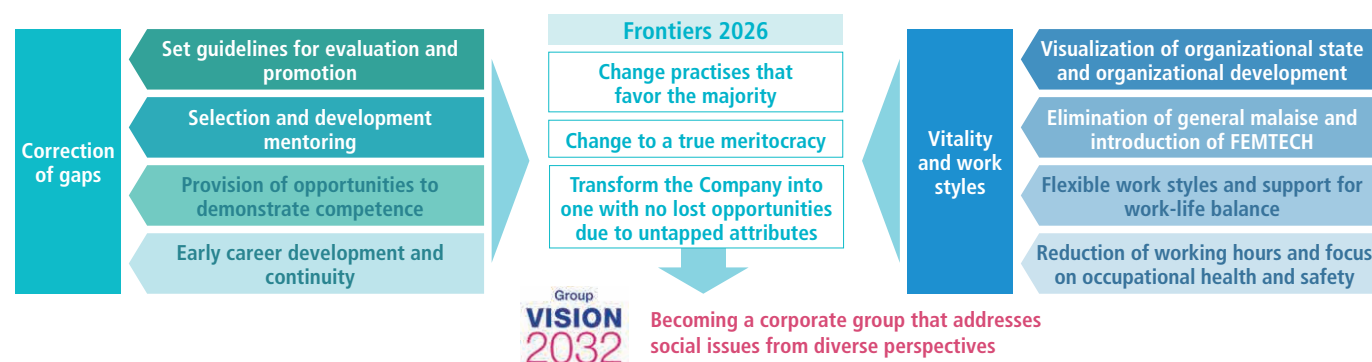
Promoting Diversity, and Health and Productivity Management

In a complex and sometimes opaque social and economic environment, we believe each and every employee who supports our business must be highly energetic in their work and incorporate diverse perspectives in their various judgments and decision-making to gain a competitive advantage.

To achieve Group Vision 2032, we have redefined women's participation, the gateway to diversity, as a key theme for the Group. We aim to foster a corporate culture in which people with various attributes, experiences, and values can respect each other and express their intentions and opinions, using women's participation as a key means of achieving this.

Group Policy for the Promotion of Women's Participation

Targeting the final year of Group Vision 2032, we will promote measures to ensure fairness with the aim of achieving an equal ratio of female employees in management positions.



Human Resources Strategy: Initiatives to Date

Since its transition to an operating holding company structure in July 2016, TIS has been working to enhance its human resources strategy, built on common group policy, amid ongoing efforts to accelerate groupwide management.

Taking into account social trends and changes in the composition and status of human resources groupwide, TIS analyzes risks and opportunities surrounding human capital and formulates a human resource strategy based on the exchange of opinions among management. We cycle through this process, taking the lead in executing strategy and unveiling success stories to the rest of the Group to showcase how efforts to build a strong corporate community and an organizational structure contributes to successful management strategies.

TIS continues to implement measures to provide employees with growth opportunities, create a flexible working environment and expand employee benefits. In addition, in conjunction with the launch of a new compensation system in fiscal 2024, we raised base salary as much as 17% but 6% on average.

Work satisfaction has climbed 18 points over the past five years*, and our investment in human resources and execution of strategy undoubtedly underpinned achievement of desired results.

*Work satisfaction has risen steadily year over year from 48% in fiscal 2020, settling at 66% as of fiscal 2024.

	Overall Human Resources Strategy	Talent acquisition and deployment	Talent development	Sustainable engagement
Before fiscal 2020	<ul style="list-style-type: none"> Published "TIS Human Resource SBU Manifesto" Group human resources data analysis 	<ul style="list-style-type: none"> Employee rehiring program Referral hiring Periodic open application programs Dual-employment program 	<ul style="list-style-type: none"> Established education investment budget Operation of KPI for group education investment Growth support through one-on-one meetings 	Diversity & Health Management <ul style="list-style-type: none"> Operation of promotion guide for female employees Selective retirement age up to 65 Guidance for work-life balance support, three-way meetings Smart work allowance Flexible working hour program without core hours Interval system between shifts (11 hours) Telework program without limits
From fiscal 2021 to fiscal 2024	<ul style="list-style-type: none"> Operation of Group Human Resources PF HRBP system started Provision of HR Report Human capital indicators and goal setting 	<ul style="list-style-type: none"> Building of alumni network Implementation of retention support tools Developmental rotation Selective and strategic rotation Strengthened recruitment matching Internship recruitment Group open recruitment 	<ul style="list-style-type: none"> Introduction of career plan sheets Operation of career interviews Growth support system (diverse outside experiences) Renewal of Talent Management System "Next" training for DX basic skills Introduction of Career Frame 	Revision of personnel evaluation system <ul style="list-style-type: none"> New personnel system (Must/Will/Can) OP Competency Assessment Diversity and Health and Productivity Management <ul style="list-style-type: none"> Reemployment program until age 70 Operation of biannual promotions for young employees Organizational development and psychological safety measures Unconscious bias training Reduction of prescribed working hours (7.5 hours) Executive mentoring for female employees Teleworking program Support program for balancing work with illness



Yoshiyuki Hayashi
Human Resources Strategy Promotion Officer;
TIS Executive Officer;
Division Manager of Human Resources SBU

Since its inception, the Group has expanded its business based on the cycle of building and providing high-quality systems and services for its customers and operating them safely. These achievements were made possible by our excellent human resources, and to this day we have continued to emphasize our human resources strategy based on the premise that human capital is the foundation for growth that supports our management strategy.

In recent years, social challenges have grown more complex, while industrial structures and advanced technologies have rapidly evolved. We are now called upon to further refine our human capital, leverage the latest technologies, and enhance our ability to address social challenges through our business by fostering collaboration with various stakeholders.

In our medium-term management plan, the human resources strategy focuses on the key theme of "empowering skilled professionals to take on frontier development and deliver high added value." We must move beyond our past successes as a systems integrator and focus on cultivating talent who can explore new possibilities with fresh perspectives. We also need to build an organization and culture that can unify this talent to achieve exceptional results.

The Group's basic philosophy, OUR PHILOSOPHY, defines a company as a social system that aims for happiness. The diverse talent within the Group takes responsibility for shaping their own careers, while we provide the opportunities for their growth and success. I am confident that if we can experience the joy of contributing to society through our business activities, the potential for IT to make a positive impact on society will expand infinitely.

Seeking to be a social innovator with a pioneering frontier spirit

In this discussion, leaders driving structural transformation talk about the Group’s vision for the future and attendant challenges as well as efforts in frontier development.



Hitoshi Shibamura,
TIS Department Manager, Corporate
Planning Dept., Corporate Planning SBU

Yoko Kajimura,
TIS Department Manager, Payment Services
Dept. No. 4, Payment Services Division,
Digital Innovation SBU

Ken Nakamura,
TIS Executive Officer and Division Manager
of the Social Innovation Div.

From Group Vision 2026 to Group Vision 2032

Shibamura: I moved to the Corporate Planning SBU in fiscal 2023 and was put in charge of drafting Group Vision 2032 as well as Medium-Term Management Plan (2024–2026). Group Vision 2032 is a long-term management strategy that follows on from Group Vision 2026, which Mr. Nakamura had a hand in formulating.

Nakamura: I was working in the Corporate Planning SBU at the time Group Vision 2026 was formulated and was assigned as the person in charge. Back in July 2016, when TIS transitioned to an operating holding company, each company under the TIS INTEC Group umbrella was conducting operations based on a vision specific to that company. But a decision was soon made to formulate Group Vision 2026, which outlined the areas of business that we should pursue as a cohesive corporate group, which would hinge common goals throughout the Group and align respective efforts in one direction to achieve those goals. At that time, there was discussion about the need to move away from labor-intensive business, such as contracted system development, in favor of service-based business, culminating in a strong push to

designate the IT Offering Service (IOS) as a strategic domain along with the Strategic Partnership Business (SPB), which was already a pillar of operations. In parallel, management was keen to pursue opportunities beyond IT services and designated the Frontier Market Creation Business (FCB) and the Business Function Service (BFS) as strategic domains as well.

Shibamura: The TIS INTEC Group is involved in a diverse array of businesses. Diverse, not only because our clients are active in various industries and service areas, but also because some people are involved in work that inevitably contributes to society beyond the business response to client needs. Since the content of work differs from site to site, it’s no easy task to find a specific path that the Group should follow. But by designating strategic domains, each with a particular business focus, we have made it easier for everyone under the TIS INTEC Group umbrella to move in the same direction. Ms. Kajimura, I believe you were involved in shaping Group Vision 2032 as part of a team comprising members from several Group companies.

Kajimura: I’ve been involved in development for many years. Currently, I’m responsible for expanding the services of the digital platform PAYCIERGE in a department that focuses on IOS. I participated in Project Group Vision 2032 as an expert in my field and worked with people from TIS, INTEC and other key Group companies who brought 15–20 years of experience to the project. Content was further refined through discussions, mainly with segment owners in charge of each business segment and management. We tackled Group Vision 2032 from two angles — “as is,” which considered the Group’s ability to reach Group Vision 2026 targets by continuing on the path traveled until now, and “to be,” which looked at additional strategies or efforts matched to major changes in the operating environment.

Regarding progress made on Group Vision 2026, my division achieved its stated goals through a very determined effort to expand services. I get a real sense that the IOS profile is rising. Project Group Vision 2032 members also share the view that structural transformation is moving along well. At the same time, we had assumed that FCB would account for a certain percentage of the business portfolio, but it became apparent that this Group Vision 2026 target would not be met if activities remained as they were.

Nakamura: I transferred to a business division once Group Vision 2026 had been formulated, and I have been in charge of FCB ever since. Although some activities have turned a profit, the overall scale of business has not expanded as expected, and I find the lack of enthusiasm for frontier market creation rather disappointing. In retrospect, a different approach might have seen greater success. We were only promoting FCB through a limited number of divisions, so there wasn’t a strong sense of awareness within the Group that this was a new area of business for the TIS INTEC Group. I also feel further expansion of FCB activities requires a more extensive in-house structure that supports business development from a long-term perspective.

Kajimura: Comments like yours, Mr. Nakamura, were taken into account during discussions on how to get the entire group on board with Group Vision 2032, and the idea of using social contribution as a starting point came up. It was relatively easy to picture the Social Innovation Service (SIS) in action, applying approaches under an evolving business model for social issue resolution driven by engagement with numerous clients.

Nakamura: When Group Vision 2026 was formulated, “solving social issues” as a business concept was not as familiar as it is today. But greater pressure from society has made companies increasingly duty-bound to ensure sustainability in their operations, and I think it was a natural progression in our own corporate evolution that we would end up in business areas that deal with social issues. In addition, it is becoming quite challenging to single-handedly

solve the social issues that clients face today, and that’s precisely why TIS formed the Co-Creation Business (CCB), which focuses on co-creation with business partners, and designated the new business as a strategic domain providing value through partnerships.



Kajimura: In formulating Group Vision 2032, there were times when the team sort of lost direction and we couldn’t come to any sort of consensus. At such times, we went back to OUR PHILOSOPHY, the Group philosophy, to reorient our thoughts. Staying focused through repeated discussions, we decided that the Group’s ultimate goal is to be a progressive, global IT group combining social responsibility and innovative qualities under the theme “society oriented, operationally diverse, globally active.”

Goals of frontier development strategy

Shibamura: Medium-Term Management Plan (2024–2026) is the first stage of our journey toward Group Vision 2032. To date, TIS has improved overall profit margins, on a consolidated basis, by leveraging business selection-and-concentration and realizing a higher level of added value in the services available across the TIS INTEC Group. I worked in a business division before joining the Corporate Planning SBU, so I have firsthand knowledge of how projects are executed and that the ability to consistently generate profits from projects is always evolving. That said, I feel that there may be a limit on future profit growth if we continue to do business the same old way going forward. To ensure further growth, we have to accelerate activities in new business areas with a strong sense of purpose. I shared this sense of challenge with the management team, and frontier development was set as the basic policy of Medium-Term Management Plan (2024–2026).

Nakamura: The times call for all companies, including our clients and ourselves, to be part of the solution to social issues, and SIS — a more concrete version of FCB — is a strategic domain that truly represents our approach to frontier development. In April 2024, TIS established the Social

Innovation Division to leverage the potential of SIS, and I assumed the role of manager. TIS had highlighted four social issues — financial inclusion, health concerns, urban concentration/rural decline and low-carbon/decarbonized society — where the TIS INTEC Group could contribute to solutions through business activities, and the Social Innovation Division will be integral to this goal by providing solutions, such as digital regional currency services and mobility as a service (MaaS), and collaborating on energy and health tech-related initiatives. In addition, TIS is supporting the healthcare theme at 2025 World Expo, Japan (Osaka Kansai Expo) and expects its involvement will benefit future business development even after the expo closes.

The Social Innovation Division has another mission — to embrace new technologies and explore new business areas, such as UX design and web3, which have the potential to be the next big thing.

Kajimura: The key concept of the frontier development strategy, as it applies to my division, is to take the payment settlement business to the next level, moving from Stage 1 to Stage 2. PAYCIERGE is already fairly comprehensive on Stage 1 — or basic — payment settlement-related content. However, going forward, providing functions à la carte won't be enough to meet client needs, and we will have to raise the bar with development of two-tiered services combining several functions, exemplified by embedded finance, which integrates financial and banking services into platforms for non-financial companies. Until now, the focus was on providing service-based payment solutions to large corporations, especially in the finance sector, but that focus is shifting. We are keen to explore beyond our current client base, including sectors other than finance, such as health tech, to cultivate new demand for service-based solutions and will strive to expand our reach to small and medium-sized businesses as well.



Shibamura: When I was working in a business division, I performed my duties with the idea of building a client base that would enable TIS to maintain growth for the next 10 years. We are in the business of solving issues of concern to our client companies, so even then I felt it was important to

enhance our relationships with companies ready to embrace IT to overcome issues and achieve a sharper competitive edge. I saw our position as a strategic partner to such companies, which are leaders in their respective industries, as a vital key to future business development. To support the IT-driven transformation of companies and society as a whole, TIS must be able to build IT systems but an important precursor is an enhanced ability to define issues for which IT can facilitate a solution. In addition, to solve the various issues our clients face, we have to broaden our approach through scaled up in-house capabilities and co-creation with diverse companies. I believe that deepening our relationships with clients this way will lead to the next new business, that is, frontier development.

Leveraging the capabilities and strength of our people to pave the way to the future

Shibamura: Under Group Vision 2032, TIS seeks to build a business portfolio that generates 80% of fiscal 2033 consolidated net sales from strategic domains, up from 48%, based on actual fiscal 2024 results (post-review reassessment). SIS and CCB are each expected to contribute 10% to consolidated net sales, which are quite frankly very ambitious targets given that both of these strategic domains are showing almost no growth right now. But it's important for us to show that we intend to create a business structure for the future. There's no point quibbling now about what might be possible in 10 years. We have to establish a vision as a guidepost and take sure and steady steps forward, including appropriate capital allocation, to turn a desired outcome into reality.

Nakamura: The key to increasing SIS's contribution to consolidated net sales — to 10% of the total — is co-creation with leading companies external to TIS and the TIS INTEC Group, complemented by investment to maintain the strengths that allow for co-creation with companies of such industry standing. The Social Innovation Division brings together various new business pursuits, so everyone in this division must take the initiative in driving their assigned projects forward and discovering potential companies to partner with. In that sense, I see this division as a place for practical learning and development, and I believe that if we can increase the number of people, on a groupwide basis, who are capable of dynamic co-creation, we will definitely get closer to realizing our vision for the future.

Kajimura: Based on the business portfolio described in Group Vision 2032, the contribution of IOS to consolidated net sales is to increase from the current 10%, as of fiscal 2024, to 30%. I see the frontline need to implement selection-and-concentration for each component of PAYCIERGE and other service-based solutions, and to pursue robust investment of management capital, including human resources, in the areas

selected. For the TIS INTEC Group, the payment settlement business is a strength, but we have to reinforce capabilities and develop business that adds something extra to payment solutions as well as new IOS content beyond payment solutions. This will require a major increase in the number of people who have the skills to respond.

Shibamura: People are without a doubt the TIS INTEC Group's most important form of management capital. TIS set operating income per person as a key management indicator in Medium-Term Management Plan (2024–2026) precisely because efforts to raise the added value of human resources are a priority theme. In recent years, corporate attention has focused on the use of intellectual property, and the TIS INTEC Group is no exception. But mechanisms for developing human resources are also important to reinforce intellectual property in a broader sense. To achieve value-added growth requires us to refresh various lucrative approaches within the Group from a client perspective and deploy these approaches groupwide. Such approaches would include the development of human resources able to promote frontier development and efforts to reduce the occurrence of unprofitable projects. Economies of scale don't apply to our business so it's important for us to take steps to boost efficiency while expanding scale.



Nakamura: Looking back over the last 10 years, the climate within the TIS INTEC Group has become more resilient in regard to challenges. Employees are encouraged to embrace challenges, and they know management has their back. I myself made mistakes many times, but I am now supported in taking on new challenges in a new division. I believe that steady growth in consolidated net sales and income has provided the leeway for employees to respond confidently to perceived challenges. And this is good because taking on challenges is indispensable to establishing our next pillar of business. Our current corporate culture, which encourages employees to explore new frontiers, has become a Group strength in and of itself. I will utilize this positive atmosphere to reinforce our presence as a leader in solving social issues. In addition, I will strive to achieve a balance between solving social issues and contributing to Group profits.

Kajimura: Group strengths were also part of conversations by Project Group Vision 2032. Looking back again, the TIS INTEC Group is involved in projects for clients in many different industries, enabling Group companies to connect with a diverse array of clients and co-creation partners. I also think that one of the Group's strengths is the depth of internal expertise — maybe the result of the Group's involvement in projects across industries — and ready access to people I can consult with if I encounter something I don't understand. Typically, I focus on the task at hand, so participating in Project Global Vision 2032, which provided me with the opportunity to talk with project members representing several Group companies about the kind of corporate group we want to be, from a medium- to long-term perspective, was a really stimulating and rewarding experience. Having been part of the project, I have somewhat of a vested interest in seeing the future we envisioned become a reality. And toward that end, I will help raise the Group's profile so that anyone, regardless of industry, will immediately equate “TIS INTEC Group” to a certain theme or buzzword, and thereby contribute to IOS expansion.

Shibamura: When I think of Group strengths — and this may sound old-fashioned— what comes to mind is our ability to see things through. We are committed in our approach to support our clients' businesses and help them succeed — a quality deeply rooted in our corporate DNA. It is surely the driving force behind the Group's growth. Recently, shareholders and investors have raised concerns about business results now that the number of large-scale development projects — which peaked last fiscal year — is on a downtrend. But I believe that it's inevitable in a project-based business like system development that sales will decrease by the amount previously brought in by a project once that project is completed. However, if we can build unshakable trust among clients through the project connection, the resulting bond will undoubtedly lead to new business opportunities and recurring revenue. And if we can expand the scope of our business by venturing into new areas, the baseline we use to measure growth from year to year will steadily rise in the medium to long term. I know how vital this is, and I know it's what we must strive to achieve. I believe we have the determination and ability to take on challenges and persevere to reach the desired conclusion, never being satisfied with the status quo. So to be the kind of corporate group we want to be 10 years from now, as described in Group Vision 2032, we should venture into various business domains with a pioneering spirit, drawing on the power of digital technology and the expertise of colleagues and partners inside and outside the Group, to become society's trailblazer of innovation.

We aim to enhance corporate value by strengthening the foundations that support sustainable growth.

To achieve the Group's sustainability management goals, it is essential to not only address social challenges through our business activities but also enhance management practices to reflect social demands. Accordingly, we worked to steadily advance our ESG initiatives under our previous medium-term management plan.

With respect to the Environment, we are working to reduce greenhouse gas emissions by achieving carbon neutrality throughout the Group and net zero emissions throughout our value chain in our quest to realize a decarbonized society. Regarding Society, we have advanced our human rights initiatives and accelerated investment in talent to enhance employee engagement. The results of this investment in talent are already manifesting in the form of improved employee satisfaction and motivation. As for

Governance, we focused on improving the effectiveness of the Board of Directors. At the same time, we rearranged our business portfolio to optimize the Group's configuration and sought to increase the sophistication and efficiency of our head office functions, including by using shared services for Group administrative processes. These efforts have been highly evaluated by external evaluation organizations, underscoring the progress we are making in sustainability management.

However, management enhancement is an ongoing process and requires a long-term perspective. Constantly pursuing an optimal business portfolio and enhancing management across the entire Group are not easy tasks. With this in mind, we established two new departments in the current fiscal year (ending March 2025): the Global Governance Office, tasked with strengthening governance in line with our global business expansion, and the Group Human Resources Promotion Dept., dedicated to advancing human capital management across the entire Group. With the help of these new entities, TIS will spearhead Groupwide management enhancement.

In addition to our ongoing ESG initiatives, under Medium-Term Management Plan (2024–2026) we will focus particularly on strengthening intellectual property and technology strategies that help enhance our business activities. These strategies are essential for strengthening the foundations that support sustainable business growth. By advancing them in an integrated manner, we aim to establish a competitive edge and maximize the value we deliver to society and our customers. In addition, we have established non-financial indicators based on our material issues. By setting quantitative targets and monitoring our progress, we will strengthen our commitment to advancing sustainability management. More keenly aware than ever of our impact on society, we are committed to achieving our plan with a sense of mission to realize transformational change in society and our customers' businesses.

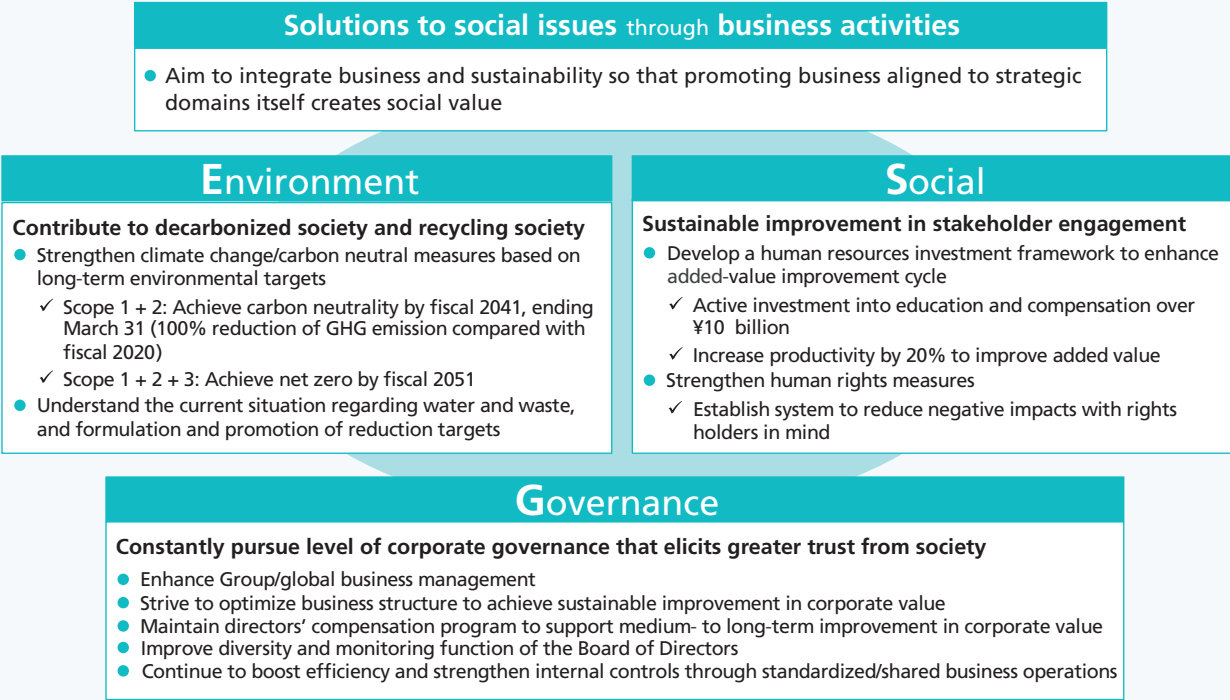
I look forward to your continued support.



Shinichi Horiguchi
Representative Director,
Executive Vice President

Evolution of ESG in Sustainability Management

- Continue to drive evolution of sustainability management forward and, from a medium- to long-term perspective, aim for sustainable growth paralleling added value



Non-Financial Management Metrics

- Aim to realize change for society and client companies by improving quality across entire value chain, and set non-financial metrics alongside financial metrics to measure impact of Group business activities on society from broader perspective

Materiality		Perspective/policy on measuring progress	Indicators	Scope of data collection ²	Fiscal 2024 results	Fiscal 2027 targets
1	Create a society in which diverse human resources are engaged and thrive	Demonstrate capabilities of employees Human resources with specialized expertise will be at forefront of frontier development and provide high added value	Job satisfaction	B	52%	Above 58%
			Number of consultants	B	510	Above 700
			Number of female employees in management positions	B	12%	Above 15%
2	Create a society in which diverse human resources are engaged and thrive	Provide value to society Aim to integrate business and sustainability so that promoting business aligned to strategic domains itself creates social value	Strategic domain ratio ^{*1}	A	48% (new standard)	52% (new standard)
			Operating income per person	A	¥2.9 million	Above ¥3.5 million
			Growth investments	A	Three-year cumulative total ¥72 billion	Three year cumulative total ¥100 billion
3	Create a safe society through high-quality services	Quality demanded by society Realize management attitude/practices supporting accumulation/distribution of intellectual property, and create appealing quality	Client/service satisfaction	C	54%	59%
			Business partner satisfaction	D	77%	81%
4	Enhance corporate governance and earn the trust of society	Company chosen by society Constantly reinforce internal controls on groupwide basis, and contribute to decarbonized society and recycling-oriented society	GHG emissions (Scope1+2) ^{*3} [compared with fiscal 2020]	A	60% reduction	70% reduction
			Renewable energy utilization rate ^{*3} (Offices, data centers)	B	57% introduced	Fiscal 2031 Full introduction

^{*1} A: TIS and INTEC Group, Consolidated / B: TIS and consolidated companies (domestic) / C: TIS, INTEC, AGREX, QUALICA, AJS, and TIS Solution Link / D: TIS and INTEC
^{*2} Strategic domain ratio reached 61% in fiscal 2024, but because of stricter scrutiny paralleling a review of strategic domains for the new medium-term management plan, the ratio was reassessed at 48% under a new standard, with new target for fiscal 2027 based on this standard as well.
^{*3} Scope of data collection for fiscal 2024 results: TIS, INTEC, AGREX, QUALICA, AJS, TIS Solution Link, TIS System Service, TIS Tohoku, TIS Nagano, TIS West Japan, TIS Hokkaido, TIS Business Service, SorunPure, MFEC Public, Business Application, Motif Technology Public, Hongson, MISO Digital, Prain Fintech, Msyne Innovations, and Playtorium Solutions

Financial Investment Strategy
—Message from the Director in Charge of Finance
Seeking to maximize corporate value, we will leverage financial and capital strategies that bring about value creation

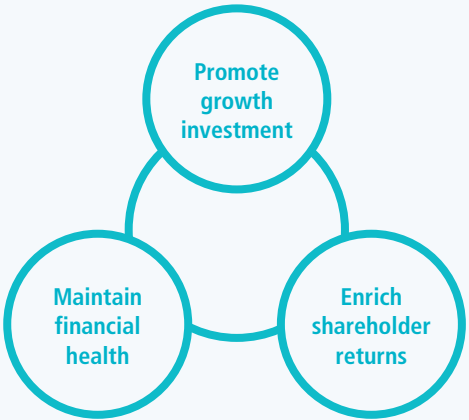
Financial policy/Basic capital policy

The underlying goal of TIS’ financial policy, and basic capital policies, is to realize sustainable improvement in corporate value through the creation of an optimal capital structure that balances efforts to leverage growth investments, ensure financial health and enrich shareholder returns from a medium- to long-term management perspective. More precisely, we take a robust approach to growth investments and, as part of this process, constantly review our business portfolio so that it generates cash through a steady increase in business profits and improved profitability. Then, through balance sheet management, we maintain financial health and constantly offer returns that exceed the cost of capital by

building an optimal capital structure aligned to progress in structural transformation. Meanwhile, we strive to enrich shareholder returns commensurate with business growth. By implementing measures in line with these capital policies, we have been able to achieve sustainable business growth, enrich shareholder returns and boost capital efficiency. Going forward, we aim to raise corporate value still higher and will steadily implement additional measures in line with these capital policies. Below, I will outline the rationale and initiatives applied to date and planned for the future in five categories: cash allocation, balance sheet management, growth investment, shareholder returns, and ROE, ROIC and EPS.

Financial policy/Basic capital policy

We aim to improve capital efficiency through the creation of an optimal capital structure that balances efforts to leverage growth investments, ensure financial health and enrich shareholder returns.



Masakazu Kawamura
Managing Executive Officer,
Division Manager of Corporate Planning SBU

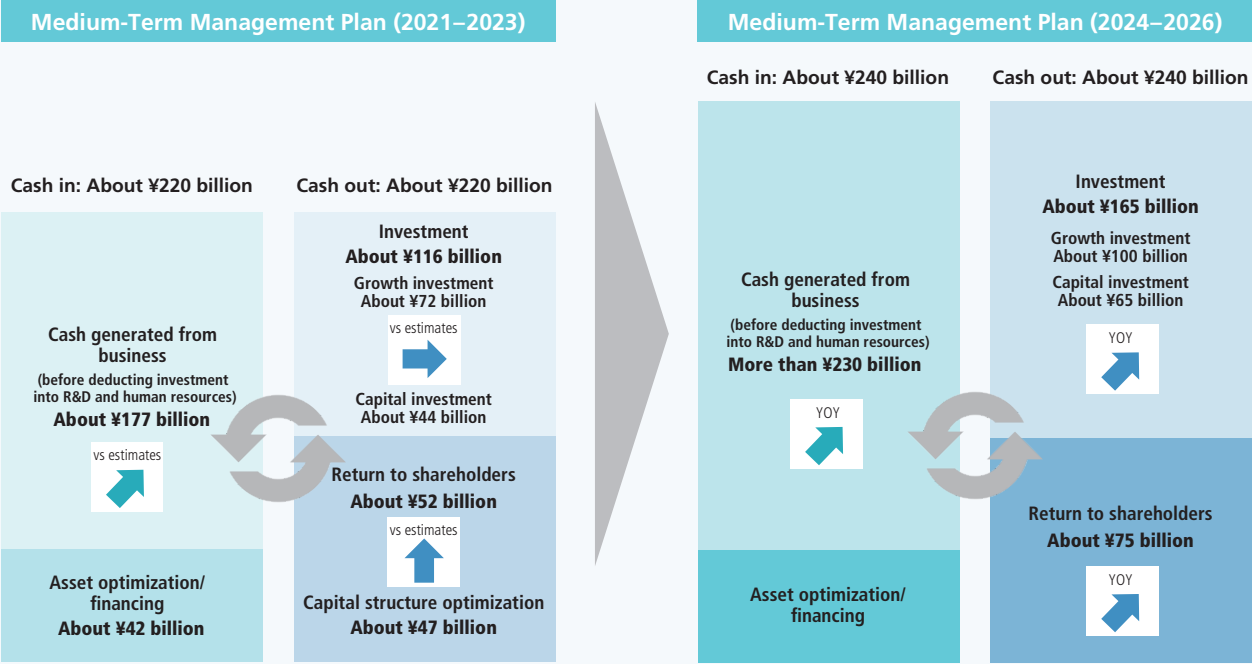
Cash allocation

In line with the aforementioned financial policy, and basic capital policies, cash allocation prioritizes measures that contribute to higher corporate value. We aim to create a virtuous cycle that starts with active investment in companies or businesses with the potential to reinforce our ability to generate cash and then use the cash gained from business growth to drive additional growth investments. At the same time, we seek to strike a good balance between such investments and efforts to enhance shareholder returns as we maintain a focus on balance sheet management to boost capital efficiency and build an optimal capital structure. Cash inflow exceeded expectations under the previous medium-term management plan. This is largely due to an improvement in our ability to generate cash, paralleling business growth and progress in structural transformation driven by returns from growth investments made to date, and also due to such factors as the sale of subsidiaries, following a review of our business portfolio, and a reduction in strategic shareholdings. Taking advantage of greater financial latitude, we complemented efforts to enhance business content, develop the skills and scope of human resources, capitalize on M&A opportunities and strengthen shareholder returns with vigorous but flexible financial measures, such as treasury stock buybacks aimed at building an optimal capital structure.

Details will be provided below, but suffice it to say, prudent allocation of capital resulted in ROE of 16.0% in fiscal 2024, and a three-year EPS CAGR of 22.5%. Under the new medium-term management plan, we remain keen to expand our capacity to generate cash by growing our businesses and leveraging structural transformation while also optimizing assets and raising funds as investment opportunities dictate. We expect cash-in to reach about ¥240 billion through these efforts. Meanwhile, on the cash-out side, we will allocate about ¥65 billion for capital investments and ¥100 billion for growth investments, and return about ¥75 billion to shareholders through dividends and treasury stock buybacks. Capital expenditures include a diversified acquisition amount of about ¥42 billion for real estate trust beneficiary rights in a key facility where TIS provides system operation services and a proprietary brand of cloud services. The decision to acquire these rights was made back in March 2023 as an exception to a practice at the time of leasing rather than owning such facilities. While we will stay true to the basic framework, we will always be on the lookout for opportunities to improve corporate value and, as needed, modify approaches and optimize cash allocation to make the most out of changes in the business environment or new growth investment prospects.

Cash Allocation

Prioritize allocation of cash to pursuits that contribute to enhanced corporate value.



Balance sheet management

The balance sheet, which comprises medium- to long-term capital, or more specifically, management of these financial assets, is the cornerstone of sustainable improvement in our ability to generate cash and continuously deliver returns that exceed cost of capital. Essentially, balance sheet management is a capital policy that brings about value creation. But this cannot be achieved through short-term profit and loss management alone.

Under the previous medium-term management plan, business assets increased significantly. This reflects higher software assets—software account grew about ¥5 billion over three years, to more than ¥20 billion—due to robust investment to leverage structural transformation, and higher associated assets driven by M&A activity, notably, Nihon ICS. Meanwhile, non-business assets recorded on the balance sheet as of March 31, 2024, came to ¥26.7 billion, down about ¥19.3 billion from three years earlier, owing to a particularly persistent effort to reduce strategic shareholdings. As a result, we were able to push the strategic shareholding ratio—strategic shareholdings as a percentage of consolidated net assets—down to the targeted 10% level already by the end of fiscal 2023, a year ahead of schedule. The quality of capital management methods has improved and, given growing confidence that this trend will continue and with an eye to financial health, we carried out large-scale treasury stock buybacks totaling about ¥47 billion in fiscal 2023 and fiscal 2024 in our pursuit of an optimal capital structure. All repurchased treasury stock was cancelled, in line with our policy to limit holdings of treasury stock to 5% of the total number of shares outstanding and cancel the excess. As a result, the equity ratio for fiscal 2024 slipped 4.7 points year on year, to 59.5%.

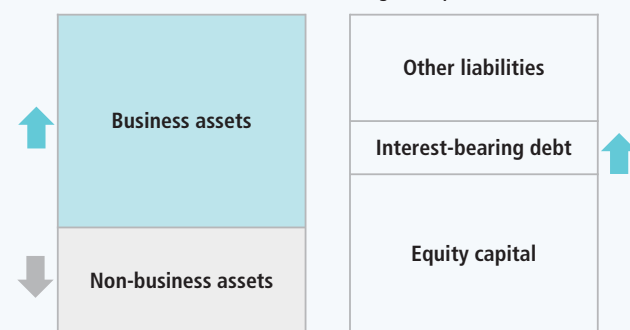
Under the new medium-term management plan, we will continue to emphasize capital efficiency and will reinforce business assets through robust growth investment activity as well as the accumulation of intellectual property to support

Balance Sheet Management

Capital policy that brings about value creation.

- ✓ Robust growth investment emphasizing capital efficiency
- ✓ Optimization of financial assets as necessary

- ✓ Assuming sustained A rating, procure funds to respond to investment opportunities
- ✓ Capital is not accumulated but rather flexibly allocated to investments that will underpin higher corporate value



structural transformation and an expanded scale of business. We will keep cash and deposits to a set level, complemented by commitment lines, totaling the equivalent of about two months' worth of sales, and we will avoid accumulating excessive amounts of non-business assets, primarily financial assets, and, conscious of capital costs, strive to reduce such non-business assets. In addition, assuming TIS can maintain an "A" rating and ensure financial health, management will allow a debt-equity ratio of up to 0.5, eyeing possible use of interest-bearing debt to cover M&A and the increase in facility-related assets mentioned above. We will take a flexible approach to allocating capital for investment with the potential to increase corporate value, rather than accumulating it, since we expect capital to accumulate in line with sustainable profit growth.

Growth investments

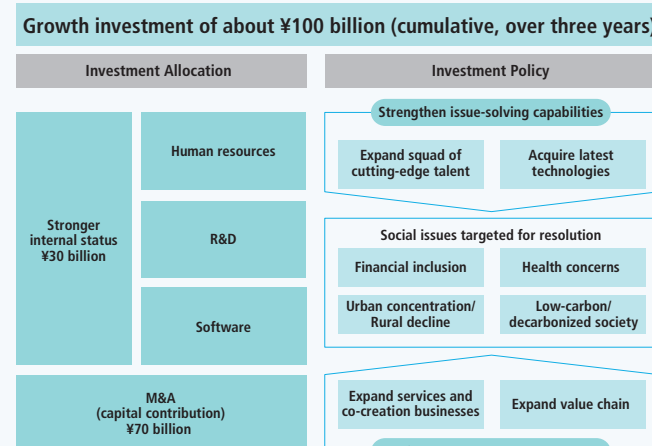
Under the previous medium-term management plan, we budgeted for growth investments of about ¥100 billion, and investments in human resources, primarily R&D and education and training, as well as investments to promote service-based business, were generally in line with the budgeted amount. In regard to M&As and capital contributions, notably, Nihon ICS, external factors significantly influenced our investment decision process and, after carefully assessing opportunity and timing, we set a limit of about ¥34 billion for growth investments. But the amount was not set in stone and, after reviewing our investment allocation, we took the initial step of significantly improving employee benefits to a value of about ¥5 billion as an upfront investment in human resources, our most important management capital. This allocation of funds reflects nationwide discussions surrounding base salary increases and the expectations of our stakeholders, and we were the first in our industry to act. We didn't stop there, proactively implementing investments that will contribute broadly to enhanced corporate value. This includes allocation of about ¥47 billion for financial measures to support an optimal capital structure.

Under the new medium-term management plan, about ¥100 billion has been earmarked for growth investments over three years, reflecting our firm belief that robust investment activity is critical to improvement in corporate value. Our aim in investing in human resources as a means of strengthening in-house capabilities is to put into motion a virtuous cycle of value exchange between employees and the company. Essentially, as indicated on human resources strategies, a virtuous cycle will motivate employees to embrace challenges while also helping TIS and the TIS INTEC Group realize the underlying strategy of frontier development described in the new medium-term management plan. We set operating income per person as a new metric to measure return on investment, and we are determined to show growth through investment.

*Please refer to "Human Resources Strategies/Enhancing Added Value by Investing in Talent" on page 54.

Growth Investment

Active investments for measures for medium-and long-term growth and improvement of corporate value.



In other approaches to strengthen in-house capabilities, we will budget a total of ¥30 billion for R&D to accelerate the creation of cutting-edge technologies and new businesses and for software to expand our service lineup, address social issues and build industry platforms. We will also allocate ¥70 billion for M&A, including capital contributions. I venture to say that the main objective of M&A and other activities to establish a wider presence, whether at home or abroad, is to leverage offering services and co-creation businesses and to expand the

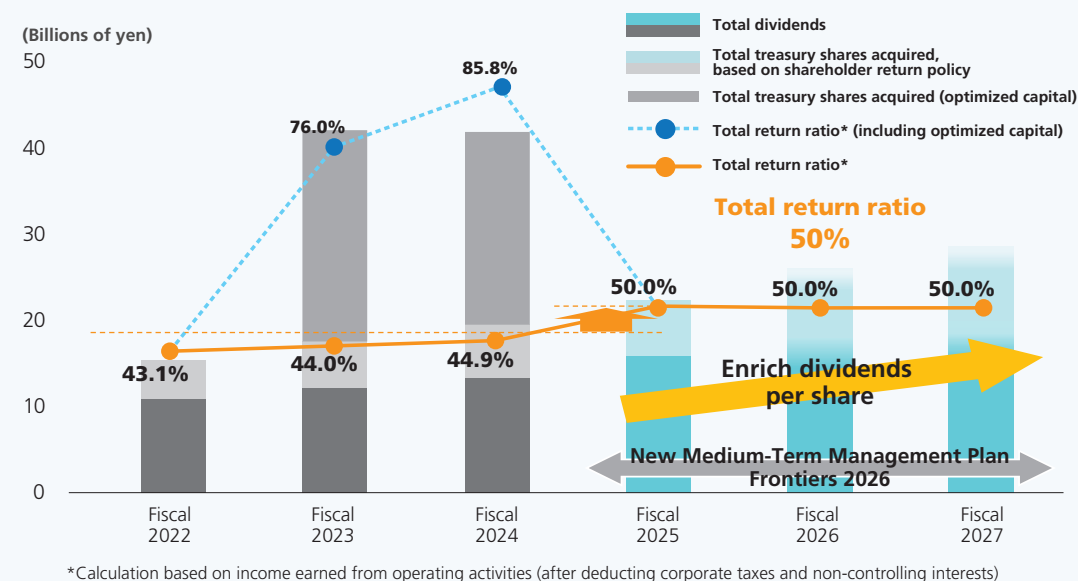
value chain. To support this objective, we will set hurdle rates based on weighted-average cost of capital, or WACC, and carefully consider and execute our wider-presence strategy while adhering to disciplined investment that will help raise our ROIC level over the long term.

Shareholder returns

The return of profits to shareholders is an important management priority, and to ensure continuous improvement in shareholder returns commensurate with business growth, the Company calculates dividends based on income from operating activities not affected by temporary profits or losses. Under the previous medium-term management plan, we provided shareholder returns based on a total return ratio yardstick of 45%. The dividend for fiscal 2024 was up, marking the 12th consecutive year of increase, and by an amount higher than initially forecast, paralleling business growth exceeding expectations in each year of the three-year plan. We feel attractive shareholder returns are an integral part of engagement with shareholders. Our basic approach remains unchanged under the new medium-term management plan, but we aim to reinforce our connection to shareholders by maintaining the upward trend in dividends per share and ensuring payment stability, including the equalization of interim and year-end payouts. We will also raise the total return ratio yardstick, including acquisition of treasury stock, to 50% from the current 45%, thereby reinforcing shareholder returns. As a general rule, we will continue to repurchase and hold treasury stock, up to a maximum of 5% of the total number of shares outstanding, and cancel any excess.

Return to Shareholders

To increase engagement with shareholders, strive to reinforce shareholder returns through continuous improvement in dividends and a stable payout ratio.



*Calculation based on income earned from operating activities (after deducting corporate taxes and non-controlling interests)

Total return ratio
50%*
(rising from 45%)

Dividends per share
Constantly enrich
the dividend

Upper limit on
treasury stock holdings
at 5%

ROE/ROIC, EPS

ROE/ROIC

Under the previous medium-term management plan, we successfully raised ROE to 16%, significantly exceeding even the upper end of the targeted 12.5–13% range, through not only agile implementation of financial measures tailored to prevailing conditions but also a favorable shift in business activities, which generated higher profits. This achievement also reflects the positive impact of extraordinary income and other factors on our net income ratio. But even if we discount such one-off factors, ROE would probably still have settled in the 14% range, above the upper end of our estimate. As a result, I believe we have come closer to our long-term goal of becoming a company that can consistently achieve ROE of 15%.

Under the new medium-term management plan, we will continue to promote management conscious of capital efficiency and, from the perspective of exceeding recent performance, excluding one-off factors, we have set a minimum target for ROE above the 16% achieved in fiscal 2024, with a long-term goal of more than 20%. In addition, from a perspective emphasizing value creation from assets—

which here, equates to intellectual property—we decided to introduce ROIC as a new management metric. Over the three years of the new medium-term management plan, we aim to realize ROIC above 13%, assuming a slight decrease due to robust growth investment activity. We feel that efforts to create benefits from growth investment will, with a disciplined financial approach over the long term, lead to a high ROIC.

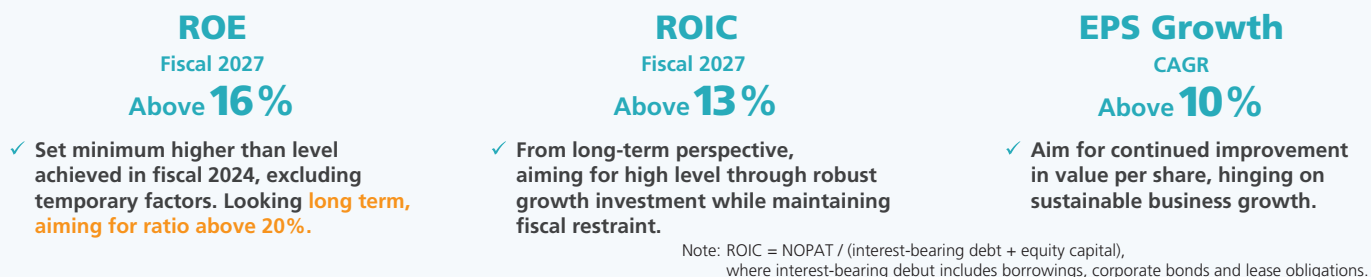
EPS

Under the previous medium-term management plan, we achieved EPS CAGR of 22.5%, greatly exceeding our target of 10%. The fuel for this tremendous result was business growth along with proactive steps, namely, selling off certain subsidiaries and a reduction in strategic shareholdings following a review of our business portfolio, and a robust, flexible approach to implementation of financial measures to optimize capital structure. Notwithstanding this EPS CAGR result, we will stick to the same 10% target under the new medium-term management plan as well, based on a “valuable growth” perspective, with a focus on both financial and business strategies driving achievement.

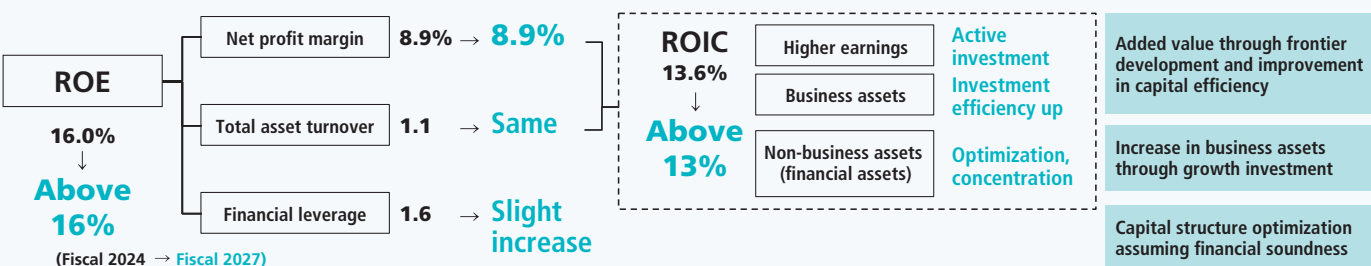
ROE/ROIC and EPS

From perspective of emphasizing value creation from assets—where assets are intellectual property—we will maintain sustainable returns exceeding cost of capital, and from valuable growth perspective, we will ensure growth in value per share.

Key financial index



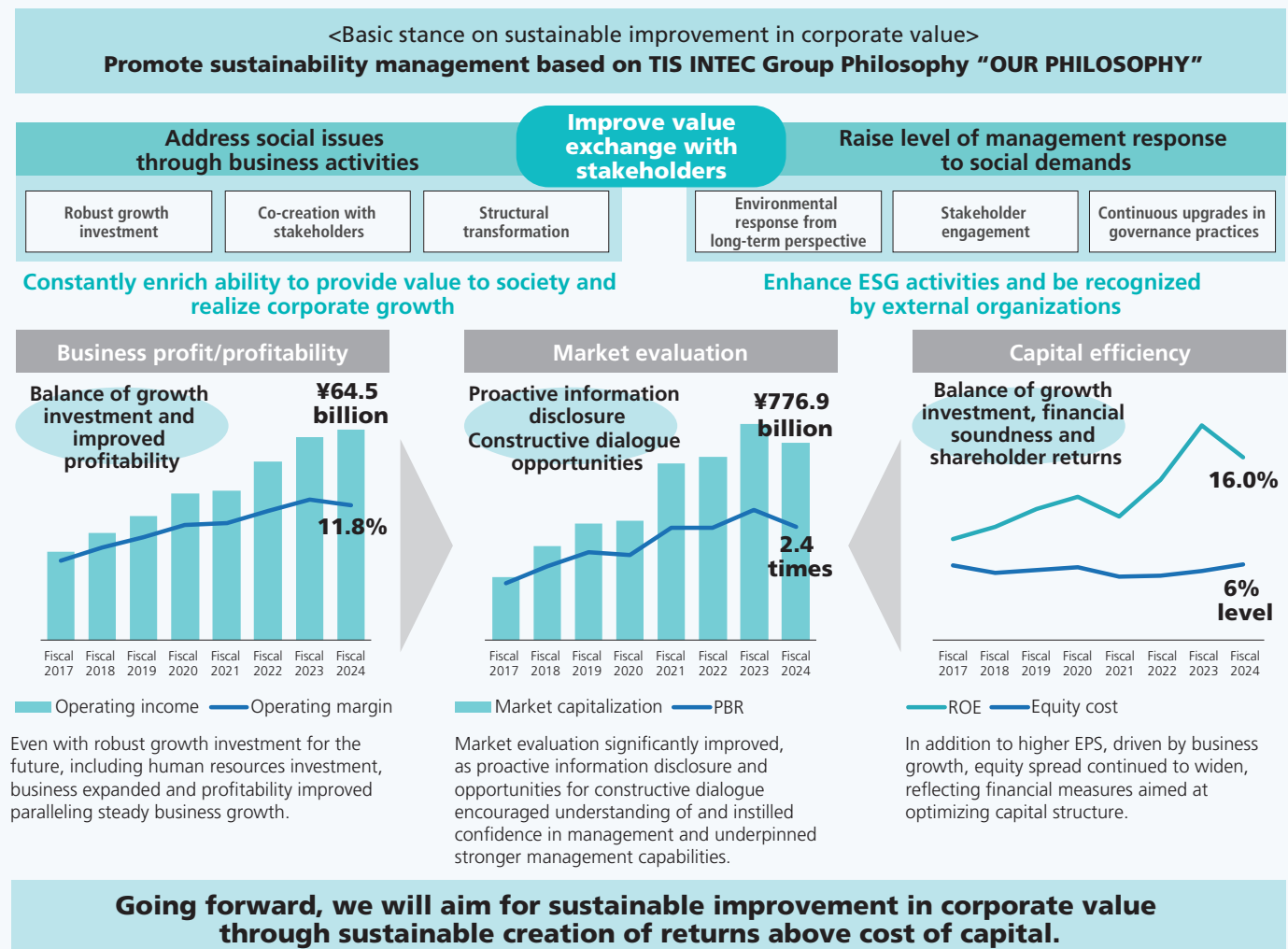
ROE, ROIC Improvement Structure



Seeking to improve corporate value

We seek to contribute to a sustainable society while continuously increasing corporate value through TIS INTEC Group philosophy “OUR PHILOSOPHY,” which forms the backbone of efforts to promote sustainability management throughout the Group and improve value exchange with stakeholders. In addition, conscious of capital costs, we have pursued proactive information disclosure, including efforts in human capital management, and constructive dialogue opportunities to encourage understanding of and confidence in management capabilities. Also, investing in growth for the future includes investing in human resources, and we have been successful thanks to a robust approach to growth investment that has buoyed business profits and profitability. At the same time, we have prioritized financial measures to optimize capital structure, with our equity spread continuing to widen. I believe management results like this underscore our ability to meet the expectations of shareholders, typified by a significant improvement in market valuation.

Building on the successes we have achieved to date, we will strive to improve corporate value and become a company brimming with hope for the future. This will help ensure that we remain the top choice for the market and shareholders. We will continue to boost corporate value through robust capital policies under a disciplined management approach. We will maintain a capital cost perspective, acknowledging the importance of sustainable returns that exceed cost of capital while balancing active investment for growth with improved profitability and constantly enriching shareholder returns commensurate with growth in business profits. Furthermore, we see engagement with shareholders and investors as opportunities to gather a variety of comments and opinions that may prove to be extremely valuable in designing future policies. I know we have applied insights gained from such engagement opportunities in making necessary adjustments to existing management methods. In other words, I think it would be fair to say that shareholders and investors have complemented our own efforts to strengthen management and enhance corporate value, and we will continue to actively connect, using dialogue as our point of contact, to understand and meet shareholder expectations.



Business Strategies by Segment

TIS INTEC Group extends its business in five segments—the Offering Services Business, Business Process Management, the Financial IT Business, the Industrial IT Business and Regional IT Solutions.

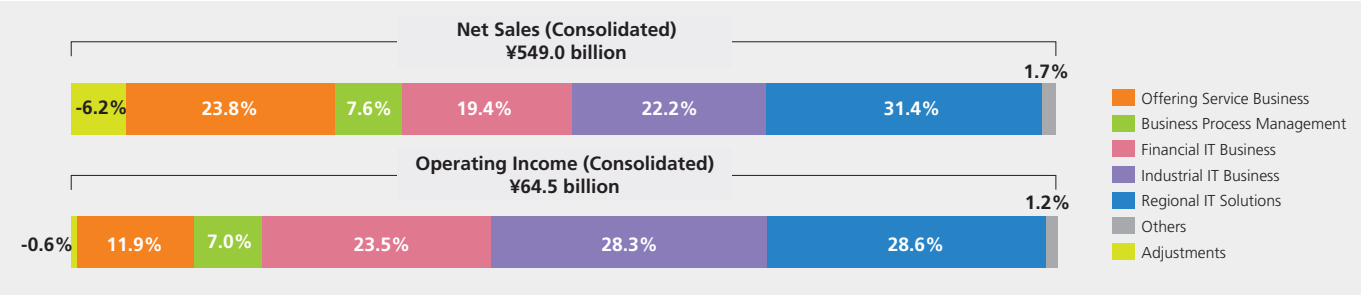
TIS clarifies the delegation of authority and scope of responsibilities for segment operators and works toward realization of growth strategies utilizing the strengths of each Group company to promote further structural transformation.

Fiscal 2024 Segment Review

Segments	Net sales (Millions of yen)	Operating income (Millions of yen) (Operating margin)	Segment assets (Millions of yen)		Number of employees at year-end (Person)	Per person		Net sales by business category	Number of companies
						Net sales (Millions of yen)*2	Operating income (Millions of yen)*3		
Offering Service Business *1 Configures services through own investment based on best practices accumulated groupwide and provides knowledge-intensive IT services.	130,759	7,659 (5.9%)	159,816		5,672	23.1	1.4		TIS and 26 consolidated companies (6 domestic, 20 overseas), 54 equity method affiliates (one domestic, 53 overseas)
Business Process Management Addresses issues related to business processes with IT technology, business know-how and skilled human resources to provide more sophisticated, more efficient outsourcing services.	41,953	4,551 (10.8%)	12,972		2,496	16.8	1.8		4 consolidated companies (3 domestic, one overseas),
Financial IT Business 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.	106,304	15,185 (14.3%)	88,392		1,964	54.1	7.7		TIS and one consolidated company (one domestic), 2 equity method affiliates (2 domestic)
Industrial IT Business 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.	121,896	18,287 (15.0%)	75,557		3,855	31.6	4.7		TIS and 9 consolidated companies (6 domestic, 3 overseas),
Regional IT Solutions 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.	172,376	18,497 (10.7%)	123,022		7,235	23.8	2.6		7 consolidated companies (7 domestic), 2 equity method affiliates (2 domestic)
Other *A business segment for business activities that do not fall under other reporting segments. Consists mainly of ancillary businesses providing all sorts of IT services.	9,581	777 (8.1%)	18,967		750	12.8	1.0	—	4 consolidated subsidiaries (3 domestic, one overseas)
Adjustments	−33,866	−390	46,727		—	—	—	—	
Total (consolidated basis)	549,004	64,568 (11.8%)	525,456		21,972	25.0	2.9		51 consolidated subsidiaries 58 equity method affiliates

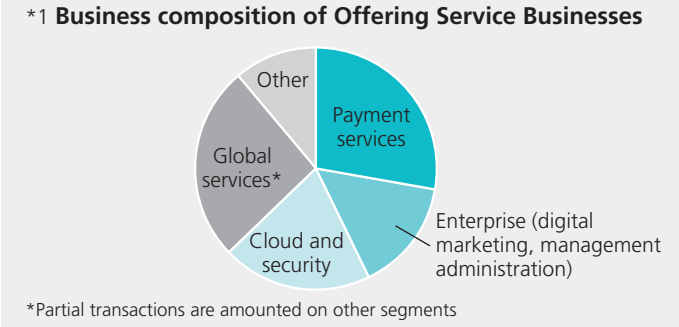
Fiscal 2024 Business Results by Segment

*Segment sales include intersegment sales.



Change in Reporting Segments

To promote further structural transformation, TIS implemented a change in the management structure of the TIS INTEC Group, and paralleling this change, the Company implemented a business model-specific management approach in revising its reporting segments, effective from fiscal 2023.



*2 Fiscal 2024 net sales by segments/ number of employees by segments at March 31, 2024.
*3 Fiscal 2024 operating income by segments/ number of employees by segments at March 31, 2024.

Offering Service Business

We will accelerate efforts to become a real driver of growth, and we will strive to improve profitability by focusing on service-based business and global operations.



Kiyotaka Nakamura
TIS, Senior Managing Executive Officer,
Division Director, Digital Innovation SBU

The Offering Service Business covers multiple domains, including payment services — which turn knowledge gained through systems integration for financial institutions into solutions — insurance and healthcare, digital marketing and business administration services. This segment is also involved in global operations.

Under the previous medium-term management plan, we expanded payment-related services and overseas operations. These efforts, along with the inclusion of Nihon ICS under the TIS INTEC Group umbrella from fiscal 2024, pushed segment sales higher than expected and enabled us to expand business scale to a certain degree. Unfortunately, the segment did not reach its operating income target, mainly because activities are still in an upfront investment phase. Measures to improve profitability are certainly seen as an urgent priority.

As we enrich the content of payment services under the new medium-term management plan, several solutions will enter recovery phase — that is, begin to contribute to profits. We will also be focusing on profitability, seeking improvement through business structure reforms in our global operations. We will reinforce specific services and capabilities, including digital marketing and healthcare solutions, as well as services aimed at resolving social issues, and we will strive to create new value as a growth driver of the TIS INTEC Group.

Business environment

- Cashless market continues to grow.
- Amid trend toward decrease in settlement fees, next-generation payment options, such as account-to-account (A2A) and central bank digital currency (CBDC), will become more widespread in medium to long term.
- Demand for business administration and cloud computing services will continue to grow, along with greater need among corporate clients to use AI and data analysis to underpin business growth.
- ASEAN feeling impact of slowing Chinese economy.

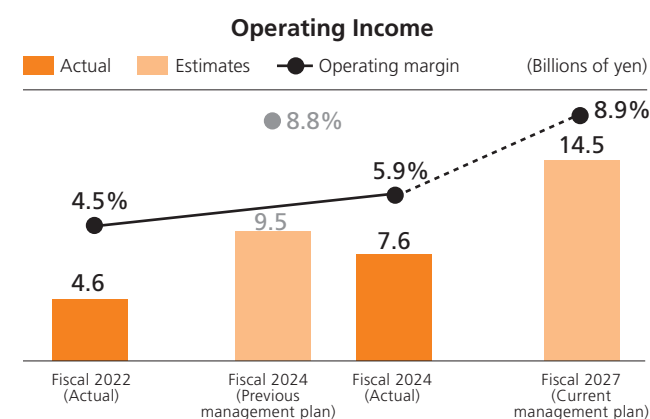
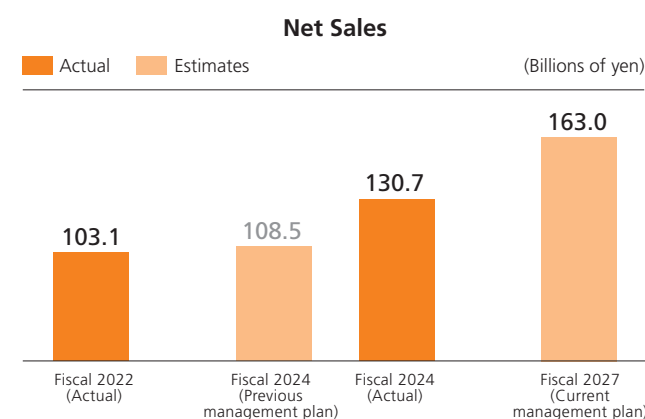
Strengths

- Ability to utilize industry knowledge accumulated through systems integration operations and provide upfront investment-style services incorporating universal services as standard features.
- Solid quality, cost and delivery (QCD) management capabilities built on experience in large-scale systems configuration.

Issues in focus

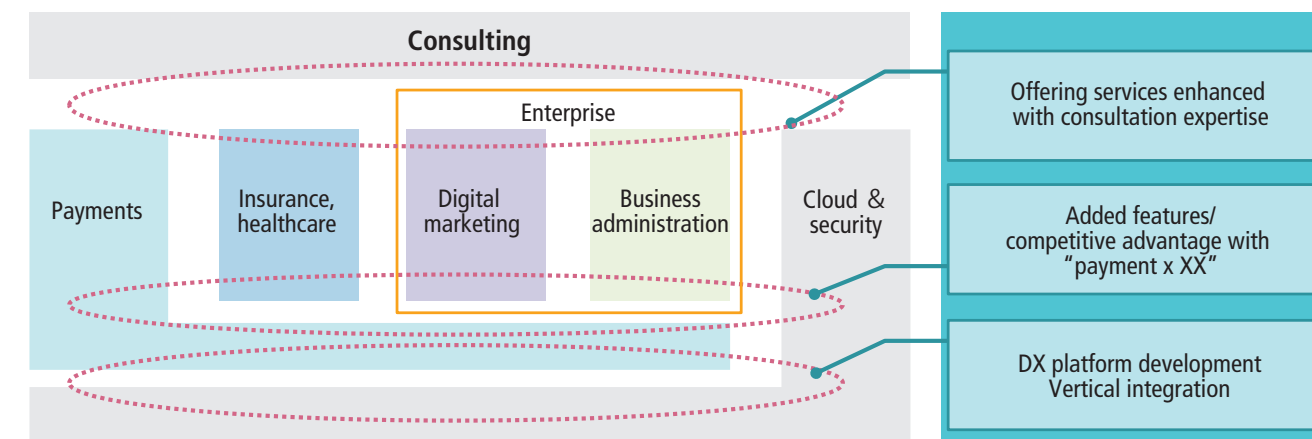
- Need to maintain high growth rate and improve profitability.
- Must accelerate shift toward recurring business, driven by payment services.
- Need to provide comprehensive lineup of offering services, from consultations to IT delivery, to achieve higher added value.

Changes in Net Sales and Operating Income



Growth strategies designed to expand business even further

Basic direction



Offering services enhanced with consultation expertise	<ul style="list-style-type: none"> ● Reinforce consultation expertise ● Provide even more comprehensive lineup of offering services, from consultations to IT delivery
Competitive advantage with "payment x XX"	<ul style="list-style-type: none"> ● Make payment services more value-added by combining other features with forte payment settlement, and sharpen competitive edge in demand areas of healthcare and digital marketing
DX platform development Vertical integration	<ul style="list-style-type: none"> ● Develop platforms that provide services, accelerate market entry of services, and strengthen ability to respond to changes ● Promote integration between business/function layer and infrastructure layer to improve added value

Key points of medium-term management plan, and goals to achieve

- Improve profitability by controlling investment in services that have moved from growth stage to harvest stage, and do this by reinforcing service portfolio management.
- Emphasize business strategies hinging on payment settlement but also actively pursue M&A opportunities and enhance management capabilities.
- Expand business portfolio through M&A.

Topics

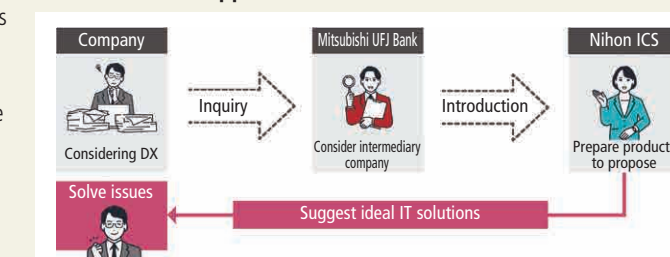
Nihon ICS participates in Mitsubishi UFJ Bank's DX Support Scheme with second edition of Tax Accountant 360 Concept

TIS INTEC Group company Nihon ICS participated in DX support scheme promoted by Mitsubishi UFJ Bank to help clients implement DX, and brought to this scheme its second service under *Zeirishi 360 Koso* ("tax accountant 360 concept"), a medium- to long-term initiative launched as a solution to address various issues faced by tax accountants.

In recent years, DX has piqued the interest of small and medium-sized enterprises seeking ways to ameliorate management issues, such as going paperless, dealing with labor shortages, complying with the Electronic Bookkeeping Act, and integrating remote work into workstyle options. There is an urgent need for tax accountants, too, to be able to provide services that help their corporate clients and self-employed individuals address issues affecting business.

Drawing on digital technologies, such as generative AI, and strengthening collaborative efforts with companies inside and outside the TIS INTEC Group, Nihon ICS offers a 360° support menu for tax accountants under the tax accountant 360 concept. This initiative complements existing mainstay tax and accounting software operations.

Overview of DX support scheme



Details ▶ <https://www.icscs.co.jp/post-news/47421> (in Japanese only)

Business Process Management

We will boost the value of our services even higher by leveraging the synergies derived through stronger intersegment collaboration within the Group.



Kiyotaka Nakamura
TIS, Senior Managing Executive Officer,
Division Director, Digital Innovation SBU

Business Process Management (BPM) is a segment that utilizes digital technology and operational know-how to support optimization of client-side business processing needs. Activities include outsourcing services, contact center operation, system configuration and DX support that smooths the introduction of IT solutions.

The business environment for existing data entry services became increasingly difficult through the latter part of the previous medium-term management plan, mainly due to the advance of digitization. This had a significant impact on segment performance in fiscal 2024, culminating in lower sales and income year on year.

An urgent issue that we will have to address during the current medium-term management plan is to review our business portfolio and then selectively increase added value to differentiate our services from our competition. We are considering a shift toward the high-demand customer experience (CX) area and will emphasize development of services that involve collaboration with other segments. In particular, the integration of services, that is, solutions, and BPM is expected to lead to increased value added across the value chain and ultimately put this segment back on a growth trajectory. With this in mind, I was given responsibility for BPM as well as the Offering Services Business, and I will do my utmost to enhance added value and get the segment into the black.

Business environment

- With no course correction on labor shortage or workstyle reform, business process outsourcing (BPO) market should remain in gradual growth mode.
- Demand for labor-intensive, simple outsourcing, such as data entry work, is shrinking due to digital advances, but demand for services to digitize business processes is brisk.

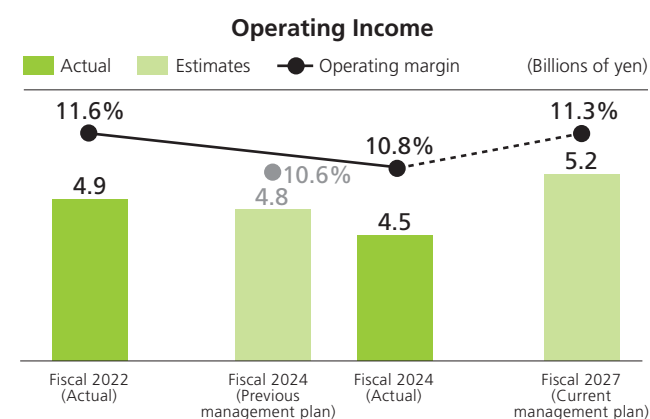
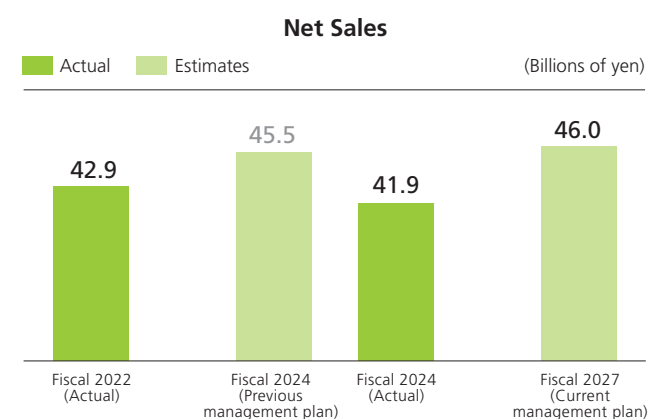
Strengths

- Unique methodology that turns service know-how accumulated over half a century into a system.
- In-house system development capabilities.
- Comprehensive capabilities to optimize business processes overall by providing combination of BPO and SI services.
- Business know-how based on outsourcing results for insurance industry.

Issues in focus

- Must respond to intensifying price competition.
- Need to reduce labor-intensive, simple outsourcing operations to free up personnel for other business activities
- Must address decline in working population and boost productivity.

Changes in Net Sales and Operating Income

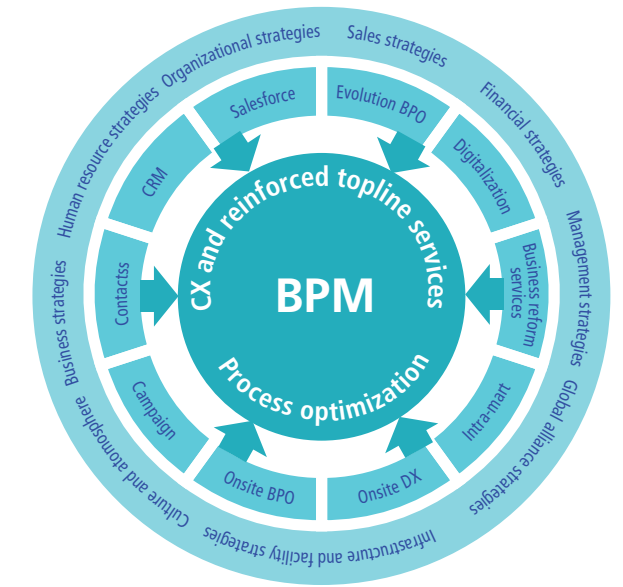


Growth strategies designed to expand business even further

Basic direction

Contribute to maximum value creation by addressing challenges faced by clients and continually providing services that put IT and outsourcing expertise to best use.

Field	<ul style="list-style-type: none"> ✓ CX, which contributes to maximum top line for clients
Style	<ul style="list-style-type: none"> ✓ Use shared management challenges to build lasting partnerships, and transform services offered (into SPB domain) ✓ Establish connection that is irreplaceable, from client perspective
Services	<ul style="list-style-type: none"> ✓ Create business models, and deliver internal and external solutions as integrated capabilities ✓ Provide comprehensive services combining operations and IT by formulating models and strategies that match needs of clients



Key points of medium-term management plan, and goals to achieve

- Shift business emphasis toward CX and reinforced topline services and strive to differentiate from rivals by focusing more on added value than cost competitiveness, while modifying the area where we deliver value so that we can maximize value creation for clients.
- Create synergistic effect within the Group by combining BPM expertise of AGREX with IT solutions to deliver high-value-added administrative services.
- Form partnerships with clients and concurrently strive to build track record of providing more effective and efficient BPM services, turning co-creation projects into business models, and expand client base through shared development.

Topics

Promote real change in business processing through BPM. Co-create with clients to realize ideal format.

AGREX, a member of the TIS INTEC Group, ran a Process Transformation Challenge workshop for Hansaku Life Insurance Co., Ltd., where participants gained knowledge and skills necessary to revitalize the company's business processing work. In conjunction with this workshop, AGREX and Hanasaku Life co-created improvement measures based on actual issues of concern. The workshop enabled management at Hanasaku Life to formulate a concrete plan to cut annual costs more than ¥40 million by reducing the amount of time spent by employees on administrative tasks by about 60%. In addition, the workshop provided an opportunity to get employees solidly behind management's plan to transform business processing.

Details ► https://www.agrex.co.jp/case/process-transformation-challenge_01.html (in Japanese only)

Financial IT Business

We will strive to deepen relationships with clients and expand our client base by attracting wider market attention with new value.



Hidehiko Shimoyama
TIS, Managing Executive Officer,
Division Director, Financial Industry SBU

The Financial IT Business provides one-stop support across entire system lifecycles based on knowledge specific to the finance industry. This segment strengthens partnerships with clients in the finance industry, focusing on core clients, and helps them find solutions to management issues.

Under the previous medium-term management plan, our focus was on developing business through stronger relationships with core clients. We were particularly keen to ensure smooth execution of large-scale development projects for core clients in the credit card industry as well as public-sector financial institutions. Through such efforts, we achieved targets a year ahead of schedule and continued to post favorable results in fiscal 2024 as well.

However, work on large-scale projects, which had driven growth, peaked, and going forward, business results will come under pressure as revenues from large-scale projects are now on a downtrend. Our true value will be put to the test, and I know that a major challenge for this segment will be to chart a new path for growth. During the current medium-term management plan, we aim to achieve rapid recovery in business performance by deepening our relationships with existing clients and attracting wider market attention by providing new value derived from system modernization activities.

Business environment

- Fintech market is bustling thanks to greater interest in cashless payment and online banking as well as an increase in online investment.
- Seeing accelerated pace of entry by non-financial companies into finance industry and greater collaboration among participants as embedded finance gains momentum.
- Banks and securities firms keen to streamline staffing and cut branch operating costs through digital technology but face challenges in automating administrative tasks and making the DX shift without eroding contact with clients.
- Migration from host legacy systems to open, cloud-based systems in full-swing as companies seek to cut costs and improve serviceability.

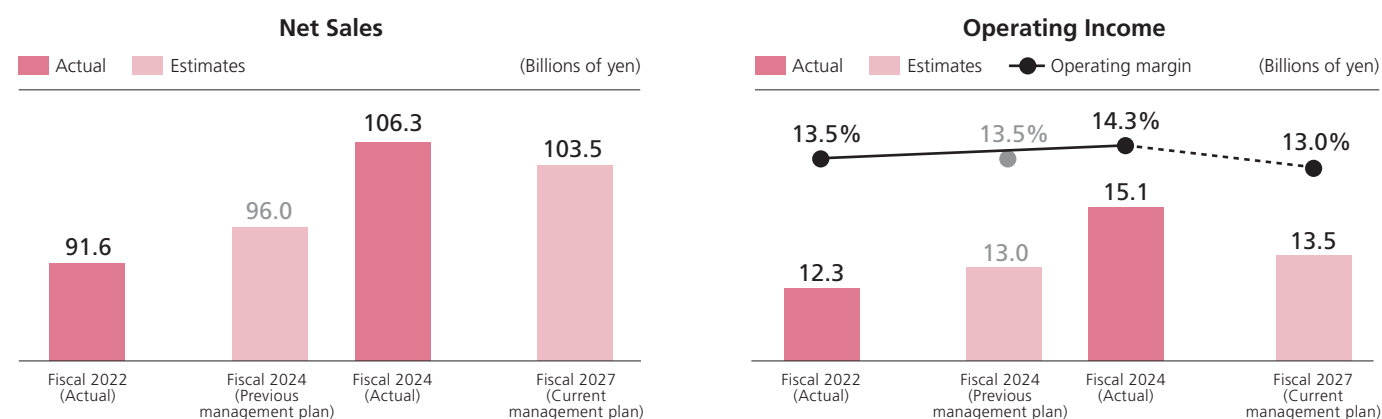
Strengths

- Overwhelming share in developing credit card-oriented core systems and providing services related to branded debit cards.
- High-level technologies and know-how accumulated through core system development and operation for large credit card companies.
- Strong relationships of trust built with core clients through high-quality system support.

Issues in focus

- Must review growth trajectory since work on large-scale projects peaked and income now trending downward.
- Need to reinforce co-creation opportunities with existing clients.
- Must diversify client base by applying Group strengths and know-how to services for wider demand market.

Changes in Net Sales and Operating Income



Growth strategies designed to expand business even further

Basic direction

- Contribute to development of society and help address social issues, especially financial inclusion.
- Establish solid business foundation to get back on growth track after number of active large-scale projects peaked.

Existing client sectors

- Return to growth after number of active large-scale projects peaked.
- Maintain segment strengths of quality and reliability in financial IT services offered while maintaining steady progress on large-scale projects still ongoing.
- Deepen and transform relationships with clients through co-creation approach to new business opportunities.

Grow service-driven businesses

- Accelerate cross-selling within and beyond the segment, and focus on expansion of all service-driven businesses.
- Continue active investments in Financial IT Business to create services.

Cultivate new domains and attract new clients

- Initiate full-scale launch of system modernization business for clients in finance sector.
- Make proposals to existing clients, and create synergy across entire segment.
- Stay ahead of new technologies to help clients launch new businesses and improve operating efficiency.

Key points of medium-term management plan, and goals to achieve

- Deepen relationships and expand business prospects through dialogue and co-creation with existing clients.
- Use system modernization service to attract new core clients.
- Expand client base by applying accumulated high-quality system support capabilities in other industries.
- Build know-how in system modernization techniques and reinforce structure to better promote services.

Topics

Expand client base through system modernization service

Under the medium-term management plan, Xenlon-Shinryu Modernization Service, developed in-house, is integral to our goal of attracting new core clients.

This service has already been adopted by many companies in the industrial sector and has acquired a track record for legacy modernization that is among the best in Japan across different industries. During the medium-term management plan, we will execute a full-scale launch of modernization services for financial institutions to expand our client base.

What is the Xenlon-Shinryu Modernization Service?

The conversion rate for Xenlon-driven migration from legacy languages, such as COBOL and PL/1, to Java, is far and away higher than for any other service, demonstrating an enviable level of safety and reliability in modernizing large-scale legacy systems in a short timeframe. The Xenlon-Shinryu Modernization Service solves the following challenges faced in modernizing systems.

- Challenge 1** Delivery: Migration period too long → Migration period reduced to half
- Challenge 2** Cost: Massive development expense → Development costs reduced to half
- Challenge 3** Quality: System quality not guaranteed → 100% quality guarantee



Details ▶ https://www.tis.jp/service_solution/xenlon/ (in Japanese only)

Columns by system migration experts are posted here ▶ <https://www.tis.jp/special/modernization/> (in Japanese only)

Industrial IT Business

We aim to strengthen our relationship as a business partner to clients while pursuing co-creation business opportunities and providing new value to our clients and to society as a whole.



Satoru Tayasu
TIS Managing Executive Officer,
Division Director, Industries & Public Solutions SBU

The Industrial IT Business provides support to a wide range of clients in different private sectors as well as the public sector over the entire system lifecycle, from planning and consultations to system configuration, operation and suggestions for full utilization. We have a proven track record in various fields, including energy, manufacturing, services, distribution, retail, engineering and social infrastructure, and boast strengths in system modernization and enterprise resource planning (ERP) implementation.

Under the previous medium-term management plan, we hit our performance targets a year ahead of schedule by maximizing our relationships with clients, improving the value we provide through DX, and promoting ERP and other large-scale projects. In fiscal 2024, the final year of the plan, we maintained favorable results through a proactive approach to clients' IT investment needs and ERP demand. We prioritized efforts to reinforce relationships of trust with clients and enhance profitability and were rewarded with the highest operating margin of any TIS segment. Going forward, we will continue to develop new strengths and create new businesses in addition to improving quality and productivity so that we grow along with our clients.

The new medium-term management plan will guide us in building stronger relationships with clients as a business partner, as we pursue opportunities to co-create businesses drawing on the combined capabilities of the TIS INTEC Group and provide new value to our clients and to society as a whole.

Business environment

- DX demand continues, with interest from clients in a wide range of industries.
- System upgrade demand continues, especially requests for system modernization and ERP.
- Energy-related business opportunities taking shape as world moves toward realization of decarbonized society.
- Companies increasing investment to digitize administrative work and customer contact points to offset challenges posed by shrinking workforce.

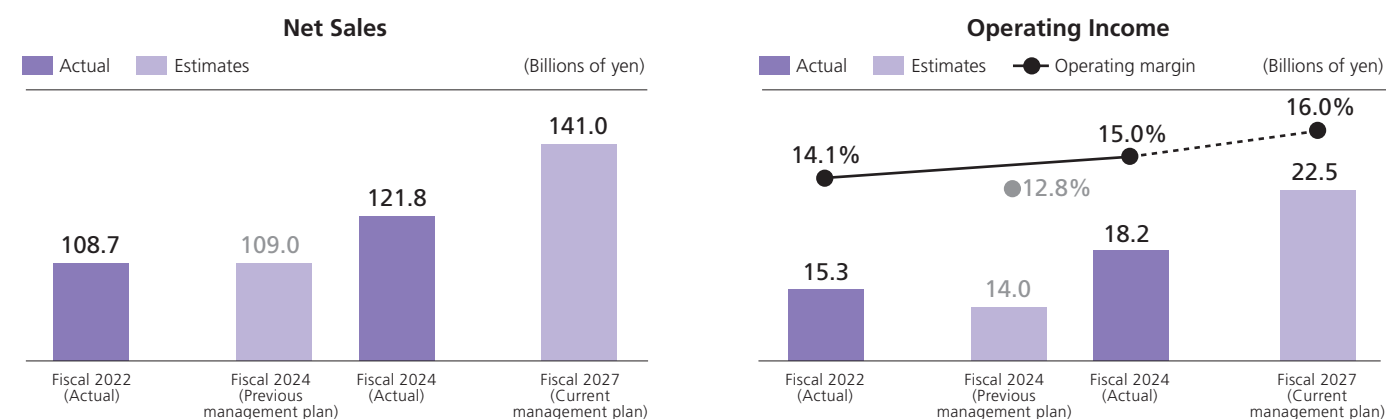
Strengths

- Industry and administrative insights and IT utilization know-how accumulated through services for wide range of clients.
- System integration, modernization services and core ERP configuration capabilities.
- Relationships of trust with clients built through high-quality system responses.

Issues in focus

- Aim to strengthen sales and business promotion efforts (reinforce marketing activities, segment collaboration and client partnerships)
- Seek to enhance business structure (improve value in IP and DX services provided, promote and develop SPB, and sharpen market development capabilities)
- Work to boost quality and productivity (constantly raise software development productivity, quality, and external leverage)

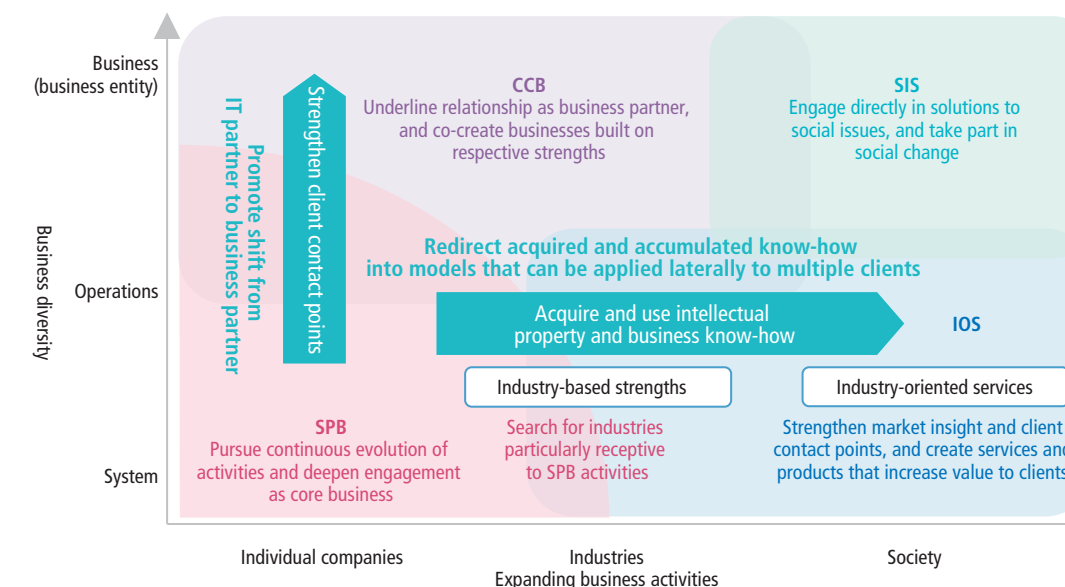
Changes in Net Sales and Operating Income



Growth strategies designed to expand business even further

Basic direction

- Support clients' growth and build more extensive client portfolio (promote continuous and progressive development of SPB).
- Leverage acquisition and use of intellectual property and business know-how, and create and develop industry-based strengths and industry-oriented services.
- Reinforce client contact points to create and develop new co-creation businesses, based on strategic partnerships



Key points of medium-term management plan, and goals to achieve

- Leverage strength of extensive client base to reinforce industry-specific approach, and promote further development of client base and services with focus on manufacturing, energy and social infrastructure-related industries.
- Actively develop strengths, especially in regard to system modernization, BPO (pertaining to IT), ERP, consultation and client business support, and secure growth trajectory by eliciting new demand from existing clients and attracting attention of new clients.
- Strengthen collaboration with development partners and strive for improvements in quality and productivity to underpin stable business evolution.
- Ensure continuous development and retention of human resources, and establish structure that includes rotation across segments.

Topics

TIS and Asahi Kasei established Akliteia® digital anti-counterfeiting platform

TIS worked with Asahi Kasei Corporation to establish Akliteia®, a digital anti-counterfeiting platform to address the issue of false labeling of products. This digital solution draws on Asahi Kasei's proprietary technology and TIS' blockchain technology to ensure authenticity and validate product origin.



Start of practical verification of energy management system for coordinated control of electric vehicles and commercial air conditioning

Practical verification began on an energy management system that utilizes renewable energy to charge and discharge control systems for electric vehicles and control demand systems for commercial air conditioning. Note: Verification conducted by four companies — Nissan Motor Co., Ltd., Daikin Industries, Ltd., TIS, and Matsumoto Precision Co., Ltd. — under participating general incorporated association AICT Consortium.



Regional IT Solutions

We will help solve social issues and create new value, underpinned by a balanced operating base and wider IT support directly linked to clients' business strategies.



Regional IT Solutions provides IT-specific professional services through highly skilled IT engineers who typically work on-site at client premises. We leverage the know-how cultivated through on-site activities to roll out unique IT solutions nationwide in five key areas: government administration, healthcare, finance, industry and infrastructure.

Under the previous medium-term management plan, segment sales and income grew, thanks to a strong push to support small and medium-sized enterprises as they expanded DX-driven IT investment, and we achieved performance targets. However, unprofitable projects had a considerable impact on income in fiscal 2024, leading to a year-on-year decrease. An urgent issue for this segment, if we are to prevent projects from turning unprofitable in the future, is to strengthen quality management.

Under the new medium-term management plan, we will take advantage of the trend among local governments to standardize systems, which is expected to gain momentum going forward, and we will reinforce our operating base with balanced development of services appropriate to all government levels, from urban to rural. We also aim to create new value to address management issues of concern to our clients as well as issues that affect society through qualitative evolution of business activities. This will be achieved by incorporating the latest technologies into services and by combining IT-specific professional services with solutions.

Business environment

- Demand for IT is strong in various sectors, notably, government administration, healthcare and manufacturing, driven by government-led DX and smart city initiatives.
- Local governments across Japan are genuinely keen to transition to standard-compliant systems by the end of fiscal 2026.
- Generally favorable business results across finance industry, encouraging major companies, including banks, insurers and securities firms, to invest more in IT.
- Need for regional collaboration and data integration in healthcare sector increasing as population ages to ensure patient safety.

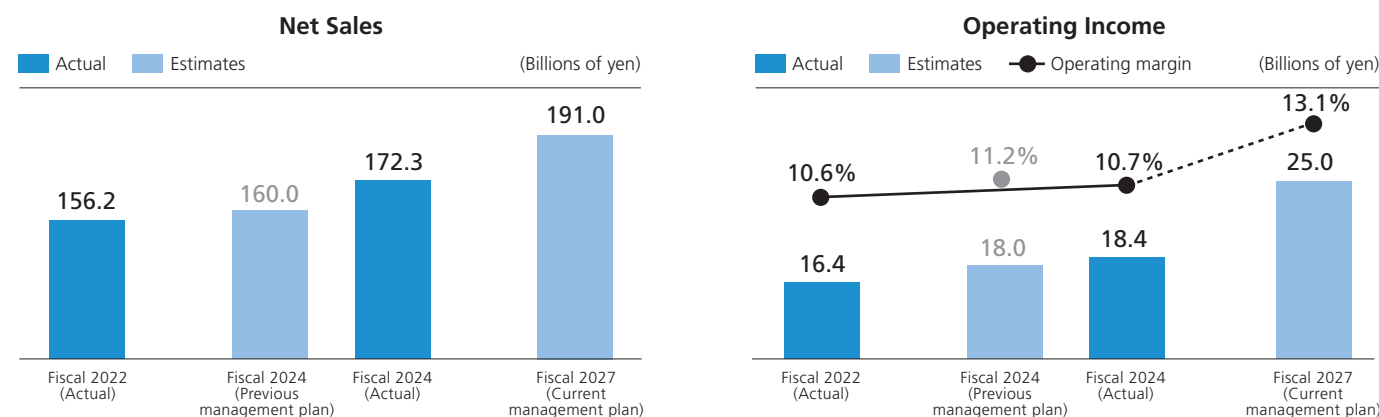
Strengths

- Extensive industry representation in client base, including local governments, financial institutions, manufacturers, service providers and aerospace companies from across Japan.
- Business insights cultivated through fusion of network integration and system integration, synergy with unique services, and extensive menu of IT-specific professional services applicable to wide range of industries and business formats
- Proven track record in implementing solutions for regional banks and local governments, including comprehensive information solutions for financial institutions and system implementation and operation for Federation of National Health Insurance Associations.

Issues in focus

- Seek to transition to more profitable and productive business structure.
- Must create new businesses on social issue resolution theme through co-creation with clients.
- Working to boost quality management
- Aim to improve productivity and cut costs through robust use of latest technologies.

Changes in Net Sales and Operating Income



Growth strategies designed to expand business even further

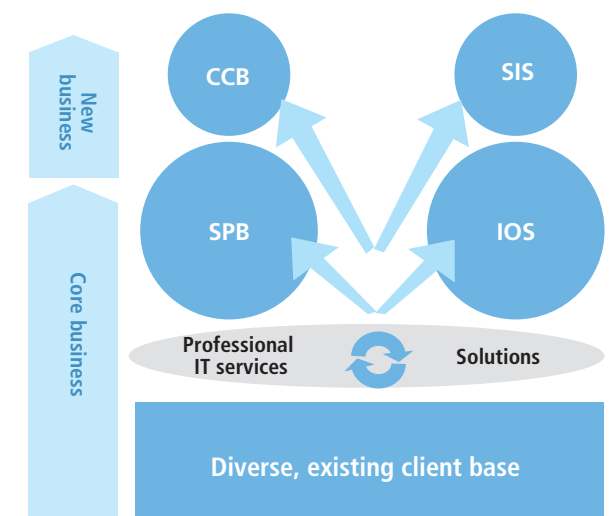
Basic direction under new medium-term management plan

The growth strategy laid out by TIS is two-fold: 1) to leverage a client base extending across a wide regional and industry range in five key areas — government administration, healthcare, finance, industry and infrastructure — while expanding core businesses through a geographically wide rollout of solutions fine-tuned to each business area, and 2) to increase the ratio of sales from strategic domains to consolidated net sales by creating new businesses hinging on social issue resolution.

Business areas where segment can demonstrate strengths

Wide-area promotion	Provide balanced regional IT solutions in big cities and rural areas
Administration DX	Promote wider use of digital technology at municipal level in line with national government's push toward standard-compliant systems
Medical DX	Promote wider use of digital technology in healthcare settings in line with national government's policy on medical DX
Financial DX	Promote DX through co-creation of business and IT strategies with client megabanks, regional banks, life and non-life insurers, and securities firms
Industry DX	Provide solutions that help industries broadly and companies specifically address management issues
Infrastructure DX	Provide platforms for building social systems

Business Vision / Business Image



Key points of medium-term management plan, and goals to achieve

- More steadily implement measures to prevent projects from turning unprofitable and establish strong business foundation based on quality management. Strive to raise profile as a trusted top brand known for quality by reviewing and building better quality control processes, offering programs that enable employees to hone sharper skills, establishing system for proactively incorporating feedback from clients, and encouraging everyone to work as a cohesive team to promote quality-improvement initiatives.
- Shift to a more profitable and more productive business structure by leveraging integration of professional IT services and solutions, and increasing sales from SPB activities, which involve key large clients as strategic partners, and IOS activities, which focus on original solutions, as percentage of overall net sales. Aim for value creation through co-creation with cross-industry clients in each region.

Topics

Contribute to realization of carbon-neutral society through next-generation power management

Hokuriku Electric Power Company and INTEC, both of which have business bases rooted in the Hokuriku region, embarked on joint activities to contribute to development of the regional economy by complementing reciprocal strengths of the energy business and digital technology, respectively, to realize energy resource aggregation.

The joint effort will culminate in a new demand response service for next-generation power management that uses INTEC's smartphone app UCHITAS to link distributed energy sources (DER), such as EcoCute heat pump water heaters and storage batteries, to home appliances, such as air conditioners and lights. The service will optimize household power consumption and boost power system efficiency through remote and integrated control.

Efforts also include work on cybersecurity measures needed for this service, utilizing the results of research conducted jointly since 2020 with the Regional ICT Platform Laboratory at Keio University Research Institute at SFC.

Details ▶ https://www.intec.co.jp/news/2024/0611_1.html (in Japanese only)

Platform for Growth: Capable Management and Stakeholder Engagement

The Group is promoting environmental, social and governance initiatives to underpin its value creation. In addition, TIS strives to build bonds of trust through active communication with all stakeholders and to promote sustainable corporate value in harmony with the evolving values of society.

Platform that supports value creation of the Group



Environment	Social	Governance
Contribute to decarbonized society and recycling society	Sustainable improvement in stakeholder engagement	Constantly strive for governance that promotes higher level of trust from society
P.107	P.53, P.111	P.84

Corporate Governance Roundtable Discussion	84
Corporate Governance	87
Compliance/Information Security/Personal Information Protection	101
Risk Management	103
Quality Control and Production Innovation	105
Natural Capital—For the Global Environment	107
Social and Related Capital—With Clients	111
Social and Related Capital—With Business Partners	112
Social and Related Capital—With Shareholders and Investors	113
Social and Related Capital—With Local Communities and Society	114

*See Human Resources Strategies (P53) regarding human capital



Corporate Governance Roundtable Discussion

We will create greater diversity in the composition of the Board of Directors and demonstrate an enhanced monitoring function.



Toru Kuwano,
Chairman (Chairman of the
Board of Directors)

Naoko Mizukoshi,
External Director

Fumio Tsuchiya,
External Director

Transition to monitoring-based Board of Directors

Kuwano: Strengthening corporate governance is an ongoing priority for TIS. In fiscal 2024, ended March 31, 2024, we focused on key topics, such as Group Vision 2032 and Medium-Term Management Plan (2024–2026), and worked to transition the Board of Directors from a management-based structure to a monitoring-based structure.

Tsuchiya: I think we made a good start on the transition to a monitoring model. Certainly, we dedicated a lot of time to exploring basic management policies, including the underlying strategies in Group Vision 2032 and Medium-Term Management Plan (2024–2026). With the Board of Directors functioning as a monitoring-based structure, the executive side will gain considerably more discretion over decisions than ever before.

Mizukoshi: At the same time, we have to have a meeting agenda that elucidates clear goals and the connection to medium- to long-term policies as well as a timeline for implementing relevant strategies so that the Board of Directors can properly monitor progress. On a slightly different note, the Nomination Committee and Compensation Committee worked toward revision of the executive compensation system in fiscal 2024, but from fiscal 2025 onward, I'd like these committees to delve deeper into succession plans and consider the composition of an ideal management team.

Kuwano: To enhance board functionality, it is essential that the executive side — not only members of the board but also executive officers and frontline managers throughout the TIS INTEC Group — act as a cohesive team and, from a high vantage point, ensure accurate execution of operations. As well, the future described in Group Vision 2032 requires

leaders who can inspire employees and also requires greater diversity in our workforce.

Tsuchiya: Mr. Kuwano, you mentioned executive cohesiveness. TIS is constantly promoting activities to deepen awareness of the TIS INTEC Group philosophy OUR PHILOSOPHY, which I believe is an extremely important process for cultivating a shared perspective throughout the Group. The number of companies under the Group umbrella continues to increase, creating human resources with diverse backgrounds and culture. Consequently, if the entire group is to move together toward the same destination, the Board of Directors must manage risks from a groupwide perspective.

New Group Vision and New Medium-Term Management Plan

Tsuchiya: Under the previous medium-term management plan, TIS achieved very commendable results, none better than reaching financial targets a year ahead of schedule. But I have the impression that shareholders and investors see current results as having hit a plateau of sorts and are waiting on the next growth strategy and its effectiveness. Group Vision 2032 is, to me, an extremely ambitious vision for the future. To TIS, it's not some castle-in-the-sky dream, as management is truly determined to realize this vision and meet the expectations of shareholders, investors and other stakeholders. But success undoubtedly depends on a making offering services profitable and reinforcing overseas operations.

Mizukoshi: The Board of Directors has delved extensively into strategies designed to achieve growth, including steps to improve the profitability of Offering Service Business and creating services to solve social issues. These strategies are

organically linked to basic strategy, so implementing them separately is unlikely to yield the desired results. The key is smart selection and concentration. TIS needs to direct resources into areas where the Group has a competitive advantage as this will underpin a successful growth strategy. More importantly, however, is trust. TIS — indeed, the entire TIS INTEC Group — must earn and keep the trust of clients and strategic partners who regard this organization as an innovative, forward-thinking co-creation partner. I think we allocated sufficient time to key discussions about securing the talent to drive the growth strategy and creating an environment in which these people can thrive, which ultimately cements trust.

Kuwano: As you point out Ms. Mizukoshi, human resources hold the key to achieving further growth through new pursuits. To build the business portfolio described in Group Vision 2032, it's essential that we complement parallel-model businesses, such as contract system development matched to client needs, which has always been our forte, by creating new businesses and cultivating self-sustaining businesses, such as service-based businesses that anticipate client needs. We are working to diversify human resources in terms of job category through skill development and recruitment of individuals, such as consultants, who already have the expertise we seek. But more must be done.

Mizukoshi: Generally speaking, the type of talent and organizational structure required by companies developing systems differs from that of companies selling products (solutions). This applies to the TIS INTEC Group as well. A human resources portfolio that drives corporate results is vital for TIS to grow both parallel-model businesses and self-sustaining businesses. I think, to complement the positive impact of recruitment and M&A, we should consider analyzing the organizational structure and work environment of innovative companies in Japan and abroad where individuals with excellent skills are able to showcase their capabilities. Job satisfaction, along with compensation, is extremely important to employees who have invested in their qualifications. Providing a comfortable environment that enables these talented individuals to showcase their capabilities inevitably leads to enhanced organizational efficiency and improved operating income per person, a key metric included in Medium-Term Management Plan (2024–2026).



Tsuchiya: Achieving higher average operating income per person on a groupwide basis requires an increase in operating income per person from each business. At the same time, it's important to reduce the occurrence of unprofitable projects for many reasons, not the least of which is to ensure that the

time talented individuals put into projects is actually well spent. In my experience, management issues arise due to inaction — that is, when leaders fail to do what leaders are supposed to do. Within the TIS INTEC Group, various steps are being taken to reduce the occurrence of unprofitable projects, and I have emphasized to different audiences the need for leaders to actually lead and eliminate inaction.

Expectations and evaluation from stock market

Tsuchiya: The other day, I had the opportunity to speak with institutional investors. From our conversation, I sensed that the steady growth charted by the TIS INTEC Group to date has raised expectations among institutional investors to a new level. The Group's information disclosure is deemed quite comprehensive, but I believe that opportunities for me, as an external director, to engage with investors leads to a deeper appreciation of what TIS and the whole TIS INTEC Group does. Providing appropriate information and repeatedly engaging shareholders and investors in dialogue about the Group's growth strategy will surely produce a fair market evaluation.



Mizukoshi: To keep shareholders long term, TIS must ensure that they believe the Company, and by extension, the Group, can achieve sustainable growth. TIS must explain both its aggressive approach to challenges and swift response to unprofitable projects in a timely manner so that shareholders have that eureka moment and see the potential for future growth and profitability. If TIS can do that, the stock market is sure to factor performance expectations into its evaluation of the Company. With large-scale system development projects having peaked and now on a downtrend, TIS needs to communicate that the Group is on track to the next stage of growth. Maybe TIS hasn't conveyed the message well enough. Also, the Board of Directors must take an in-depth look at the growth strategy — is it reasonable, rational, doable? — and monitor progress and any issues that arise.

Kuwano: As you both point out, we have to encourage the executive side to give shareholders and investors a clear picture about our path to growth to gain their trust and respect. Because business execution and supervision functions are separate, I don't get involved in the executive side of business. But I am available for individual consultations when necessary and share honest opinions and advice based on my experience in executing operations. For example, I will indicate whether or not initiatives taken by each Group company are being properly coordinated so that, in the big picture, the Group shines. That is, have we as a corporate group achieved overall optimization without sacrificing the individual characteristics that make each Group company unique?

Seeking diversity in composition of Board of Directors

Mizukoshi: As an external director, I strive to ensure that the Board of Directors tackles topics to the satisfaction of diverse stakeholder groups, including shareholders. I have experience as an external director, and I know management expects me to apply the knowledge and expertise I have gained. Therefore, when appropriate, I voice my opinion that swift action would be the sensible thing to do, taking the external environment into account, and I will stand behind bold but necessary moves on the business execution side while confirming a clear commitment to the timeline for implementation.

Tsuchiya: In fiscal 2024, not only did the Board of Directors set an agenda for its meetings, which Ms. Mizukoshi touched on earlier, steps were taken to boost efficiency. This included defining the role and position expected of each director based on individual background and skills, and deepening a shared perspective on issues. The great thing about the Board of Directors at TIS, as well as the nomination and compensation committees, is the culture of open, candid discussion that permeates these structures. As an external director entrusted to represent shareholders, I will continue to engage in frank discourse.



Kuwano: The TIS INTEC Group places considerable importance on open-mindedness. Today, as on any day, I was open about the issues we face. And that's because challenges are the starting points for a better future. As subsequent issues emerge, we shall address them one by one. Going forward, I hope the Board of Directors will become more diverse in its composition, which will expand the parameters of discussions.

Mizukoshi: On the diversity point, Junko Sunaga was recently appointed as an external director, bringing female participation on the Board of Directors to two. The number of women on the Audit & Supervisory Board is also increasing. This is great, but I hope we can dig deeper into topics beyond encouraging women to be more active in corporate settings by incorporating outside perspectives based on different standpoints and expertise into conversations. I myself have been offering advice on intellectual property and supported efforts to establish a revitalized Legal & Intellectual Property Department in April 2023. I offered advice on the content of the intellectual property strategy for Medium-Term Management Plan (2024–2026), and I feel TIS is making progress in acquiring and utilizing intellectual property to drive business activities.

Tsuchiya: Ms. Mizukoshi contributes extremely useful information from a legal perspective at board meetings but also demonstrates her expertise beyond the boardroom, including intellectual property seminars for Group employees. Meanwhile, I bring corporate management experience, and Ms. Sunaga has expertise in domestic and international mobile communications technology. Our different areas of specialization allow us, as external directors, to bring multiple perspectives to our supervisory roles.

Kuwano: But greater diversity on the supervisory side must accompany increased diversity on the executive side. We need foreign nationals on our executive team and external sources of expertise as well. I believe execution and supervisory functions must work in tandem for TIS to achieve sustainable growth for itself and, by extension, the Group and to maximize corporate value. To that end, let's maintain the openness that characterizes our discussions to promote lively interaction between the executive and supervisory sides, inside and outside the Company, as we travel toward the same vision and goals.

Message from Newly Appointed Director

I will contribute to the success of the new medium-term management plan and sustainable growth.



Junko Sunaga,
External Director

I am extremely honored to have the opportunity to contribute to the growth and development of the TIS INTEC Group. I believe my appointment reflects recognition of my experience as the head of the Japanese subsidiary of a global mobile communications company.

Under Vision 2032, TIS launched Medium-Term Management Plan (2024–2026) in fiscal 2025, aiming for further growth and development by cultivating markets and expanding business domains. As the Group works toward stated goals in the new medium-term management plan, a key task for me as an external director is to closely monitor progress on key measures from a shareholder's perspective. I also want to encourage the Board of Directors to delve more deeply into topics from the perspective of the Group's growth opportunities, future goals and competitive advantages. Meanwhile, technologies, players and partnerships in the areas of AI and digital technology are constantly evolving. I will always be on the lookout for new opportunities, striving to polish my expertise and providing insight into how new technologies and ecosystems will change the world, and thereby contribute to the improved corporate value of TIS and the whole TIS INTEC Group.

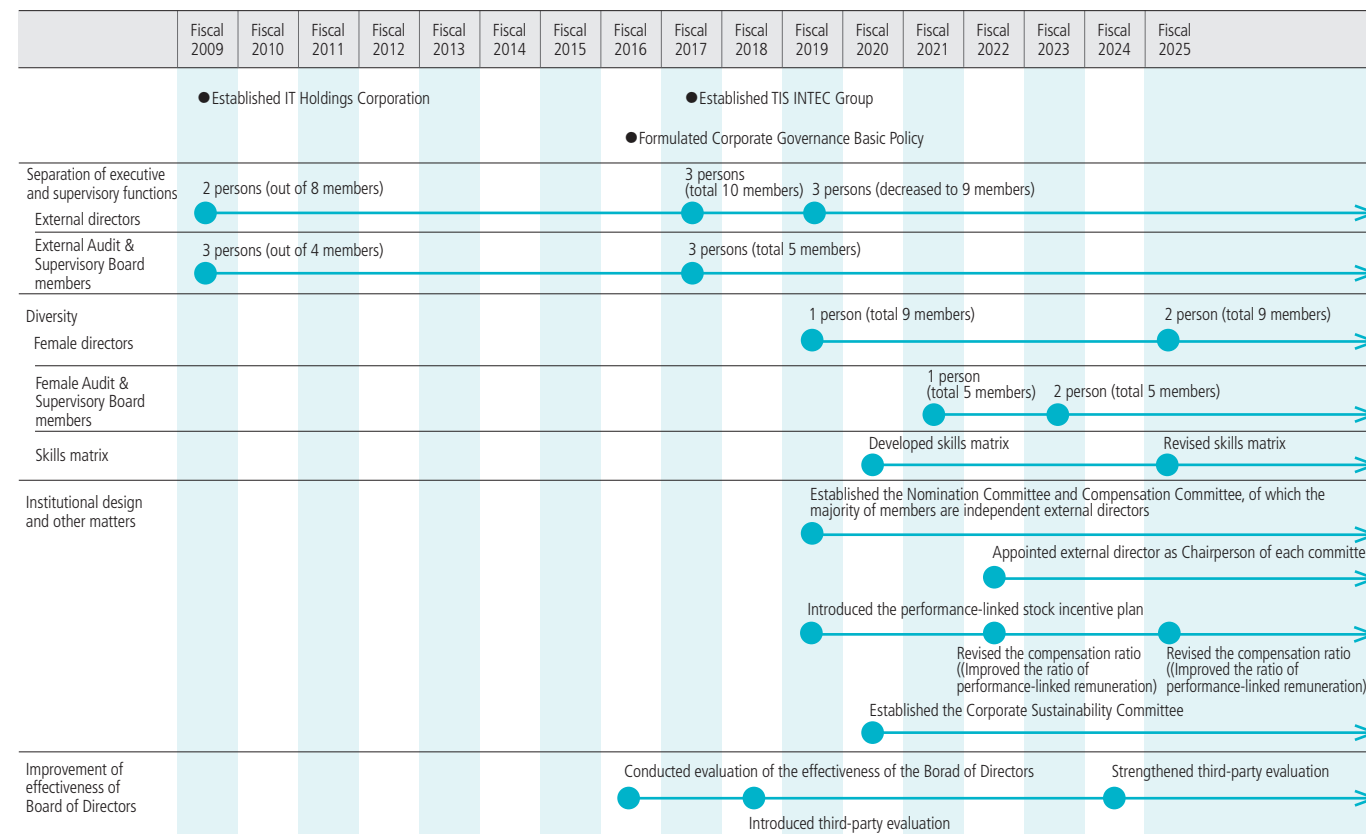
The Group seeks to enhance corporate governance and internal controls, which are its core subjects. The focus is also on promoting quality control and production innovations, essential for the business of information systems—a key social infrastructure—to function and steadily evolve, as well as evolving risk management processes, including information security and compliance.

Basic Policy

Based on basic corporate governance policies, TIS consistently pursues the best corporate governance practices and constantly works to enhance corporate governance. Management believes that the key to good corporate governance is to ensure transparency and fairness in decision making processes, make full and effective use of management resources, and raise the integrity of management practices through swift and accurate assessment of situations, from the viewpoint of promoting sustainable corporate growth and boosting medium- and long-term corporate value. Accordingly, management at the Company is committed to upholding good corporate governance in line with the following basic principles.

1. To respect the rights of shareholders and to ensure equality in their treatment.
2. To consider the interests of stakeholders, including shareholders, and work with stakeholders in an appropriate manner to achieve stated goals.
3. To disclose corporate information appropriately and ensure transparency.
4. To engage in constructive dialogue with shareholders based on a medium- to long-term investment perspective.

Change of Initiatives to Strengthen Corporate Governance



Key Initiatives of Fiscal 2024

During fiscal 2024, TIS promoted the following three initiatives toward further improvement of the monitoring model of the Board of Directors under the concept that its Board of Directors and executive side share a future as “One Team” in the TIS INTEC Group with a common goal of improving corporate value.

1. Improved the effectiveness of the Board of Directors

Defined and increased agenda items to enhance discussions around basic management policies, and defined discussion points and specific actions from the perspective of the Board's monitoring function. In addition, we defined the skill-based roles expected of the Directors, further developed the Board's code of conduct and gained consensus for these among the Directors.

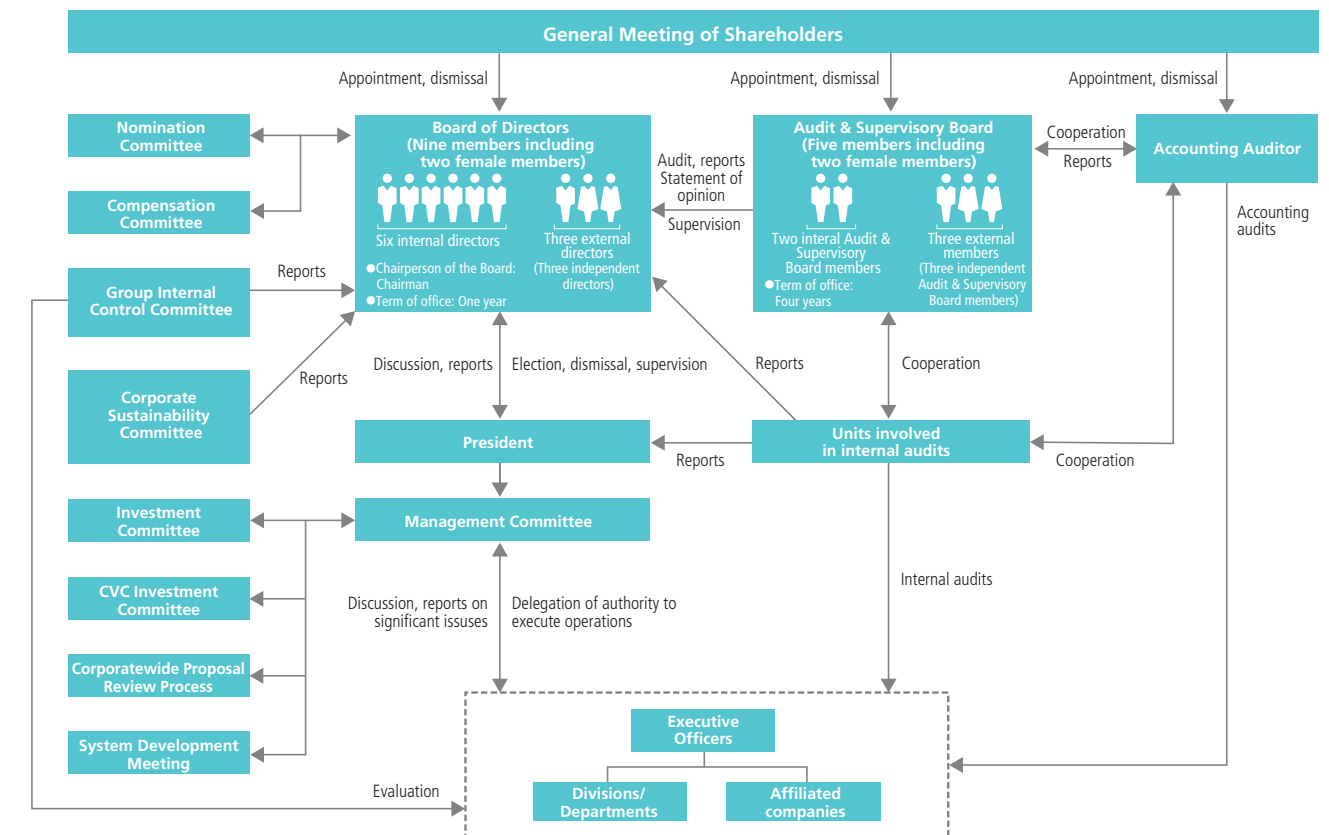
2. Revised skills matrix and expanded its disclosure

We identified skills and explanations necessary for the Board of Directors to achieve materiality and management strategies, and reviewed a matrix of skills expected for each director and Audit & Supervisory Board member to exercise, prioritizing linkage with current management strategies (disclosed in May 2024).

3. Revised the officer remuneration system

For the sustainable growth and maximization of corporate value, we reviewed initiatives (1) to improve the ratio of performance-linked remuneration, (2) to revise remuneration to a globally competitive level, and (3) to revise our method of evaluating shareholders' trust (conducted in July 2024).

Corporate Governance Structure



Board of Directors	Please refer to page 91.
Nomination Committee	Please refer to page 93.
Compensation Committee	Please refer to page 94.
Management Committee	Deliberates important matters related to the execution of business activities of the Group.
Group Internal Control Committee	Promotes various measures to maintain and improve the internal controls of the Company and its subsidiaries, to evaluate the operational status of the internal control systems and to recommend any corrective action to be taken to the Board of Directors, if necessary.
Corporate Sustainability Committee	Identifies sustainable management trends, discusses sustainability issues, provides direction on how to address them and sets targets.

Reason for Selection of Current Corporate Governance Structure

TIS has an Audit & Supervisory Board, a model chosen for its double-check function through which the Board of Directors oversees the execution of business activities and the Audit & Supervisory Board audits activities to ensure operations are legal and appropriate. In addition, the Company aims to strengthen the supervisory function of the Board of Directors by appointing external directors with industry- and corporate-management-related experience and insight. Drawing on advice and recommendations from an independent standpoint ensures the validity and appropriateness of decision-making by the Board of Directors.

Compliance with the Corporate Governance Code

TIS complies with all principles of the Corporate Governance Code. The status of the Company's responses to each principle of the Corporate Governance Code is described in the Corporate Governance Report.
<https://www.tis.com/documents/en/ir/policy/governance/governance.pdf>

Skills of Directors and Audit & Supervisory Board Members Required for the Group’s Growth

The Board of Directors needs to have a wide range of knowledge, experience and diversity in order to ensure the sustainable growth of the Company and increase its corporate value over the medium to long term. The experience, knowledge and skills that we consider to be particularly necessary have been set out below based on our materiality, Group Vision 2032, and Medium-Term Management Plan (2024–2026).

Skills	Elaboration of skills
Company Management	Experience as a company representative director, or practical experience in evaluating important business opportunities and risks, making risk-taking decisions, and achieving business transformation as a manager with knowledge of corporate governance premised on sustainable management
Industry Knowledge	Cutting-edge knowledge of ICT and DX, as well as extensive knowledge and expertise in the information services industry and cybersecurity, all of which are necessary for promoting DX in collaboration with clients
Globalization	Practical experience in management of a company that operates globally, or practical experience in understanding the opportunities and risks of a global business and engaging in business expansion overseas
Intellectual Property, Technology and Innovation	Expertise in intellectual property, which is essential for sustained improvement of corporate value, or practical experience and knowledge in driving innovation that brings prosperity to society through applied technology, and other such tools
Human Resources	Knowledge and practical experience to secure and promote the active participation of talented human resources capable of providing high added value, and to foster a work environment and corporate culture in which diverse human resources can work with motivation and peace of mind
Finance/Accounting	Possess knowledge of corporate finance necessary for medium- to long-term sustainable value creation, and practical experience in decision-making regarding investment and financial strategies
Legal Affairs/Risk Management	Expertise and practical experience in legal matters essential for the development of service businesses and global businesses, or knowledge of risk management necessary for a company to survive

Experience and expertise of Directors and Audit & Supervisory Board Members (Skill Matrix) As of June 25, 2024

			Term of office	Skills required to Directors and Audit & Supervisory Board Member (Top three items)						
				Company Management	Industry Knowledge	Globalization	Intellectual Property, Technology and Innovation	Human Resources	Finance/Accounting	Legal Affairs/ Risk Management
Directors	Chairman	Toru Kuwano	11	●	●			●		
	Representative Director, President	Yasushi Okamoto	6	●	●					●
	Representative Director, Executive Vice President	Josaku Yanai	8	●		●	●			
	Representative Director, Executive Vice President	Shinichi Horiguchi	1	●				●	●	
	Director	Takayuki Kitaoka	6	●	●			●		
	Director	Shuzo Hikida	1	●	●					●
	External Director, Independent	Fumio Tsuchiya	7	●	●	●				
	External Director, Independent	Naoko Mizukoshi	6		●		●			●
	External Director, Independent	Junko Sunaga	—	●		●	●			
Audit & Supervisory Board Members	Standing Audit & Supervisory Board Member	Makoto Tsujimoto	1		●		●			●
	Standing Audit & Supervisory Board Member	Hideki Kishimoto	—			●			●	●
	External Audit & Supervisory Board Member, Independent	Yukio Ono	4			●			●	●
	External Audit & Supervisory Board Member, Independent	Akiko Yamakawa	4			●		●		●
	External Audit & Supervisory Board Member, Independent	Hiroko Kudo	2		●	●	●			

*1 Based on Board of Directors meeting and Audit & Supervisory Board Member’s meeting held after assumed office on June 23, 2024
*2 Assumed office on June 25, 2024

Reason for Election of External Officers

Fumio Tsuchiya	Mr. Tsuchiya previously worked in an important position in overseas offices and the Corporate Planning Department of Japan Airlines Co., Ltd. (“JAL”). After having assumed the office of Director of JAL in June 2004, he served as Managing Director and was thereafter appointed as President & CEO of JALCard, Inc. in June 2007, which is a group company of JAL. He has a wide range of experience and a wealth of expertise in corporate management. Since assuming the office of External Director of the Company in June 2017, he has given advice and suggestions from an independent perspective by utilizing these experiences and expertise in the Company’s business to ensure that the decisions to be made by the Company’s Board of Directors will be reasonable and appropriate. He was appointed as an External Director as he is highly expected to be a person who will continue to contribute to the increase in corporate value and enhancement of the corporate governance of the Company.
Naoko Mizukoshi	Ms. Mizukoshi is a qualified lawyer and has a wealth of professional knowledge of, and experiences in, intellectual property, ICT and international transactions. Since assuming the office of External Director of the Company in June 2018, she has given advice and suggestions from an independent perspective by utilizing these experiences and expertise in the Company’s business to ensure that the decisions to be made by the Company’s Board of Directors will be reasonable and appropriate. She is highly expected to be a person who will continue to contribute to the increase in corporate value and enhancement of the corporate governance of the Company. Moreover, although she has not participated in corporate management, she has expertise in corporate legal works. Therefore, she was appointed as an External Director since she could discharge duly the duties of External Director.
Junko Sunaga	Ms. Sunaga has worked in the semiconductor business, with a focus on mobile phones, and in April 1997 joined the Japan arm of Qualcomm (USA), a leading company in the mobile communications industry, as its first employee. Since April 2018, she has been President and Representative Director of Qualcomm Japan, Inc., where she has achieved successful results in expanding the domestic semiconductor business. She was appointed as an External Director based on the belief that she will contribute to the enhancement of the corporate governance of the Company by utilizing these experiences and expertise in the Company’s business and by giving advice and suggestions from an independent perspective to ensure that the decisions to be made by the Company’s Board of Directors will be reasonable and appropriate.
Yukio Ono	Mr. Ono is a licensed certified public accountant. His expertise and knowledge in the field of finance and accounting and many years of experience in corporate audit are beneficial to the Company in strengthening the audit system of the Company. Moreover, although he has not participated in corporate management, he was appointed as an External Audit & Supervisory Board Member as he is considered to be able to appropriately perform the duties of External Audit & Supervisory Board Member as a result of the above credentials.
Akiko Yamakawa	Ms. Yamakawa is a licensed attorney and has extensive experience and knowledge regarding labor issues, including handling litigation regarding employment disputes at global corporations. In addition, through her external activities such as supporting women’s participation in the workforce, she is expected to provide appropriate monitoring and supervision of the Company’s global business execution and human resources strategies. Moreover, although she has not participated in corporate management, she was appointed as an External Audit & Supervisory Board Member as she is considered to appropriately perform the duties of External Audit & Supervisory Board Member for the above credentials.
Hiroko Kudo	Ms. Kudo has deep insight into domestic and international administrative and financial affairs, a PhD in public policy, and is an active global figure as a university professor and researcher. Moreover, although she has not participated in corporate management, she was appointed as an External Audit & Supervisory Board Member as it is considered that she will be able to utilize her extensive experience and knowledge to appropriately perform the duties of an Audit & Supervisory Board Member, thereby improving the value that DX provides to resolve social issues through the Company’s business and deepening and expanding global management.

Meetings to attend (● chairperson)				Attendance at meetings (fiscal 2024) Attendance/Number of meeting			
Board of Directors	Audit & Supervisory Board	Nomination Committee	Compensation Committee	Board of Directors	Audit & Supervisory Board	Nomination Committee	Compensation Committee
●				19/19	—	—	—
○		○	○	19/19	—	8/8	6/6
○				19/19	—	—	—
○				14/14*1	—	—	—
○				19/19	—	—	—
○				14/14*1	—	—	—
○		○	○	19/19	—	8/8	6/6
○		●	●	19/19	—	8/8	6/6
○		○	○	—*2	—	—*2	—*2
○	●			14/14*1	12/12*1	—	—
○	○			—*2	—*2	—	—
○	○			18/19	13/14	—	—
○	○	○	○	19/19	13/14	3/6*1	2/4*1
○	○			17/19	14/14	—	—

Activities of External Officers outside the Board of Directors

External Directors and Audit & Supervisory Board members also conduct various activities outside the Board of Directors using their wide range of skills and experiences. In fiscal 2024, external Director Fumio Tsuchiya participated in a forum for all of TIS INTEC Group’s employees and business partners and made a speech titled “My Turning Point” based on his own experience and knowledge in management.



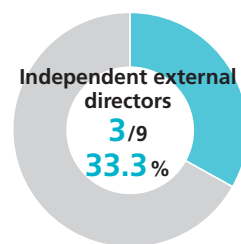
Fumio Tsuchiya, External Director

Overview of the Board of Directors and Its Activities

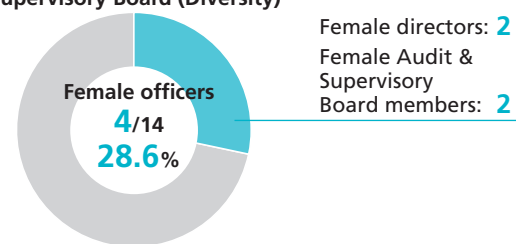
For swift and dynamic decision-making by the Board of Directors, it convenes in principle once monthly and also meets on an ad hoc basis whenever necessary. TIS holds an information meeting once a year to present its business direction, as well as meetings ahead of Board of Directors' meetings—in principle, twice a month—to give external directors and external members of the Audit & Supervisory Board sufficient background information to participate in discussions. In addition, the Company organizes study sessions with experts—in-house and external—and arranges visits to local Group facilities and offices. TIS also creates opportunities for external directors to exchange opinions with the President and convenes meetings that involve only external directors and external members of the Audit & Supervisory Board. This facilitates smooth but vigorous discussion by the Board of Directors.

Number of members	14 (three external directors, six internal directors, two internal members of the Audit & Supervisory Board, and three external members of the Audit & Supervisory Board)
Composition	As stipulated in its Articles of Incorporation, the Company's Board of Directors comprises at least three and no more than 15 directors, and to strengthen the supervisory functions of the Board of Directors, a policy has been established that one-third or more of the directors must be independent external directors.

Board of directors (Independence)



Board of directors and Audit & Supervisory Board (Diversity)

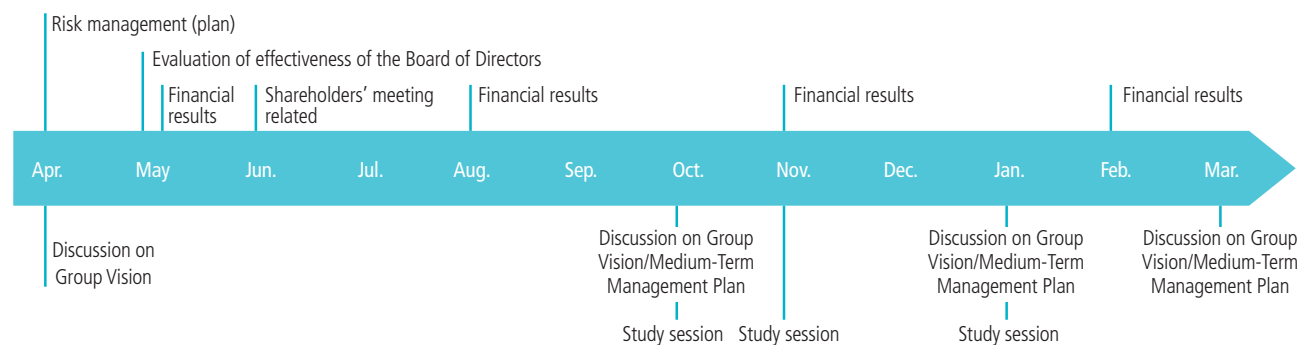


Main Activities of the Board of Directors (Year ended March 31, 2024)

We implements the following measures to enhance effectiveness of Board of Directors and improve corporate governance code.

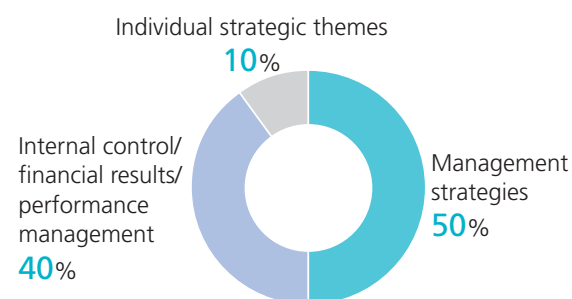
- Expand the discussion about group vision, Medium-Term Management Plan, management policy and strategic important matters.
- Engage external experts and hold study sessions about corporate governance

Number of meetings held	19 102 agenda items discussed (47 items resolved and 55 items reported)
Number of meetings ahead of Board of Directors' meetings	16
Number of information meetings to present business direction	One
Opinion exchange sessions	13
Study sessions	Three Engaged external experts and held study sessions about corporate governance



Main Contents of Deliberations

Breakdown of contents of deliberations at meetings



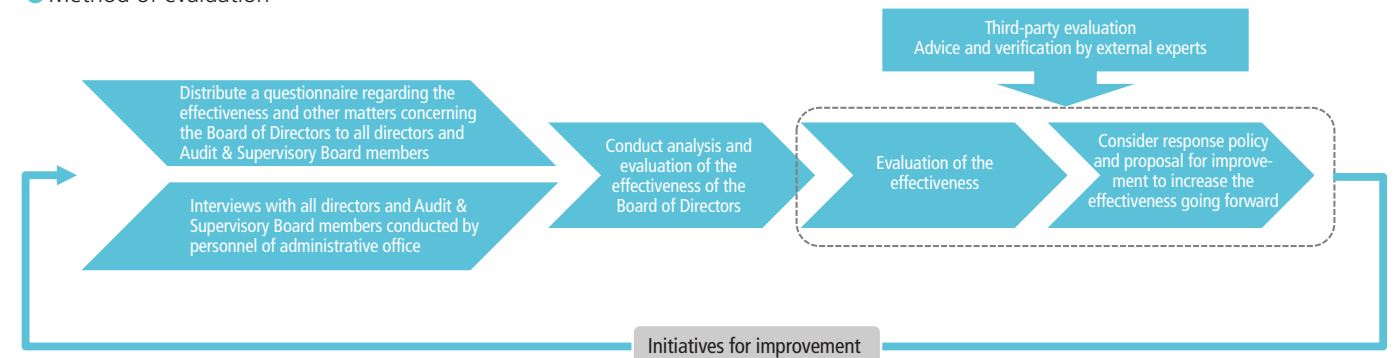
Main contents of deliberations at meetings

Management strategies	<ul style="list-style-type: none"> ✓ Business direction over the medium to long term ✓ Corporate governance/nomination and remuneration ✓ Shareholder engagement (shareholders' meeting/dialogue with shareholders/shareholder return) ✓ Employee engagement ✓ Client/business partner engagement, etc.
Internal control/financial results/performance management	<ul style="list-style-type: none"> ✓ Audit ✓ Risk management/internal controls ✓ Financial results, budget, outlook, etc.
Individual strategic themes	<ul style="list-style-type: none"> ✓ Payment businesses, global businesses, etc.

Overview of Analysis and Evaluation of the Effectiveness of the Board of Directors

TIS strives for the best corporate governance for its sustainable growth and improvement of corporate value and works continuously to make improvements in that area. Since fiscal 2016, ended March 31, 2016, the Company has evaluated the effectiveness of the Board of Directors each fiscal year with the aim of identifying issues and areas for improvement and linking them to initiatives to improve the Board's effectiveness. Currently, the Company makes an effort to strengthen the monitoring function of the Board of Directors to speed up and streamline decision-making and business execution of the Group.

Method of evaluation



Coverage of evaluation

The fiscal 2024 evaluation was conducted on the status of initiatives for the priority themes for further enhanced corporate governance from fiscal 2025 onward, in addition to the operation of the Board of Directors in fiscal 2024.

Operation of the Board of Directors	Confirmed the appropriateness of agenda selection, frequency of/time required for meetings, explanation of meeting agendas, and materials provided and amount of information contained with a view to strengthening its monitoring function.
Priority themes for further enhanced corporate governance	Confirmed the appropriateness and sufficiency for the following themes: <ul style="list-style-type: none"> • Board of Directors' supervisory function • Expected roles for Directors • Delegation of authority to the executive side • Composition of the Board of Directors • Ideal state of advisory committees • Coordination between the Board of Directors and auditing bodies • Dialogue with shareholders, and other themes.

Results of analysis and evaluation of the effectiveness of the Board of Directors

In fiscal 2024, the Board of Directors formulated an annual schedule and reviewed delegation of authority based on the issues, "improving the quality of discussions" and "focus on medium- to long-term discussions," identified in the previous fiscal year. The results of the self-assessment were as follows.

Operation of the Board of Directors	<ul style="list-style-type: none"> • Explanations regarding meeting agendas, materials provided and the amount of information contained were adequate. • On the other hand, in order to further improve the medium- to long-term corporate value, it was important to clarify the roles of the Board of Directors and business execution in formulating and implementing the short-, medium-, and long-term strategies. There was further room to review selecting important meeting agenda and determining points of discussion so that Directors' roles are better clarified. • The frequency of and time required for meetings should be considered in line with the content of themes to be deliberated.
Priority themes for further enhanced corporate governance	<ul style="list-style-type: none"> • Based on the above issues, it was deemed necessary to continuously monitor Directors' exercise of their expected roles, to increase delegation of authority from the Board of Directors to the executive side, and continue to consider revisions to the composition of the Board of Directors.

Responses based on analysis and evaluation

In light of the results of the fiscal 2024 evaluation, TIS has categorised its initiatives addressing the operation of the Board of Directors and priority themes for enhanced corporate governance into short-, and medium- to long-term strategies, and will work on them on an ongoing basis.

Short-term initiatives	The Company will develop meeting agendas, and define criteria for delegation of authority, expected roles for Directors and perspectives for discussions, thereby clarifying the code of conduct for the monitoring function of the Board of Directors during fiscal 2025.
Medium- to long-term initiatives	TIS will continue to consider the following themes for the strengthening of the monitoring function of the Board aimed at further improving the effectiveness of the Board of Directors. <ul style="list-style-type: none"> • Further revision to the contents of deliberations by the Board of Directors • Nomination and remuneration governance • Composition of the Board of Directors based on the above • Operation of business execution in line with the strengthening of the Board's monitoring function

Overview of Nomination Committee

The Nomination Committee has been voluntarily established as an advisory body to the Board of Directors to ensure the objectivity and transparency in the process nominating Directors and to further strengthen corporate governance.

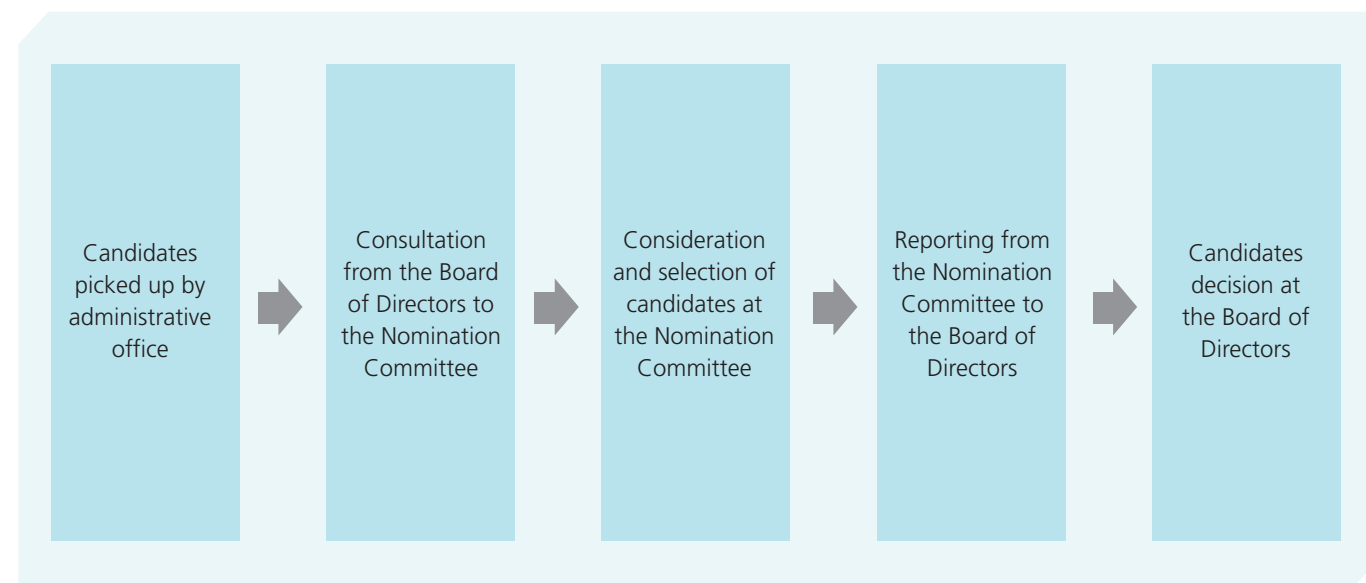
Number of members	Five (three external directors, one external member of the Audit & Supervisory Board, and President and Representative Director)
Composition	An independent external director serves as the chairperson, and the majority of members, including the chairperson, are independent external directors
Activities (Fiscal 2024)	Provided advice on the appointment and retirement of key individuals, including directors, and presented proposals on changes to director composition, based on the results of the advice given by committee members.
Meetings held	Eight

Policy and Procedures for Election, Dismissal, and Nomination of Directors, etc.

In nominating candidates for directors, Audit & Supervisory Board members and executive officers, the Board of Directors will nominate persons with abundant experience, a high level of insight and advanced specialization based on the Company's election criteria that make them suitable as directors or Audit & Supervisory Board members in order to realize effective corporate governance and contribute to the sustainable growth of the Company as well as the enhancement of its medium- to long-term corporate value while also considering aspects of diversity such as gender, internationality, career and age. For directors, the Board of Directors considers nominations based on the advice of the Nomination Committee, which is chaired by an independent external director and comprises a number of directors, the majority of whom are independent external directors.

If a situation arises where a management executive should be dismissed, the Board of Directors shall determine a dismissal proposal. However, the dismissal of a director shall be conducted in accordance with the *Companies Act* and other relevant provisions.

Process for Election of Directors



Training Policy for Directors and Audit & Supervisory Board Members

For directors and auditors, including external directors and external auditors, the Company will arrange and support the cost of training opportunities that are appropriate. The objective of such training is to provide an opportunity to acquire necessary knowledge regarding the Group's businesses, financial affairs and organization and to understand the duties and responsibilities required of directors and Audit & Supervisory Board members when assuming office, as well as to continuously develop these attributes during the term of office.

Criteria for independence of external Directors and external Audit & Supervisory Board members

To strengthen the supervisory function of the Board of Directors, the Company has established criteria for ensuring the independence of external directors and external Audit & Supervisory Board members. We adhere to the requirements of Japan's *Companies Act* and the rules of the Tokyo Stock Exchange. Please refer to our website for specific details. <https://www.tis.com/ir/policy/governance/index.html>

Overview of Compensation Committee

The Compensation Committee has been voluntarily established as an advisory body to the Board of Directors to ensure the objectivity and transparency in the process to determine the remuneration of Directors and further strengthen corporate governance.

Number of members	Five (three external directors, one external member of the Audit & Supervisory Board, and President and Representative Director)
Composition	An independent external director serves as the chairperson, and the majority of members, including the chairperson, are independent external directors
Activities (Fiscal 2024)	Discussed the appropriateness of the Company's remuneration package through a comparative analysis of director remuneration at other companies and at TIS, based on the findings of a research company, and a revision to the director remuneration system as an incentive for directors, leading to increased corporate value. Proposals were made to the Board of Directors on director remuneration, based on the results of the advice given by the committee.
Meetings held	Six

Points of Revision to Officer Remuneration System

In May 2024, the officer remuneration system was revised for sustainable growth and maximization of corporate value. The key points are as follows.

Point 1

Improved ratio of performance-linked remuneration

Improved the ratio of performance-linked remuneration, so that officers are motivated to make further efforts in management for sustainable growth and maximization of corporate value

Point 2

Revision of remuneration level

Revised remuneration level aiming at globally competitive remuneration to secure and retain excellent management personnel, which is a high-priority issue in the competitive IT industry.

Point 3

Revision of evaluation method

Revised the evaluation method to respond to shareholders' trust by introducing indicators linked with total shareholder return for performance evaluation

- Employed important indicators set out in Medium-Term Management Plan (2024–2026) as KPIs (STI: Short-term Incentive)
- Introduced total shareholder return (TSR) as incentive (LTI: Long-term Incentive)

Outline of Policy on Officers’ Remuneration

Determination of Compensation

The Company has established the Compensation Committee, comprising mainly independent external directors, as an advisory body to the Board of Directors to ensure objectivity and transparency in the process for determining compensation and to strengthen the corporate governance structure.

The basic policy on officers’ compensation is to provide

greater incentive to improve business results through a system of compensation linked to measures of Company performance, and such amounts are determined through a decision by the Board of Directors, based on discussion with and suggestions by the Compensation Committee, comprising mainly independent external directors, as an advisory body.

Remuneration Structure for Officers (after revision approved at the Shareholders’ Meeting held in June 2024)

The Company’s officer remuneration system consists of base remuneration, performance-linked remuneration and performance-linked stock remuneration. Each remuneration’s type, calculation method and provision method are as follows. Using the President used as a model, the composition ratio of base remuneration, performance-linked remuneration and performance-linked stock remuneration will be 50 : 25 : 25 when the ratio of achievement to indicators is 100%.

Executive Officers							
Name	Type		Calculation method, etc.	Provision method	President	Executive Vice President, Senior Executive Officer	Managing Executive Officer, Executive Officer
Base remuneration	Fixed remuneration	Monetary remuneration Maximum amount Director: ¥800 million per annum Audit & Supervisory Board member: ¥150 million per annum	Determined based on the role and the scope of responsibility for each position	Monthly payment	50.0%	55.0%	60.0%
Performance-linked remuneration (STI)	Variable remuneration (performance-linked)		<ul style="list-style-type: none">The Companywide performance is calculated by considering the degree of achievement of financial and non-financial indicators of the previous fiscal year.When the standard is set at 100%, the provision rate fluctuates between 0% and 150%.Individual performance-linked remuneration is calculated based on the standard remuneration limit for each position and performance	Provided once a year based on the evaluation of the previous fiscal year	25.0%	22.5%	20.0%
Performance-linked stock remuneration (LTI)		Non-monetary remuneration Maximum amount ¥1,810 million in each specified period (three fiscal years)	<ul style="list-style-type: none">The Company’s stock is granted based on actual performance as performance-linked stock remuneration.Relative TSR is set as an indicator, and it is calculated based on the performance-based coefficient that is determined after three fiscal years have passed from the beginning of the application (50% is paid in cash equivalent to the market value)Performance-linked coefficient fluctuates within a range of 0% to 200%.The Company’s stock is granted in accordance with the calculation made for each position as performance-linked stock remuneration.It is paid after three fiscal years have passed from the beginning of the application (50% is paid in cash equivalent to the market value)The provision rate is calculated as 50% of performance-linked stock remuneration when it is paid 100% for each position.	Provided every three years *The provision rate is between 50% and 150%	25.0%	22.5%	20.0%

*Compensation for external directors consists of basic compensation only and is not linked to operating performance. Compensation for Audit & Supervisory Board members is determined through discussion among Audit & Supervisory Board members and, to ensure that audits maintain a high degree of independence from day-to-day operations, compensation consists of basic compensation only and is not linked to operating performance.

*Recipients of performance-linked stock compensation: Directors and executive officers (excluding non-executive directors and non-residents of Japan)

Calculation method of remuneration amount

- 1) Base remuneration
Base remuneration is paid based on the role and the scope of responsibility for each position.
- 2) Performance-linked remuneration (STI)
Performance-linked remuneration (STI) is calculated based on the evaluation of (i) Companywide performance, (ii) performance of the responsible organization and (iii) individual appraisal.
The composition ratio of (i), (ii) and (iii) varies depending on the position. The evaluation of Companywide performance, which is prioritized for all positions, is based on the degree of achievement of annual targets. In addition, indicators are linked with prioritized management indicators to provide motivation to achieve targets stipulated in the medium-term management plan.

Indicator item			Reason for selection	Ratio
Financial indicator	Consolidated net sales		Set frontier development as a basic policy of Medium-Term Management Plan (2024–2026) and emphasize sales growth	25%
	Consolidated operating income		Emphasize continuous improvement of corporate value by increasing revenue	25%
	Consolidated EPS		Emphasize both business growth (profit growth) and capital policy, which are balanced in this indicator	25%
Non-financial indicator	Internal and external indicator related to ESG determined by TIS	ESG score of external research institution (DJSI)	Emphasize external evaluation addressing requirements from society	5%
		Score of stakeholder satisfaction (Employees/clients/business partners)	Emphasize continuous improvement of corporate value through the cycle of value exchange with stakeholders	15%
		Evaluation of governance, as determined by TIS	Emphasize governance of the entire Group	5%

- 3) Performance-linked stock remuneration (LTI)
Total shareholder return (TSR) is set as an indicator for performance-linked stock remuneration (LTI) as it clarifies our intention to emphasize sustainable improvement of corporate value and engenders shareholders’ trust.

Remuneration for Directors and Audit & Supervisory Board Members (Year Ended March 31, 2024)

(Millions of yen)	Remuneration	Remuneration by type				Recipients (Persons)
		Basic remuneration	Performance-linked remuneration	Performance-linked stock compensation	Nonfinancial compensation included in performance-linked stock compensation	
Directors (excluding external directors)	235	155	73	7	7	8
Audit & Supervisory Board members (excluding external auditors)	29	29	–	–	–	3
External directors and external auditors	61	61	–	–	–	6

Notes: 1. For the fiscal year ended March 31, 2023, compensation for directors does not include the employee portion for directors who serve concurrently as employees. The Company has not introduced a retirement benefit system for directors, and does not pay any directors’ bonuses.

2. The performance-linked stock incentive is booked as an expense for four directors (excluding external directors and non-full-time directors) in the current business year.

Establishment of Clawback Clauses

TIS has established a clause that enables the Company to request an individual who commits an illegal act, as defined under internal rules, to pay restitution equivalent to the value of shares granted, and another clause that enables the Company to confiscate points awarded.

Cross-Shareholdings

1. Criteria for and approach to categorizing investment shares

TIS has in principle not acquired domestically listed shares and has worked to reduce holdings of such shares as much as possible as priority issue in accordance with Company-defined basic policy on corporate governance. The Company holds shares in other companies, including start-ups and venture companies only when management believes that it will contribute to the sustainable growth and higher medium- to long-term corporate value of the Company and the Group.

Specifically, when cooperation, co-creation and stable partnerships with such companies are deemed essential to continuous creation of business opportunities and utilization of technologies to actively promote business development — particularly in the areas of financial inclusion, health concerns, urban concentration and regional decline and low-carbon/decarbonization which are all social issues where the TIS INTEC Group can help to realize a more sustainable society — then such cross-shareholdings are considered investments consistent with the Group's growth strategy and defined as strategic shareholdings.

For the shares held based on the judgment that they would contribute to the sustainable growth and higher medium- to long-term corporate value of the Group, the Board of Directors reviews the relevance of continuous cross-shareholdings each year. It is corporate policy that TIS reduces any cross-shareholding with diminished significance, as identified through the review.

In the review, shareholdings are divided into the two categories ("capital alliance partners" and "others", not applicable to the aforementioned category) and examined using the method set by each category.

Please visit the following page for the details of the examination methods.

<https://www.tis.com/group/sustainability/governance/governance/>

TIS pursues reduction of cross-shareholdings in line with the aforementioned policy and corporate stance and management seeks to push the cross-shareholdings on a balance sheet basis as a percentage of consolidated net assets below the 10% benchmark.

2. Criteria for exercising voting rights for strategically held shares

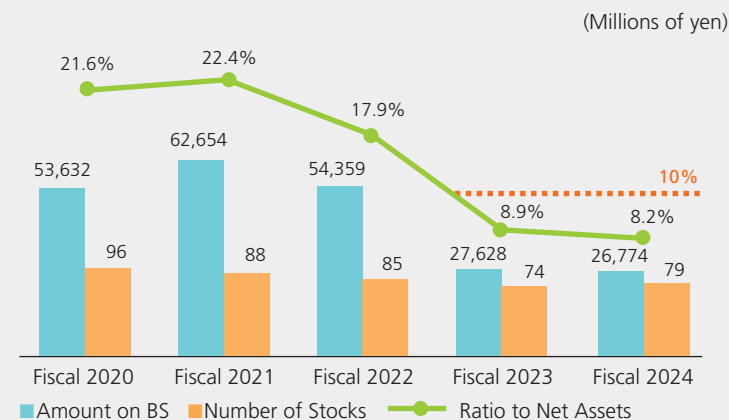
TIS appropriately exercises voting rights for the listed shares in its possession after comprehensively determining whether such action will contribute to the sustainable corporate growth and higher medium- to long-term corporate value of the TIS INTEC Group and investee company, taking into consideration policy advice from proxy advisory firms.

3. Relationships with strategic shareholders

If strategic shareholders of TIS indicate an intention regarding the sale of TIS shares, we will respond appropriately without preventing such a sale. Moreover, we will not conduct transactions with strategic shareholders that lack economic rationality.

Status of Cross-Shareholdings

We reduced seven issues of shares held for cross-shareholdings including six issues sold in full. Due to fluctuations in market value in addition to the above-mentioned reduction, the amount recorded on the balance sheet for fiscal 2024 decreased by ¥0.8 billion, to ¥26.7 billion. As a result, the above-mentioned percentage in fiscal 2024 is 8.2% (down 0.7 percentage points year on year). The percentage excluding strategically held shares is 2.7%.



Number of issues held for purposes other than portfolio investment and total amounts recorded on the balance sheet

Category	Fiscal 2023	Fiscal 2024
Number of issues	74 issues	79 issues
(Composition) Strategic shareholdings	50 issues	59 issues
Cross-shareholdings	24 issues	20 issues
Total balance-sheet amount	¥27,628 million	¥26,774 million
(Composition) Strategic shareholdings	¥15,185 million	¥17,700 million
Cross-shareholdings	¥12,443 million	¥9,073 million

Number of issues and total amounts recorded on the balance sheet

	Number of issues	Total balance-sheet amount
Unlisted stock	70 issues	¥6,442 million
Stock other than unlisted stock	9 issues	¥20,331 million

Status of Audits

1. Audits conducted by Audit & Supervisory Board members

The Company is a company with Audit & Supervisory Board. The Company's Audit & Supervisory Board consists of five Audit & Supervisory Board members (two full-time members and three external members). In addition, one person has been assigned to assist Audit & Supervisory Board members to improve the effectiveness of audits conducted by Audit & Supervisory Board members and facilitate the audit process. The person in this position works under instruction and orders from Audit & Supervisory Board members, and personnel affairs related to the position are decided based on the consent of Audit & Supervisory Board members.

The Audit & Supervisory Board of the Company holds a meeting once a month, in principle, and may meet on an ad hoc basis whenever necessary.

The Audit & Supervisory Board carries out an audit of the execution of operations by directors, an audit of the internal control systems, an audit of the execution of duties by the accounting auditor, and an audit of the status of compliance and risk management on a recurring basis based on the policies and plan determined at its meetings.

In addition, audits were conducted with an emphasis on the progress of the Medium-Term Management Plan (Be a Digital Mover 2023) in its final fiscal year, the operational status of the Group's risk management and compliance structure, the status of measures regarding strategies for human resources as a source of growth and the creation of on-the-job skills, and post-COVID-19 changes and their impact, as key audit items in the current fiscal year.

Each Audit & Supervisory Board member conducts evaluations based on evaluation criteria determined by that Board. Following discussions on the results of those evaluations, they evaluate the effectiveness of the Audit & Supervisory Board. The Board confirms that a certain level of effectiveness has been maintained and that it is committed to making continuous improvements.

2. Internal audits

The Auditing Department, staffed by 27 people, is responsible for internal audits at TIS. This department informs the Board of Directors of the annual plan, following approval by the President, and also performs internal audits independent of business units that execute operations, based on the annual plan, presents the results of each internal audit to the President

and regularly reports to the Board of Directors. The Auditing Department also draws up plans for internal audits of the Group as a whole, monitors the status of internal audits at subsidiaries, performs internal audits at subsidiaries and TIS divisions that do not have auditing departments, and offers necessary advice and provides supervision. Complementing these activities, the Auditing Department regularly exchanges information with internal auditing departments at Group companies, sets up information exchange opportunities that involve the department, members of the Audit & Supervisory Board and the independent auditor, and shares information on auditing measures and the results of audits as required.

3. Accounting audits

The Company has appointed Ernst & Young ShinNihon LLC to conduct accounting audits pursuant to the Companies Act, and financial statement audits, quarterly reviews and internal control audits pursuant to the *Financial Instrument the Financial Instruments and Exchange Act*.

Key audit matters

Estimate of provision for loss on orders received associated with contracts for software development

In calculating the provision for loss on orders received, critical estimates relate to gross costs, involving key assumptions of person-hours and outsourcing costs expected to be incurred for software development works. Person-hours and outsourcing costs necessary to complete projects for software development may increase significantly from initial expectations, and there is high uncertainty in the estimate of gross costs, which consequently calls for judgment on the part of management. Accordingly, this item was considered as a key audit matter.

Allocation of acquisition cost of acquired shares of Nihon ICS Co., Ltd.

Key assumptions in the allocation of acquisition cost are the number of users, a factor calculating future net sales in the business plan, and the discount rate in the income approach. Key assumptions in measurement of client-related assets are subject to judgment on the part of management. In addition, valuation of client-related assets requires high expertise and is complex, and its result significantly affects the amount of goodwill on the balance sheet. Accordingly, this item was considered as a key audit matter.

Message from Newly Appointed Member of Audit & Supervisory Board

Stronger corporate governance to support sustainable growth



Hideki Kishimoto
Standing Audit & Supervisory
Board Member

Led by TIS, the TIS INTEC Group seeks to realize sustainable growth through Medium-Term Management Plan (2024–2026). As TIS extends its global presence through the Group, its business domains and target markets expand, and against this backdrop, it is all the more important for the Company to improve corporate governance and reinforce internal controls to support corporate management.

Previously, I worked at a major financial institution, supporting clients seeking to expand their operations overseas, and I headed up a large overseas branch of this bank. In addition, as the corporate officer responsible for compliance, I focused on measures to build a strong risk management framework but also dealt with diverse situations that gave me a wealth of insight into governance issues.

Now, as a member of TIS' Audit & Supervisory Board with a part to play in corporate governance, I will utilize the knowledge and experience I have gained to monitor the execution of duties by TIS directors accurately and fairly while striving to fulfill my execution and supervision responsibilities and coordinate efforts with external and internal directors and members of the Audit & Supervisory Board to meet the expectations of shareholders and other stakeholders.

■ Board of Directors and Audit & Supervisory Board Members (As of June 25, 2024)



Toru Kuwano Date of birth: May 3, 1952
Chairman Number of shares owned: 174 thousand
April 1976 Joined Toyo Information Systems Co., Ltd. (currently TIS Inc.)
June 2000 Director of the Company
April 2004 Executive Director of the Company
April 2008 Executive Managing Director of the Company
April 2010 Executive Vice-President and Representative Director and General Manager of Financial Industry HQ of the Company
April 2011 President and Representative Director of the Company
June 2018 Chairman, President and Representative Director of the Company
April 2021 Chairman and Director of the Company (to present)



Josaku Yanai Date of birth: November 14, 1963
Representative Director, Executive Vice President Number of shares owned: 62 thousand
April 1987 Joined the Long-Term Credit Bank of Japan, Limited
January 2000 Joined Toyo Information Systems Co., Ltd. (currently TIS Inc.)
April 2009 Executive Officer, Department Manager of Corporate Planning & Control Dept., Corporate Planning & Control Div. of the Company
May 2015 Managing Executive Officer, Division Manager of Corporate Planning Division of the Company
June 2016 Director, Managing Executive Officer and Division Manager of Corporate Planning SBU of the Company
April 2018 Director, Senior Managing Executive Officer and Sector Director of Industry Strategy Sector of the Company
April 2020 Director, Executive Vice President and Sector Director of Industry Strategy Sector of the Company
April 2021 Representative Director, Executive Vice President of the Company (to present)



Takayuki Kitaokai Date of birth: December 14, 1960
Director Number of shares owned: 19 thousand
April 1984 Joined INTEC Inc.
April 2015 General Manager of BPO Division of INTEC Inc.
April 2016 Executive Officer, General Manager of Corporate Planning Division of INTEC Inc.
April 2017 Managing Executive Officer, General Manager of Corporate Planning Division of INTEC Inc.
April 2018 President and Representative Director of INTEC Inc.
June 2018 Director of the Company (to present)
April 2024 Chairman and Director of INTEC Inc. (to present)



Fumio Tsuchiya Date of birth: May 10, 1948
Director (External, Independent) Number of shares owned: – thousand
July 1971 Joined Japan Airlines Co., Ltd.
May 1999 Director and Section Manager of Personnel & Corporate Planning Section of JAL Hotels Co., Ltd. (currently Okura Nikko Hotel Management Co., Ltd.)
October 2002 Executive Officer, Deputy Section Manager of Corporate Planning Section of Japan Airlines System, Inc. (currently Japan Airlines Co., Ltd.)
June 2004 Director and Section Manager of Corporate Planning Section of Japan Airlines Corporation (currently Japan Airlines Co., Ltd.)
April 2006 Managing Director, in charge of PR & IR, Legal Affairs and General Affairs of Japan Airlines Co., Ltd.
June 2007 President & CEO of JALCard, Inc.
June 2010 Retired from JALCard, Inc.
August 2010 Section Manager of Internal Auditing Office of Faith, Inc.
June 2011 Full-time Audit & Supervisory Board Member of Faith, Inc.
June 2017 Director of the Company (to present)



Junko Sunaga Date of birth: September 25, 1960
Director (External, Independent) Number of shares owned: – thousand
April 1983 Joined NEC Corporation
January 1993 Seconded to NEC Electronics Inc.
April 1997 Joined Qualcomm International Japan (currently Qualcomm Japan, LLC)
November 2008 Senior Director of Qualcomm Japan, Inc.
June 2016 Vice President of Qualcomm Japan, Inc.
April 2018 President and Representative Director of Qualcomm Japan, Inc.
President and Representative Director of Qualcomm CDMA Technologies GmbH
September 2018 Representative and President of Qualcomm Japan, LLC
President and Representative Director of Qualcomm CDMA Technologies GmbH
June 2023 Advisory Chairman of Qualcomm Japan, LLC
June 2024 Director of the Company (to present)



Yasushi Okamoto Date of birth: March 3, 1962
President and Representative Director Number of shares owned: 59 thousand
April 1985 Joined Toyo Information Systems Co., Ltd. (currently TIS Inc.)
April 2011 Executive Officer, Department Manager of Corporate Planning & Control Dept. of the Company
April 2013 Managing Executive Officer, Division Manager of IT Solutions Services SBU. of the Company
April 2016 Senior Managing Executive Officer, Division Manager of Industries & Solutions SBU of the Company
June 2018 Director, Senior Managing Executive Officer and Sector Director of Service Strategy Sector of the Company
April 2020 Director, Executive Vice President and Sector Director of Service Strategy Sector of the Company
April 2021 President and Representative Director of the Company (to present)



Shinichi Horiguchi Date of birth: June 23, 1962
Representative Director, Executive Vice President Number of shares owned: 25 thousand
April 1987 Joined Toyo Information Systems Co., Ltd. (currently TIS Inc.)
April 2013 Executive Officer and Division Manager of the Credit Platform Division of the Financial Industry SBU No. 1 of the Company
April 2017 Managing Executive Officer and General Manager of the Financial Industry SBU and Division Manager of the Credit Platform Division of the Financial Industry SBU of the Company
April 2020 Senior Managing Executive Officer and officer in charge of Financial Industry SBU of the Industry Strategy Sector and General Manager of the Financial Industry SBU of the Industry Strategy Sector of the Company
April 2022 Senior Managing Executive Officer, General Manager of the Financial Industry SBU and General Manager of the IT Platform SBU of the Company
April 2023 Senior Managing Executive Officer in charge of Corporate Planning SBU, Human Resources SBU, Corporate Management SBU, Technology & Innovation SBU, System Development & Quality Management Innovation SBU, General Manager of the IT Platform SBU of the Company
June 2023 Director, Senior Managing Executive Officer of the Company
April 2024 Representative Director, Executive Vice President of the Company (to present)



Shuzo Hikida Date of birth: October 24, 1964
Director Number of shares owned: 4 thousand
April 1988 Joined INTEC Inc.
April 2015 Deputy General Manager, Network & Outsourcing Division of and General Manager, N&O Business Promotion Division of INTEC Inc.
April 2018 Executive Officer, Deputy General Manager of the Metropolitan Industry SBU and Department Manager of the MCI Sales Department of INTEC Inc.
April 2019 Managing Executive Officer, Deputy General Manager of the Industry & Solutions SBU of INTEC Inc.
May 2019 Managing Executive Officer and General Manager of the Network & Outsourcing SBU of INTEC Inc.
April 2021 Senior Managing Executive Officer, in charge of the Distribution Service SBU and Network & Outsourcing SBU, and General Manager of the Network & Outsourcing SBU of INTEC Inc.
April 2022 Senior Managing Executive Officer in charge of the Distribution Service SBU, the Network & Outsourcing SBU and the Central, West Japan Industry SBU, and General Manager of the Network & Outsourcing SBU of INTEC Inc.
April 2023 Director and Executive Vice President of INTEC Inc.
June 2023 Director of the Company (to present)
April 2024 President and Representative Director of INTEC Inc. (to present)



Naoko Mizukoshi Date of birth: September 23, 1967
Director (External, Independent) Number of shares owned: 1 thousand
April 1993 Joined Legal Training and Research Institute of Supreme Court of Japan
April 1995 Registered as a lawyer with Osaka Bar Association
Joined Miyazaki Sogo Law Office (currently Legal Professional Corporation Miyazaki Sogo Law Office)
April 1998 Registered as a lawyer with Yokohama Bar Association (currently Kanagawa Bar Association)
Joined Legal Department of Nomura Research Institute, Ltd.
September 1999 Registered as a lawyer with Daini Tokyo Bar Association
Joined Legal Department of Autodesk, Ltd.
September 2002 Joined Legal Headquarters of Microsoft Co., Ltd.
Registered as a lawyer in the State of California, U.S.A.
November 2006 Joined TMI Associates
January 2008 Partner of TMI Associates
March 2010 Founded Endeavour Law Office, Partner of Endeavour Law Office
June 2018 Director of the Company (to present)
December 2018 Partner of Leftright Law & IP (to present)



Makoto Tsujimoto Date of birth: December 7, 1960
Audit & Supervisory Board Member Number of shares owned: 61 thousand
April 1983 Joined Toyo Information Systems Co., Ltd. (currently TIS Inc.)
March 1991 Seconded to Toyo Information Systems (NY) Co., Ltd., Vice President
April 2010 Executive Officer, General Manager, IT Infrastructure Service Division of TIS Inc.
April 2013 Managing Executive Officer, General Manager, IT Infrastructure Service SBU of the Company
April 2015 Managing Executive Officer, General Manager of Public Services SBU of the Company
October 2018 Managing Executive Officer and General Manager of the IT Platform SBU of the Industry Strategy Sector of the Company
April 2019 President and Representative Director, QUALICA Inc.
April 2023 Advisor to the Company
June 2023 Audit & Supervisory Board Member of the Company (to present)



Yukio Ono Date of birth: January 1, 1950
Audit & Supervisory Board Member Number of shares owned: 3 thousand
(External, Independent)
March 1973 Joined Tohmatsu Awoki & Co. (currently Deloitte Touche Tohmatsu LLC)
May 1985 Partner of Deloitte Touche Tohmatsu LLC
November 2010 Chairman of the Board of Deloitte Touche Tohmatsu LLC
October 2013 Deputy Chairman of the Accounting Standards Board of Japan
March 2014 Retired from Deloitte Touche Tohmatsu LLC
April 2014 Chairman of the Accounting Standards Board of Japan
March 2019 Retired from Chairman of the Accounting Standards Board of Japan
April 2019 Founded and President of Accounting Offices of Yukio Ono (to present)
June 2019 Statutory Auditor of Tokyo Financial Exchange Inc. (to present)
June 2020 Statutory Auditor of Seikitokyu Kogyo Co., Ltd.(to present)
Audit & Supervisory Board Member of the Company (to present)



Akiko Yamakawa Date of birth: April 5, 1973
Audit & Supervisory Board Member Number of shares owned: – thousand
(External, Independent)
March 1997 Entered Legal Research and Training Institute of the Supreme Court of Japan
March 1999 Registered as a lawyer with the Dai-ichi Tokyo Bar Association
April 1999 Joined Komatsu Koma & Nishikawa Law Office
March 2000 Left Komatsu Koma & Nishikawa Law Office
April 2000 Joined Freshfields Bruckhaus Deringer LLP
January 2004 Registered as a lawyer with New York Bar
August 2017 Left Freshfields Bruckhaus Deringer LLP
September 2017 Founded and Partner of Vanguard Lawyers Tokyo, Partner (to present)
June 2020 Audit & Supervisory Board Member of the Company (to present)



Hideki Kishimoto Date of birth: November 27, 1964
Audit & Supervisory Board Member Number of shares owned: 0 thousand
April 1987 Joined the Sanwa Bank, Limited (currently MUFG Bank, Ltd.)
June 2013 Executive Officer, General Manager of USA Sales Department III, USA Division and General Manager of Los Angeles Branch, seconded to Union Bank, N.A., The Bank of Tokyo-Mitsubishi UFJ, Ltd. (currently MUFG Bank, Ltd.)
July 2015 Executive Officer, General Manager of Compliance Division of The Bank of Tokyo-Mitsubishi UFJ, Ltd. (currently MUFG Bank, Ltd.)
July 2018 Executive Officer, General Manager of Compliance Division of Mitsubishi UFJ Financial Group, Inc.
Managing Executive Officer, General Manager of Regional Division (in charge of West Japan) of MUFG Bank, Ltd.
May 2019 Managing Executive Officer in charge of Kinki region of Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.
June 2021 Managing Executive Officer of Mitsubishi UFJ NICOS Co., Ltd.
June 2022 Managing Executive Officer and Chief Compliance Officer in charge of Compliance Division and Legal Department of Mitsubishi UFJ NICOS Co., Ltd.
June 2023 Managing Executive Officer in charge of Internal Audit Department and Chief Compliance Officer in charge of Compliance Division and Legal Department of Mitsubishi UFJ NICOS Co., Ltd.
April 2024 Advisor to the Company
June 2024 Audit & Supervisory Board Member of the Company (to present)



Hiroko Kudo Date of birth: February 28, 1968
Audit & Supervisory Board Member Number of shares owned: 0 thousand
(External, Independent)
April 1995 Full-time lecturer, Aichi Shukutoku University Faculty of Modern Society
April 1996 Part-time lecturer, Waseda University School of International Studies (now School of International Liberal Studies) (to present)
April 1998 Full-time lecturer, Waseda University School of Education
July 1998 Obtained Doctorate in Public Policy Studies from Venice University
October 2001 Visiting researcher, Cabinet Office Economic and Social Research Institute
April 2002 Audit Committee member, Chiyoda City
April 2003 Assistant Professor, Waseda University School of Education .
April 2005 Professor, Chuo University Faculty of Law (to present)
April 2008 Part-time lecturer, University of Tokyo Graduate School of Public Policy
April 2016 Senior visiting researcher, Ministry of Finance Policy Research Institute
May 2018 Visiting Professor, Newcastle Business School
April 2020 Visiting Professor, University of Ljubljana Faculty of Public Administration (to present)
June 2022 Audit & Supervisory Board Member of the Company (to present)

■ Executive Officers (As of June 25, 2024)

Senior Managing Executive Officers	Kiyotaka Nakamura
	Masahiro Ueda
Managing Executive Officers	Naoto Kita
	Akira Ogane
	Satoru Tayasu
	Hidehiko Shimoyama
	Tsuneyoshi Ito
	Kyoko Takayanagi
	Isao Otokita
	Ikuo Shimizu
	Masakazu Kawamura
	Hidenori Yano

Executive officers	THANAWAT LERTWATTANARAK
	Yoshiyuki Hayashi
	Kensaku Furusho
	Reiko Oka
	Tetsuya Yuzuri
	Hiroyuki Kawai
	Takuma Tanaka
	Yukino Fuchigami
	Kazuto Nakamura
	Takashi Fujii
	Kiichiro Sasaki
	Sachio Yamada
	Ken Nakamura
	Masahiro Masumoto

Compliance

The President is the chief compliance system officer for the TIS INTEC Group, while the director responsible for compliance coordinates the confirmation and evaluation of TIS and Group-wide compliance-related matters and the promotion of improvement measures.

Compliance Education

E-learning modules are undertaken annually by all officers and employees to affirm and deepen their understanding of the Group Code of Conduct.

Regular Investigation of Code of Conduct Effectiveness and Implementation Results

TIS conducts an annual compliance awareness survey, confirming the extent to which the Group Code of Conduct has been assimilated by employees.

Preventing Corruption

As part of Group-wide compliance promotion activities, we are building Group-wide anti-corruption mechanisms.

Punishment for Noncompliance

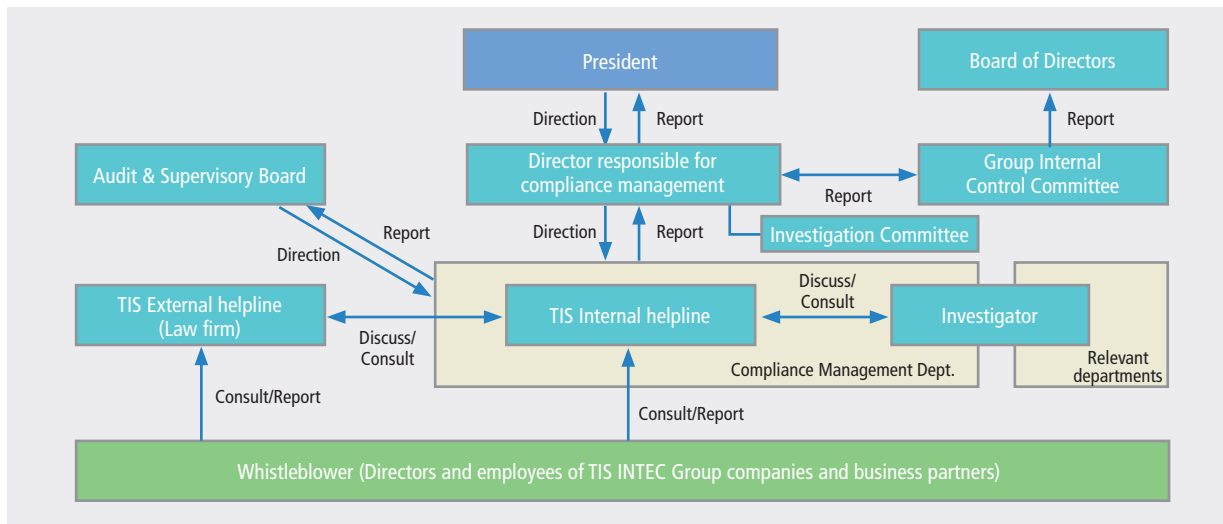
Officers and employees who engage in noncompliant behavior are subject to disciplinary action and legal measures in accordance with Japan’s laws and regulations as well as the Company’s Articles of Incorporation and internal rules.

Establishment of Helplines

<TIS>

TIS maintains helplines available to all officers and employees, including contract staff and temporary staff, as well as retired employees and employees at business partners, such as companies with contracts to supply products or services to TIS. These helplines (external and internal) can be accessed via email, telephone, or in person to get advice or report an issue in the event that actions taken by an officer of the Company are thought to violate laws, regulations, internal rules, or social norms, or that the potential for such misconduct becomes known.

Every effort is made to ensure the privacy of helpline users. In addition, no one who asks for advice or makes a report to a helpline will suffer any disadvantage in a professional sense. Lawyers with expertise specific to the issue raised or staff at the helpline desk will respond to requests for advice and, when necessary, the Company will be informed of situations, with the consent of the helpline user, to expedite a solution to the issue.



<Group>

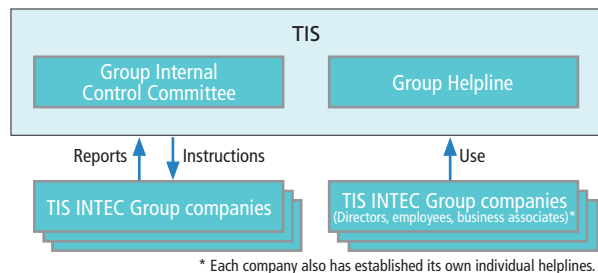
In addition to internal helplines at each Group company, TIS maintains an internal helpline for use by the TIS INTEC Group as a whole. We strive to detect, prevent and correct misconduct as early as possible, addressing relevant internal issues in an effort to strengthen compliance management.

When a compliance issue arises within TIS or a Group company, we work to resolve the issue by immediately establishing an Investigation Committee, investigating the cause, taking countermeasures, and also implementing measures to prevent a recurrence.

Assuring Whistleblower Confidentiality and Anonymity

In addition to setting up a internal helpline at TIS, we have established external helpline (lawyers’ contact points) for each Group company to create an environment that makes it easy to report and receive advice.

We take care to protect whistleblowers in accordance with the *Whistleblower Protection Act*. This includes ensuring the confidentiality of information reported and being open to receiving anonymous reports.



Information Security and Personal Information Protection

If confidential information were to be leaked or manipulated due to a computer virus or unauthorized access, it could result in claims for damages from clients and other companies and a loss of trust in the Group. We have formulated our Group Information Security Policy and Personal Information Protection Policy for application to the entire Group, and, for application in Japan, Policy on Handling of Specific Personal Information in addition to the aforementioned two policies. We make Group-wide efforts to maintain information security, such as protection against cyber attacks from external sources and prevention of information leaks due to internal misconduct. These activities have been prioritized to raise information security and effect appropriate information management.

Following our Group Information Security Policy, security measures are implemented by Group companies around the world in accordance with the Group’s common information security standards so that digital technologies can be applied to personal information and to expeditiously provide services that exceed customer expectations while also protecting that information.

Ensuring Safe and Secure Commercial Systems

There have been frequent security incidents in recent years involving the leak of personal and confidential information arising from unauthorized access, as well as extortion using ransomware, both of which exploit information systems’ security flaws (vulnerabilities). In addition to known attacks— that is, cyber attacks that we already know how to address—a growing number of attacks exploit vulnerabilities of which even software developers and system development vendors are not aware. Security measures that factor in these unknown attacks need to be implemented across the whole system without exception.

The TIS INTEC Group has put in place mechanisms whereby the latest security technology trends and information regarding vulnerabilities are shared promptly within the Group, and processes ensuring the necessary levels of security are embedded in system building and operation to guarantee that the completed systems have the best possible security. We conduct regular vulnerability checks on the systems we have built and deal appropriately with newly discovered vulnerabilities, continuing to strive to provide safe and secure systems and services.

Information Security Education and Awareness-Raising

We conduct information security education in the form of e-learning so as to facilitate understanding of the rules stipulated in our Group-wide information security policies and to instill information security-conscious behavior among officers and employees, both in-house and at partner companies. We implement various measures on an ongoing basis to embed basic information security awareness in each employee.

In addition, we conduct Group-wide education and training for officers, employees, and partner company employees to increase awareness of the importance of personal information protection.

Personal Information Protection Initiatives

Following the Group Personal Information Protection Policy, Group companies in Japan and overseas have formulated rules on the handling of personal information in accordance with Group standards. We comply with the laws and regulations that apply not only in the countries in which the Group has bases but also in those in which we conduct business activities, handling personal information entrusted to us by customers and stakeholders appropriately and lawfully.

The TIS INTEC Group has established its own personal information protection management system, engaging in information coordination within the Group management system and implementing risk management education and training. Group companies, too, operate personal information protection management systems in compliance with the above policy.

Risk Mitigation Approach for Information Security

In recent years, incidents of ransomware infection have frequently caused the leak of personal and confidential information. In order to respond to the risk of ransomware infection and the risk of information theft, the following measures have been taken.

Points to respond	Measures
Measures against external hacking	Promote zero-trust environment across Group companies and prevent malware infection through teleworking environment and other causes
Measures against malware activities	Monitor behavior of terminals 24 hours a day, every day through the Security Operation Center (SOC) and Security Information and Event Management (SIEM), and automatically isolate the terminal in the case of any suspicious behavior detected. For the risk of information theft, automatically block any communication with a suspicion of unauthorized access to information.
Early-response measures in case of any incident	Conduct regular drills to enable an appropriate response to be made for any incident, and immediately engage the Computer Security Incident Response Team (CSIRT) to respond to any incident.

The Company strives to enhance the development of risk management system to prevent any losses.

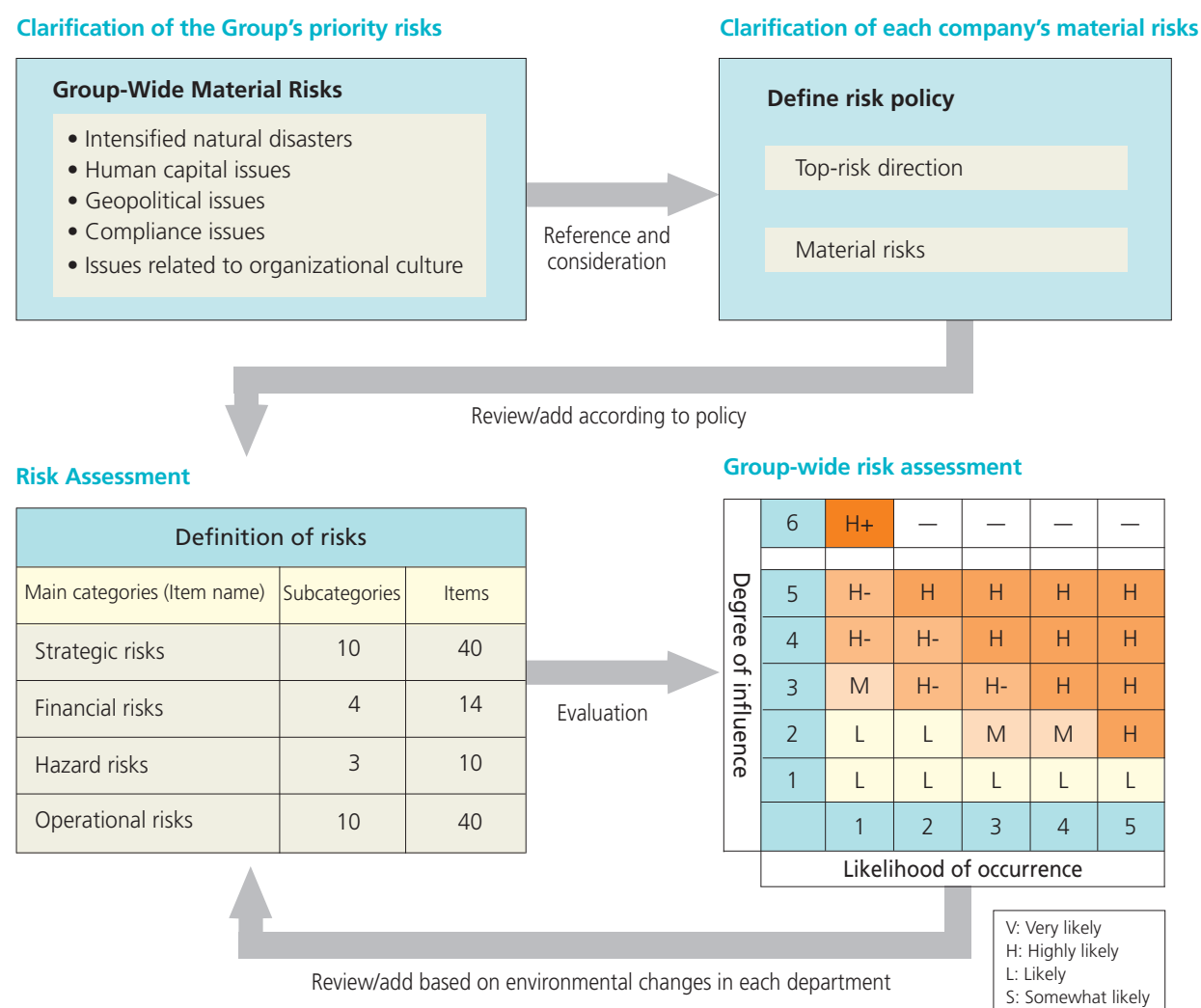
■ Management Process

The Company has established rules for risk management to ensure an accurate understanding of the risks facing the Group and prevent losses from occurring. In accordance with these rules, we have appointed an executive to oversee risk management of the entire Group, and a risk management department has been established to administer a risk management system. In addition, we have established a risk management policy for the entire Group and regularly check the implementation status of measures to control risk. When a Group company becomes exposed to a serious risk, a task force is set up and appropriate measures are taken to minimize damage. As for the development of the risk management system, based on our basic policy and various rules governing internal control systems, we are implementing specific measures for the maintenance and improvement of the internal control of the entire Group, monitoring the development and operational status of the internal control system, deliberating at the Group Internal Control Committee, and developing a process to report the results of these deliberations to the Board of Directors.

■ Risk Assessment Process

An evaluation is conducted of both the top potential risks and material risks, as presented by the president of each Group company based on the Group's priority risks as well as the risks identified by each division. The Group Internal Control Committee examines the risks faced by the Group twice a year, corroborating issues related to those risks and evaluating the status of improvement measures, and reports to the Board of Directors. Based on these reports, the Board of Directors issues instructions, which are embodied in initiatives to strengthen and improve Group-wide internal control systems.

<Risk Management Process Chart>



■ The Group's Risk Recognition

The Group defines "risk" as "any factor that may hinder the achievement of the management philosophy, goals, and strategies of the Company and the Group by causing economic loss; the interruption, stagnation, or suspension of business operations; and/or damage to the Company's credit or brand image." The risks faced by the Group are categorized into strategic risks, financial risks, hazard risks, and operational risks in accordance with the rules for risk management.

Strategic risk

Risk items	Overview of risk
Human resources	<ul style="list-style-type: none"> High-quality human resources are not secured and developed according to plan. Productivity reduces, costs increase and employee engagement lowers.
Market and economic changes	<ul style="list-style-type: none"> As the Group's business domain changes and society changes, competitive advantage may be lost by failing to promptly address changes in the technologies and services required by society. Price competition may also intensify more than expected. Foreign exchange loss due to rapid depreciation of the yen with economic changes
Investment	<ul style="list-style-type: none"> The expected result or return cannot be obtained. Assets become obsolete. Misconduct or system failures by a corporate counterparty following an investment or M&A transaction may result in a loss of credibility, brand damage and potentially lawsuits.
Overseas business	<ul style="list-style-type: none"> Overseas business is impacted by various factors, including global economic and foreign exchange trends, legal regulations on investment and competition, local business practices, and labor-management relations.
Human rights	<ul style="list-style-type: none"> The occurrence and disclosure of any events which may have a direct or indirect negative impact on certain stakeholders result in damage to the reputation and credibility of the Group.
Geopolitical risks	<ul style="list-style-type: none"> International pressures, exchange rate trends, trade issues, or effects on procurement costs may occur due to warfare, civil strife, political upheaval, revolution, terrorism, rioting, and so on.
Reputational risk	<ul style="list-style-type: none"> If risks are not properly managed and have a negative impact on society, or if the Company becomes associated with any negative impact that other companies have had on society, the Company's business may be interrupted, stagnate, or be suspended due to loss of credibility and brand damage, or it may potentially lose customers or business partners.

Financial risk

Risk items	Overview of risk
Owned securities	<ul style="list-style-type: none"> Sharp fluctuations in the market prices of marketable securities or deterioration in management conditions of issuing entities requires the posting of accounting losses or other similar measures.

Hazard risk

Risk items	Overview of risk
Pandemics	<ul style="list-style-type: none"> A sharp constriction of the productive activities of our employees and those of our business partners
Natural disasters	<ul style="list-style-type: none"> A large natural disaster results in an extended power outage that interrupts the smooth operation of data centers.

Operational risk

Risk items	Overview of risk
System development	<ul style="list-style-type: none"> As systems development is growing more sophisticated and complex and turnaround times are shortening, extra work may be required in order to achieve the planned level of quality or complete the project during the development period, leading to considerably higher-than-expected costs and customer claims for damages. Tasks outsourced to business partners do not meet expectations for productivity or quality and smooth project management is not realized.
System operation	<ul style="list-style-type: none"> System problems arise due to human error or equipment malfunctions during system operation and the Group is unable to provide services at the level agreed upon with the client.
Information security	<ul style="list-style-type: none"> Confidential information is leaked or manipulated due to a computer virus, unauthorized access, or other reason leading to claims for damages from client companies and to a loss of trust in the Group's services.
Legal systems, compliance	<ul style="list-style-type: none"> A law or regulation is contravened, or a new law or regulation is introduced.
Intellectual property rights	<ul style="list-style-type: none"> The Group is accused of infringing another company's intellectual property rights and presented with an injunction and a claim for damages.
Climate change	<ul style="list-style-type: none"> The Group's energy costs are significantly impacted by fluctuations in demand for renewable energy. The Group's transition to renewable energy is delayed.

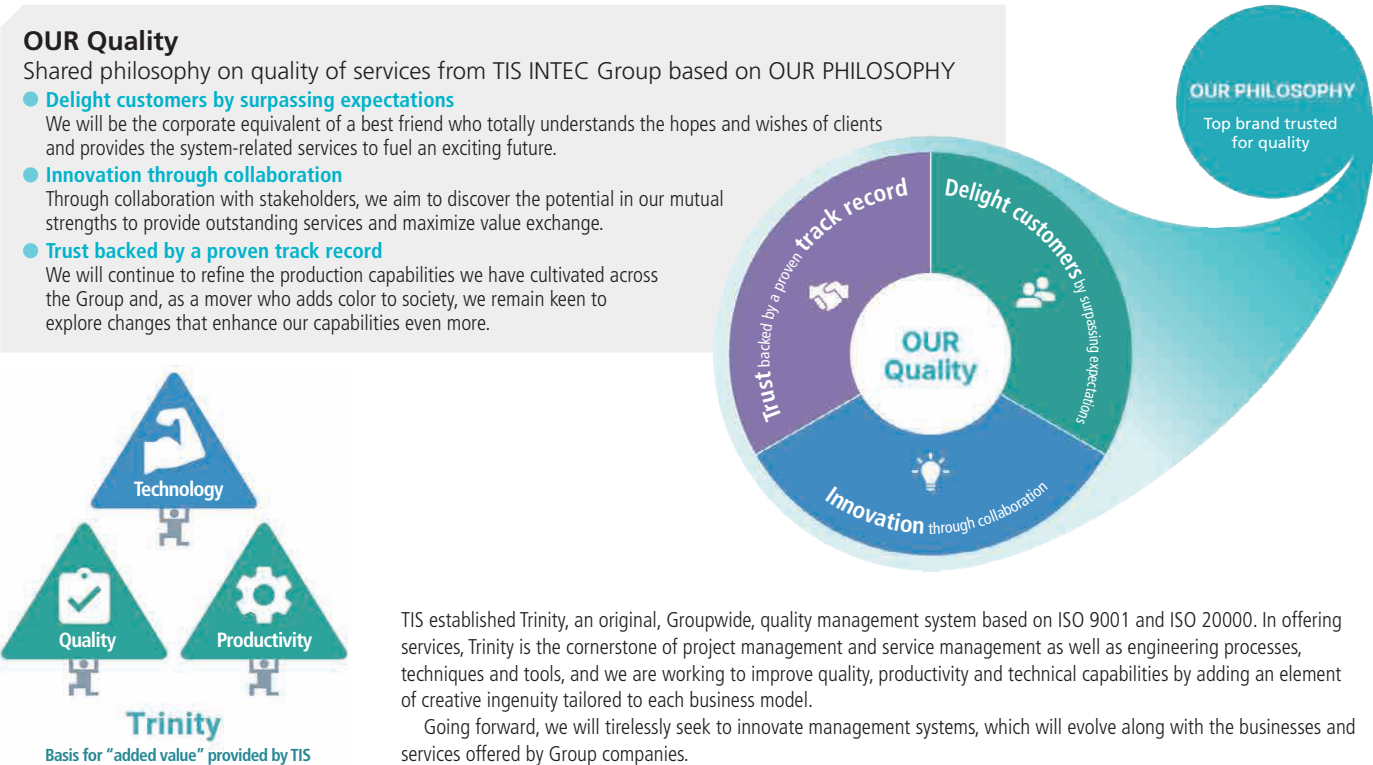
Seek to Cement Status as “Top Brand Trusted for Quality”

TIS is keenly aware of its social responsibility to support the information systems that underpin social infrastructure, and leads the TIS INTEC Group in a continuing effort to improve quality, productivity and technological capabilities.

Going forward, as a corporate group, we seek to establish a solid reputation as a “top brand trusted for quality” and realize the mission set out in OUR PHILOSOPHY by consistently providing high-value-added services while responding flexibly to diversifying business formats, solutions, development techniques and technologies.

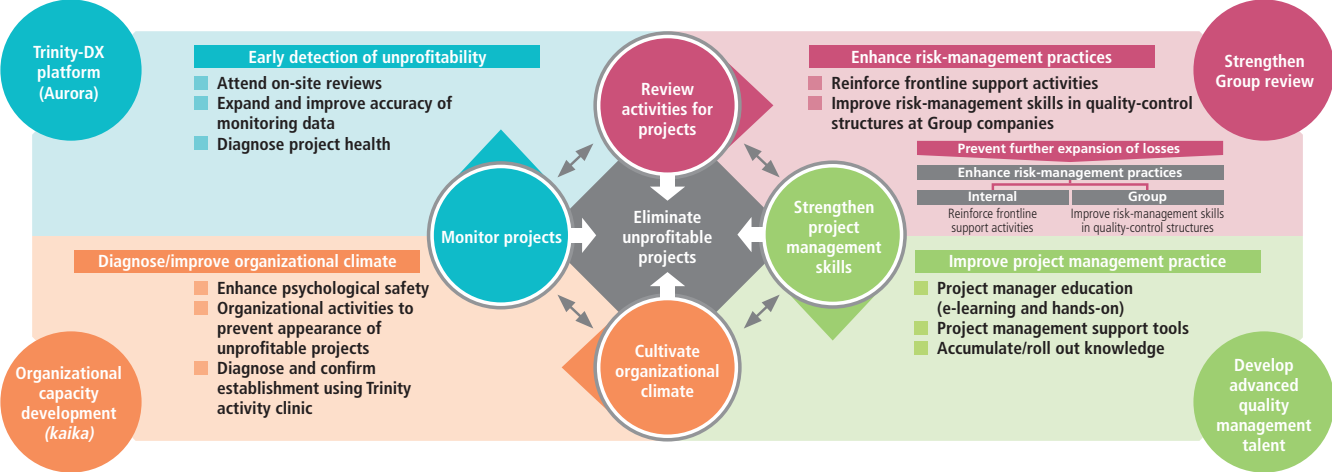
Group’s Shared Philosophy on Quality: OUR Quality

Guided by OUR Quality, a quality-oriented philosophy shared Groupwide, we will work as a cohesive corporate group to improve the quality of system-related development, services and operations.



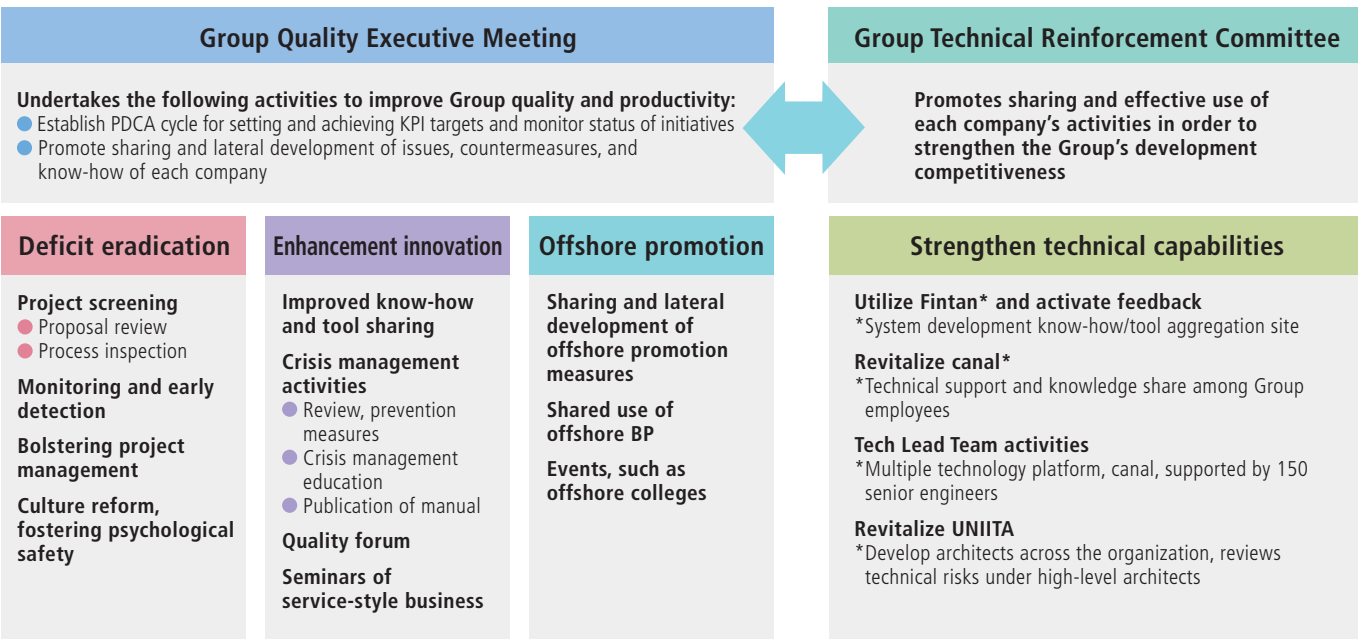
Review of Large Unprofitable Projects and Future Measures

We believe that many unprofitable projects can be detected early and prevented from becoming large-scale by gauging risk and checking the status of countermeasures at the time of project launch. Upon review, we see that the appearance of large, unprofitable projects in the previous fiscal year was primarily because risk controls applied to such projects failed to function adequately across the Group. In light of this assessment, we will enhance risk-management practices and reinforce monitoring on a Groupwide, basis while improving the climate of frontline structures and strengthening practical project management skills to nip issues in the bud.



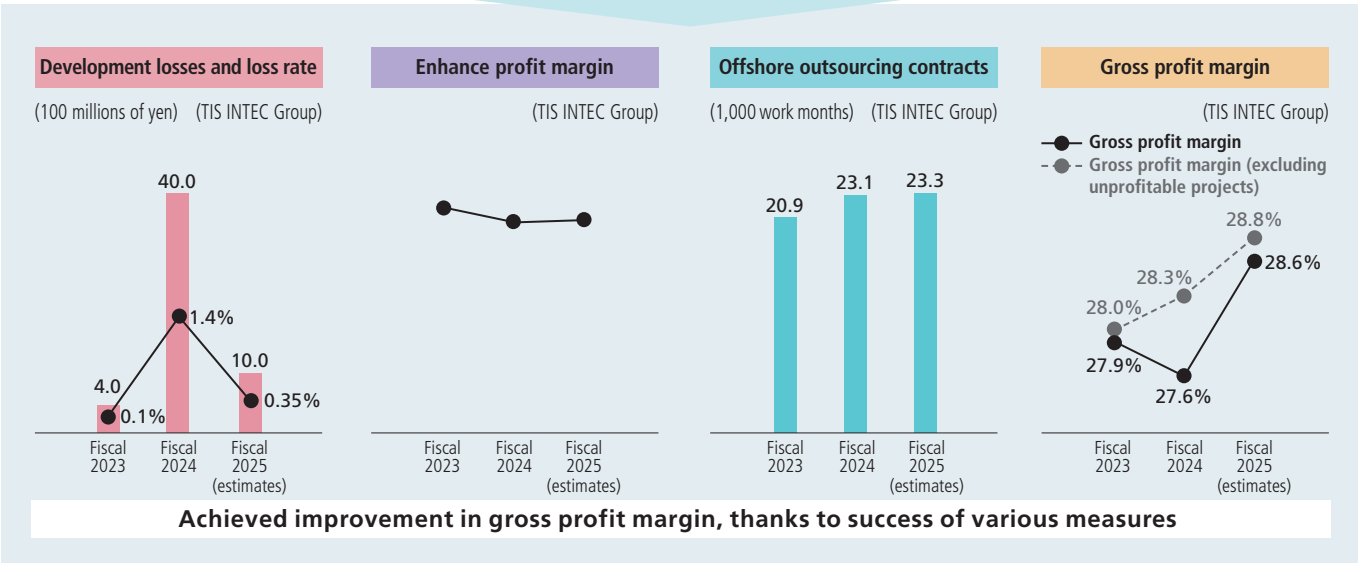
Activities Aimed at Improving Standards Across the Entire Group

The TIS System Development & Quality Management Innovation SBU and the Technology & Innovation SBU are spearheading the following activities aimed at improving the quality, productivity and technical capabilities of the entire Group and harnessing Group synergies.



Results in fiscal 2024, ended March 31, 2024

- TIS companywide review proposals: 49
- Group Technology Enhancement Committee meetings: 12
- TIS system development meetings: 213
- Number of Group screenings: 255



Kyoko Takayanagi
TIS Managing Executive Officer,
Division Manager of System Development & Quality Management Innovation SBU

For a corporate group like the TIS INTEC Group, which provides information systems and services that underpin social infrastructure, it is incumbent upon us to stop projects from becoming unprofitable and to avert serious incidents. Therefore, TIS has constantly endeavored to improve quality and productivity, with successful results. In this context, it is extremely unfortunate that TIS recorded large-scale, unprofitable projects totaling ¥3 billion in fiscal 2024. We recognize that this not only impacts our business performance, but also threatens to erode trust in the quality that the Group has built. To prevent such a situation from happening again, we will endeavor to enhance the project risk-management skills and know-how of the entire TIS INTEC Group. Stronger monitoring practices on a Groupwide basis will help us identify the early signs of unprofitable projects, and thorough screening of projects will help us raise the level of quality control activities Groupwide. In addition, a boost in quality requires creative ingenuity tailored to the business model in use and cooperation on the frontline. Based on “OUR Quality,” a new, quality philosophy shared Groupwide, no Group company will be limited to activities designated by their respective quality control departments but will rather promote multifaceted quality improvement measures. This includes efforts to raise quality awareness and hone the management skills of all employees and thereby cement the TIS INTEC Group’s status as a “top brand trusted for quality.”

Initiatives to Address Climate Change

The Group has addressed preservation of the global environment in its Basic Policy on Corporate Sustainability, which is based on its basic philosophy, OUR PHILOSOPHY. In order to realize a sustainable society, we are promoting efforts to preserve the global environment both by reducing the environmental impact of our business activities and by contributing to our customers' and society's efforts to mitigate and adapt to climate change through the provision of our services.

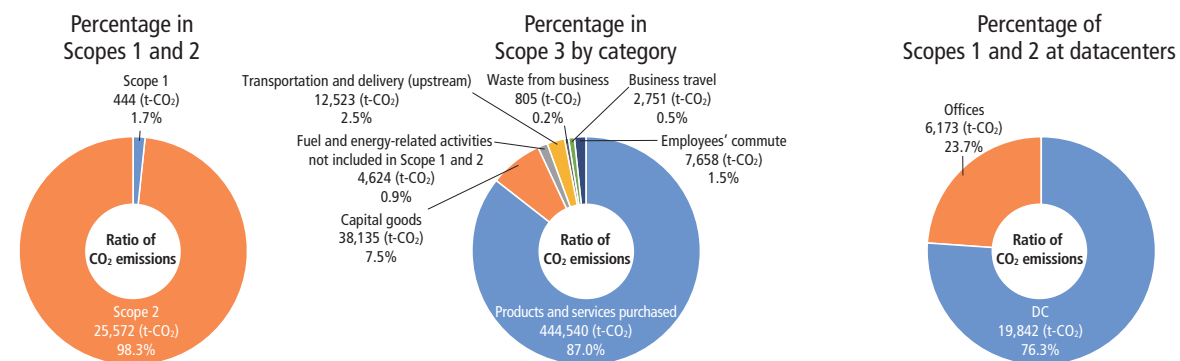
Medium- to Long-Term Environmental Targets for Climate Change

The TIS INTEC Group declared its commitment to carbon neutrality in December 2022. To achieve a decarbonized society, the Group aims to achieve carbon neutrality in terms of greenhouse gas (GHG) emissions by fiscal 2041 and net zero GHG emissions throughout its value chain by fiscal 2051.

TIS INTEC Group's Carbon Neutrality Declaration

- Fiscal 2041**
Achieve carbon neutrality in Scopes 1 and 2
- Fiscal 2051**
Achieve net zero in Scopes 1, 2, and 3

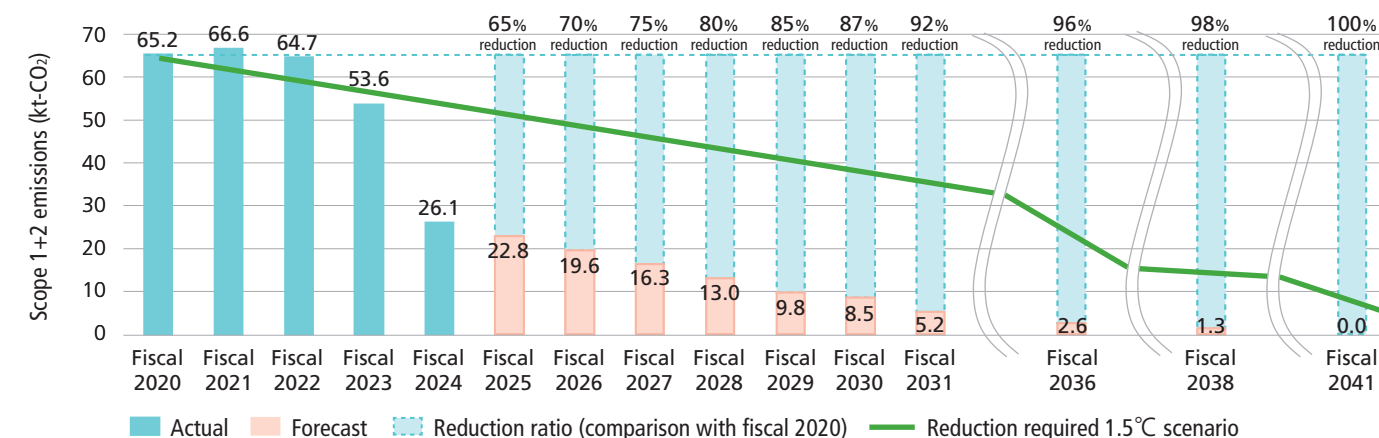
Ratio of GHG emissions in the Group (actual results for fiscal 2024)



	Fiscal 2022	Fiscal 2023	Fiscal 2024
Main activities and achievements	<ul style="list-style-type: none"> Aug. 2021 SBT certification at 2°C level Dec. 2021 Start of renewable energy introduction Jan. 2022 Disclosure in accordance with TCFD 	<ul style="list-style-type: none"> Dec. 2022 Carbon neutrality declaration Mar. 2023 Received CDP A- rating 	<ul style="list-style-type: none"> Jun. 2023 Obtained SBT certification at 1.5°C level
Evaluations from External Parties			
CDP score	C (Awareness level)	B (Management level)	A- (Leadership level)

GHG reduction targets and results in Scopes 1 and 2

Scope: TIS and all consolidated companies as of July 1, 2024



We achieved a 60.1% reduction in fiscal 2024 compared to the base year (fiscal 2020), a greater decrease from fiscal 2023 due to an increase of renewable energy in Scope 2. We refined GHG emission forecast in Scopes 1 and 2 in accordance with a significant reduction in GHG emissions. We will continue to manage our GHG emissions by tracking projections versus actuals in order to keep on track to achieve our carbon neutral targets in fiscal 2041.

*The reason for the increase in emissions in fiscal 2021 compared to the previous year is due to the addition of data centers for calculation.

Initiatives to achieve the Group's GHG reduction targets

Accelerate renewable energy adoption in data centers and offices

The Group has been promoting the introduction of renewable energy as a measure to fulfill its carbon neutrality declaration. In fiscal 2023, the renewable energy introduction ratio was 18.4% of the total, but in fiscal 2024, this had increased to 56.7%. Furthermore, from the perspective of using additional renewable energy and local production for local consumption, we have been procuring electricity since January 2024 through an off-site corporate PPA* centered on the INTEC Toyama area, with a newly constructed solar power plant at its core. This is supplied to a portion of INTEC's business sites to cover part of their electricity usage. We will continue to promote the procurement of electricity through corporate PPAs as a new measure to further advance the Group's achievement of carbon neutrality.

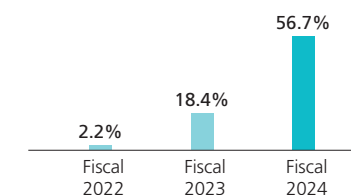
*Off-site corporate PPA (power purchase agreement): A system that supplies electricity from power generation facilities installed outside a company's premises via the power grid.

Promote energy conservation in data centers and office

For offices, we will promote the consolidation of Group offices by region, the switch to LED lighting, and energy-saving air-conditioning equipment, among others.

At data centers, we will continue to improve energy efficiency, mainly in air-conditioning systems.

Renewable energy introduction ratio



Other initiatives

In our data centers and offices, we are also promoting natural lighting, installation of small-scale solar power generation systems, and rooftop greening.



Natural light (solar tracking equipment)



Solar power generation monitor



Rooftop greening

In light of future changes in the market environment—including social conditions, government policies, and electric power company trends—we will purchase energy with less environmental impact at stable and appropriate prices. We thus aim to achieve carbon neutrality as well as data center and office environments that minimize their environmental impact.



Environmental Promotion Officer

Tsuneyoshi Ito,
TIS Managing Executive Officer,
Division Manager of Corporate Management SBU

In December 2022, TIS announced its Carbon Neutral Declaration and began reinforcing efforts to realize a net-zero society. Looking to reduce Scope 1 and 2 emissions, we aim to have the TIS INTEC Group using 100% renewable energy by fiscal 2041. On a parent-only basis, we were able to set a goal of achieving 100% renewable energy use at key data centers and offices by fiscal 2026. Group companies are following suit with plans of their own, and of note, INTEC has signed a Corporate Power Purchase Agreement for its data center and some offices in the Toyama area. Through these efforts, we reduced Scope 1 and 2 emissions ahead of original targets.

Initiatives to reduce Scope 3 emissions

Reaching the Scope 3 target is not possible without the cooperation of the partner companies that do business with members of the TIS INTEC Group. We still have many areas to explore at the present time in our goal to cut greenhouse gas emissions across the entire supply chain. To start, we will distribute a questionnaire to business partners to better understand current status, and then we will hold study sessions and create other opportunities to promote a wider understanding of net zero. This will provide the basis for activities that raise awareness of this issue all through our supply chain.

Initiatives in natural capital (biodiversity)

As an environmental issue separate from climate change, biodiversity protection has attracted growing interest in recent years. Although we are not directly involved in biodiversity issues, we are indirectly involved through the business activities of our clients because we provide system development, operation and maintenance services to them. We recognize that going forward, we will need to analyze and disclose our relationship with natural capital.

The role that companies are obliged to play in addressing global environmental issues has become increasingly larger in recent years. We will continue to contribute to the realization of a sustainable society through initiatives aimed at mitigating global environmental issues, including climate change and biodiversity protection, without relaxing our efforts to achieve carbon neutrality.

Information Disclosure in Line with TCFD Recommendations

The Group endorsed the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD). We disclose information regarding our initiative progress in line with TCFD recommendations, strengthening our measures for climate change.



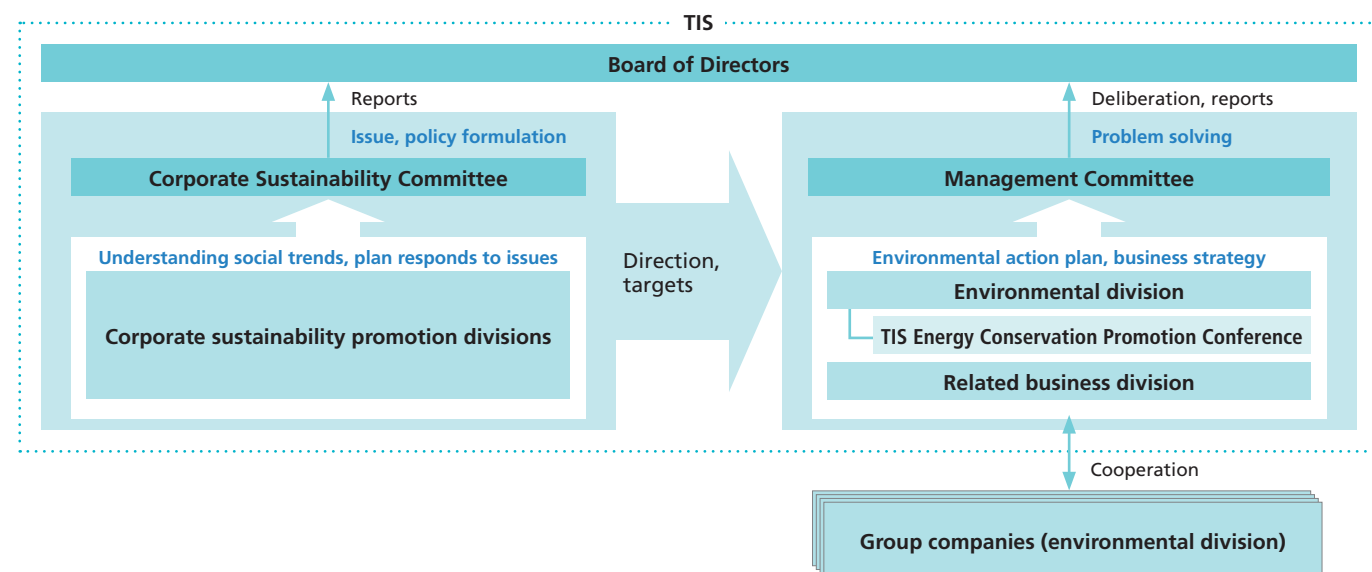
The TCFD requires disclosure in four core areas: **governance**, **strategy**, **risk management**, and **metrics and targets**.

Governance

Climate change policy is evaluated and deliberated by the Corporate Sustainability Committee as an environmental measure and activity and reported to the Board of Directors. Climate change measures are evaluated and deliberated by the Management Committee and reported to the Board of Directors.

We also set up the TIS Energy Conservation Promotion Conference and the Climate Change Business Working Group as structures that consistently leverage awareness of risks related to measures aimed at mitigating the impact of climate change.

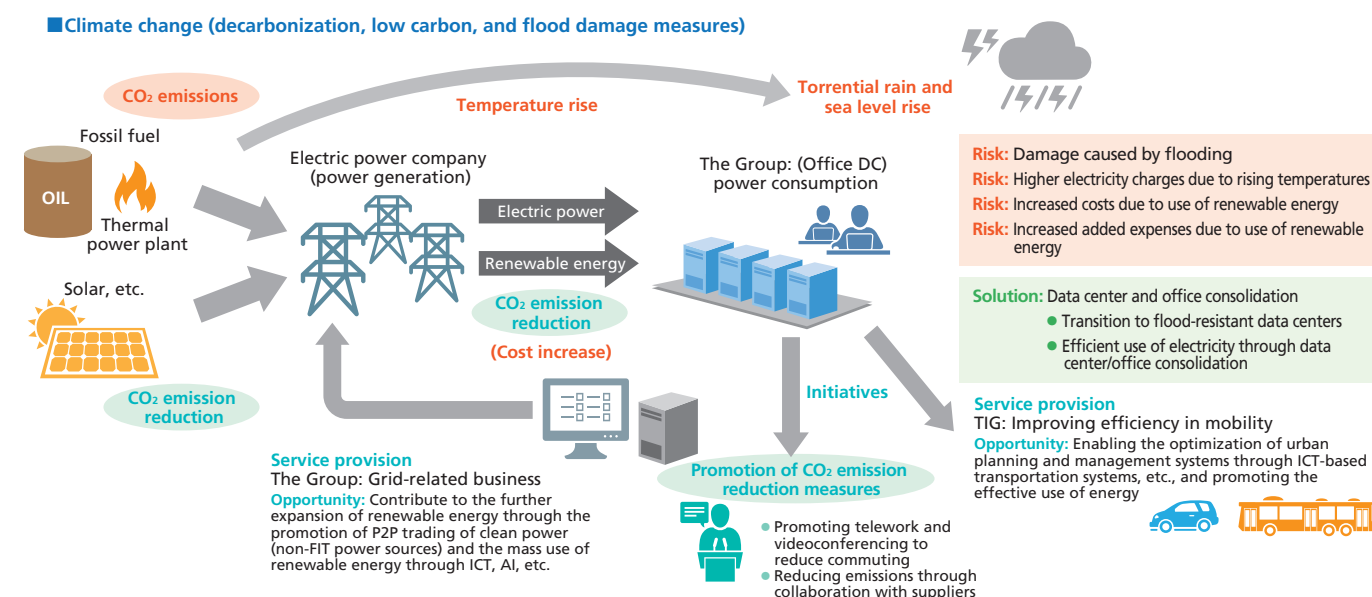
In addition, we take a flexible approach by setting up working groups and assigning specific issues for each to address. The cross-divisional Climate Change Response Review Committee was created in fiscal 2022 to identify and evaluate risks and opportunities related to climate change in order to facilitate disclosure in line with TCFD requirements.



Strategy

Climate-related risks, financial impacts, and opportunities

Based on the correlation diagram between the Group and environmental issues, we organize risks and opportunities in the Group.



Climate-related risks and financial impacts

Based on the correlation diagram, we listed the short-, medium- and long-term climate-related risks in the Group and assessed the financial impacts in fiscal 2031.

Risk classification		Risk	Short Term	Medium-term (1–3 years)	Long-term (4–20 years)	Financial Impact in 2030	Financial Impact Overview
Transition	Policy and legal	Increased costs associated with strengthening local ordinances	—	○	—	¥8,010 million	Possible amount of loss that could be averted if GHG reduction targets, such as carbon neutral status, is achieved
		Cost increase due to introduction of carbon taxes	—	—	○	¥8,510 million	
	Reputation	Trust of society eroded and clients distancing themselves from us because we are unable to achieve GHG reduction targets	—	—	○		
	Market	Increase in purchase cost of renewable energy	—	○	○	¥62 million	Cost of replacing all electricity with renewable energy
Physical	Acute/chronic	Increased costs associated with extreme weather (rising temperatures) Rising energy prices	—	○	○	¥22 million	Possible additional cost due to the physical effects of climate change

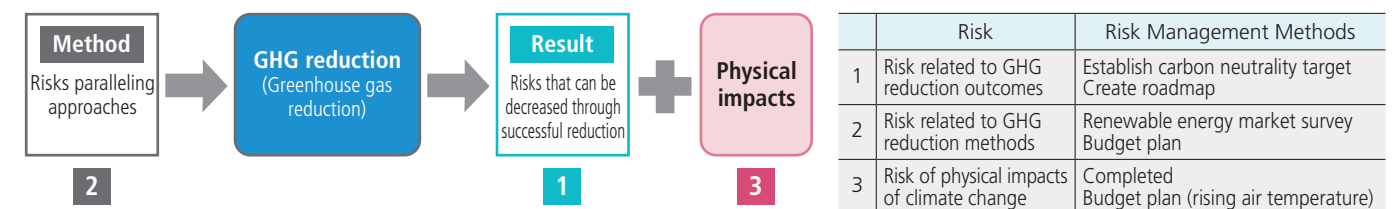
Climate-related opportunities

Based on the correlation diagram, we have also identified short-, medium-, and long-term climate-related opportunities.

No.	Opportunity	Duration	Needs, Increasing in Line with Measures and Targets to Address Climate Change	TIS and TIS INTEC Group Responses
1	More opportunities to provide data center services and cloud services to meet needs of low-carbon/decarbonized society	Short term to long term	More companies are taking advantage of on-premise cloud setups and using renewable energy to power highly energy-efficient hardware. Notably, we anticipate wider demand from companies that have set reduction targets under RE100 and TCFD standards.	We see expanding opportunities to provide data center services by raising the renewable energy ratio/energy efficiency status at data centers under the TIS INTEC Group umbrella. A current goal is to push renewable energy utilization rate at data centers to 100% by fiscal 2031. (We seek to push the renewable energy utilization rate at TIS data centers to 100% by fiscal 2026 in tandem with efforts to consolidate operations into environmentally conscious data centers.)
2	Greater need for system upgrades to improve environment for electric power companies and redesign power infrastructure	Short term to medium term	Society urgently needs to transition from its reliance on thermal power generation to renewable energy, with an emphasis on hydro, wind and solar power, to reduce GHG emissions in the energy conversion sector, which accounts for 40% of emissions in Japan. In conjunction with this shift, demand is sure to rise for power transmission and distribution network rebuilds and upgrades suitable for a society using distributed energy resources.	Drawing on business know-how amassed over 30 years of business with energy companies, we are indirectly involved in shaping electric power infrastructures and promoting the decarbonization of energy companies, driven by their embrace of DX in power generation and system changes based on legal revisions.
3	More opportunities to provide IT services and solutions to address new needs related to climate change	Short term to long term	We apply AI and IoT technologies used to automatically control virtual power plants (VPPs), the pinnacle of energy conservation and energy production, and achieve energy efficiency. We anticipate an increase in the need for various IT services that help to better materialize hidden power sources and for resilience services to address climate change risk.	To make it a future strength, we are promoting various IT services and we are in the process of planning and developing such services through development driven by forward-looking investment and through collaboration and co-creation with stakeholders. We will vigorously engage in initiatives to promote VPP solutions and non-financial information reference and checking services for companies, and to set up businesses based on new technologies, such as environmental value exchange and transfer certification.

Risk Management

We have classified and organized risks into three categories—risks that can be decreased by reducing greenhouse gas emissions, risks related to methods for reducing greenhouse gas emissions, and risks that accompany the physical impacts of climate change—and are considering approaches to deal with these risks.



Metrics and Targets

TIS uses groupwide greenhouse gas emissions, renewable energy introduction ratio and financial impacts as metrics for evaluating climate-related risks. For evaluating climate-related opportunities, TIS uses market scale, sales and other factors as reference values to assess opportunities.

Progress on the goals is also described in the Initiatives to Address Climate Change section on the previous pages.

■ TIS INTEC Group Business Summit 2024

The TIS INTEC Group holds an annual TIS INTEC Group Business Summit as a forum to introduce its services and initiatives that make good use of advanced technologies and know-how to realize a sustainable digital society.

In addition to the keynote speech on communication to revitalize the workplace by Mr. Shigehisa Nagamatsu, author of “Your Life is 90% Determined by the Way You Speak,” we also introduced a total of 35 sessions and a total of 60 solutions from each Group company. Each session not only introduced our services and solutions, but also provided examples of co-creation for growing together with our clients. With approximately 3,900 viewers*¹ and 7,500 session views*², the event provided an opportunity for many clients to learn about the value the Group's provides.

We will continue to foster communication with our clients so that we can provide them active support with a view to solving the issues they face and, beyond them, those faced by society.

1 Total number of viewers for online distribution + on-demand distribution

2 Total number of session video views



Held in an online format in July 2024

■ Implementation of Client Satisfaction Survey

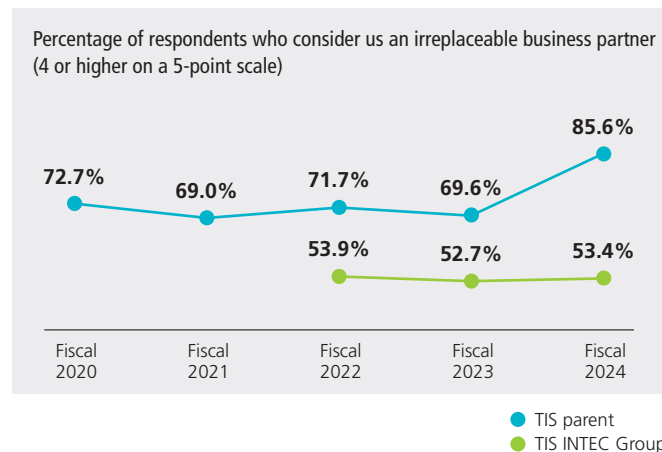
We conduct an annual Client Satisfaction Survey for clients with whom we have an ongoing business relationship. The survey is used as a point of reference to determine activities toward self-improvement from a client perspective.

In the survey for companies who have accounts with us, the ratio of respondents who considered us an irreplaceable business partner, one of the overall evaluation indicators we look at most closely, was substantially improved versus last year. As in the past, we continue to receive high marks for our technical capabilities, particularly for our ability to define requirements and design systems, on-site responsiveness, and for our ability to meet deadlines. We were again made aware that our engineering capabilities, which are a strength of our Group, are recognized by our clients. Furthermore, our ability to make proposals also increased compared to the previous year, and we believe that we have gained a certain level of appreciation from our clients. We understand that it is becoming increasingly important to make proposals that are one step ahead of the growing expectations of clients—and society—in respect of digital transformation, and we will strengthen proactive initiatives.

In addition, as the level of satisfaction indicated in service-style surveys has remained flat, we recognize that we have not been able to fully meet expectations for the services we provide, and we will promote initiatives to improve our services by enhancing our dialogue with clients.

Since fiscal 2022, an account-type survey has been conducted for the entire Group as part of the promotion of Group-wide activities to improve client satisfaction. While the percentage of respondents who answered that TIS is an irreplaceable business partner increased significantly, it rose only slightly for the Group, indicating that there is much room for improvement. Based on the results of this survey, we will delve deeper into the intentions of our clients' responses and their requirements and expectations. And by spreading best practices across the organization, we will lift our entire Group and work to further improve client satisfaction. We also hold information-sharing meetings with Group companies regarding the survey results and improvement activities to stimulate improvements throughout the Group.

We will continue to take client feedback seriously and bolster activities to strengthen our front line, the touchpoint with our clients, helping them solve social issues as a business partner to create value together.



■ TIS Business Partner Forum 2024

We hold events and social gatherings for our business partners every year to help them better understand our management policy and various other initiatives and measures. Following on from last year, we are planning to hold forums in Tokyo, Nagoya, and Osaka in October 2024.

The concept for this year's event is “Frontiers,” which is also the slogan of the new Medium-Term Management Plan. Co-creation with our business partners will become even more important to fearlessly take on the challenges of unexplored frontiers and build a new world. The aim is to share this ambition with the TIS senior management team and business partners and to strengthen the partnership. This initiative has also been launched not only by TIS but also by other Group companies.

We will continue to work to expand our business and improve client satisfaction through further collaboration with our Group companies by building relationships of trust through interactions with our business partners.

■ Business Partner Satisfaction Survey

We conduct an annual Business Partner Satisfaction Survey to gain feedback on changes in the environment, trends in guidelines and pricing structures, as well as their level of satisfaction with us.

Last year, we conducted a survey of the entire TIS. This year, with the aim of having each business organization recognize issues and work on responses and improvements, we conducted a more detailed survey of expectations and issues by business organization.

The survey results showed that business organizations with a higher satisfaction level than the company average shared scores in such areas as business continuity, regular contact with the Company, and high job satisfaction in the workplace. On the other hand, business organizations with a lower satisfaction level than the company average had common issues such as lack of business continuity and dissatisfaction with price, systems, and project management, despite business continuity.

We will provide feedback on these results to each business organization and work to create an environment that allows us to make proposals that are mutually satisfactory to both the Company and its business partners.

These surveys enable us to better visualize the expectations of our business partners and the issues they face and help forge a path for continuous improvement to achieve greater value exchange and expanded collaboration, thereby boosting their satisfaction.

■ Promotion of Collaboration with Overseas Partners

We cooperate with overseas partner companies to support TIS' business growth. We continue to strengthen our ties with leading IT companies in Asia, regularly engaging in dialogue at management level to discuss issues relevant to the Company and its overseas partners.

Also, expectations of overseas partners are expanding beyond offshore development outsourcing to include a wide range of areas, such as on-site support in Japan, solution collaboration, and securing cutting-edge technical personnel. This reflects the current external environment characterized by the shortage of domestic IT personnel, rising prices, and geopolitical risks as well as the internal environment, such as the increased demand for specialized personnel accompanying the shift in business domains.

To promote further collaboration with other English-speaking countries in Asia, we are considering introducing AI-based automatic translation tools and developing English-language QMS and development standards as our third overseas partner after China and Vietnam.

■ Partnership Building

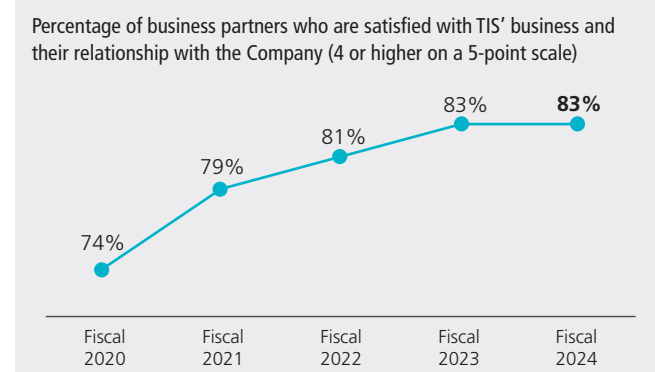
We have identified the areas we will focus on to build new partnerships by promoting cooperation, co-existence and co-prosperity with our supply chain partners and value-creating businesses.

<https://www.tis.com/group/sustainability/policies/multi-stakeholder/>

■ Promoting a Sustainable Procurement Policy

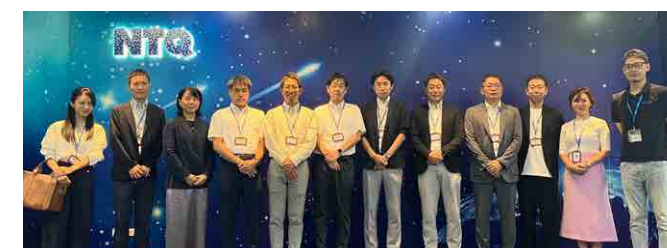
The Group believes in the importance of working together with stakeholders throughout the supply chain. It is promoting the dissemination of procurement guidelines based on its sustainable procurement policy.

<https://www.tis.com/group/sustainability/policies/procurement/>



*Fiscal 2020 and fiscal 2021 results indicate percentage of business partners who are satisfied with TIS' business.

■ The survey was conducted among all business partners (600 partners) with whom we conducted transactions in fiscal 2024.
(The above graph indicate the results from 82 strategic partners.)



With business partners in Vietnam

■ Constructive Dialogue with Shareholders

TIS proactively engages in constructive dialogue with shareholders based on its IR Policy* in order to contribute to the Company's sustainable growth and the enhancement of its medium- to long-term corporate value. In addition, the Company is developing processes to promote further dialogue with shareholders. While the director of the IR Department supervises the relationship with shareholders, the President, executive officers, and the IR Department all deliberate on how best to address issues and take appropriate actions. The IR Department shares information with relevant departments promptly and seeks to capitalize on their respective specialist expertise to support more meaningful dialogue with its shareholders.

The Company will seek to broaden the channels of communication with its shareholders through individual face-to-face and telephone interviews, and by holding business results briefings and other more intimate meetings. Furthermore, in addition to information disclosure—the foundation for meaningful dialogue—the Company will further develop the content of the Integrated Report, which we see as a valuable communication tool.

TIS will give serious consideration to opinions put forward by capital market participants such as shareholders, investors and securities analysts within the Company through reports and briefings to the Board of Directors, and will use them to review the Company's management strategy, among other purposes.

TIS remains acutely aware of the importance of fair disclosure and manages its internal information appropriately in accordance with the Rules for Prevention of Insider Trading.

*Please refer to the IR policy at <https://www.tis.com/ir/other/policy/>

■ Engaging with Shareholders

In fiscal 2024, with the leadership of the President and CEO, we pursued engagement with active management-type shareholders in Japan and overseas, mainly in the U.S., Europe, and Asia. Participants are both analysts and fund managers, and their active management style are diversified centering on growth and value trading. In addition, a dialogue was held with those in charge of exercising voting rights.

The themes of the dialogues and matters of shareholder interest (see below) are shared and discussed within the Company through quarterly reports to the Board of Directors and other feedback and are used to review management strategies, formulate management plans and for other purposes.

Main themes of dialogue and areas of interest to shareholders

- Status of initiatives in structural transformation for business growth and profitability improvement and future outlook
- Status of business portfolio review
- The importance of investment in human resources—the most vital management capital—and Company recruitment policies
- Status of ESG initiatives centering on human resources
- Thinking related to cash allocation to increase corporate value (investments in growth and shareholder returns)
- Financial strategy and KPIs with an awareness of capital efficiency, etc.

IR events in fiscal 2024	Frequency	Contents
Results briefings for analysts and institutional investors	4 times	
Other briefings for analysts and institutional investors	Once	One business briefing
Small meetings for analysts and institutional investors	228 times	Of these meetings, 111 were for overseas investors. Total coverage 440 companies
Small meetings by President	3 times	Sell-side analyst: once, buy-side analysts: twice
Overseas roadshows	Twice	North America, Europe
Conference participation	3 times	Japan: twice, overseas (Asia): once
IR conference for individual investors	Twice	

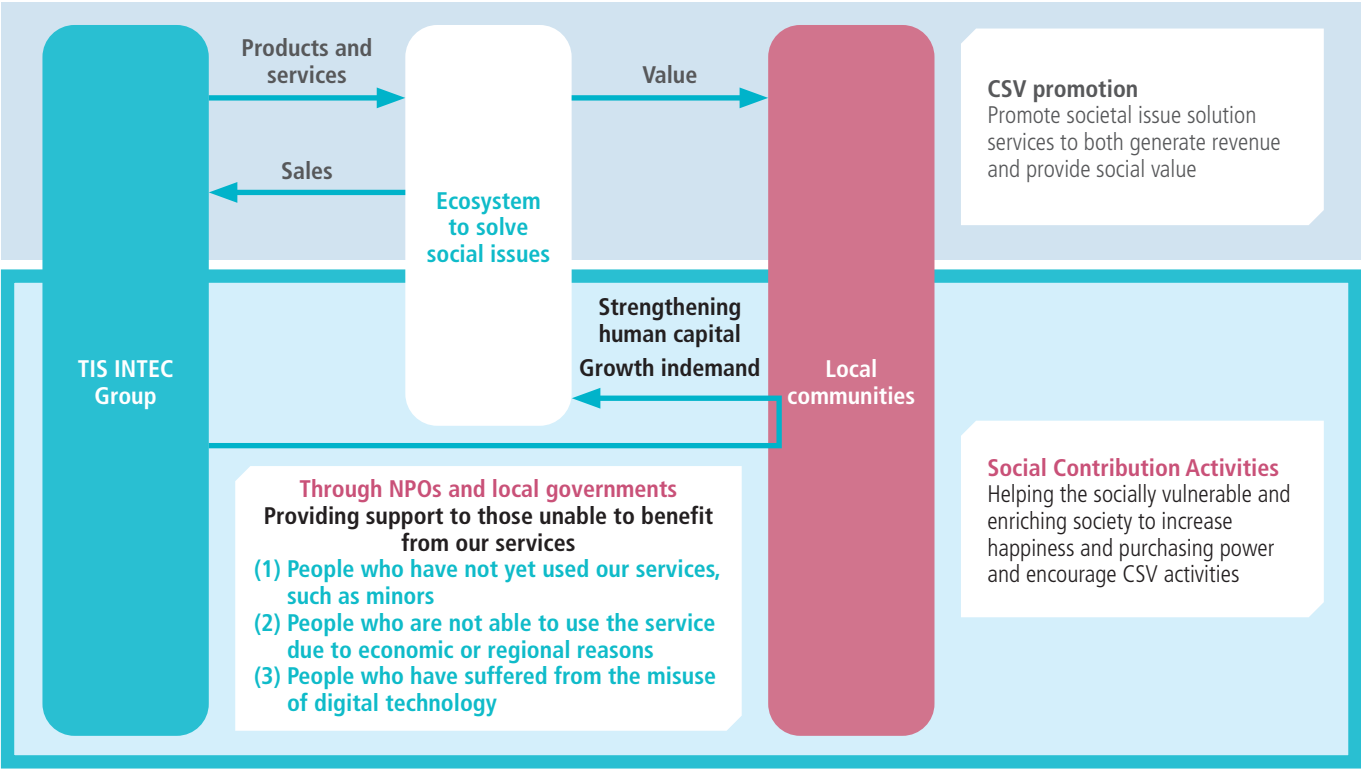
*Conducted in face-to-face or online, taking into account the situation and other factors.

■ Initiatives to Revitalize the General Meeting of Shareholders and Facilitate the Exercise of Voting Rights

Initiatives	Contents
Early distribution of convocation notice of General Meeting of Shareholders	Based on Company policy to distribute the convocation notice at least three weeks before the General Meeting of Shareholders takes place, the notice of the16th Annual General Meeting of Shareholders held on June 25, 2024, was sent out on June 3, 2024.
Setting dates for the General Meeting of Shareholders that avoid the peak day	To enable as many shareholders as possible to attend our General Meeting of Shareholders, we avoid dates when most other companies hold their meetings. The most recent General Meeting of Shareholders was held on June 25, 2024.
Voting by electronic means	We have adopted an electronic voting system that allows shareholders to exercise their voting rights via the Internet (PC, smartphone or mobile phone).
Participation in electronic voting platforms and other initiatives to improve the environment for institutional investors to exercise voting rights	We participate in the voting platform for institutional investors operated by Investor Communications Japan (ICJ, Co., Ltd.).
Access to Notice of Convocation (summary) in English	The convocation notice of the General Meeting of Shareholders was posted (in Japanese and English) on the corporate website.
Other	Disclosure of convocation notice through the Company's website, etc. before dispatch. Under the policy of announcing the meeting approximately one month prior to the date of the shareholders' meeting, electronic delivery measures for the most recent General Meeting of Shareholders meeting began on May 18, 2024.

Social Contribution Activities

In addition to working to provide societal issue solution services (promoting CSV), we also carry out social contribution activities to provide prosperity to local communities directly. We want to provide support to people who cannot enjoy our services through business activities alone via NPOs and local governments and ensure that no one is left behind in enjoying the benefits of digital technology.



■ Case study

From fiscal 2023, we are collaborating with the Japan NPO Center to provide digital transformation support for NPOs.

Grant Program (NPO Support)	<p>Contribute to a society where people can live in a fair digital environment</p> <p>Grants are provided to NPOs that are engaged in activities to prevent the misuse and damage caused by digital technology as well as activities to promote the digital use of people who need consideration.</p> <p>→ Contribute to a society where more people can <u>live in a fair digital environment</u>.</p> <p>■ Grant recipients for the fiscal 2024</p> <p>General Incorporated Association Kids Code Club</p> <p>Workshops are held to improve digital literacy and promote the use of digital technology for children and their parents who are facing difficulties due to financial circumstances, truancy, developmental disabilities, etc.</p>
Digital Infrastructure Enhancement Program (NPO Support)	<p>Contributing to greater efficiency and effectiveness in NPO activities</p> <p>We dispatch personnel to diagnose the digital environment of NPOs and work on solving their digital issues.</p> <p>→ By strengthening and promoting the use of digital infrastructure, we helped <u>NPOs achieve greater efficiency and effectiveness in their activities</u>.</p>

*Please see the link below for other activities.
Social contribution activities: <https://www.tis.com/group/sustainability/social/community/>

Corporate Data

Group Data	116
Consolidated Financial / Non-Financial Highlights	119
Consolidated Financial Summary	121
Non-Financial Summary	125
Evaluations from External Parties	127



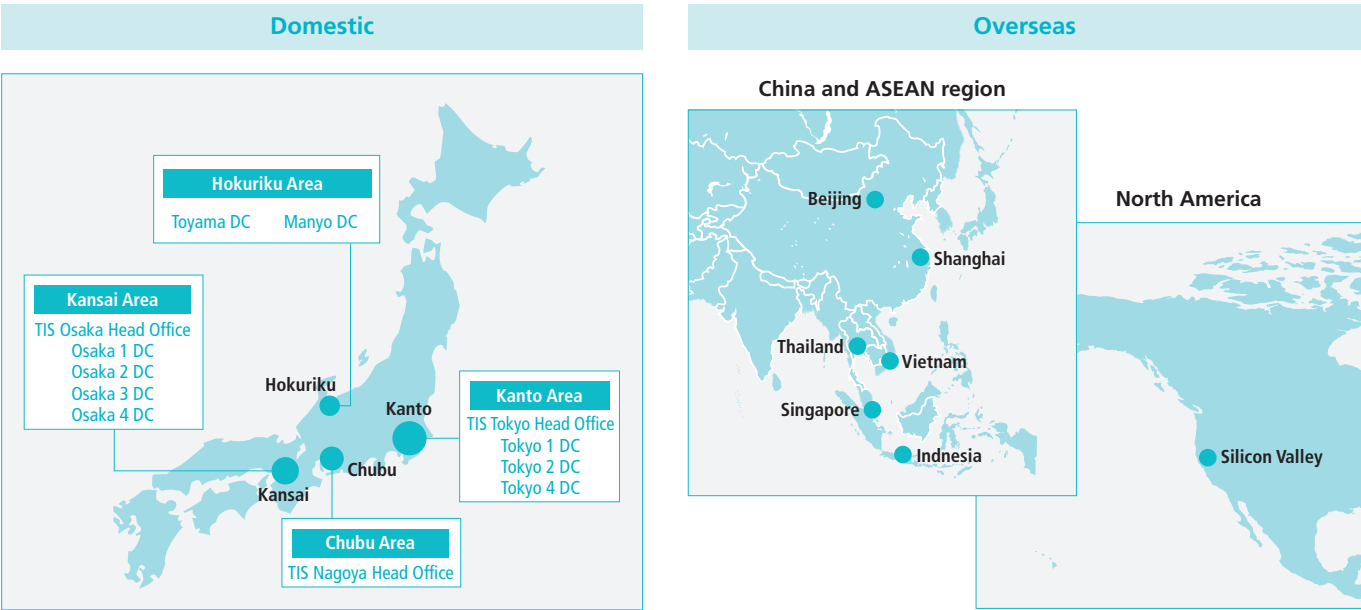
Group Data

■ Group Summary (As of March 31, 2024)

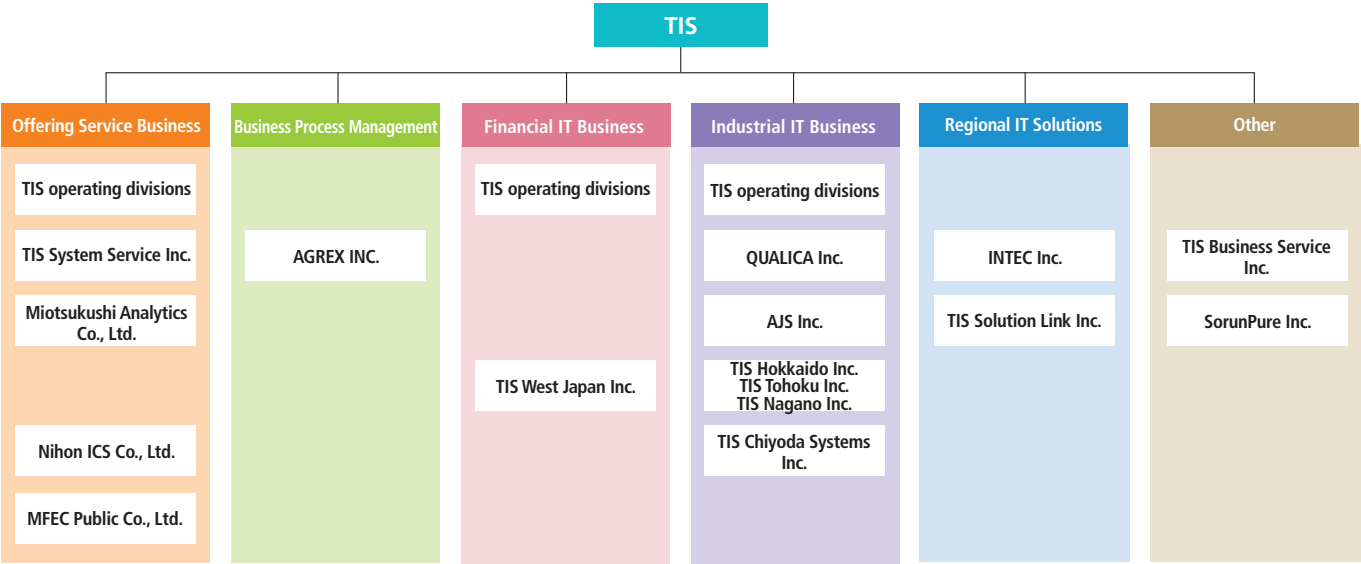
Group Name		TIS INTEC Group	
Coporate Information (Non-Consolidated)	TIS Inc.	Head office	17-1, Nishi-Shinjuku 8-chome, Shinjuku-ku, Tokyo, 160-0023, Japan
	Representative Director and President: Yasuhi Okamoto Paid-in capital ¥10 billion Founded April 28, 1971 Established April 1, 2008 Stock listing Tokyo Stock Exchange, Prime Market (Securities code: 3626)		

Business Hubs

TIS INTEC Group has an extensive business presence, particularly with data centers in Kanto, Chubu, Kansai and Hokuriku. In addition to the nationwide offices, we have overseas offices in the ASEAN region to support clients.



Group Formation



TIS Inc., and 51 Consolidated Subsidiaries (Domestic 26, Overseas 25)

Main Consolidated Subsidiaries

TIS and main group companies	Shareholding ratio	Description of business	Fiscal 2024, ended March 31, 2024 (Millions of yen, non-consolidated basis)	
			Net sales	Operating income (operating margin)
TIS Inc. (operating holding company)	—	Focuses on credit card companies but pursues business opportunities in a wide range of sectors, including services and manufacturing. Promote to expand payment business. Merged with pure holding company IT Holdings Corporation in July 2016 and became operating holding company. (Incorporated April 1971)	251,334	32,025 (12.7%)
INTEC Inc.	TIS 100%	Focuses on megabanks and life insurers, and assists with CRM for regional banks and offers a wide selection of services to regional public corporations, particularly in the Hokuriku region. (Established January 1964)	122,234	12,087 (9.9%)
AGREX INC.	TIS 100%	Leading company in BPO sector, with emphasis on insurance industry needs. Turned into a wholly owned subsidiary in March 2015, becoming core company for BPO business within the Group. (Established September 1965)	37,185	3,792 (10.2%)
QUALICA Inc.	TIS 80% Komatsu 20%	Formerly, information systems subsidiary of Komatsu. Focuses on assembly-based manufacturers, mainly those under the Komatsu Group umbrella, while expanding business with companies in the distribution and restaurant sectors. (Established November 1982)	26,534	3,210 (12.1%)
AJS Inc.	TIS 51% Asahi Kasei 49%	Formerly, information systems subsidiary of Asahi Kasei. Focuses on companies under the Asahi Kasei Group umbrella. (Established March 1987)	18,662	2,257 (12.1%)
MFEC Public Company Limited	TIS 49% (based on control criteria)	Thai-listed, leading provider of enterprise IT solutions, which has strength in banking, communication, and governments. 9 subsidiaries under the company. (Established March 1997)	30,670*	3,217* (10.5%)

Domestic Subsidiaries

IUK Inc.	TIS Solution Link Inc.	Nihon ICS Co., Ltd.
INTEC Solution Power Inc.	TIS Chiyoda Systems Inc.	Registration Network, Ltd.
ULTRA Inc.	TIS Tohoku Inc.	Nexway Co., Ltd.
KOUSHI INTEC Inc.	TIS Nagano Inc.	HOKKOKU INTEC SERVICE Inc.
SKY INTEC INC.	TIS West Japan Inc.	MicroMates Corp.
SorunPure Inc.	TIS Business Service Inc.	Miotsukushi Analytics Inc.
TIS System Service Inc.	TIS Hokkaido Inc.	RESCHO, INC.

* MFEC Group, consolidated basis (fiscal year ended December 31, 2023). Numerical values based on accounting standards in home country of Thailand using rate prevailing at end of fiscal year.

Overseas Subsidiaries

● China	● Thailand	● Vietnam
QUALICA (SHANGHAI) Inc.	I AM Consulting Co., Ltd.	AGREX DNP Vietnam Co., Ltd.
TISI (Shanghai) Co., Ltd.	(Six subsidiaries under the company)	
	PromptNow Co., Ltd.	
● Singapore	TISI (Thailand) Co., Ltd.	● United States
QUALICA Asia Pacific Pte. Ltd.	QUALICA (Thailand) Co., Ltd.	TIS Ventures, Inc.

58 Equity Method Affiliates (Domestic Five, Overseas 53)

Main Equity Method Affiliates

Domestic affiliates

MUT Business Business Outsourcing Co., Ltd. (Voting rights ownership ratio 49.0%)
Planet Co., Ltd. (Voting rights ownership ratio 0.1%)

Overseas affiliates

● China	● Indonesia
Shanghai CardInfoLink Data Service Co., Ltd. (CardInfoLink) (Voting rights ownership ratio 18.1%, 12 subsidiaries under the company)	PT Anabatic Technologies Tbk (Voting rights ownership ratio 37.3%, acquired convertible bonds with stock acquisition rights, 30 subsidiaries under the company)

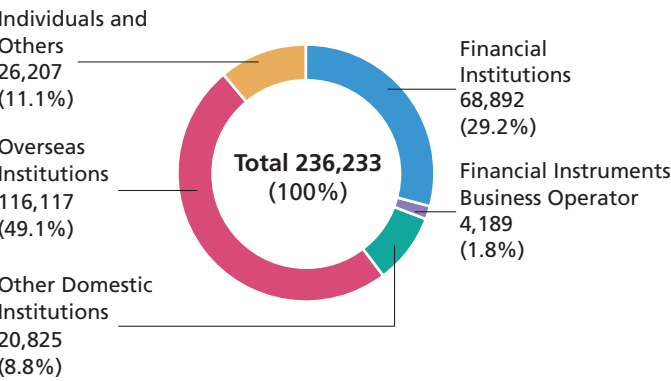
■ Stock and Shareholders Information (As of March 31, 2024)

Stock Information

Securities code	3626
Stock listing	Tokyo Stock Exchange, Prime Market (Securities code: 3626)
Financial year	From April 1 to March 31
General meeting of shareholders	Every June Dates of record: March 31 Record date of shareholders to exercise voting rights at ordinary general meeting of shareholders. Date is determined as necessary with public notice in advance,
Dividend payment shareholder determination date	year-end dividend: March 31 Interim dividend: September 30
Public notice	Public notices by the Company will be announced online. However, if due to accident or some other unavoidable reason that prevents the Company from completing an online announcement should arise, a public notice will be made by posting in the <i>Nihon Keizai Shimbun</i> .
Minimum trading unit	100 shares
Number of shares authorized	840,000,000
Number of shares issued	236,233,411
Number of shareholders	14,259

Share Composition by Shareholder

(Thousands of Shares)



Rating

(At November 13, 2023)

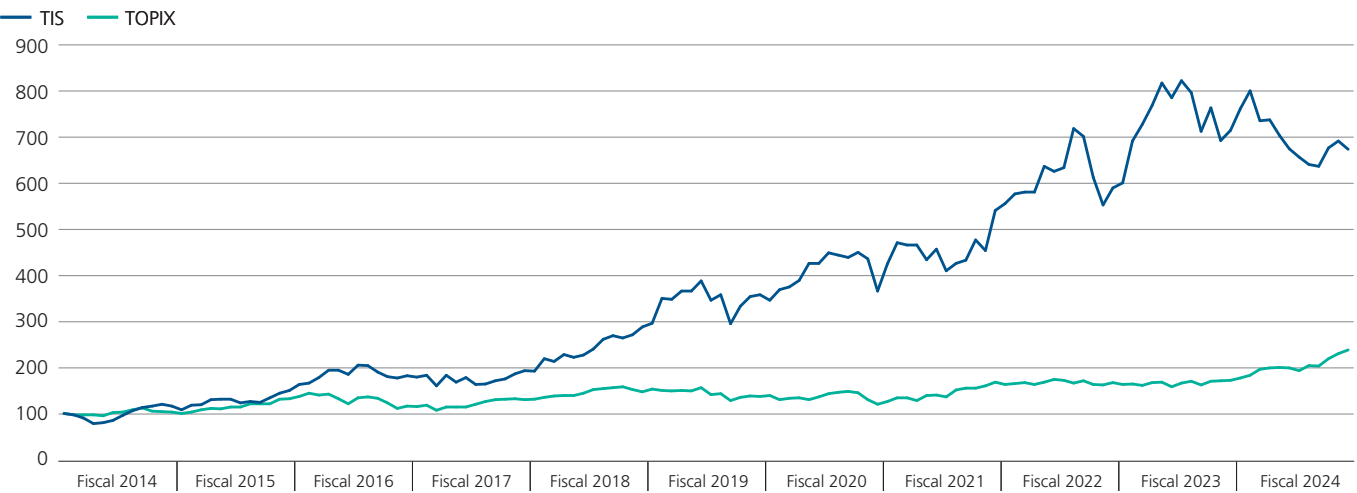
Japan Credit Rating Agency, Ltd.	Long-term	A+/Stable
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Major Shareholders

Name	Number of shares (Thousands)	Shareholding ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	32,950	13.95
ICHIGO TRUST PTE. LTD.	23,171	9.81
Custody Bank of Japan, Ltd.(Trust Account)	10,349	4.38
Employees' Shareholding Association of TIS INTEC Group	6,567	2.78
Nippon Life Insurance Company	6,219	2.63
SSBTC CLIENT OMNIBUS ACCOUNT	5,633	2.38
The Master Trust Bank of Japan, Ltd. (Retirement Benefit Trust Account, Mitsubishi Electric Corporation Account)	4,796	2.03
STATE STREET BANK WEST CLIENT - TREATY 505234	4,328	1.83
GOVERNMENT OF NORWAY	4,043	1.71
JCB Co., Ltd.	3,484	1.48

Notes: 1. Shareholding ratio are calculated after deducting treasury stock (1,234 shares). The treasury stock do not include 1,742 thousand shares of Company stock held by TIS INTEC Group Employees' Shareholding Association Exclusive Trust, and 180 thousand shares of Company stock held by Board Incentive Plan (BIP) Trust.
2. Regarding 4,796 thousand shares held by The Master Trust Bank of Japan, Ltd. (Retirement Benefit Trust Account, Mitsubishi Electric Corporation Account), Mitsubishi Electric Corporation reserves exercise of voting rights by Instruction.

Stock Price Range (Comparison with TOPIX)



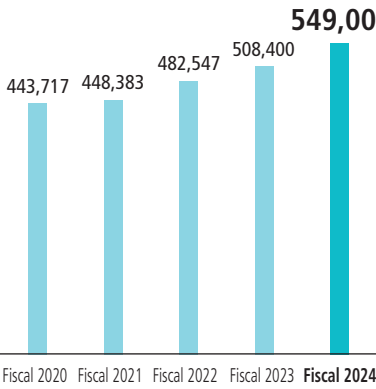
Notes: 1. The TIS stock price and TOPIX (Tokyo Stock Exchange Price Index) are indexed at 100 based on the closing price of stock on April 30, 2013.
2. The Company executed a stock split, with each share of common stock split into three shares, effective April 1, 2020. Figures before fiscal 2020 are presented assuming this stock split was conducted.

Consolidated Financial/Non-Financial Highlights

The Group achieved steady growth in both financial and non-financial aspects through structural transformation and productivity improvement. We will grow sales and income but also strive to improve capital efficiency and increase corporate value through a balanced approach to promoting growth investments, maintaining financial health and enhancing shareholder returns. In addition, we are actively engaged in measures to reinforce sustainability management.

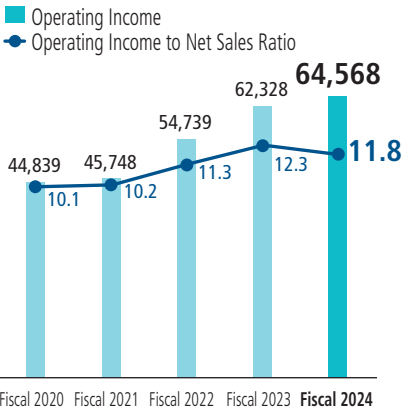
Net Sales

(Millions of yen)

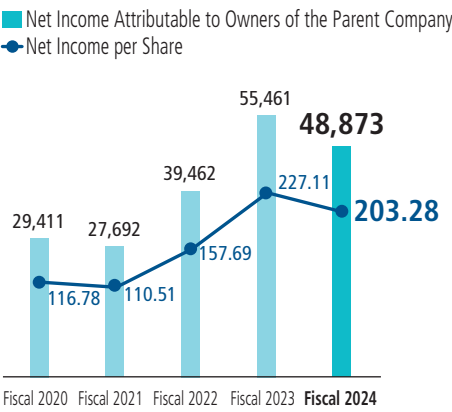


Operating Income, Operating Income to Net Sales Ratio

(Millions of yen, %)

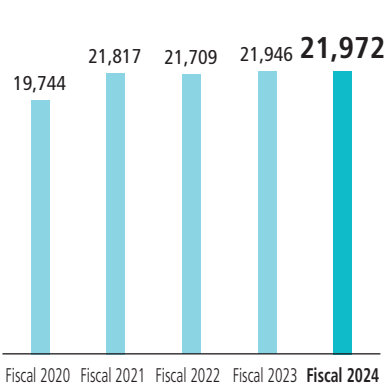


Net Income Attributable to Owners of the Parent Company (Millions of yen), Net Income per Share*1 (Yen)



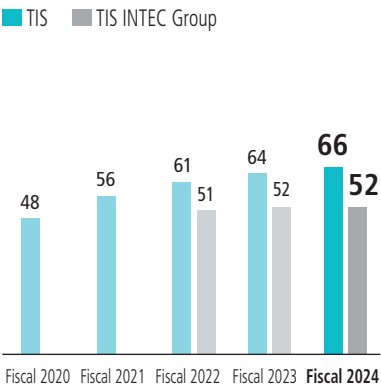
Number of Employees at Year-End (Consolidated)*2, 3

(Person)



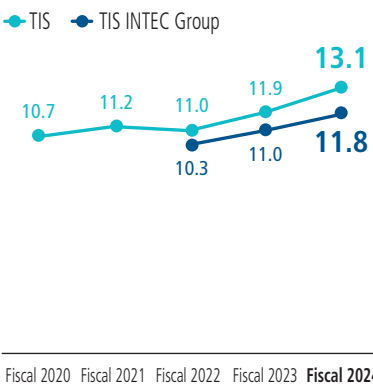
Job Satisfaction*2, 4, 5

(%)



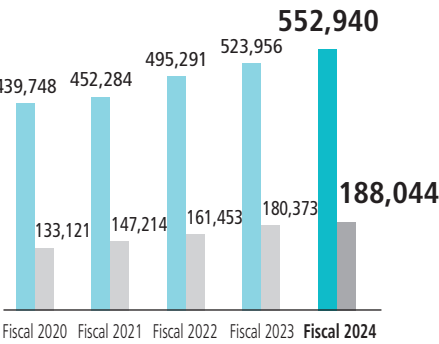
Percentage of Female Employees in Management Positions*2, 4

(%)



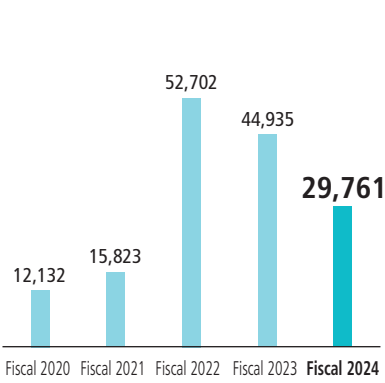
Orders Received during the Term, Order Backlog at Year-End (Total) (Millions of yen)

Orders Received Order Backlog



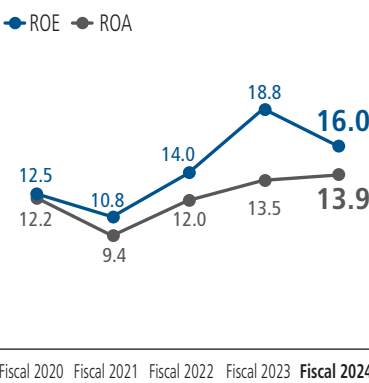
Free Cash Flow

(Millions of yen)



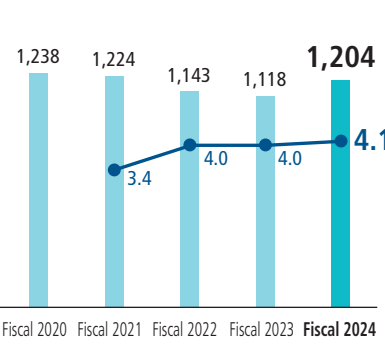
ROE, ROA

(%)



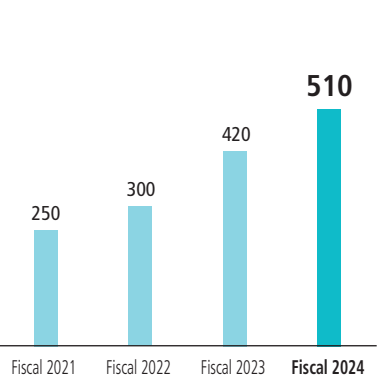
Number of People Hired/ Turnover Rate*2, 4 (Person, %)

Number of people hired Turnover rate



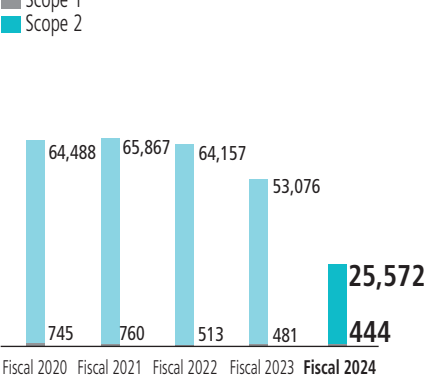
Number of Consultants*2, 4

(Person)



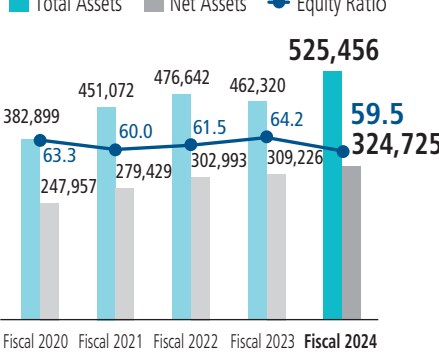
Greenhouse Gas Emissions*6

(t-CO2)



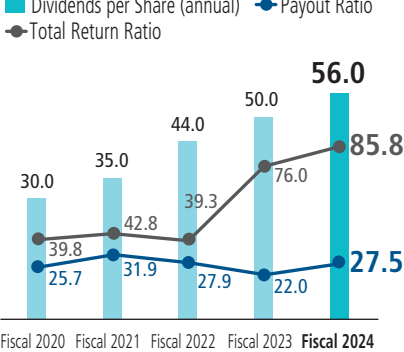
Total Assets, Net Assets, Equity Ratio

(Millions of yen, %)



Dividends per Share*1, Payout Ratio, Total Return Ratio

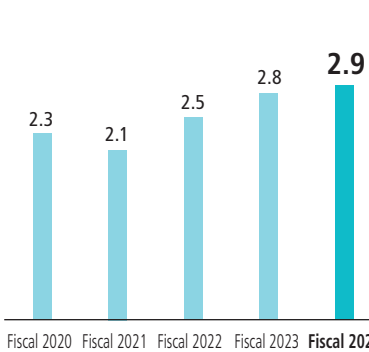
(Yen, %)



* Total return ratio: Total amount of dividends and treasury stock buybacks as a percentage of net income.
* Total return ratio included the effects of treasury stock acquired as part of efforts to optimize capital structure.

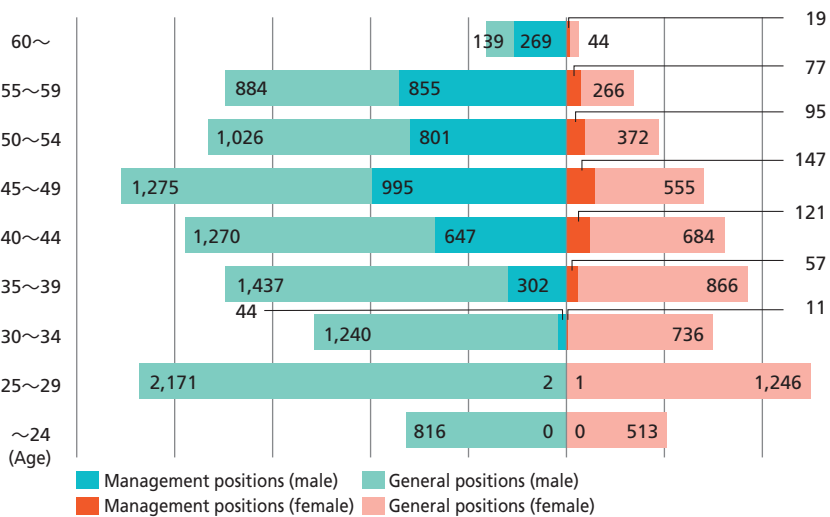
Operating Income per Person

(Millions of yen)



* Calculated as net sales divided by number of employees at fiscal year-end

Employee Composition*2, 4 (As of April 1, 2024) (Person)



*1 The Company executed a stock split, with each share of common stock split into three shares, effective April 1, 2020. Figures for fiscal 2020 assume the impact of this stock split.
*2 The calculation base dates used for the fiscal years ended March 31 in 2020, 2021, 2022, 2023 and 2024 are, respectively, April 1, 2020, April 1, 2021, March 31, 2022, March 31, 2023 and March 31, 2024. Averages are calculated by simple sum or weighted average methods. Unless otherwise noted, the scope of data covers full-time employees, including those who have been seconded to other companies, but does not include non-regular employees or seconded employees.
*3 The number of employees conforms to the definition set by Japan's Financial Services Agency for Japanese-language annual securities reports.
*4 Applicable to TIS and its consolidated subsidiaries (domestic). However, for some indicators, notwithstanding those guaranteed by a third party, data for any company that became a consolidated subsidiary in the period during which data was compiled might be excluded from total, depending on when that company came under the scope of consolidation.
*5 Percentage of employees who responded positively to the statement, "Overall, the company is a good place to work." Weighted average of domestic consolidated operating companies excludes special subsidiary SorunPure.
*6 Scope covers TIS, INTEC, AGREX, QUALICA, AJS, TIS Solution Link, TIS System Service, TIS Tohoku, TIS Nagano, TIS West Japan Inc., TIS Hokkaido, TIS Business Service (changed name from TIS Total Service in April 2022), SorunPure, Chuo System (until November 2021), NEOAXIS (until March 2021), and nine overseas companies (from April 2022).

Consolidated Financial Summary 1

Years ended March 31

	Fiscal 2014	Fiscal 2015	Fiscal 2016	Fiscal 2017		Fiscal 2018	Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2023	Fiscal 2024
(Millions of yen)												
Performance Status												
Net sales	346,647	361,025	382,689	393,398		405,648	420,769	443,717	448,383	482,547	508,400	549,004
Cost of sales	283,881	294,927	312,153	317,440		321,286	325,985	337,820	334,671	353,699	366,668	397,365
Gross profit	62,766	66,097	70,535	75,958		84,362	94,784	105,896	113,712	128,848	141,732	151,639
Gross profit ratio (%)	18.1%	18.3%	18.4%	19.3%		20.8%	22.5%	23.9%	25.4%	26.7%	27.9%	27.6%
Selling, general and administrative expenses	43,255	44,976	46,099	48,938		51,618	56,740	61,057	67,963	74,108	79,403	87,070
Selling, general and administrative expenses ratio (%)	12.5%	12.5%	12.0%	12.4%		12.7%	13.5%	13.8%	15.2%	15.4%	15.6%	15.9%
Operating income	19,510	21,121	24,436	27,019		32,743	38,043	44,839	45,748	54,739	62,328	64,568
Operating margin (%)	5.6%	5.9%	6.4%	6.9%		8.1%	9.0%	10.1%	10.2%	11.3%	12.3%	11.8%
Recurring profit	18,971	21,251	24,521	27,092		32,795	38,603	46,070	39,257	55,710	63,204	68,553
Recurring profit ratio (%)	5.5%	5.9%	6.4%	6.9%		8.1%	9.2%	10.4%	8.8%	11.5%	12.4%	12.5%
Net income attributable to owners of the parent company	7,913	10,275	12,678	16,306		20,620	26,034	29,411	27,692	39,462	55,461	48,873
Net income ratio (%)	2.3%	2.8%	3.3%	4.1%		5.1%	6.2%	6.6%	6.2%	8.2%	10.9%	8.9%
Financial Position												
Current assets	143,519	140,450	166,666	152,162		162,064	176,231	181,543	229,965	259,261	268,682	291,556
Fixed assets	170,091	205,401	169,828	185,459		204,889	194,426	201,356	221,106	217,381	193,637	233,899
Software assets	12,928	13,252	15,428	16,056		16,866	19,177	22,887	27,797	26,486	25,648	23,575
Total assets	313,610	345,851	336,495	337,622		366,954	370,657	382,899	451,072	476,642	462,320	525,456
Current liabilities	72,790	77,666	91,508	78,676		81,310	91,126	88,479	100,915	139,236	117,179	140,277
Non-current liabilities	76,316	79,395	64,447	59,743		59,344	45,121	46,462	70,726	34,412	35,914	60,453
Total liabilities	149,107	157,062	155,955	138,420		140,655	136,248	134,942	171,642	173,649	153,094	200,730
Net assets	164,502	188,789	180,539	199,202		226,298	234,408	247,957	279,429	302,993	309,226	324,725
Total liabilities and net assets	313,610	345,851	336,495	337,622		366,954	370,657	382,899	451,072	476,642	462,320	525,456
Total interest-bearing debt	58,869	52,114	46,158	35,144		32,876	26,893	22,294	43,629	37,517	16,043	37,972
Cash Flow Status												
Cash flow from operating activities	25,770	22,938	25,496	18,952		36,386	37,558	38,569	33,345	56,126	33,634	62,578
Cash flow from investing activities	(5,334)	(17,744)	8,688	(23,488)		(14,202)	(1,213)	(26,437)	(17,522)	(3,424)	11,300	(32,817)
Cash flow from financing activities	(5,872)	(19,067)	(14,979)	(18,327)		(10,543)	(16,773)	(14,544)	12,484	(21,948)	(64,573)	(21,889)
Cash and cash equivalents at the end of the term	43,142	29,485	48,651	25,730		37,545	57,083	54,684	82,924	113,820	94,306	102,722
Free cash flow	20,436	5,194	34,184	(4,536)		22,184	36,345	12,132	15,823	52,702	44,935	29,761
Others												
Capital expenditures	12,544	16,873	14,210	15,159		16,907	13,334	16,702	25,085	13,783	11,230	19,193
Depreciation	12,454	12,809	11,952	11,801		12,572	12,783	12,020	13,318	15,083	15,700	17,340
Research and development expenses	853	1,097	1,086	1,178		996	1,003	1,702	1,789	2,784	3,104	2,958
Amortization of goodwill	1,166	1,052	339	326		289	289	171	312	497	336	1,574
Goodwill balance at the end of the term	830	2,021	1,393	1,332		1,118	503	355	2,550	1,556	1,370	31,610

* Software assets is the sum of software and software in progress.

* Total interest-bearing debt does not include lease obligations.

* Free cash flow is the sum of cash flow from operating activities and cash flow from investing activities

* Amortization of goodwill and goodwill balance at the end of the term include goodwill associated with intangible assets recognized separately through allocation of acquisition cost.

* From the first quarter of fiscal 2019, TIS has applied “Partial Amendments to Accounting Standard for Tax Effect Accounting” (Accounting Standards Board of Japan, Statement No. 28, February 16, 2018), and figures for fiscal 2018 have been retrospectively restated.

* TIS has applied “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, issued March 31, 2020), effective from the first quarter of fiscal 2022, ended March 31, 2022.

Consolidated Financial Summary 2

Years ended March 31

	Fiscal 2014	Fiscal 2015	Fiscal 2016	Fiscal 2017		Fiscal 2018	Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2023	(Millions of yen) Fiscal 2024
Order Status (Total)												
Orders received during the term	—	—	—	—		—	427,210	439,748	452,284	495,291	523,956	552,940
Order backlog at year-end	—	—	—	—		122,067	132,935	133,121	147,214	161,453	180,373	188,044
Order Status (Software development)												
Orders received during the term	172,721	199,842	207,345	208,307		219,225	238,298	246,330	237,323	271,350	282,739	278,508
Order backlog at year-end	58,869	71,095	69,961	64,751		67,716	75,549	79,277	83,797	94,016	103,282	101,386
Financial Indicators												
Equity ratio (%)	49.9%	53.3%	52.5%	57.8%		60.4%	62.0%	63.3%	60.0%	61.5%	64.2%	59.5%
Net income to equity capital ratio (ROE) (%)	5.1%	6.0%	7.0%	8.8%		9.9%	11.5%	12.5%	10.8%	14.0%	18.8%	16.0%
Total asset turnover ratio	1.13	1.09	1.12	1.17		1.15	1.14	1.16	1.08	1.04	1.08	1.11
Financial leverage	2.01	1.93	1.89	1.81		1.69	1.63	1.58	1.63	1.65	1.59	1.62
Recurring profit to total assets ratio (ROA) (%)	6.2%	6.4%	7.2%	8.0%		9.3%	10.5%	12.2%	9.4%	12.0%	13.5%	13.9%
Interest-bearing debt ratio (%)	18.8%	15.1%	13.7%	10.4%		9.0%	7.3%	5.8%	9.7%	7.9%	3.5%	7.2%
Payout ratio (%)	27.7%	25.6%	22.7%	19.0%		16.6%	22.8%	25.7%	31.9%	27.9%	22.0%	27.5%
Total return ratio (%)	27.7%	30.4%	35.3%	31.9%		30.5%	39.0%	39.8%	42.8%	39.3%	76.0%	85.8%
Per Share Data												
Net income per share—basic (yen)*	90.16	117.40	145.22	189.02		241.44	307.83	350.35	110.51	157.69	227.11	203.28
Net income per share—diluted (yen)*	90.12	—	—	—		—	—	—	—	—	—	—
Annual dividends per share (yen)*	25.00	30.00	33.00	36.00		40.00	70.00	90.00	35.00	44.00	50.00	56.00
Net assets per share (yen)*	1,782.23	2,108.19	2,031.07	2,265.76		2,602.07	2,719.79	2,890.27	1,078.60	1,173.60	1,227.44	1,333.32
Stock Information												
Stock price at fiscal year-end (yen)	1,694	2,193	2,664	2,832		4,210	5,240	5,361	2,641	2,877	3,490	3,289
Highest stock price during the term	1,854	2,257	3,085	2,959		4,410	6,040	7,320	2,670	3,630	4,320	4,095
Lowest stock price during the term	1,020	1,524	2,156	2,180		2,742	4,060	4,045	1,723	2,466	2,693	2,908
Price earning ratio (PER) (times)	18.8	18.7	18.3	15.0		17.4	17.0	15.3	23.9	18.2	15.4	16.2
Price book-value ratio (PBR) (times)	0.95	1.04	1.31	1.25		1.62	1.93	1.85	2.45	2.45	2.84	2.47
Market value at term-end (millions of yen)	148,714	192,521	233,870	248,618		369,592	460,014	470,637	695,553	722,589	853,114	776,971
Number of outstanding shares at fiscal year-end (thousands)	87,789	87,789	87,789	87,789		87,789	87,789	87,789	263,367	251,160	244,445	236,233
Number of treasury stock at fiscal year-end (thousands)	4	320	864	1,701		2,613	3,358	3,952	12,595	1,394	2,446	1,924
Average number of shares during the term (thousands)	87,774	87,522	87,305	86,268		85,406	84,574	83,948	250,574	250,246	244,212	240,427
Sales by Client Sector												
Net sales	346,647	361,025	382,689	393,398		405,648	420,769	443,717	448,383	482,547	508,400	549,004
Credit card	49,402	53,743	59,274	65,006		73,314	73,648	75,118	79,265	90,314	97,494	98,813
Banking	29,049	25,444	27,867	28,233		27,452	26,583	30,100	30,648	36,394	39,313	46,984
Insurance	25,269	24,972	26,339	25,356		26,262	27,279	29,274	30,140	31,520	31,258	32,012
Other finance	23,481	23,312	20,406	20,857		22,127	19,502	24,289	17,863	16,000	15,075	18,474
Assembly-based manufacturing	40,904	45,785	49,455	42,723		43,777	46,028	45,739	45,103	44,345	45,002	45,843
Processing-based manufacturing	33,843	34,960	35,061	36,953		38,366	38,081	38,998	42,424	53,368	51,706	54,216
Distribution	30,009	31,775	32,702	31,773		28,872	32,908	33,976	31,679	32,904	33,951	35,741
Services	72,666	77,535	79,601	89,607		93,258	103,531	112,722	118,517	132,094	142,276	155,308
Public institutions	30,393	29,891	36,603	37,002		35,923	34,863	36,286	33,649	32,075	37,447	45,552
Others	11,626	13,604	15,376	15,882		16,292	18,343	17,209	19,090	13,527	14,874	16,057

* The Company executed a 3-for-1 stock split of common stock, effective April 1, 2020.
* The total return ratio reflects the acquisition of treasury stock as part of the Company's efforts to optimize its capital structure, in addition to the acquisition of treasury stock in accordance with the basic policy for returning profits to shareholders.

Non-Financial Summary

Compilation period: April 1 to March 31 of each year or the base date

	Scope of data collection	Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2023	Fiscal 2024
Employee-Related Data (Note 1) * Averages are calculated as simple combined averages or weighted averages.						
Number of employees Note 2	A	19,744	21,817	21,709	21,946	21,972
Number of non-Japanese employees	A	—	—	2,477	2,517	2,239
Number of employees	B	—	—	19,498	19,573	20,010
Number of male employees	B	—	—	14,017	13,959	14,200
Number of female employees	B	—	—	5,481	5,614	5,810
Percentage of female employees	B	—	—	28.1%	28.7%	29.0%
Percentage of mid career hires (%)	B	—	—	24.0%	23.2%	24.2%
Average age	B	—	—	40.1	40.3	40.4
Average age of male employees	B	—	—	41.3	41.5	41.6
Average age of female employees	B	—	—	37.1	37.3	37.5
Average length of service (years)	B	—	—	14.2	14.0	14.2
Average length of service of male employees (years)	B	—	—	15.1	15.1	15.3
Average length of service of female employees (years)	B	—	—	11.9	11.4	11.6
Difference in average length of service between men and women (years)	B	—	—	3.2	3.7	3.6
Number of employees in management positions Note3	B	—	—	4,454	4,570	4,470
Number of male employees in management positions	B	—	—	3,997	4,067	3,942
Number of female employees in management positions	B	—	—	457	503	528
Percentage of female employees in management positions	B	—	—	10.3%	11.0%	11.8%
Number of consultants	B	—	250	300	420	510
Percentage of employees with a disability Note 4	F	2.28%	2.35%	2.40%	2.30%	2.18%
Number of new graduate recruits	B	773	861	821	806	836
Percentage of new female graduate recruits	B	33.1%	36.0%	38.7%	35.2%	35.5%
Number of mid career hires	B	465	363	322	312	368
Percentage of female mid career hires	B	30.8%	29.2%	31.7%	30.1%	33.2%
Turnover rate	B	—	3.4%	4.0%	4.0%	4.1%
Retention rate of new graduates after three years of employment (%)	B	—	—	85.4%	85.2%	84.3%
Job satisfaction Note 5	B	—	—	51%	52%	52%
Absenteeism Note 6	B	—	—	1.0%	1.0%	1.0%
Average total working hours per month	B	—	—	156.2	162.7	165.8
Percentage of annual paid leave taken	B	—	—	63.2%	68.2%	68.5%
Percentage of male employees taking long term childcare leave	B	—	—	—	43.4%	49.8%
Percentage of male employees taking short or long term childcare leave	B	—	—	—	75.9%	80.1%
Annual education expenditure per person (yen)	B	—	—	105,254	115,401	118,835
Number of days spent on learning and research per person per annum	B	—	—	11.7	12.5	12.1

Scope of data collection

- A. TIS INTEC Group, consolidated
- B. TIS and consolidated subsidiaries (domestic). However, for some indicators, notwithstanding those guaranteed by a third party, data for any company that became a consolidated subsidiary in the period during which data was compiled might be excluded from total, depending on when that company came under the scope of consolidation.
- C. TIS and consolidated subsidiaries (domestic), and nine consolidated subsidiaries overseas (from April 2022)
- D. TIS, INTEC, AGREX, QUALICA, AIS, TIS Solution Link, TIS System Service, TIS Tohoku, TIS Nagano, TIS West Japan Inc., TIS Hokkaido, TIS Business Service (changed name from TIS Total Service in April 2022), SorunPure, Chuo System (until November 2021), NEOAXIS (until March 2021), and nine overseas companies (from April 2022).
- E. TIS, INTEC, AGREX, QUALICA, AIS, TIS Solution Link and TIS System Service
- F. TIS, TIS Solution Link, TIS System Service, TIS Business Service and SorunPure
- G. TIS and INTEC
- H. TIS, parent

	Scope of data collection	Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2023	Fiscal 2024
Environmental Data						
Scope 1 emissions (t-CO2)	D	745	760	513	481	444
Scope 2 emissions (t-CO2)	D	64,488	65,867	64,157	53,076	25,572
Scope 3 emissions (t-CO2)	C	428,977	441,687	418,761	465,226	511,036
Category 1 (purchased goods and services)	C	339,133	323,087	333,379	386,392	444,540
Category 2 (capital goods)	C	59,103	90,068	57,694	48,317	38,135
Category 3 (fuel-and energy-related activities)	C	10,165	10,106	10,269	9,026	4,624
Category 4 (upstream transport and delivery)	C	8,488	7,433	8,215	11,392	12,523
Category 5 (waste generated in operations)	C	1,162	361	703	580	805
Category 6 (business travel)	C	2,465	2,549	2,449	2,752	2,751
Category 7 (employee commuting)	C	8,461	8,083	6,052	6,766	7,658
Energy consumption (Electricity MWh)	D	143,383	141,620	139,560	143,909	138,511
Renewable energy consumption (MWh)	D	—	—	—	—	78,544
Renewable energy utilization rate (&%)	D	—	—	—	—	56.7%
Industrial waste (ton)	E	1,035	290	472	188	291
Other Non-Financial Data						
Social contribution expenses (millions of yen)	A	—	—	—	89	139
Political contributions (10 thousands of yen)	B	0	0	27	32	26
Number of serious information security incidents	B	—	—	0	0	0
Number of employees receiving regular training on information security	B	—	—	18,542	25,369	27,188
Number of reports of leaks, etc. to supervisory authorities of the Personal Information Protection Law	B	—	—	0	4	2
Number of requests for disclosure of information related to personal information	B	—	—	1	3	1
Number of helpline calls: Calls received	H	7	8	13	4	9
Number of helpline calls: Cases investigated	H	7	8	12	4	9
Number of helpline calls: Case involving corrective action	H	4	4	8	3	6
Development loss (millions of yen)	A	1,427	1,938	1,845	404	4,002
Development loss rate	A	0.6%	0.8%	0.7%	0.1%	1.4%
Results of customer satisfaction surveys	H	72.7%	69.0%	71.7%	69.6%	85.6%
Results of business partner satisfaction surveys	G	—	—	—	—	77%
Number of directors Note 7	H	9	9	9	9	9
Number of female directors Note 7	H	1	1	1	1	1
Percentage of female directors Note 7	H	11.1%	11.1%	11.1%	11.1%	11.1%
Number of external directors Note 7	H	3	3	3	3	3
Percentage of external directors Note 7	H	33.3%	33.3%	33.3%	33.3%	33.3%

- *1 The base dates for the fiscal years ended March 31 in 2020, 2021, 2022, 2023 and 2024 are, respectively, April 1, 2020, April 1, 2021, March 31, 2022, March 31, 2023 and March 31, 2024. Averages are calculated by simple sum or weighted average methods. Unless otherwise noted, the scope of data covers full-time employees, including those who have been seconded to other companies, and does not include non-regular employees or seconded employees.
- *2 The number of employees conforms to the definition set by Japan’s Financial Services Agency for Japanese-language annual securities reports.
- *3 Management positions are those equivalent to section manager and above.
- *4 The base dates used for calculation purposes in the fiscal years ended March 31 in 2020, 2021, 2022, 2023 and 2024 are, respectively, June 1, 2019, 2020, 2021, 2022, and 2023.
- *5 Percentage of employees who responded positively to the statement, “Overall, the company is a good place to work.” Weighted average of domestic consolidated operating companies excludes special subsidiary SorunPure.
- *6 Percentage of employees who were absent from work for 30 or more consecutive days due to injury or illness as of the end of the fiscal year.
- *7 The calculation base dates used for the fiscal years ended March 31 in 2020, 2021, 2022, 2023, and 2024 are, respectively, July 1, 2019, 2020, 2021, 2022, and 2023.




The above non-financial data is excerpted from the ESG Data Book.
For other non-financial data as well as the scope of calculations and other details, please refer to “6. Nonfinancial Data” in the ESG Data Book.
https://www.tis.com/group/sustainability/esg_databook/index.html

Evaluations from External Parties

Inclusion in SRI Indexes

TIS stock is included in socially responsible investment (SRI) indexes and SRI funds. The main evaluations are as follows.


FTSE4Good Index Series/FTSE Blossom Japan Index/
FTSE Blossom Japan Sector Relative Index



FTSE Blossom Japan Index


FTSE Blossom Japan Sector Relative Index

Morningstar Japan ex-REIT Gender Diversity Tilt Index




Morningstar GenDi J
Japan ex-REIT Gender Diversity Tilt Index
TOP CONSTITUENT 2024

S&P/JPX Carbon Efficient Index




S&P/JPX Carbon Efficient Index

MSCI Japan ESG Select Leaders




2024 CONSTITUENT MSCI JAPAN
ESG SELECT LEADERS INDEX

MSCI Japan Empowering Women Index (WIN)



2024 CONSTITUENT MSCI JAPAN
EMPOWERING WOMEN INDEX (WIN)

SOMPO Sustainability Index




2024
Sompo Sustainability Index

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TIS' activities have also garnered notice, substantiated by validation under various environment, society and governance (ESG) evaluation programs at home and abroad. Followings are principal evaluation.

CDP Climate change A -




CDP Climate change A -

DX Certification




DX Certification

EcoVadis Sustainability Survey




2023
ecovadis
Sustainability Rating
BRONZE

Nikkei SDGs




NIKKEI
SDGs
Management Survey 2023
★★★★

Nikkei SDGs




NIKKEI
Smart Work
★★★★ 2024

Certified Health & Productivity Management Outstanding Organizations




2024
健康経営優良法人
Health and productivity
ホワイト500

Semi-Nadeshiko Brand




NADESHIKO
Semi 2022

Platinum Kurumin Plus




Platinum Kurumin Plus

Eruboshi (L-Star)




Eruboshi (L-Star)

PRIDE Index




work with Pride
Silver 2023

Human Capital Management Certification




人的資本経営品質
2023

"Great Place to Work" certification




Great Place To Work
Certified
FEB 2024-FEB 2025
JAPAN

Psychological Safety AWARD 2023




心理的安全性
AWARD 2023
GOLD RING

Grand Prize in Good Career Company Award 2020




GOOD CAREER COMPANY
AWARD 2020
大賞

Career Ownership Management Award



2024
Career Ownership Management Award
優秀賞

DC Excellent Company



DC Excellent Company

*The above are partial examples evaluated as of March 31, 2024.

IR-Related Activities

TIS' robust IR activities have earned high marks, and this status is further complemented by TIS' inclusion in the following indexes.

Second Nikkei Integrated Report Award
Second Place (2022)



2023 Internet IR Commendation Award
(Daiwa Investor Relations Co., Ltd.)
Awarded for eleven consecutive years since 2013.

JPX Prime 150 Index



2023 Internet IR Sustainability Excellence Award
(Daiwa Investor Relations Co., Ltd.)
First awarded for Sustainability Excellent Award

JPX-Nikkei Index 400



Fiscal 2023 Homepage Quality Ranking
Survey of All Listed Companies
(Nikko Investor Relations Co., Ltd.)
Received highest award as excellent website in comprehensive ranking for nine consecutive years since fiscal 2015.

Gomez IR Site Comprehensive Ranking 2023
(BroadBand Security, Inc.)
Awarded for nine consecutive years since 2015 as an excellent company.



2023 IR Site Ranking
SILVER 2023

Brand Profile

Brand activities launched in the second half of fiscal 2020 emphasized approaches to boost brand recognition through television commercials and other media formats. Our efforts have generated positive results. Going forward, we will strive to become a company—and by extension, a corporate group—that all stakeholders look to first, and we will implement strategies to boost our brand profile.

Knowledge of TV commercial
(Among business people)
TIS survey on February 2024

83%

Group recognition
(Among business people)
TIS survey on February 2024

70%
(Up 51 percentage points after television commercial)

IT industry new graduate job seekers
2025 Company ranking by popularity

Overall: No.8
Independent: No.2



Make society's wishes come true through IT.

Endorsed Initiatives

TIS INTEC Group collaborates with initiatives to promote sustainability issues.

CDP Climate change



CDP Climate change

Science Based Targets initiative (SBTi)



SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

TCFD (Task Force on Climate-related Financial Disclosures)



TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

JCI (Japan Climate Initiative)



JAPAN CLIMATE INITIATIVE

UNGC (United Nations Global Compact)



WE SUPPORT
UN GLOBAL COMPACT

Keidanren (Japan Business Federation) "Charter of Corporate Behavior"

As a member company of Nippon Keidanren, TIS respects and practices the spirit of the Charter of Corporate Behavior to realize a sustainable society.