

# Integrated Report 2025

Year Ended March 31, 2025 (From April 1, 2024, to March 31, 2025)



## TIS Inc.

Sumitomo Fudosan Shinjuku Grand Tower,  
17-1, Nishi-Shinjuku 8-chome, Shinjuku-ku, Tokyo, 160-0023, Japan

For further information, contact:  
Investor Relations & Shareholder Relations Office,  
Corporate Management Dept., Corporate Planning SBU  
E-mail: [tis\\_ir@tis.co.jp](mailto:tis_ir@tis.co.jp)  
<https://www.tis.com/>

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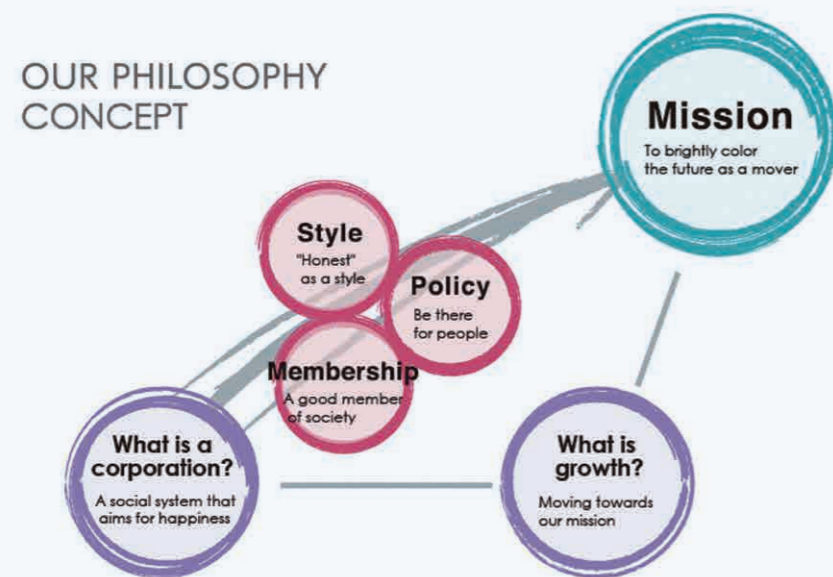
Securities Code: 3626

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**

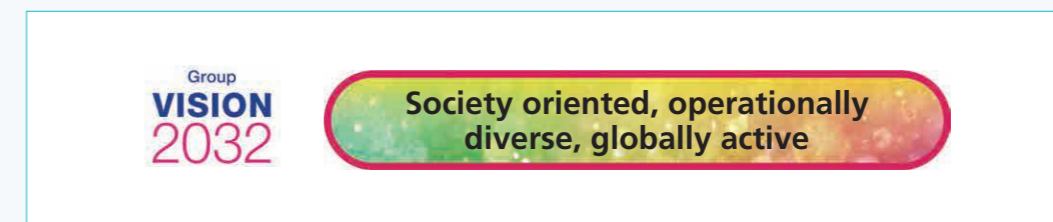
Our mission, as the TIS INTEC Group, is to fulfill a social role, but our mission statement also reflects a corporate raison d'être. The word "mover" refers to the people who create objects, services and systems that take the world—that is, the world around us—to a new level. For us, "mover" encompasses 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/>

**Long-term management policy 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 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>

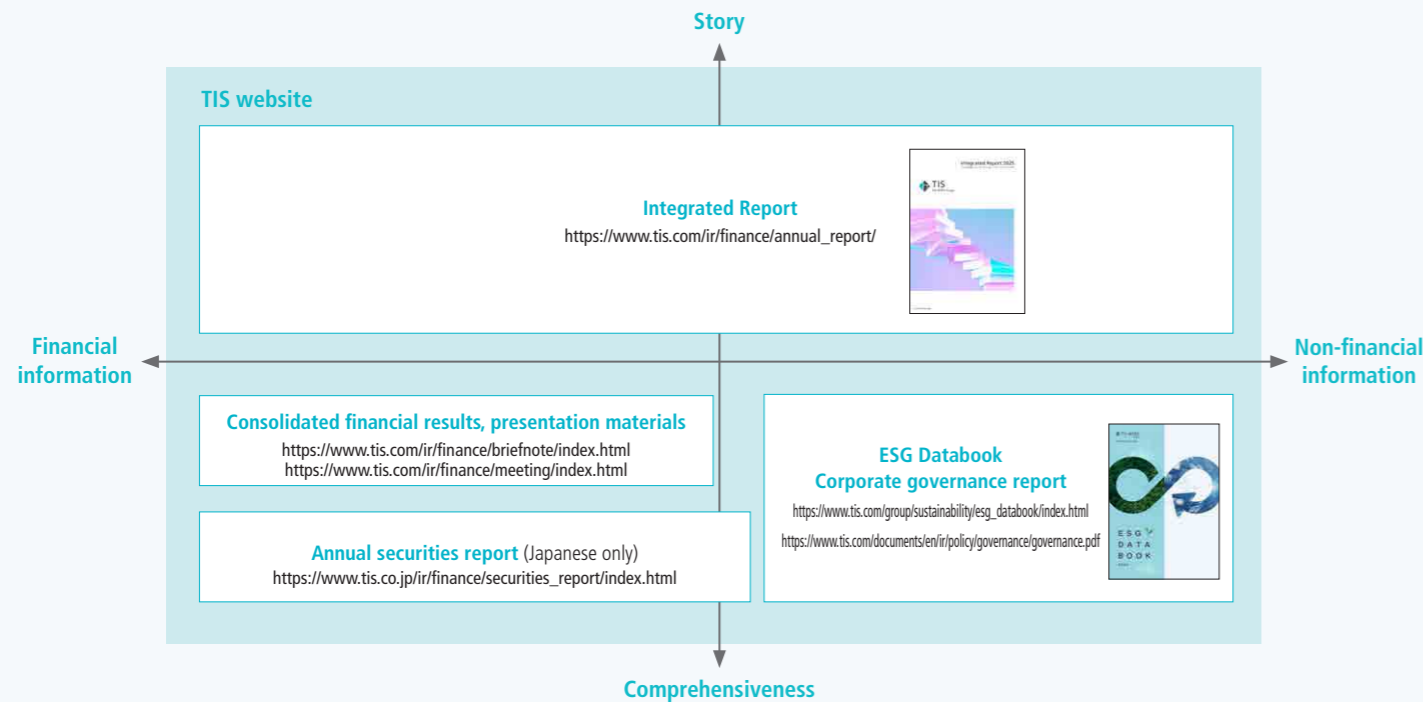
## Editorial Policy

TIS regards the Integrated Report as an important tool for dialogue with all stakeholders, including shareholders and other investors. This year's report features topics of particular importance that we wish to communicate 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. For a deeper look into the content presented in the report, please visit our corporate website.

The 2025 report focuses on progress made and results achieved during the first year of Medium-Term Management Plan (2024–2026), which is the first stage of our journey toward realization of our long-term management policy, Group Vision 2032.

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

## Information Disclosure Structure



### About Our Website

The corporate website gives stakeholders timely access to multifaceted information covering all manner of corporate activities.



#### 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, 2024, to March 31, 2025  
 \*Some content reflects activities that occurred subsequent to the end of the reporting period.

### Issued:

September 2025  
 \*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.

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### On the cover

The layered motif is a visual expression of our determination to realize steady growth and even greater heights as we work toward the final year of our Medium-Term Management Plan (2024–2026), which began in fiscal 2025 with an emphasis on frontier development.

**We will continue to maximize the power of IT and provide value as a partner supporting social change.**



Yasushi Okamoto, President

**Determined to improve corporate value**  
Path to increasing corporate value and realization of long-term vision

**Understanding the business environment to transform changes into new strengths**

**Q. How do you see the current business environment, and what's in store going forward?**

The current business environment is characterized by unprecedented changes and an extremely high degree of uncertainty. The economic outlook, at home and abroad, remains difficult to predict due to such factors as fluctuating interest rates and exchange rates, heightened geopolitical risks, and inflationary pressures. In Japan, structural issues, namely labor shortages and rising commodity prices, are becoming more apparent and having significantly more of an impact on corporate activity. I sense that the IT industry is at a major turning point—more consequential than anything we've experienced before—fueled by rapid progress in technology, especially generative AI, as well as industry restructuring, intensifying rivalry between companies, and increasingly fierce competition for talent. We, as an industry, are at a point where competitiveness and the ability to adapt flexibly to changes are being tested more than ever before.

Corporate management today must resist viewing changes in the external environment as risks, and instead recognize that changes are potential opportunities, and actively capitalize on such changes to achieve growth. I believe the question of how to deal with changes is one that business leaders have always grappled with, and in my mind, the issues of today aren't necessarily more difficult than at any other time. The difference might be, however, in the accelerated pace of change and inherent complexity. I want TIS to be a company that responds flexibly to change, and thereby continue to evolve.

IT is now an essential part of social infrastructure and an important tool for solving social issues as well as for strengthening our clients' competitiveness and transforming business operations. Even temporary economic uncertainty is unlikely to significantly alter IT investment levels. Indeed, based on comments made during meetings with many client company executives, I believe strategic investment will continue as companies seek to improve added value, streamline operations and hone a sharper competitive edge. The TIS INTEC Group is determined to provide value by consistently maximizing the power of IT as a partner supporting the transformation of client companies and wider society.

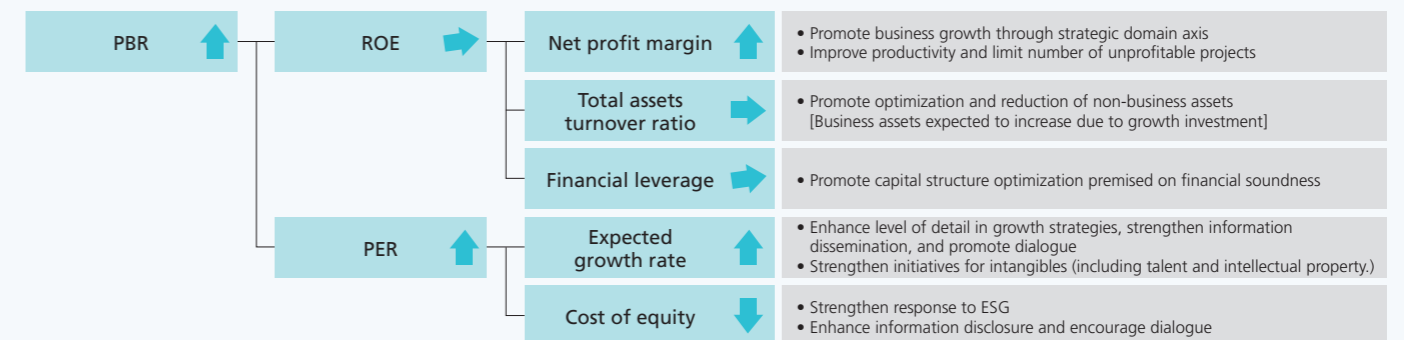
**Navigating uncertainty to realize higher corporate value**

**Q. What is the significance behind the stated goal now of improving corporate value based on PBR?**

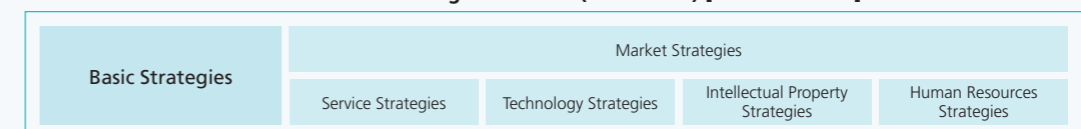
The results of the first year of our Medium-Term Management Plan (2024–2026) reminded me that hitting financial targets doesn't necessarily guarantee higher corporate value. Even if we post performance results in line with estimates, market valuation won't chart the upward path we hope for unless market watchers are convinced of our future prospects and solid potential for sustainable growth. In fact, I feel that the first year of the plan saw more comments than ever before from shareholders and investors asking for clearer explanations about certainty of growth and future profitability.

Against this backdrop, the decision was made to emphasize price-to-book ratio (PBR) as an indicator for visualizing corporate value on a groupwide basis and promoting a shared understanding of corporate value within the Group and among outside stakeholders, such as investors and shareholders. PBR is a metric used to gauge future ability to create value and looks beyond a company's net assets, including invisible value, such as intangible assets. It's not just a measure of management results but also a measure of a company's social and long-term significance.

**Overview of Corporate Value Improvement Targets under Medium-Term Management Plan (2024–2026) and Key Points of Initiatives**



**Medium-Term Management Plan (2024–2026) [Frontiers 2026]**



With that in mind, we systematically broke down the content of each strategy in the Medium-Term Management Plan (2024–2026) using a logic tree, based on the components of PBR, and outlined measures accordingly. For return on equity (ROE), one of the two major components, we are already taking steps, including share buyback of an amount deemed necessary to achieve our medium-term management plan targets, based on current status after the first year of the plan and simulations providing a glimpse into our future. For price-earnings ratio (PER), the other major component, we are focusing on how to respond to expectations for growth.

It's important to note that PBR is based on multiple, intricately intertwined factors, and a single measure to enhance PBR and thus corporate value won't bring about significant change. For precisely this reason, we had to clarify which factors to emphasize and what approach to take so that underlying measures to boost corporate value would be understood internally and externally.

I believe that by adding structural perspective to previous efforts, we have become better able to address the issue of corporate value in a more fundamental way. This structure will support concrete initiatives that lead to results, which will fuel progress toward the targets stated in our Medium-Term Management Plan (2024–2026) and ultimately enable us to realize Group Vision 2032.

**A path to the future built on growth strategy hinging on three pillars of business**

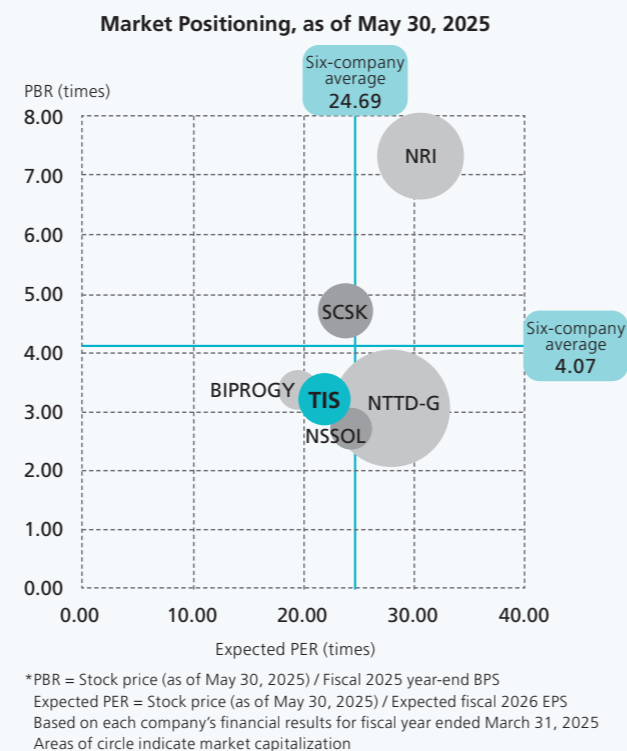
**Q. What are your thoughts on promoting expectations of growth to improve PER?**

PER is an indicator of market expectations relating to a company's future profitability. Our consolidated PER is at present relatively low compared with that of major rivals as well as the industry average based on these companies, and we know we must do more to encourage the market to see us as a company with strong growth prospects and the

ability to consistently generate profits commensurate with strong growth.

To meet expectations, we identified three pillars of support for TIS' growth strategy—enhanced profitability of the IT & Business Offering Service (IOS), an emphasis on the modernization business, and further expansion of global activities—and we're steadily implementing initiatives for success.

Regarding IOS, we will link and restructure businesses launched so far, focusing on PAYCIERGE, to address client needs and turn our responses into high-value-added services. Our aim is to achieve both improved profitability and sustainable growth, and to strengthen the value of our services from a client perspective.



**We will take concrete steps, one after another, and link them to results to achieve the goals laid out in our Medium-Term Management Plan (2024–2026) and ultimately realize Group Vision 2032.**



In the field of modernization, we won't stop with services for short-term projects, such as legacy system renewal, but instead, build relationships of trust with our clients as a strategic partner and create additional business opportunities through continued business interaction. We will position modernization as a driver of stable growth by reinforcing our ability to provide proposals that go beyond post-project maintenance and business reform support.

And in global business pursuits, sales are currently limited in scale. However, the potential for operations in overseas markets to grow into a future source of revenue is expanding, fueled by economic growth and heightened demand for technology, especially in Southeast Asia. We remain committed to building relationships of trust with local communities and developing a solid business base in these markets, with efforts guided by a long-term perspective that will set the stage for future success.

These three pillars are central to the TIS INTEC Group's medium- to long-term growth story. We will communicate not only quantitative targets but also our desired destination and how we will get there in a concrete and credible way to gain the trust of the market, which will lead to higher PER.

**Results achieved in first year of the medium-term management plan, and future prospects**

**Q. What was the most satisfying result from the first year of the medium-term management plan?**

Fiscal 2025 was a year in which we exceeded targets, in terms of performance, and made progress on other fronts that will form a springboard for our next stage of growth. Of note, we definitely capitalized on IT investment demand, especially requests for legacy system modernization and approaches to deal with the end of SAP ERP maintenance and standardization of systems used by local governments in Japan.

I am most encouraged by solid gains made in the field of modernization. Modernization services, important as a process directly linked to expansion of our client base, are integral to the success of our growth strategy. With the establishment of a service structure and enhanced proposal-making capabilities, we are seeing substantial progress in building modernization services into a driver of growth, substantiated by orders from new clients in the financial sector and other sectors as well.

Xenlon Modernization Service, developed in-house, has earned high marks as a service 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 ensure stable operational performance. In addition, TIS has built an extensive record in project management and applies accumulated know-how to support the creation of IT environments fine-tuned to client needs. This comprehensive capability is highly regarded, and we are seeing a marked increase in the number of clients who say, "We trust TIS to get the job done right."

Modernization is not just about updating legacy systems. It's a decision-driving catalyst for client-side digital transformation (DX). Amid an accelerating shift toward DX among companies and local governments, we will utilize modernization as a gateway to build medium- to long-term relationships of trust with clients and establish ourselves as a strategic partner to each one.

**Issues that have emerged, and down-to-earth responses**

**Q. What challenges does TIS face in achieving its medium-term management plan targets, and what steps are being taken to mitigate these challenges?**

As I mentioned earlier, the medium-term management plan got off to a good start in terms of performance, but looking ahead to sustainable growth, there are still issues that require attention. Reducing the number of unprofitable projects and enhancing IOS profitability are two particularly important issues as resolution is connected to an improvement in corporate value.

On the issue of unprofitable projects, quantitatively, the number is falling. But on a value basis, we haven't been able to break below the ¥1 billion level we set as a target. To this end, we are reinforcing quality control measures across the entire group and are committed to early detection and early response. We are taking a multifaceted approach that includes heightened monitoring groupwide, thorough adherence to rules on project management, and assignment of experts to project teams. That said, many unprofitable projects cannot be prevented by systems and specifications alone. Indeed, a large part of the problem with unprofitable projects stems from on-site decisions and actions by individuals so it's imperative that quality control is understood, takes root and becomes firmly entrenched in project processes. Going forward, we aim to reduce the occurrence of unprofitable projects through being meticulous and implementing initiatives to raise awareness of quality control.

Meanwhile, IOS is taking longer than expected to get fully on track, and although the business is moving in a positive direction, there's still room for improvement in terms of profitability. To date, TIS has opted for proactive investment and a process of repeated trial and error to respond to the diverse needs of the Group's client base. Consequently, the emphasis has been on PAYCIERGE, the digital payment platform at the core of IOS, with updates to the service menu, including a credit card processing service, and a menu that covers all aspects of money flow.

Looking ahead, we will seek to find a balance with profitability by linking services initially launched individually to meet specific client needs and fine-tuning them to provide even more cutting-edge value. In addition, we will maintain a holistic view toward investments, including M&A opportunities, and concentrate the application of capital allocation into areas that will generate synergies and ultimately enhance IOS profitability.

We will tackle these challenges with determination and move onto a true growth trajectory by applying one down-to-earth initiative at a time.

**Strengthening intangible assets that support sustainable growth**

**Q. What steps are being taken to strengthen intangible assets so that TIS achieves its Medium-Term Management Plan (2024–2026) targets?**

Human resources are the most important management asset we have for achieving sustainable growth. We constantly invest in intangible assets, particularly our people, because human resources are the source of our competitive advantage and vital to corporate growth.

An important asset within human capital—a value that benefits TIS and the whole TIS INTEC Group—is what I call “buddy power,” essentially “strength as a team.” The term embodies a partnering attitude, a willingness to work closely with clients to find solutions to issues of concern. Within the Group, knowledge sharing and unstructured collaboration across operating segments and business domains is increasing, and I firmly believe that buddy power will become an intangible asset that symbolizes the uniqueness of the TIS INTEC Group and serves as a driving force for sustainable growth.

Buddy power applies not only to relationships within the Group but also to relationships with clients. How do we increase the number of clients who participate in projects like members of a team? It’s a question that needs an answer. TIS’ growth depends on increasing the number of clients who subscribe to the teamwork idea. I fervently believe that the expansion of partner-style relationships, where clients are active in projects and work with us to overcome challenges, is the essence of creating corporate value.

This perspective guides us in strengthening investment in human resources along three axes—the meaning of work, the working environment, and compensation—to further increase the added value of our people. In addition, since April 2025, the division manager of the Corporate Planning SBU also serves as division manager of the Human Resources SBU, creating a system for promoting management strategies and human resources strategies in an integrated manner.

Of course, employees don’t develop skills or acquire knowledge simply because systems and environments exist for that purpose. To empower employees to embrace challenges, management must lead by example in facing difficult circumstances and constantly demonstrate a commitment to persevere. Growth doesn’t come by pushing someone to take on an impossible task but rather by enabling that person to accumulate experience, similar to “pressure training,” a method used to equip athletes with the mental agility and physical strength to perform under pressure by, for example, setting realistic stretching goals that gradually lead to enhanced capabilities. At TIS, we seek to promote a culture of daily dialogue, support, and empathy that motivates employees to tackle challenges head-on.

The use of cutting-edge technologies, such as generative AI, is also an important initiative. In April 2025, we introduced a companywide promotion system and have been accelerating the use of generative AI in programming and testing processes at development sites. We are also expanding our response to clients seeking to transform business operations by providing high-value-added services that utilize generative AI.

We will maintain steady progress on these measures and initiatives to maximize intangible assets from a medium- to long-term perspective, and reinforce our position as a company capable of sustainable growth.



**Yasushi Okamoto**  
Representative Director and President

**Shinichi Horiguchi**  
Representative Director and Executive Vice President

**Defining our future along with our stakeholders**

**Q. What expectations emerged from dialogue with investors? And is top management ready to meet those expectations?**

Through various opportunities for dialogue with shareholders and investors since Medium-Term Management Plan (2024–2026) was announced, I am aware of the high expectations placed upon the TIS INTEC Group and feel the scrutiny that accompanies expectations. Comments tended to focus on the specifics of our growth strategy and our commitment to medium-term management plan targets, indicating that stakeholders seek validation of the Group’s ability to execute strategies and realize long-term growth.

I think what shareholders and investors really want to know goes beyond a simple update on progress toward numerical targets. They want to know the kind of future we envision for ourselves, our end destination and how we will get there, and whether our picture of the future is realistic, whether we have the wherewithal to succeed. As a top executive, I am acutely aware at all times of the importance of fulfilling commitments, which are, in effect, promises to stakeholders. A manager should always be thinking about the

good and the bad, and possess the ability to execute real steps to capitalize on the positive and mitigate the negative. I believe this capacity to recognize problems and possibilities and act accordingly reveals manager integrity.

The road we are traveling toward medium-term management plan targets certainly isn’t smooth. However, we made a commitment—a promise—to stakeholders, and when obstacles appear to block our progress toward targets, we work even harder to reach the next stage. The challenges just make success all the sweeter. I’m confident that we can deliver solid results if we believe in our potential and continue to maximize buddy power.

During my career, I have seen many changes and encountered many stumbling blocks. As someone in a leadership position, I always strive, no matter how difficult a situation may be in the short term, to pursue the path I believe is best in the medium to long term and to never give up. And I have come to realize that working with colleagues to overcome challenges inevitably leads to personal as well as corporate growth.

Going forward, TIS will continue to place importance on this kind of perspective, engage sincerely with all stakeholders, and fulfill its promise to increase corporate value.

**Decision on Basic Policy for Merger of TIS and INTEC**

**—Accelerate improvement in corporate value through stronger and more resilient management and business foundation—**

The Board of Directors at TIS recently decided on basic policy to facilitate the merger of TIS and INTEC Inc. and take a new step forward as an integrated company. The merger, set to take effect on July 1, 2026, will see surviving company TIS assume a new corporate name—TISI Inc.

Both TIS and INTEC have served as core companies of the TIS INTEC Group, striving to increase value provided to clients and boost corporate value through the creation of synergies. However, advances in digital technology and accelerating changes in the business environment have heightened the need to build a stronger and more flexible management and business foundation.

Based on this assessment, the Board felt that integration of TIS and INTEC was essential to realization of Group Vision 2032, TIS’ long-term management policy, faster and with greater confidence of success. The merger will enable TIS to enhance corporate value by improving value exchange with clients and society at large, facilitating optimal allocation of management capital through strategic investments in technology and top talent, and increasing the value provided by core business locations.

Details of the merger will be disclosed at the end of October 2025.

**TIS** TIS INTEC Group

**INTEC** TIS INTEC Group

**July 1, 2026 (scheduled)**

**TIS INTEC Group**

**TISI Inc.**  
Yasushi Okamoto, President

Net sales ¥383.9 billion	Operating income ¥46.2 billion	Number of employees 9,497 people
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\*Simple total of results for fiscal 2025, ended March 31, 2025, for both companies (non-consolidated basis)

**Headquarter functions planned for offices in Tokyo, Toyama, Nagoya and Osaka**

**Vision for the New Company**

- Become an even more trusted partner to strategic clients
- Realize a sustainable future and greater happiness for more people
- Become an even more indispensable force in driving social change

Note: The change in trading name is subject to approval of required amendments to the Articles of Incorporation at the ordinary general meeting of shareholders scheduled for late June 2026.

For details, please visit the following website, [https://www.tis.com/documents/en/ir/other/materials/250730\\_1.pdf](https://www.tis.com/documents/en/ir/other/materials/250730_1.pdf)

# Growth Trajectory

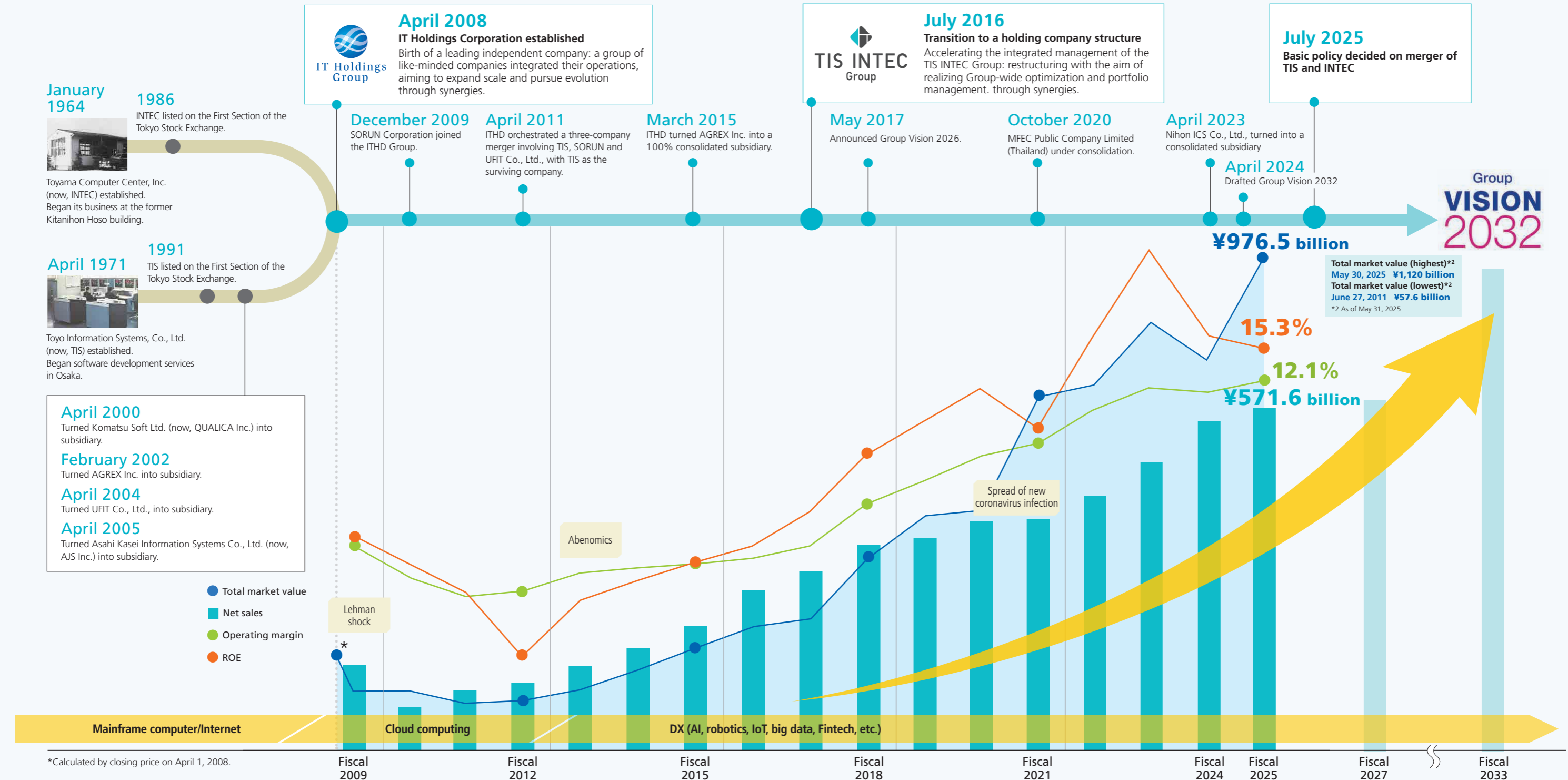
Making the most of the advanced technologies and know-how the TIS INTEC Group has accumulated over the years, we aim to revitalize society and contribute to the well-being not only of our clients, but of society as a whole.

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.

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

	Fiscal 2016	Fiscal 2025
Net sales	¥382.6 billion	¥571.6 billion
Operating margin	6.4%	12.1%
ROE	7.0%	15.3%
Market value	¥233.8 billion	¥976.5 billion



\*Calculated by closing price on April 1, 2008.

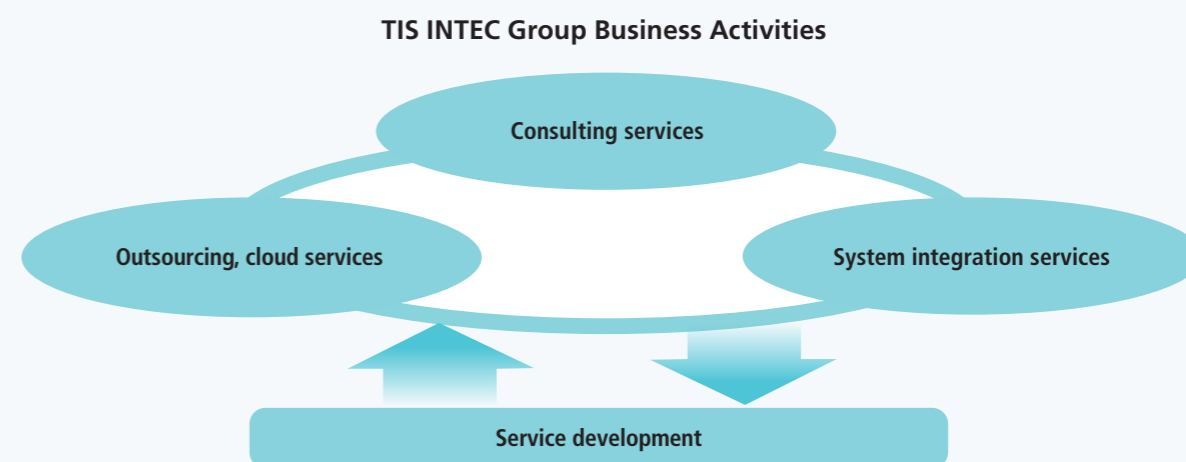
Top-class position in domestic market as largest independent contractor offering comprehensive IT services to corporate clients

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 at 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.

Business Activities

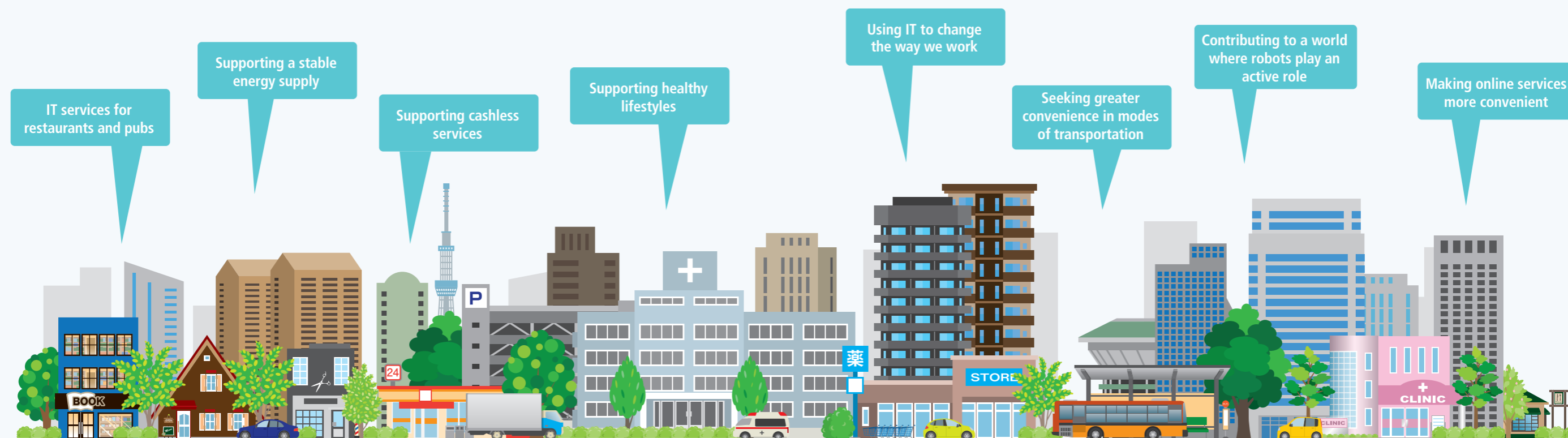
As an IT specialist working closely with clients, TIS offers a wide range of IT services on its own and through the TIS INTEC Group to provide optimal one-stop support. As a corporate group specializing in IT, we support society in ways some people might take for granted, and we help solve social issues through our business activities.



- Consulting services** Propose services and support clients in their use of IT to raise business value
- System integration services** Provide services, from system construction to operation, perfectly matched to client needs
- Outsourcing and cloud services** Offer clients everything from IT system operation and cloud services to business process outsourcing (BPO)
- Service development** Create and enhance services researching and utilizing knowledge, experience and advanced technology acquired through operations

Meeting Various Social Needs by Providing IT Services

The TIS INTEC Group operates across all these domains (examples) —



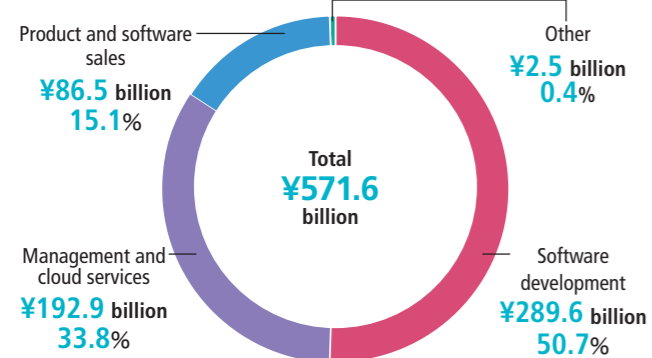
TIS has achieved sustainable growth based on sound financial health and capital efficiency.

On a consolidated basis, TIS achieved record-high business results in fiscal 2025, extending the upward climb in net sales and operating income for the 15th consecutive year and 14th consecutive year, respectively. These results reflect success in accurately identifying clients' IT investment needs, including DX, and promoting access to services.

Details here: [https://www.tis.com/documents/en/ir/finance/meeting/250508\\_1.pdf](https://www.tis.com/documents/en/ir/finance/meeting/250508_1.pdf)

<b>Consolidated Net Sales</b> <b>¥571.6 billion</b>	<b>Consolidated Operating Income</b> <b>¥69.0 billion</b>	<b>Consolidated Operating Income to Net Sales Ratio</b> <b>12.1 %</b>
<b>Consolidated ROE</b> <b>15.3 %</b>	<b>Consolidated Equity Ratio</b> <b>61.5 %</b>	<b>Rating</b> (At November 18, 2024) <b>A+/Stable</b> <small>(Long-term/Japan Credit Rating Agency, Ltd.)</small>
<b>Number of Group Companies</b> <b>110 companies</b> <small>(TIS + consolidated subsidiaries + equity method affiliates)</small>	<b>Number of Client Companies</b> Domestic About <b>15,000</b> companies Overseas Above <b>600</b> companies	<b>Number of Employees, Consolidated</b> <b>21,765</b>

**Net Sales by Business Segment**



**Highly sustainable businesses\*** **Above 50%**

\*Includes system operation, cloud services, and maintenance and development

**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.

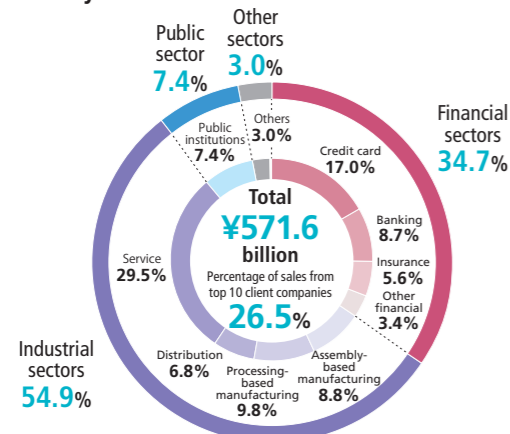
**Operation and Cloud Services**

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.

\*The clients named above are named in past news releases and case studies disclosed by TIS.

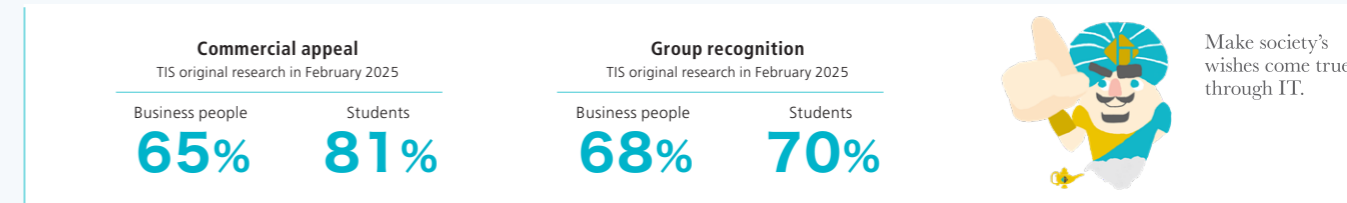
**Partnerships**

As an independent system integrator, TIS, independently and through the Group, works with a wide range of partners to provide flexible and optimal solutions that address the diverse needs of clients. We have achieved steady improvement in business results, and we have earned high praise in such categories as client satisfaction and number of employees with qualifications.

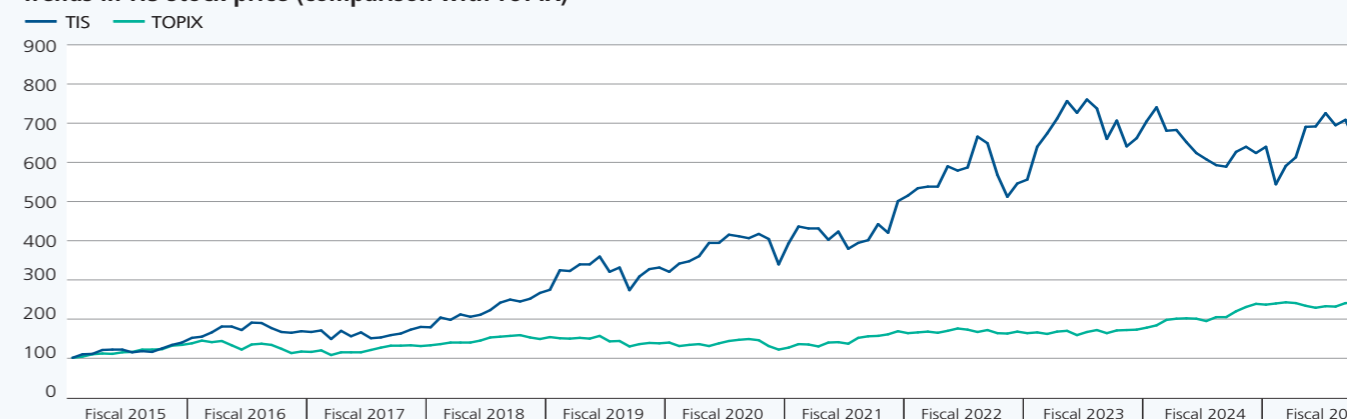
<b>SAP</b> Business: More than <b>30</b> years System implementation and maintenance results: For more than <b>300</b> companies	<ul style="list-style-type: none"> <li>Provide consistent support from top-level consulting to implementation, operation and maintenance underpinned by extensive track record and knowledge of manufacturing industry and SAP <a href="https://www.tis.jp/service_solution/tis-sap-solution/">https://www.tis.jp/service_solution/tis-sap-solution/</a> (Japanese only)</li> <li>Won the Top Market Expansion Award at SAP Award of Excellence 2025 <a href="https://news.sap.com/japan/2025/03/0307_sap-award-of-excellence-2025/">https://news.sap.com/japan/2025/03/0307_sap-award-of-excellence-2025/</a> (Japanese only)</li> </ul>
<b>Oracle</b> Oracle Certification Award OCI/PaaS category: Have won for <b>3</b> consecutive years SaaS category: Have won for <b>5</b> consecutive years	<ul style="list-style-type: none"> <li>Provide consistent support, from database and middleware to business apps <a href="https://www.tis.jp/service_solution/tosp_license/">https://www.tis.jp/service_solution/tosp_license/</a> (Japanese only)</li> <li>Won in two Oracle Certification Award categories (OCI/PaaS and SaaS) in 2024 <a href="https://www.tis.co.jp/company/award/#ID003">https://www.tis.co.jp/company/award/#ID003</a> (Japanese only)</li> <li>Won in two service partner categories (Apps and Cloud/Tech) under Oracle Partner Awards—Japan Business Impact Category in 2024 <a href="https://www.tis.co.jp/company/award/#ID002">https://www.tis.co.jp/company/award/#ID002</a> (Japanese only)</li> </ul>
<b>Salesforce</b> Project track record: More than <b>3,500</b> Full-time system engineers: About <b>340</b>	<ul style="list-style-type: none"> <li>Provide solid support for client-side business model transformation in various situations, regardless of industry, business type or company size. <a href="https://www.agrex.co.jp/service/detail/salesforce.html">https://www.agrex.co.jp/service/detail/salesforce.html</a> (Japanese only)</li> <li>For second consecutive year, received Customer Satisfaction of the Year, a Salesforce Japan Partner Award presented to a partner who achieves highest level of customer satisfaction in that year. <a href="https://www.agrex.co.jp/column/detail/Salesforce-Japan-Partner-Award_01.html">https://www.agrex.co.jp/column/detail/Salesforce-Japan-Partner-Award_01.html</a> (Japanese only)</li> </ul>

**Branding campaigns**

Under a branding campaign launched in the second half of fiscal 2020, TIS has focused on television commercials to boost name recognition. Efforts are yielding steady results. Going forward, our goal is to make the TIS INTEC Group top of mind among all stakeholders, and we will continue to implement branding campaigns that deliver results.



**Trends in TIS stock price (comparison with TOPIX)**



Notes:

- TIS stock price and TOPIX (Tokyo Stock Price Index) are indexed with closing price data, on April 1, 2014, set at 100.
- TIS conducted a 3-for-1 split of common stock on April 1, 2020. For fiscal years ended March 31, 2020, and earlier, calculations assume an equivalent stock split was conducted.

**Total shareholder return (TSR)**

	Fiscal 2021	Fiscal 2022	Fiscal 2023	Fiscal 2024	Fiscal 2025
TIS	149.7	165.4	202.5	194.4	245.6
TOPIX	142.1	145.0	153.4	216.8	213.4

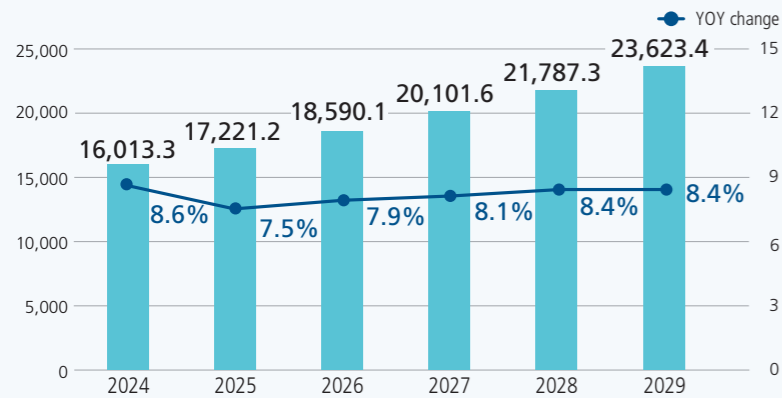
\*Calculations based on stock price of 100 on March 31, 2020.

# 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

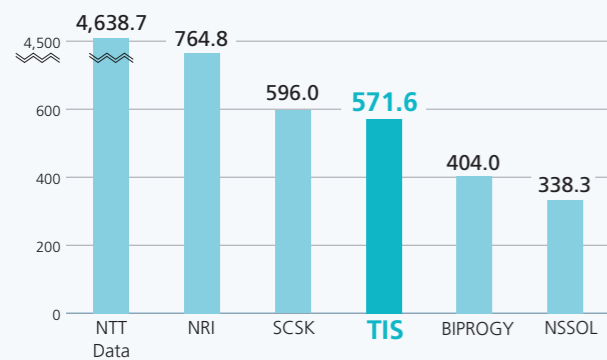
(Billions of yen, %)



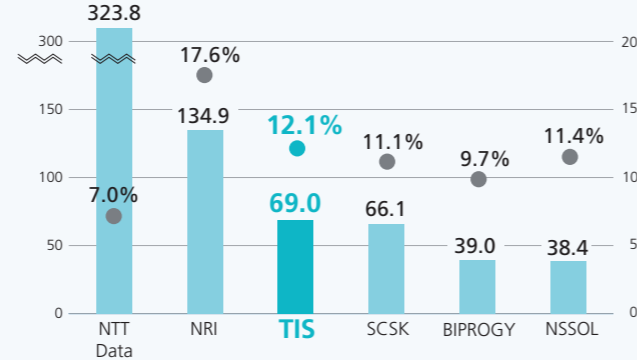
\* Gartner®, "Forecast: Services, Worldwide, 2023–2029, 2Q25 Update"  
Srujan Akurathi, et al., 25 June, 2025 End User spending, Constant Currency basis, graph created by TIS based on Gartner Research.  
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## Comparison of Japan's Leading IT Companies (Year ended March 31, 2025)\*1

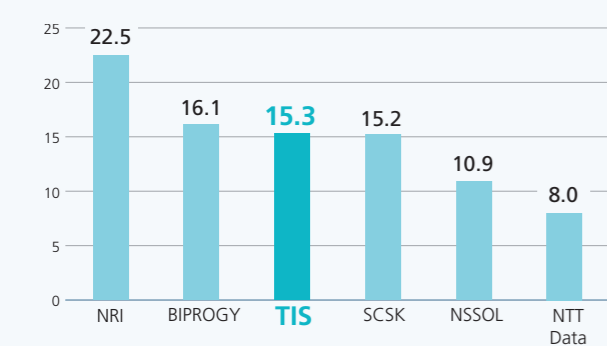
Net Sales (Billions of yen)



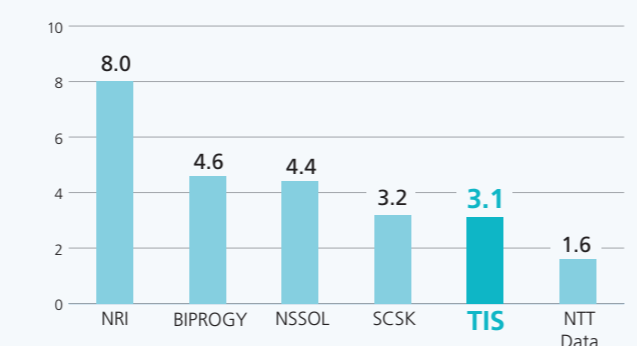
Operating Income, Operating Margin (Billions of yen)



ROE (%)



Operating Income per Person (Millions of yen)



\*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).

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.

### Payment-Related Services (Fiscal 2025)

**Sales composition About 20%**

- Financial IT Business
- Offering Service Business
- Other

### 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 ¥105 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.  
\*TIS estimates

### 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 1,110 million per year, for an aggregate value of ¥4.6 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

**53 of 97 banks**  
(regional banks)

Solution for financial institutions backed by extensive track record and boasting more than 50% of regional bank market. Continues to reflect ever-evolving client needs. In fiscal 2025, released next-generation CRM service, and, in fiscal 2026, plan to begin offering business-specific solutions using generative AI as microservice to further support DX shift by financial institutions.

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

#### EDI SaaS market

**Market share About 20%**<sup>\*1</sup>

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). Compliant with ISO 20022, the international standard for foreign remittances, as of July 2025.  
Will continue to take business-use co-creation platform Industrial OS to new level, bridging EDI/EAI/API and information.

### 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, TIS INTEC Group involved in installation, operation and maintenance of systems for 11 insurance associations. Total number of people insured by these 11 insurance associations<sup>\*2</sup> is about 4.5 million<sup>\*3</sup>, and TIS INTEC Group services thus support part of national health insurance system. Now expanding into the healthcare field through National Health Insurance Database, aiming to contribute to the health of the nation.

### Contributing to greater efficiency in clients' address management operations for half a century

#### 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. In August 2025, it marked the 50th anniversary since the launch of system, which has been used for many years by the non-life insurance sector, mainly for estimating fire insurance premiums.

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

\*1 Fiscal 2024 results of EDI, SaaS/PaaS, vendor share and amounts are based on "Software Business New Market 2025" by Fuji Chimera Research Institute, Inc.

\*2 Covers National Health Insurance system.

\*3 As of 2024 year-end.

# Taking a Long-Term Perspective on Target Trajectory

### 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 a PEST analysis.

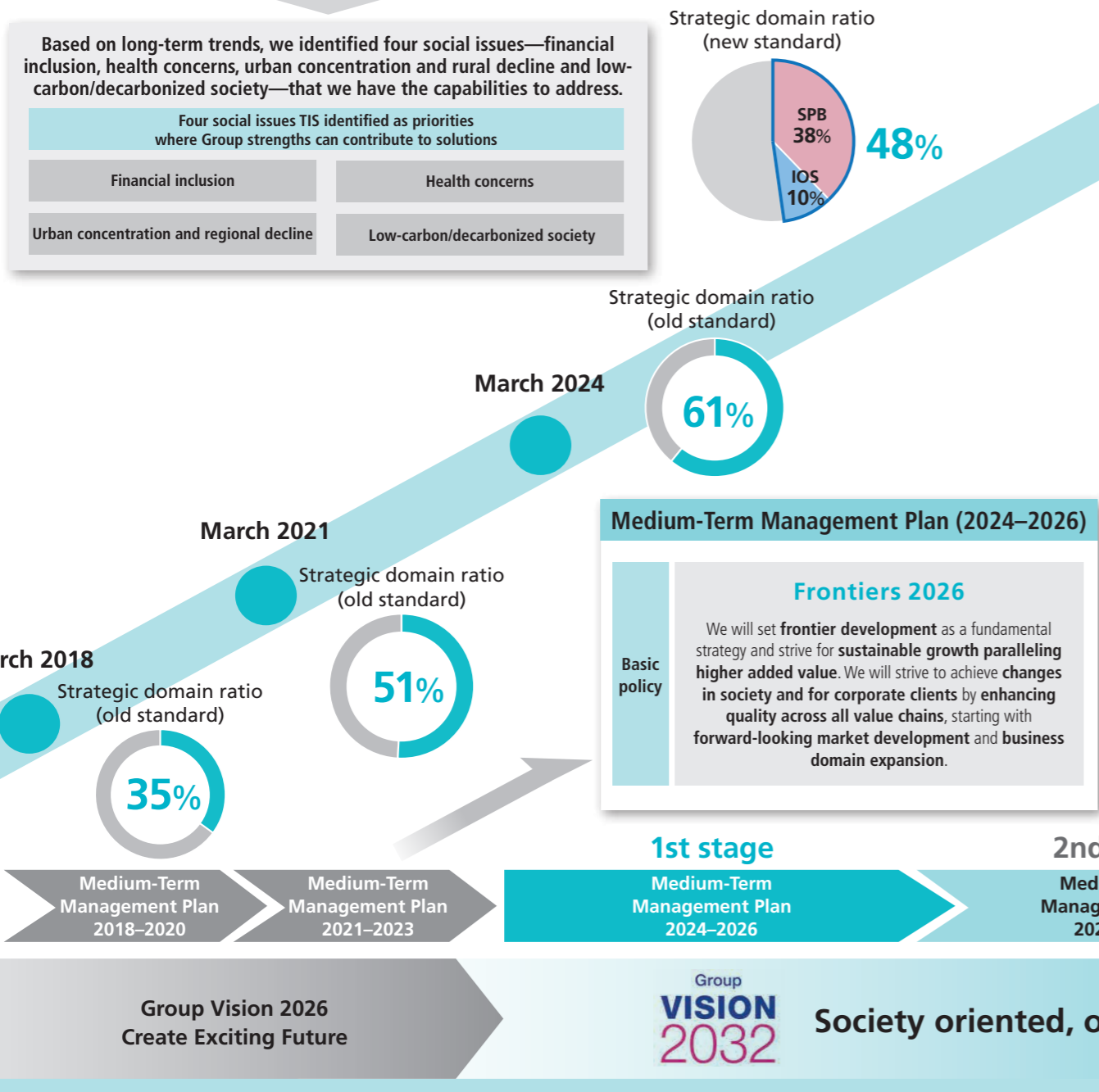
<b>Politics</b>	<ul style="list-style-type: none"> <li>Predict <b>pension and social security system failure</b> due to changing demographics</li> <li>Trend to limit impact of corporate activities on society, with tougher restrictions on use of fossil fuels and use of resources as <b>measures to deal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

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

## Brand Message

### Make society's wishes come true through IT.

Using advanced technology and know-how, we will add a new dimension of vitality to society and bring smiles to the faces of more people. Our presence will shape the future of this kind of society. The TIS INTEC Group will continue to make society's wishes come true through the power of IT.



### Group Vision 2032

**Group VISION 2032** Society oriented, operationally diverse, globally active

**Business policy guiding progress toward successful conclusion** 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

**Redefined Strategic Domains >P.22**

- Social Innovation Service (SIS)
- Co-Creation Business (CCB)
- IT & Business Offering Service (IOS)
- Strategic Partnership Business (SPB)

## 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, given major changes in the recent past that affected the operating environment, both inside the Company and externally, management decided to reorient operations groupwide with a long-term perspective and defined a new group vision—Group Vision 2032—for where TIS and the TIS INTEC Group should be in 10 years' time. Under the new group vision, TIS is leveraging initiatives that draw on the composite capabilities of the Group and lead to sustainable improvement in corporate value.

### 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

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.

### 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

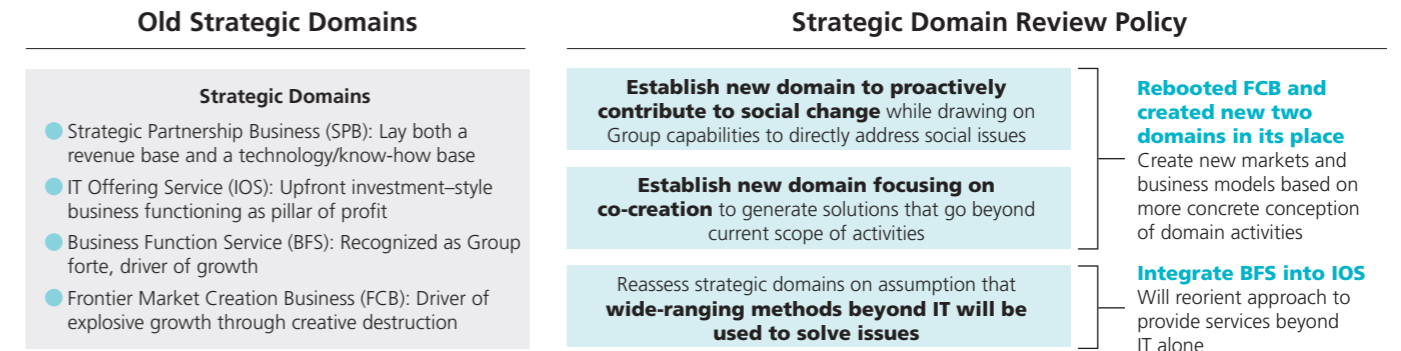
**Good progress toward medium- to long-term management objectives but need to revise targets, given changes in external environment**

- ✓ 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

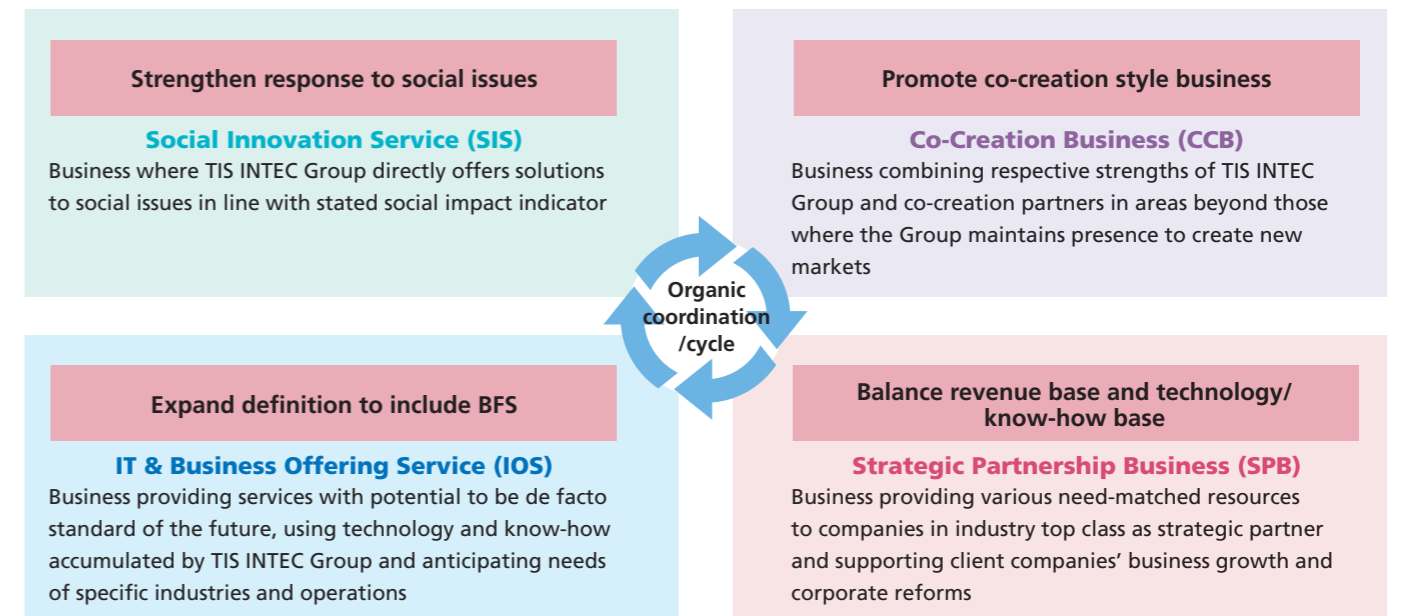
**Must update management policy with long-term perspective based on current conditions**

### Four Strategic Domains to Realize Corporate Ideal

TIS defines areas of business that will underpin sustainable growth, on a groupwide basis, as strategic domains. Since 2017, when Group Vision 2026 was prepared, the social role that we see the TIS INTEC Group playing 10 years into the future and the best business approach to take going forward have come into greater clarity, allowing management to identify new priority business areas. Each segment strives to develop markets and create new demand with the best mix of strategic domains fine-tuned to market characteristics.

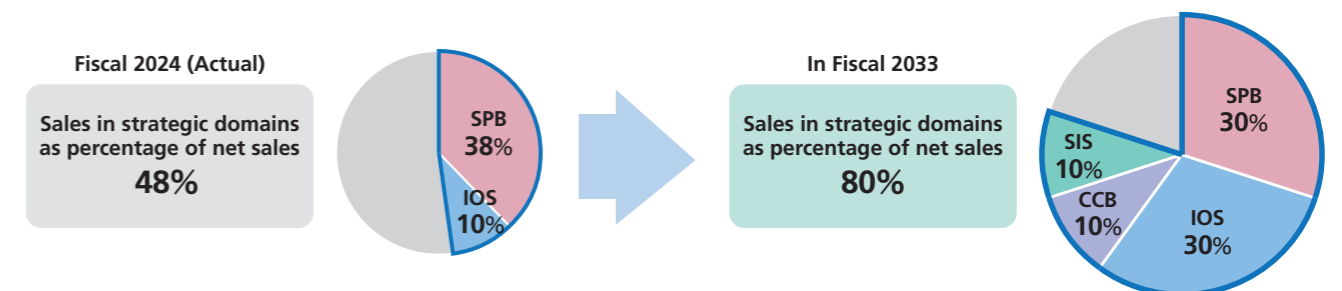


### Redefined Strategic Domains

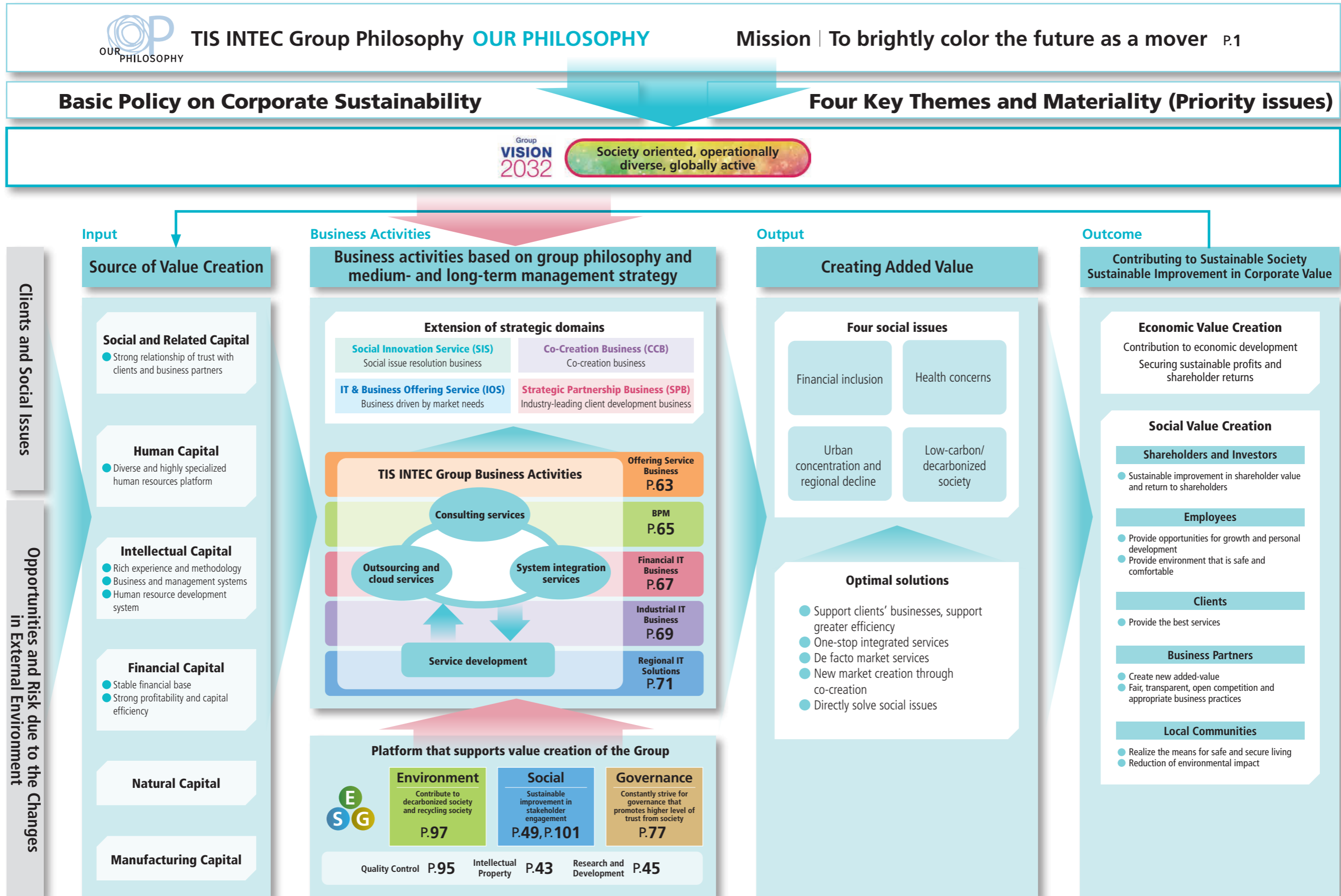


### Strategic Domains: Desired Composition

While the ratio of strategic domains to overall business is generally shifting in the desired direction, there are still issues with the contribution of each strategic domain to that balance. We expect SPB and IOS domains to be much bigger, new CCB and SIS domains to have grown to a certain size, and the business portfolio to be a well-balanced mix of diverse business models.

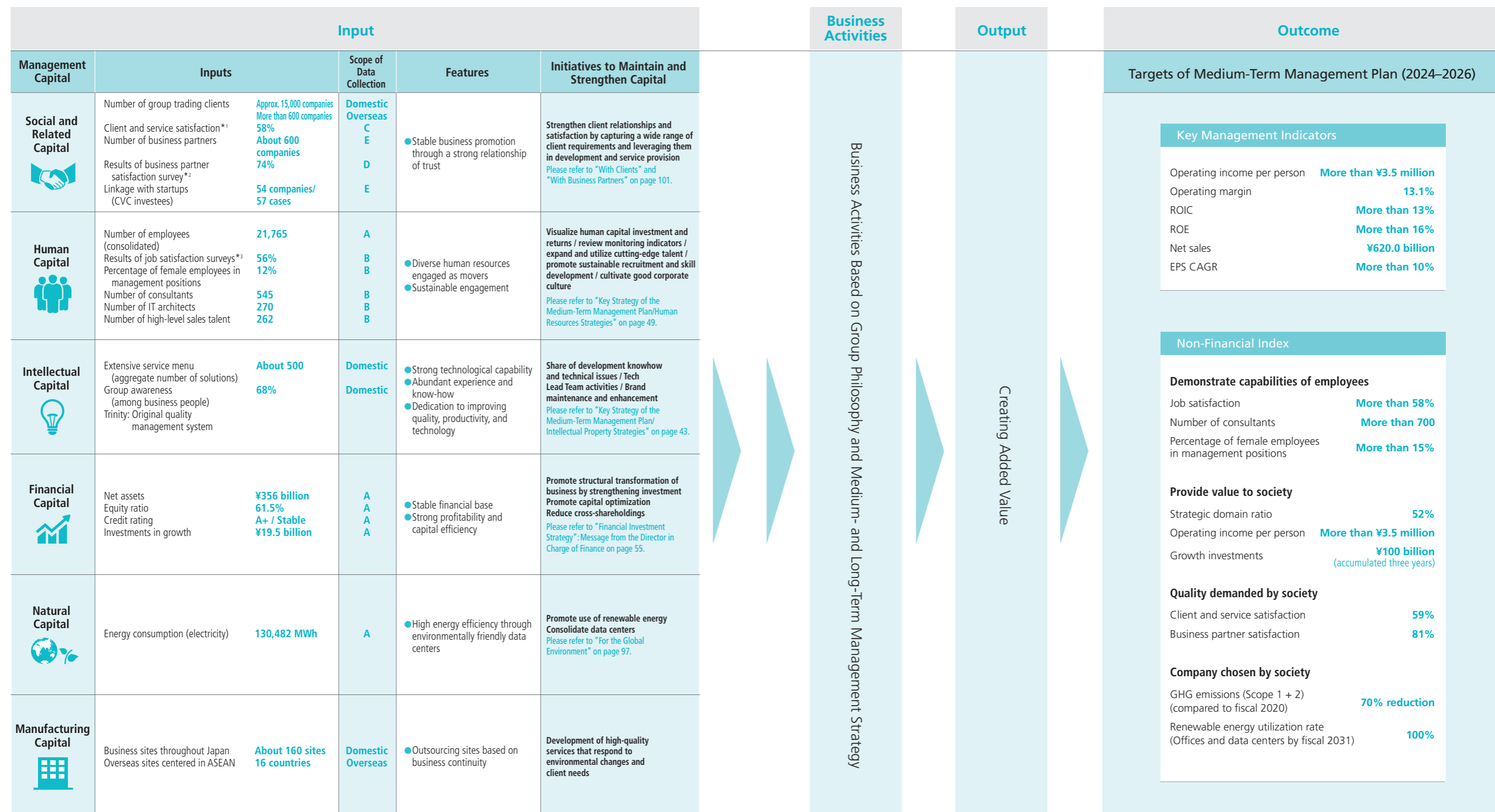


We will balance efforts to contribute a sustainable society with efforts to achieve sustainable improvement in corporate value by leveraging unified Group management based on "OUR PHILOSOPHY," the TIS INTEC Group philosophy.



## 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.



Figures are as of March 31, 2025.

\*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 domestic consolidated companies

C. TIS, INTEC, AGREX, QUALICA, AJS, and TIS Solution Link

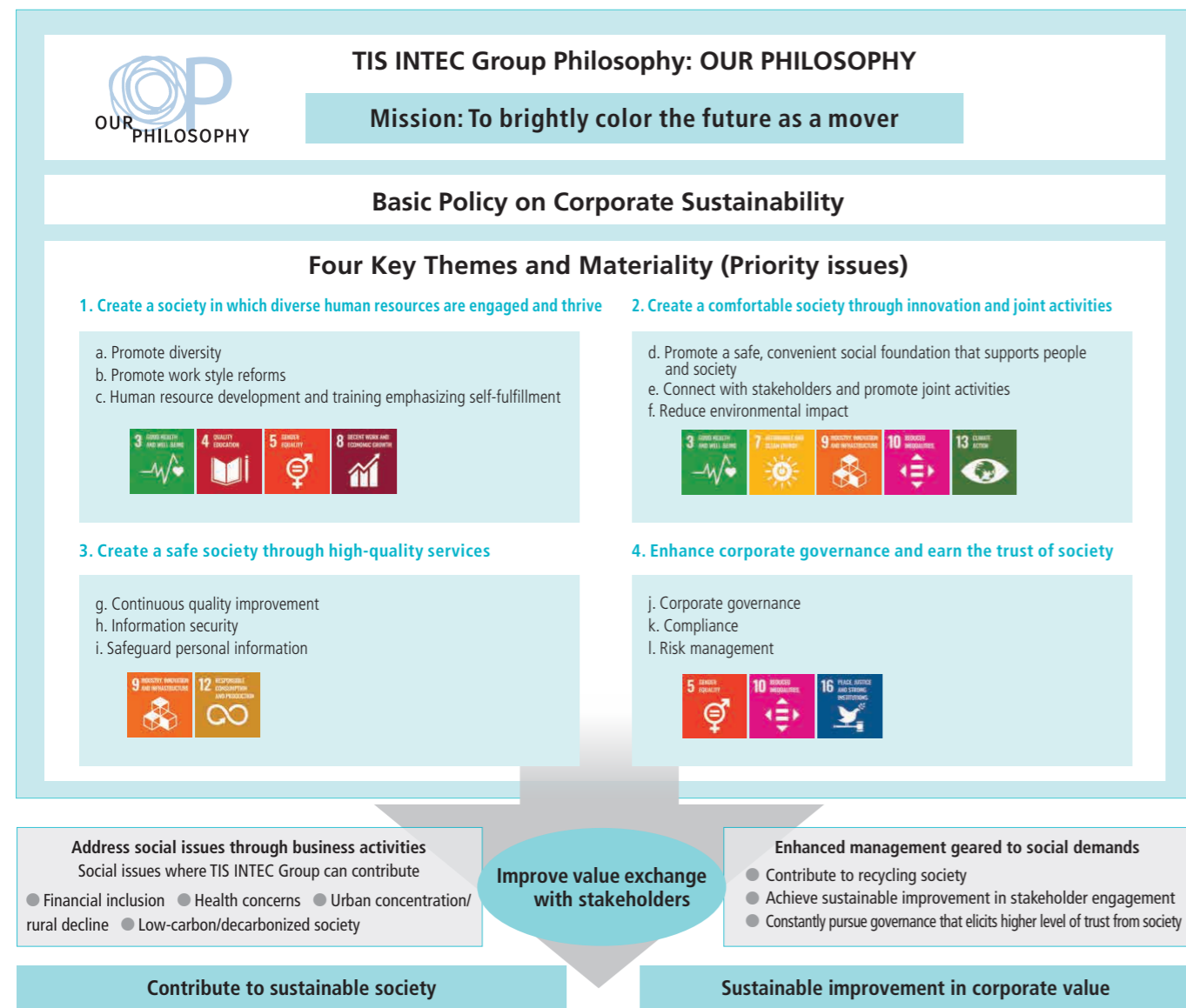
D. TIS and INTEC

E. TIS parent

Seeking to deepen sustainability management

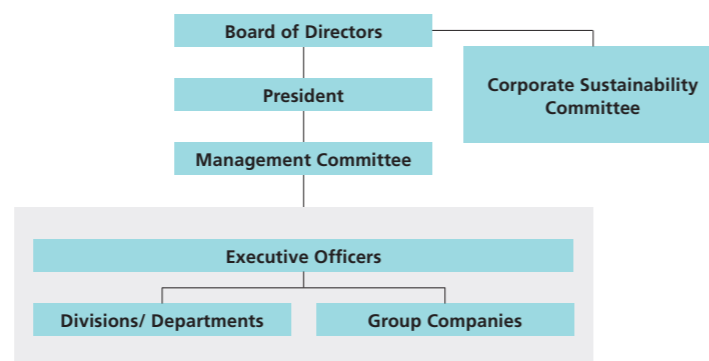
TIS INTEC Group will reinforce its commitment to corporate social responsibility through its contribution to the sustainable development of society by resolving social issues through its business, and will further strengthen its corporate sustainability initiatives.

Overall picture of sustainability management



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 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.



**Composition members**  
Chief corporate sustainability officer (chair), directors, Audit & Supervisory Board members, corporate sustainability promotion officer, division manager of the Corporate Planning SBU, and department manager of the Corporate Planning Department.

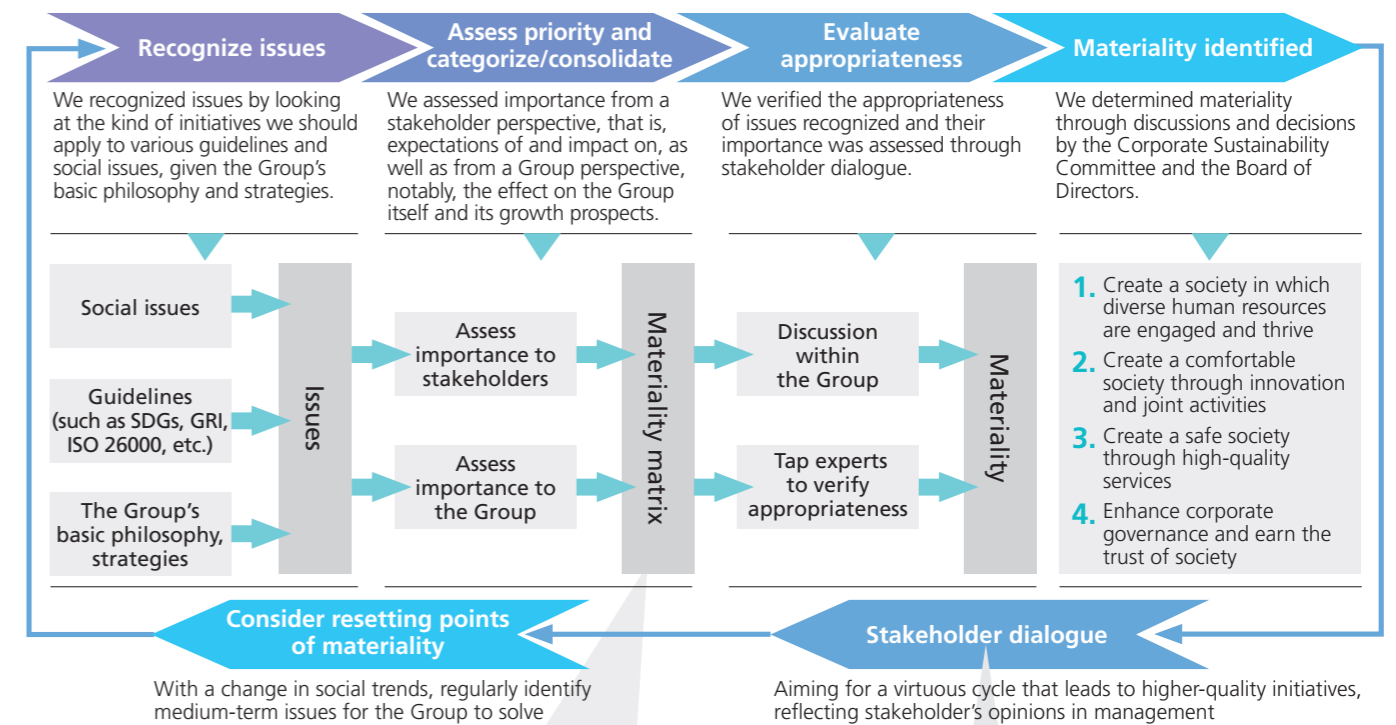
Materiality (Key Issues) for the TIS INTEC Group

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.

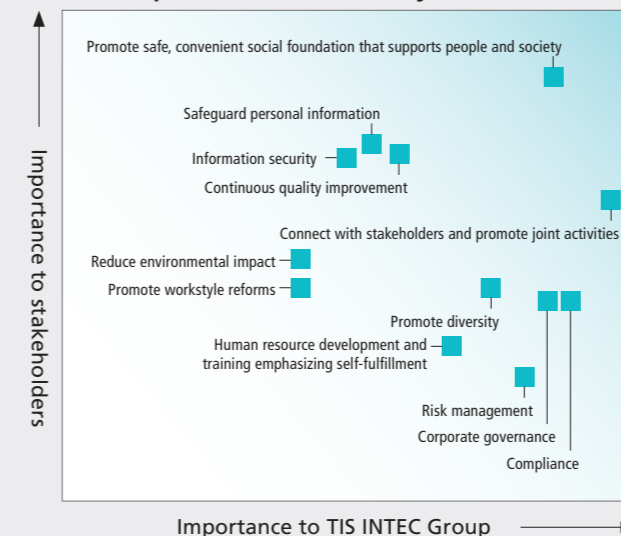
To clarify important themes and identify materiality, we assessed importance from a stakeholder perspective, that is, impact on, as well as from a Group perspective, notably, the effect on the Group itself and its growth prospects.

- |   |   |
|---|---|
| <p><b>1. Create a society in which diverse human resources are engaged and thrive</b></p> <ul style="list-style-type: none"> <li>a. Promote diversity</li> <li>b. Promote workstyle reforms</li> <li>c. Human resource development and training emphasizing self-fulfillment</li> </ul> | <p><b>2. Create a comfortable society through innovation and joint activities</b></p> <ul style="list-style-type: none"> <li>d. Promote safe, convenient social foundation that supports people and society</li> <li>e. Connect with stakeholders and promote joint activities</li> <li>f. Reduce environmental impact</li> </ul> |
| <p><b>3. Create a safe society through high-quality services</b></p> <ul style="list-style-type: none"> <li>g. Continuous quality improvement</li> <li>h. Information security</li> <li>i. Safeguard personal information</li> </ul>  | <p><b>4. Enhance corporate governance and earn the trust of society</b></p> <ul style="list-style-type: none"> <li>j. Corporate governance</li> <li>k. Compliance</li> <li>l. Risk management</li> </ul>  |

Identifying Materiality



Importance of Materiality Assessment



Dialogue themes





- June 2023  
Challenges and possibilities in application of IT to healthcare
- July 2024  
Strengthening human capital to create corporate value
- July 2025  
Core of sustainability management

Please refer "Dialogue with Stakeholders" on page 32 for details.

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.

## 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 (2024–2026).

Theme	Materiality	Impacts to Be Reduced	Opportunities to Be Seized
1. Create a society in which diverse human resources are engaged and thrive	<p>a. Promote diversity b. Promote workstyle reforms c. Human resource development and training emphasizing self-fulfillment</p> 	<ul style="list-style-type: none"> <li>Labor shortages that reduce productivity</li> <li>Inability to input the necessary human resources causing business growth to be impeded</li> <li>Lack of technology for new areas</li> <li>Less creativity and imagination among employees</li> <li>Less intra-Group and intra-organizational synergy</li> </ul>	<p><b>Boost value creation capacity</b></p> <ul style="list-style-type: none"> <li>Enhance innovation abilities</li> <li>Secure human resources</li> <li>Boost productivity through greater employee engagement</li> </ul>
2. Create a comfortable society through innovation and joint activities	<p>d. Promote a safe, convenient social foundation that supports people and society e. Connect with stakeholders and promote joint activities f. Reduce environmental impact</p> 	<ul style="list-style-type: none"> <li>Opportunities lost through stagnation of R&amp;D, etc.</li> <li>Weak framework for considering new business causing lost business opportunities</li> <li>Environmental burden triggering natural disasters, which in turn damage social infrastructure</li> <li>Changes to environmental regulations</li> </ul>	<p><b>Construct a sustainable profit model</b></p> <ul style="list-style-type: none"> <li>Shift to a better profit structure</li> <li>Market growth</li> <li>Global environmental protection and climate change adaptation</li> </ul>
3. Create a safe society through high-quality services	<p>g. Continuous quality improvement h. Information security i. Safeguard personal information</p> 	<ul style="list-style-type: none"> <li>Productivity and quality reduced due to lack of manufacturing capacity</li> <li>Deterioration in business sentiment causing clients and business partners to go bankrupt and existing clients to fall away</li> <li>Lack of understanding of technological trends and client needs, among other deficiencies, creating the risk of providing services of inappropriate quality and safety, and reducing competitiveness</li> <li>Information leaks and cyberattacks</li> <li>Intellectual property lawsuits</li> </ul>	<p><b>Boost market competitiveness</b></p> <ul style="list-style-type: none"> <li>More attractive products and services</li> <li>Optimization of manufacturing costs</li> <li>Responses to country risk and technological advance</li> </ul>
4. Enhance corporate governance and earn the trust of society	<p>j. Corporate governance k. Compliance l. Risk management</p> 	<ul style="list-style-type: none"> <li>Group governance deficiencies causing vulnerabilities (compliance, risk management, and IT governance)</li> <li>Fund planning failures</li> <li>Credibility affected by fraudulent transactions</li> </ul>	<p><b>Enhance corporate credibility</b></p> <ul style="list-style-type: none"> <li>Better management quality</li> <li>Eradication of misconduct</li> </ul>

\*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

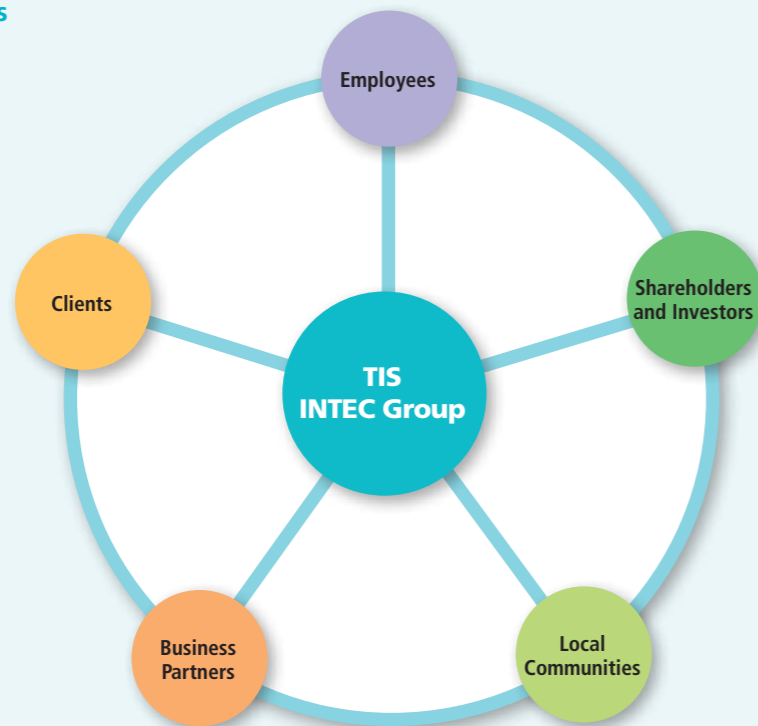
\*2 New standard ratio based on the review of strategic domain in Medium-Term Management Plan (2024–2026)

Status of Fiscal 2025 Initiatives	Medium- to Long Term Targets				
	Perspectives on Progress Measurement	Indicators	Scope*1	Fiscal 2025 Results	Fiscal 2027 Targets
<ul style="list-style-type: none"> <li>Clarified human resources investment and returns through development of human capital scenarios</li> <li>Redefined priority measures and monitoring indicators for human resources strategy to strengthen management monitoring</li> <li>Enhanced risk management based on occupational safety and health policy</li> <li>Visualized talent and expand human resources portfolio management groupwide</li> <li>Monitored and improved human resources system operations based on Must/Will/Can framework</li> <li>Maintained measures for career development and flexible workstyles that encourage active participation of diverse human resources</li> <li>Reinforced strategic rotation to underpin development of consultants and IT architects</li> </ul>	Demonstration of employees' capabilities	Job satisfaction	B	56%	Above 58%
		Number of consultants	B	545	Above 700
		Percentage of female employees in management positions	B	12%	Above 15%
<ul style="list-style-type: none"> <li>Constantly monitored status of strategic domains created under current Medium-Term Management Plan (2024–2026)</li> <li>With objective to support people who are digitally disadvantaged, utilized capacity of NPO to create environment where digital technology can be used safely and launched program to eliminate the digital divide</li> <li>Established joint ventures in blockchain node operation and cryptocurrency accounting management</li> <li>Established joint ventures in decarbonization and general consumer goods distribution</li> </ul>	Providing value to society	Strategic domain ratio*2	A	51%	52%
		Operating income per person	A	¥3.1 million	Over ¥3.5 million
		Growth investment	A	¥19.6 billion per year	Three-year cumulative total ¥100 billion
<ul style="list-style-type: none"> <li>Analyzing surveys and implementing improvement measures to increase client satisfaction</li> <li>Activities to strengthen relationships with business partners, such as holding exchange meetings and forums, to increase business partner satisfaction</li> <li>Rolled out personal information protection measures based on the latest global perspectives to the Group</li> <li>Maintain and support quality management system at major group companies</li> <li>Strengthened efforts to create client proposals of increasing sophistication utilizing intellectual assets and digital technology</li> <li>Formulated TIS INTEC Group Supply Chain Sustainability Promotion Guidelines to encourage understanding and widespread acceptance of Policy on Sustainable Procurement</li> <li>Prepared IT-BCP initial response plan to minimize impact on business and clients in the event of emergency, including cyber attack</li> </ul>	Quality demanded by society	Client and service satisfaction	C	58%	59%
		Business partner satisfaction	D	74%	81%
<ul style="list-style-type: none"> <li>Promoted BCP by conducting disaster preparedness drills and initial response drills in case of emergency</li> <li>Implemented Self-Assessment Questionnaire (SAQ) for business partners</li> <li>Implemented training to entrench OUR PHILOSOPHY</li> <li>Implemented study sessions to raise the level and awareness of the whistleblower system</li> <li>Implemented measures to reduce GHG emissions, such as data center consolidation and planned transition to renewable energy</li> <li>Enhance engagement with business partners through information meetings to reduce GHG emissions (Scope 3)</li> </ul>	A company chosen by society	GHG emissions (Scope 1 + 2) [Compared to fiscal 2020]	A	65% reduction	70% reduction
		Renewable energy utilization rate (Offices and data centers)	A	64% introduction	100% introduction in Japan (fiscal 2031)

## 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.

### Main Stakeholders



Stakeholders	Engagement opportunities	Value provided
<b>Employees</b> Indispensable to Group operations, bringing about corporate growth through demonstration of diverse personal skills and self-directed collaboration and development	<ul style="list-style-type: none"> <li>Company news, Group news, internal portal site</li> <li>Employee awareness surveys</li> <li>Personnel exchange groups, opinion exchange groups</li> <li>One-on-one career development</li> <li>Manifest issue of Human Resources SBU and others</li> </ul>	<ul style="list-style-type: none"> <li>Provide opportunities for growth and personal development</li> <li>Provide an environment that is safe and comfortable</li> <li>Promote diversity and good physical and mental health</li> <li>Provide appropriate and attractive compensation for performance</li> </ul> <p>▶ Please refer to “Key Strategy of the Medium-Term Management Plan/Human Resources Strategies” on page 49.</p>
<b>Clients</b> Users of services offered by Group companies to address client-side business concerns and help solve social issues	<ul style="list-style-type: none"> <li>Client service points of contact (call center, website, main phone line)</li> <li>Seminars, fairs and forums for clients</li> <li>Publication of PR magazine, technical brochures and e-mail newsletters</li> <li>Client satisfaction surveys</li> <li>Regular and extraordinary meetings and others</li> </ul>	<ul style="list-style-type: none"> <li>Provide the best services</li> <li>Plan/propose new application formats for IT</li> <li>Lead/support realization of vision and strategies</li> </ul> <p>▶ Please refer to “With Clients” on page 101.</p>
<b>Shareholders and Investors</b> Provide capital that supports Group business activities and participate in management through the exercise of voting rights, etc.	<ul style="list-style-type: none"> <li>General meeting of shareholders</li> <li>Results briefings</li> <li>Small meetings, domestic and overseas roadshows, participation in conferences</li> <li>Information disclosure on IR section of corporate websites</li> <li>Integrated Report and others</li> </ul>	<ul style="list-style-type: none"> <li>Sustainable improvement in shareholder value and return to shareholders</li> <li>Highly transparent disclosure</li> <li>Engaging in constructive dialogue</li> </ul> <p>▶ Please refer to “With Shareholders and Investors” on page 102.</p>
<b>Business Partners</b> Partners helping to enhance value provided through Group operations and contributing to business growth and creation	<ul style="list-style-type: none"> <li>Information meetings on policy (guidelines)</li> <li>Creating opportunities for discussion (project information)</li> <li>Engineer development and support (educational support, seminars)</li> <li>Opinion exchange groups</li> <li>Business Partner Satisfaction Survey and others</li> </ul>	<ul style="list-style-type: none"> <li>Create new added value</li> <li>Fair, transparent, open competition and appropriate business practices</li> <li>Responsible procurement</li> </ul> <p>▶ Please refer to “With Business Partners” on page 101.</p>
<b>Local Communities</b> Direct and indirect support of Group’s corporate activities in areas where companies operate through provision of various forms of infrastructure	<ul style="list-style-type: none"> <li>Participation in local events</li> <li>Support for activities contributing to society</li> <li>Charity concerts</li> <li>Public feedback posted on website</li> <li>Responses to requests from relevant ministries/agencies, industry associations and others</li> </ul>	<ul style="list-style-type: none"> <li>Realize the means for safe and secure living</li> <li>Active interaction with local residents in areas in which we operate</li> <li>Reduction of environmental impact</li> </ul> <p>▶ Please refer to “With Local Communities and Society” on page 102.</p>

## Dialogue with Stakeholders

Viewing dialogue with stakeholders as an important opportunity, we regularly hold sessions that bring together external experts and our management team.

### The Core of Sustainability Management—Building the Future by Staying Connected with Society

In our stakeholder dialogue for fiscal 2026, we welcomed Mr. Norio Masuda, an expert in corporate sustainability promotion and disclosure, which is a key driver of progress in corporate management and its role in society. Together, we discussed from a broad perspective how companies should integrate management and sustainability and the direction society and business should pursue. From his objective standpoint, he also shared candid and invaluable opinions.

Here, the discussion centered on the question, “How do businesses connect with society?”



<b>Participants:</b>	<b>[Outside expert]</b> <b>Norio Masuda</b>	(Co-Representative Director, ESG Disclosure Study Group (General Incorporated Association); Senior Manager, Group Sustainability Division, Hitachi, Ltd.)
	<b>[TIS Inc.]</b> <b>Yasushi Okamoto</b> <b>Masakazu Kawamura</b>	(President & Representative Director) (Managing Executive Officer, Division Manager of Corporate Planning SBU, Corporate Sustainability Promotion Officer)
	<b>[Facilitator]</b> <b>Tomohiko Yamaguchi</b>	(Consultant, Cre-en Inc.)



#### Profile: Norio Masuda

Mr. Masuda joined Hitachi Solutions Ltd. in 1985 and transferred to Hitachi, Ltd., in April 2015. From fiscal 2017 to fiscal 2019, he served as Senior Manager of that company’s Planning Department, Group Sustainability Division, where he helped formulate and promote the Hitachi Group’s sustainability strategy. Since April 2020, he has held his current position as Senior Manager of the Group Sustainability Division. In June 2020, he became Co-Representative Director of the ESG Disclosure Study Group (General Incorporated Association) upon its establishment, a role he continues to hold. From April 2022 to March 2024, he also served as a specially appointed professor at Kyoto University Graduate School of Management.

**Kawamura:** Having enhanced sustainability management through ongoing dialogue with stakeholders, the Group now seeks to move further by contributing to society itself. Going forward, I feel we need to go beyond addressing individual social issues and, through our core business, demonstrate the overall value we provide to society.

**Yamaguchi:** According to Mr. Kawamura, the Company is working to shift from “focusing on solving specific issues” to “ensuring that business activities themselves help resolve social challenges.” Doesn’t this give rise to a vague and diluted notion that “everything we are doing now must somehow be addressing social issues”?

**Okamoto:** There is no need for concern on that point. Under OUR PHILOSOPHY, we define growth as “improved value exchange” with our stakeholders, who include not only clients and employees but also business partners, shareholders and other investors, and ultimately society at large. From that perspective, we have asked ourselves whether our business activities truly serve society, and we reaffirmed that all of our businesses, even if gradually, do indeed bring value to society.

\*B2B2C2S: An abbreviation for “Business to Business to Consumer to Society.” It refers to a business model in which a company provides products or services to consumers through another company, ultimately delivering value beyond the consumer to society as a whole.

Please refer to the following site for the full content of the dialogue.  
<https://www.tis.com/group/sustainability/stakeholder/dialogue2025/>

That is why it is essential for individual employees to continually reflect on why their work holds meaning for society. We want all employees—programmers and system operators alike—to think deeply about how their daily work impacts society through our clients. By doing so, employees can take pride in the work they do. While the four social issues we have identified are symbolic, they apply to other challenges as well.

In response to Mr. Yamaguchi’s question, being mindful of the connection between overall corporate activities and society does not dilute our awareness about addressing social issues. Rather, it creates a foundation for employees to become more strongly aware of the meaning of their own work.

**Masuda:** Much like B2B2C2S\* concept, when the value chain is broken down and visualized, employees can clearly understand where their work generates social value. This, in turn, gives greater clarity to the meaning of their daily tasks.

By organizing impacts and measuring them qualitatively and quantitatively, employees can clearly recognize that their work is having a ripple effect on society as a whole. This awareness naturally fosters engagement and pride.

# 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.

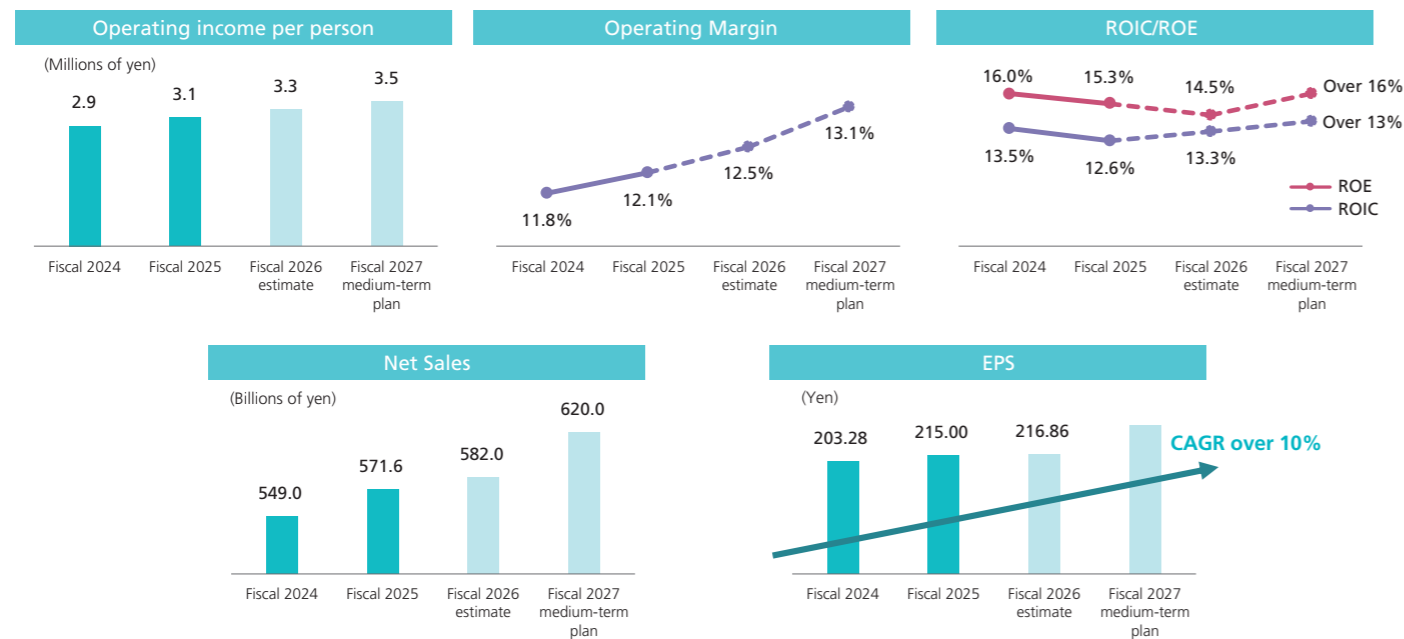
Basic policy

## 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

Overall, results are generally on track with estimates. Efforts are also underway to improve indicators that address issues.



## Measures in Medium-Term Management Plan (2024–2026): Fiscal 2025 Overview

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<div style="background-color: #00a0c0; color: white; border-radius: 50%; width: 40px; height: 40px; margin: 0 auto; display: flex; align-items: center; justify-content: center;">△</div> <p style="text-align: center; font-weight: bold;">Service Strategies</p>	<ul style="list-style-type: none"> <li>On the industry axis, roll out Xenlon Xenlon Modernization services</li> <li>On the functional axis, we will develop credit (light version) in the payment domain, but order expansion will continue</li> <li>Progress in development of ERP+ complementary services, but IOS expansion effect is limited</li> </ul>
<div style="background-color: #00a0c0; color: white; border-radius: 50%; width: 40px; height: 40px; margin: 0 auto; display: flex; align-items: center; justify-content: center;">△</div> <p style="text-align: center; font-weight: bold;">Technology Strategies</p>	<ul style="list-style-type: none"> <li>Utilization of generative AI for indirect operations became routine, but application to system development process is in verification phase</li> <li>GitHub Copilot, Publish knowledge gained through its use in offshore and large-scale development projects. Improve presence</li> <li>Full-fledged efforts to create higher added value for businesses are expected to progress</li> </ul>
<div style="background-color: #00a0c0; color: white; border-radius: 50%; width: 40px; height: 40px; margin: 0 auto; display: flex; align-items: center; justify-content: center;">○</div> <p style="text-align: center; font-weight: bold;">Intellectual Property Strategies</p>	<ul style="list-style-type: none"> <li>Consolidate knowledge and problem-solving know-how in providing solutions as intellectual property to create a foundation for creating new value provision. Further strengthen decision-making support through use of generative AI</li> <li>Formulate education programs to more effectively use information and platform, and promote development of advanced sales personnel to drive high value-added proposals</li> </ul>
<div style="background-color: #00a0c0; color: white; border-radius: 50%; width: 40px; height: 40px; margin: 0 auto; display: flex; align-items: center; justify-content: center;">○</div> <p style="text-align: center; font-weight: bold;">Human Resources Strategies</p>	<ul style="list-style-type: none"> <li>Develop human capital scenarios, and promote internal and external dialogues and priority measures to support 8% year-on-year increase in operating income per person</li> <li>Thanks in part to our efforts to date, we received the Special Award for Examiners in Nikkei Smart Work Grand Prize 2025</li> <li>Further strengthen training for next-generation leaders in addition to cultivating advanced human resources</li> </ul>

## Toward Medium-Term Management Plan (2024–2026) Targets

<p><b>Business environment</b></p> <ul style="list-style-type: none"> <li>Uncertainty about economic outlook and heightened concerns about restraint on IT investment</li> <li>Active reorganization in IT industry</li> <li>Evolution of technology shaking the core of business</li> <li>Increasingly competitive recruitment environment amid worsening personnel shortages</li> </ul>	<p><b>Awareness of issues</b></p> <ul style="list-style-type: none"> <li>Increase added value and shift to high-growth areas</li> <li>Strengthen client base by expanding solutions and delivery system</li> <li>Review allocation of management resources with global perspective after widespread application of generative AI</li> <li>Accelerate human capital management and improve employee engagement</li> </ul>
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## Key themes

### Accelerate market development based on industry axis and functional axis

Industry axis	Functional axis
Achieve renewed growth in financial IT by further acquiring new clients through Xenlon, and penetrate core domains in Industrial IT Strategies by Industry	Accelerate the development of payment services in response to rising IT investment in payment domains, and expand income from offering services by optimizing portfolios, including enterprise and IT platform domains.

### Strengthen initiatives to support growth

Reduce unprofitable projects	Early practical application of generative AI	Aggressive investment in human capital
Early realization of within ¥1 billion per year	Dramatic improvement in productivity	Achieving attractive compensation levels

### Operating Income Forecast (Billions of yen)

Fiscal Year	Operating income	Industry axis	Functional axis	Other
Fiscal 2024	64.5	30.5	33.3	0.7
Fiscal 2025	69.0	36.7	31.6	0.7
Fiscal 2026 estimate	73.0	39.5	33.0	0.5
Fiscal 2027 medium-term plan	81.0	44.7	36.0	0.3

Related segments  
 Industry axis: Financial IT Business, Industrial IT Business  
 Functional axis: Offering Service Business, Business Process Management, Regional IT Solutions

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

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

	<h3 style="color: #00a0c0;">Develop market from industry perspective</h3>	<h3 style="color: #00a0c0;">Develop market from functional perspective</h3>
Business direction	<ul style="list-style-type: none"> <li>Apply knowledge laterally, cultivate client base from industry perspective, deepen relationships with clients as core partner.</li> <li>Develop relationships with clients as strategic partners, including launch of co-creation businesses.</li> </ul>	<ul style="list-style-type: none"> <li>Provide services with potential to become de facto standard for specific operations and functions in the future.</li> <li>Strengthen approach to address social and industry issues, shifting from emphasis on large-scale to include small- and medium-sized businesses as well.</li> </ul>
Service strategies	<h3 style="color: #00a0c0;">Establish competitive services aimed at cultivating core business areas</h3> <ul style="list-style-type: none"> <li>✓ Differentiate ERP by enriching software system with original industry templates and optional modules → Mainly chemicals and assembly-based manufacturing sectors</li> <li>✓ Modernization services will expand banking systems and address need for large-scale removal of legacy systems</li> </ul>	<h3 style="color: #00a0c0;">Expand and promote pure services for specific operations and functions and social issue solutions</h3> <ul style="list-style-type: none"> <li>✓ Develop payment settlement solutions into pillar of business with strengths in finance and payment settlement to address social issues → Digitize transactions, including B2B</li> <li>✓ 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</li> </ul>
Shared	<ul style="list-style-type: none"> <li>✓ Promote full value chain of services to address clients' wide-ranging transformation needs → Covering consulting, UX design, analytics, BPO expansion</li> <li>✓ Hone sharper competitive edge in services by reinforcing feedback cycle for client comments</li> </ul>	

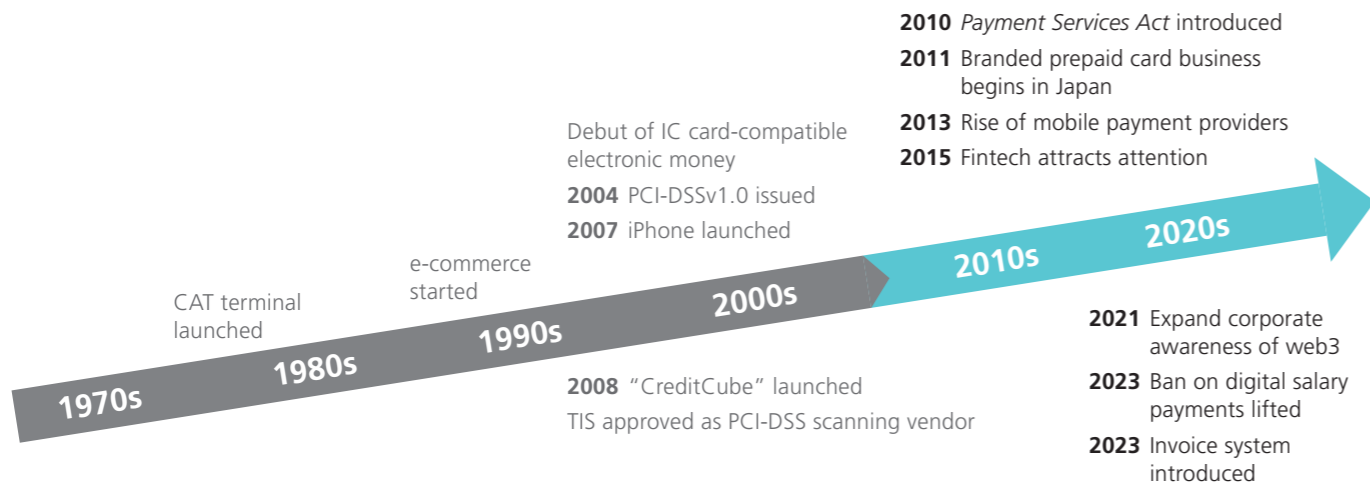
\*For the past three medium-term management plans, please visit the following website.  
<https://www.tis.com/ir/policy/midtermpolicy/>

# 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.

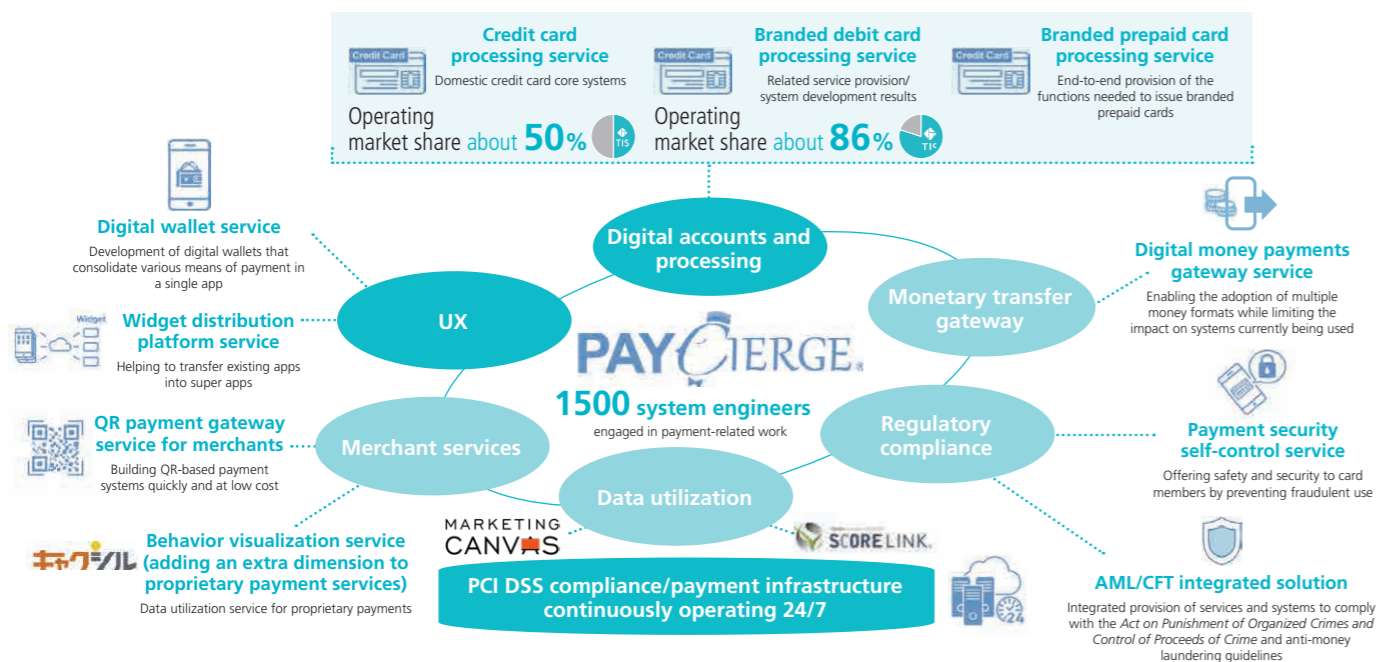
## History of Payment Services Expansion

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. Today, through our total payment solutions brand PAYCIERGE, we have developed a service-based business leveraging advanced technology and extensive payment know-how which boasts a dominant market share of the credit card industry. Looking ahead, we aim to provide new value for society through payments and will accelerate further growth by broadening our service lineup in response to changes in the business environment.



## What is PAYCIERGE?

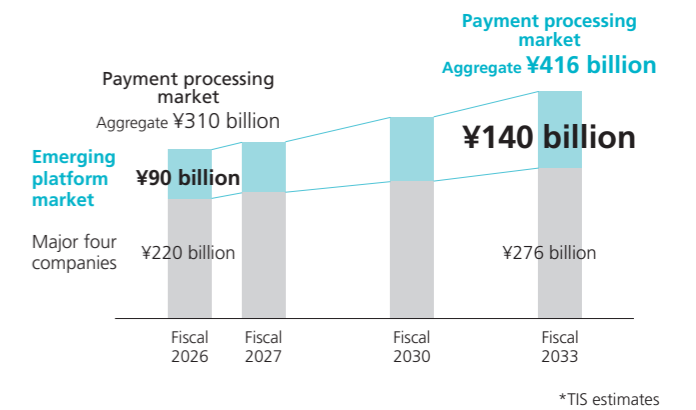
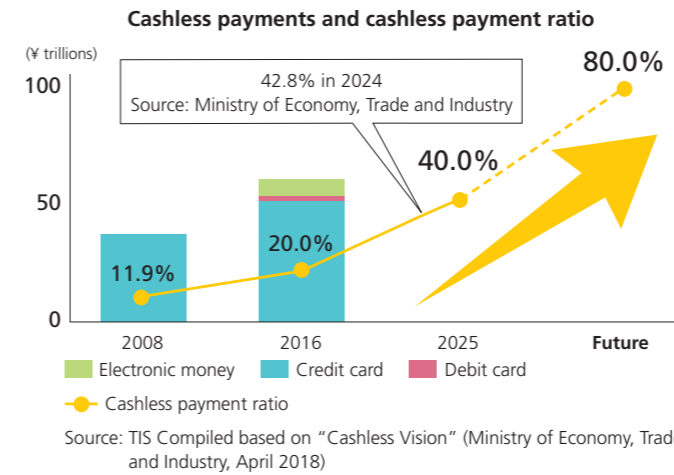
With PAYCIERGE, we offer a broad lineup of various payment-related solutions, focusing on digital accounts and processing. These solutions are being continually expanded and enhanced with functions that reflect the ever-changing payments market, enabling us to flexibly adapt to increasingly diverse needs. These efforts are underpinned by an extensive track record and have continued to support Japan's payments infrastructure 24/7 over many years.



## Status of Cashless Payments in Japan and Market Size

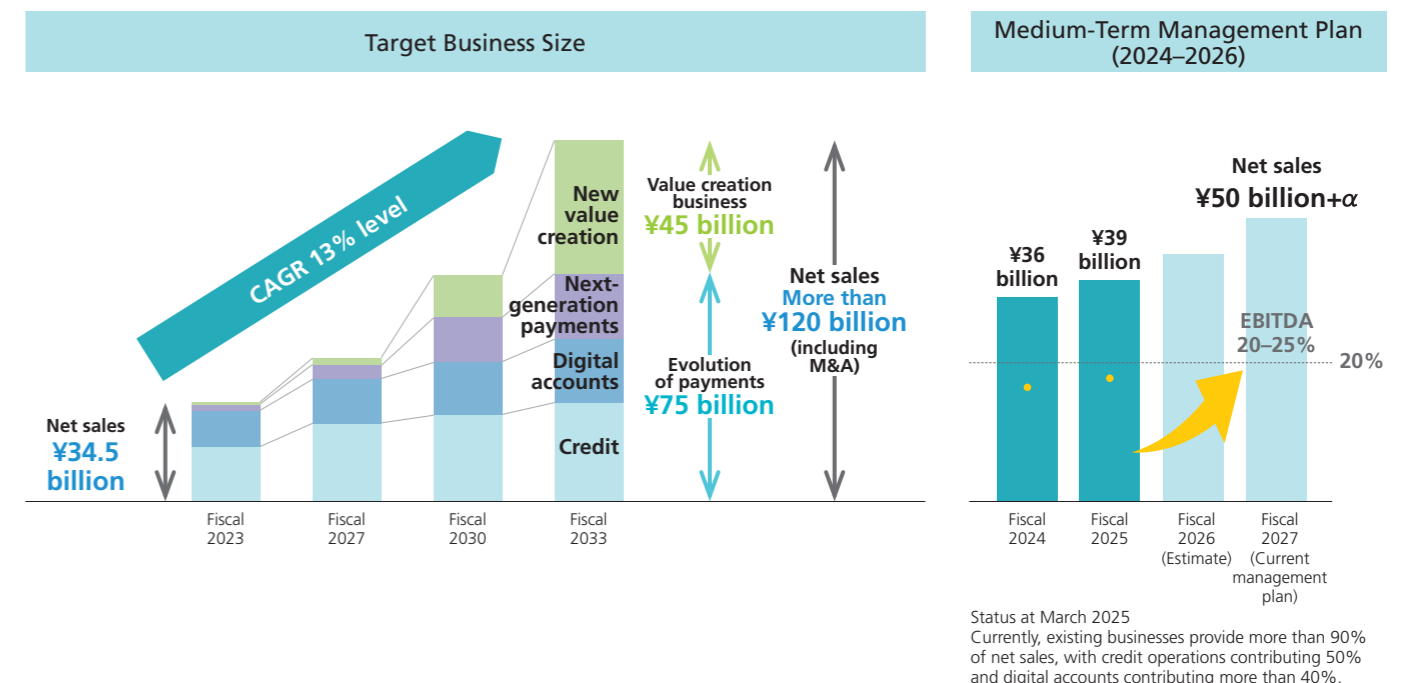
In Japan, the government has been promoting the shift to cashless payments, and cashless transactions are expected to further expand in the future. Among these forms of payment, credit cards continue to play a role as the primary means of payment, and in recent years, usage opportunities have also increased through integration with code-based payment services using QR codes and barcodes.

Against the backdrop of this market expansion, the Group expects the processing market to expand to a value of ¥416 billion by the fiscal year ending March 31, 2033, by further expansion into other transaction areas including B2B and B2E in addition to a higher ratio of cashless B2C transactions.



## Target Business Size and Profitability

Under Medium-Term Management Plan (2024–2026), we are committed to further strengthening our existing assets to meet increasingly diverse payment needs while actively investing in new value creation, and we view business development along both these fronts as key to achieving our target sales of ¥120 billion by the fiscal year ending March 31, 2033. To this end, we aim to improve the profitability of our existing businesses while considering business development along themes that will facilitate new value creation.



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.

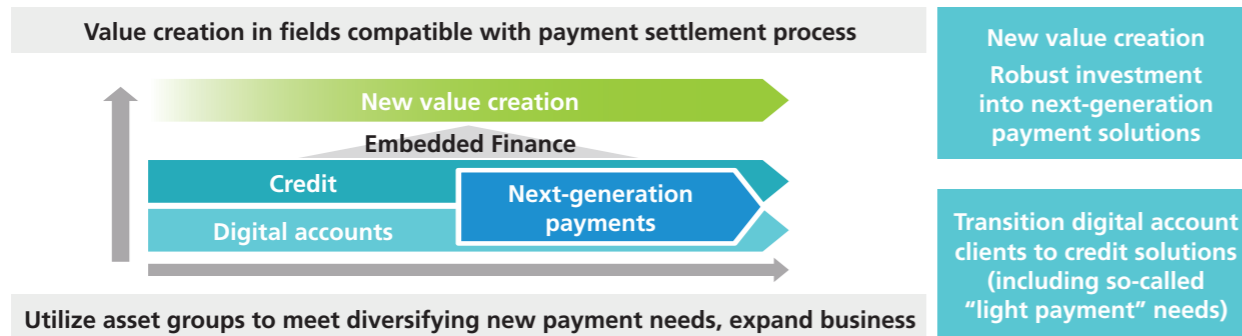
Please follow the link below to see presentation materials from that day.

[https://www.tis.com/documents/en/ir/finance/meeting/231207\\_1.pdf](https://www.tis.com/documents/en/ir/finance/meeting/231207_1.pdf)

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

Amid expectations of continued growth in the cashless market, we are expanding our scale of business with a broader lineup of services, including digital wallets and embedded finance, to complement credit card processing service, which launched in fiscal 2023. To address increasingly diverse payment needs, we will strive to enhance profitability through rapid and efficient business expansion driven by utilizing our existing assets.

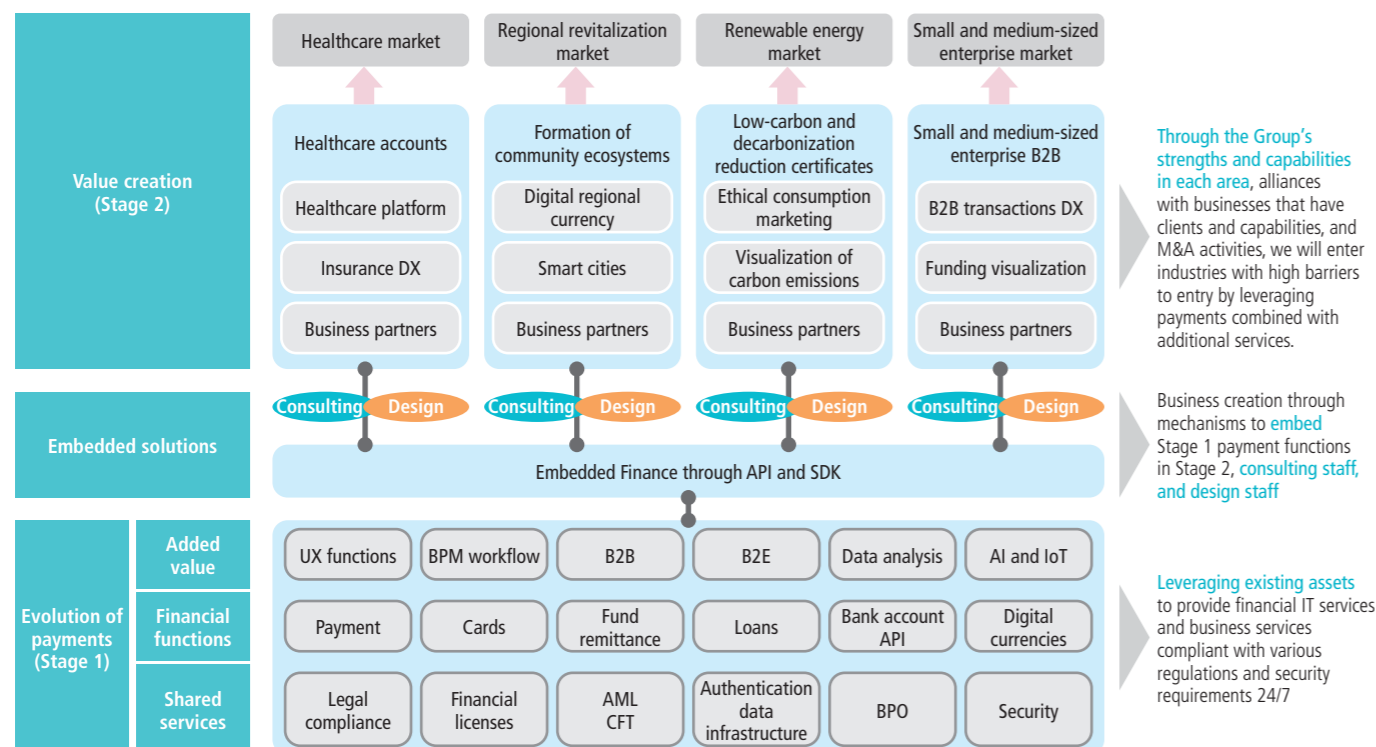
<b>Business strategies</b>	<ul style="list-style-type: none"> <li>• Processing demand rising, reflecting increase in B2C cashless ratio and wider use of cashless payment options in other areas, such as B2B and B2E</li> <li>• New value creation to fuel growth of emerging platformer market over long term</li> <li>• Increasing need for digitization of business transactions among small and medium sized enterprises</li> </ul>
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## ■ Strategy for Implementing the Plan

As the next step after Stage 1 of payment development, we are increasing the value of our financial services by strengthening the core assets used for payment processing. At the same time, we are preparing for future changes in the payment infrastructure—such as the adoption of digital currencies and bank account APIs—by expanding these assets.

Building on the foundation created in Stage 1, in Stage 2 we are developing embedded business solutions that integrate these assets. To grow this business, we plan to leverage partnerships and mergers & acquisitions (M&A) rather than relying solely on in-house development and traditional client relationships.



## ■ New Initiatives Amid the Growing Shift to Cashless Transactions

### Next-generation payments: Advancing stablecoin initiatives

- Sumitomo Mitsui Financial Group, Inc., TIS, Ava Labs, Inc. and Fireblocks Pte. Ltd. have reached an agreement to officially launch a joint study into utilization with a view to the commercialization of stablecoin in the future.
- In addition to demonstration testing, the joint study will aim to develop a clear picture of use cases anticipating ongoing utilization in business.

### Small and medium enterprise market: B2B transaction DX

- Starting in June 2025, TIS, Nihon ICS Co., Ltd., and The Hiroshima Bank, Ltd., began offering DX Connect Gate, a platform that digitizes the process from invoice receipt to payment by bank transfer.
- Providing DX Connect Gate, which seamlessly handles everything from invoice capture to settlement, will help streamline the operations of small and medium-sized enterprises where the digitization of accounting tasks are underserved, contributing to improved cash flow and enhanced decision-making.

### Helping with cashless payment experiences for the Commons Tech KOBE project

- We took part in the Commons Tech KOBE project being advanced by Kobe City, supporting cashless experiences at GLION ARENA KOBE while providing new experiences to visitors by utilizing data gained through the KYAKUSHIRU client activity visualization service.



**With rapid changes to society and technology amid the accelerating shift to cashless transactions, we will strive to create new value that encourages social transformation by driving the enhancement and evolution of payment services.**

**Isao Otokita**  
TIS Managing Executive Officer, Division Director, Digital Innovation SBU

### Q1. Looking back at the initiatives pursued over the past year, how would you rate the Company's performance in the area of credit cards, which is one of our strengths in the payment business?

Over the past year, we have worked on rolling out services in line with the changing market. Those include the launch of a lite-version credit card processing service designed for the smartphone generation in collaboration with Nudge Inc., the co-creation of a B2B payment platform for small and medium-sized enterprises in response to Japan's invoice system going into effect, and the start of support for the introduction of stablecoin-based payments.

Our assessment is that these initiatives have allowed our services in the area of credit cards to demonstrate technological innovation and market adaptability, leading to the steady expansion of service transaction volume.

At the same time, based on the recognition that improved profitability is essential for continuous growth, we have worked to strengthen service portfolio management by concentrating investments in growth areas and speeding up decisions on business withdrawals.

### Q2. How is your progress towards achieving the target sales of over ¥50 billion in the fiscal year ending March 31, 2027? What will be the drivers behind meeting this target?

We continue to view the trend toward cashless transactions as a growth opportunity, and through the enhancement of PAYCIERGE services, we are making progress in responding to increasingly diverse payment needs while creating new value. However, we are aware that a further acceleration of growth is needed to achieve the target.

The drivers of that growth will be active approaches to new markets including Gen Z, regional companies and SMEs, as well as the provisions of seamless and low-cost services due to the shift from individual SI to cloud and SaaS. Strengthening services aimed at next-generation payment infrastructure leveraging blockchain, AI and data analysis are also key forward-looking initiatives.

In addition, we aim to establish rock-solid foundations for growth and meet our targets by creating new services and achieving speedy market entry through co-creation with major companies and startups.

### Q3. With the fintech industry rapidly evolving, will there be any changes to the demand environment and the competitive advantage of the services provided by TIS?

The Company boasts a domestic market share of around 50% in credit card core system development, and 80% or more in the debit card space. Backed up by our robust expertise in system operation, advanced security measures, dependable legal and regulatory compliance and other strengths, we have built trust over the years as a supporter of mission-critical payment infrastructure. These advantages will continue to be a source of competitiveness for the Company as it expands its business in the future.

However, the demand environment surrounding payments is changing significantly, with the rapid advance of the shift to cashless transactions, the lifting of the ban on digital salary payments, and other developments. Users want more accessible and diverse payment options, while companies are looking for accounting DX solutions and action on new technologies. Working in this environment, we see these changes as perfect opportunities, and we are ready to smoothly and swiftly respond in order to maintain and strengthen our competitive advantage by providing cloud-based services and pursuing co-creation with clients.

Going forward, we will continue to anticipate changes in the fintech industry, building a framework that supports flexible and sustainable growth by creating new markets and reliably catering to diverse needs.

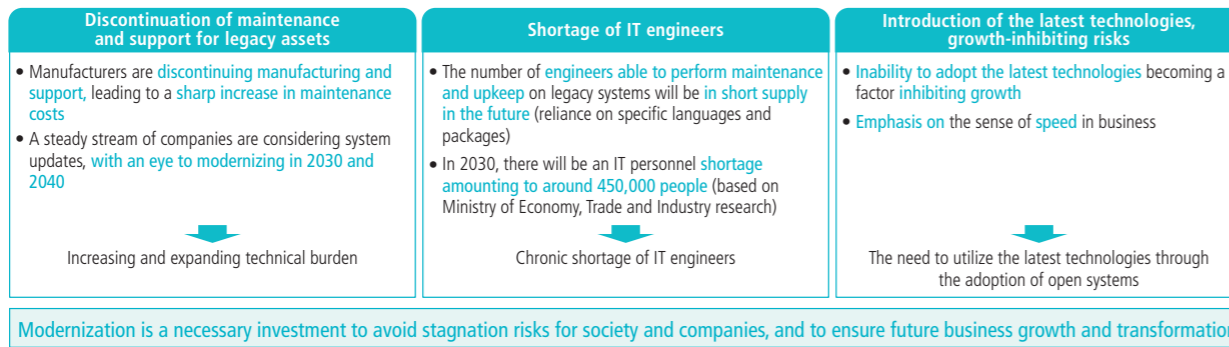
# Basic Strategies of the Medium-Term Management Plan | Market Strategy: Modernization

Through modernization utilizing the Xenlon Migrator proprietary development tool, the Company supports the medium- to long-term growth of clients to expand its Strategic Partner Business (SPB).

## Market Trends

Legacy assets such as mainframes that have been supporting corporate activities for many years are now becoming factors that hinder the transformation of society and businesses, and those risks are expected to grow in the years ahead. Against this backdrop, the modernization of existing systems has become an increasingly urgent challenge, with interest and demand expanding also in the market.

### Trends and challenges in the modernization market

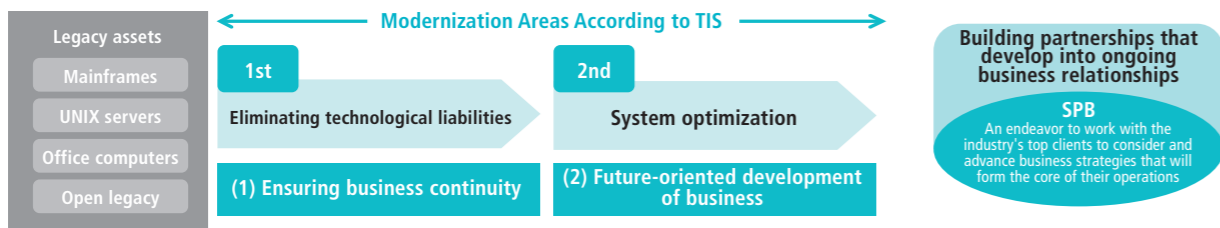


## Definition of Modernization at TIS

The Company views modernization not as simply updating aging systems, but as an ongoing effort to continually optimize client IT systems for future business growth and transformation in the medium- to long-term. This is precisely the strategic partnership business (SPB) the Company advocates as a strategic domain. We regard modernization as a gateway project to develop into a true strategic partner for our clients.

Modernization is also one of the priority businesses identified in Medium-Term Management Plan (2024–2026).

### The Role of Modernization at TIS

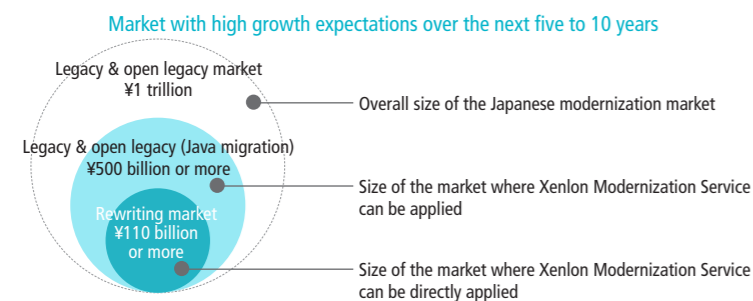


## Target Business Size

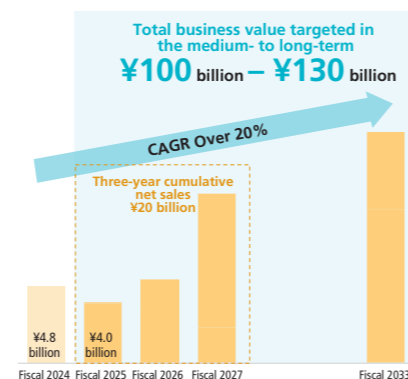
The overall modernization market is believed to be worth around ¥1 trillion, and a high growth rate is expected over the next five to 10 years. We have entered the rewriting market by leveraging our proprietary Xenlon Migrator rewriting tool as a strength. Over the three years of our medium-term management plan, we aim to achieve a cumulative business size of ¥20 billion, and in the medium- to long-term we anticipate annual growth of over 20%, in line with the growth of the market.

### Business size targeted over the medium- to long-term

#### Size of the modernization market in 2024



\* Prepared based on Deloitte Tohmatsu MIC Research Institute, Inc. (published in August 2024) Legacy & Open Legacy Migration Trends 2024 (mic-r.co.jp) and the Company's proprietary research data



## TIS' Characteristics and Advantages in Modernization

A key factor of TIS in the field of modernization is Xenlon Migrator, a migration tool the Company has developed in-house. As this is a proprietary tool, the tool itself will continually improve and grow, enabling quality enhancements and an expanded scope of coverage. In addition to its exceptional conversion rate, the tool boasts high levels of accuracy (complete recreation of execution results), processing performance and maintainability, aiding project efficiency and reliable completion. We have also obtained a patent for performance measures and maintainability improvements, and this offers another differentiating factor between TIS and its competitors.

Additionally, we have experience implementing many large-scale projects, building the knowledge and systems to meet diverse client needs across all industries and sectors. As a result, we are able to provide additional development, maintenance and operating services to high-performance and highly-maintainable systems even after initial modernization, thus contributing to the medium- to long-term business growth of clients.

To further expand the business in the future, we will develop tools to enhance the feature set of Xenlon Modernization Service itself and further streamline the development process in each phase, ensuring the agility of our solutions. In addition, we have aimed for deeper collaboration with existing implementation clients, providing value that extends to business processes in addition to IT support, and have also been working to enhance related solutions, including the updating of front-end systems through BPMS tools.

Through ongoing up-front investments going forward, we will further reinforce our competitive advantage in the modernization market.



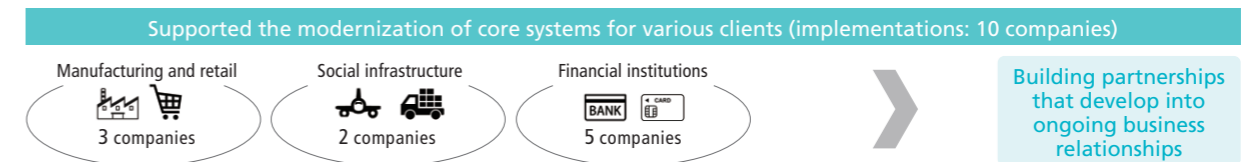
## Past and Future Initiatives

Our proprietary Xenlon Migrator was developed around 10 years ago in response to a large-scale project involving an extremely high level of difficulty, and significantly contributed to the project's success. In the years since, we have built up a stellar track record of adoption across various industries and sectors from manufacturing and retail to social infrastructure and financial institutions. Some of the projects began with modernization and developed into SPBs, making it a key initiative that has supported the Company's growth strategy.

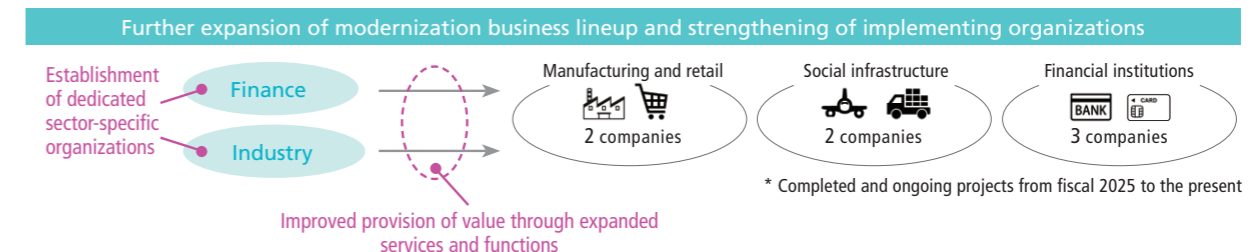
Starting in the fiscal year ended March 31, 2025, we set up dedicated organizations to drive modernization in both the financial and industrial sectors in an effort to further strengthen our ability to implement these initiatives companywide. We will continue to support the business transformation of clients by driving modernization, leading to the sustainable growth of TIS.

### Results of past initiatives

#### Phase 1 of business growth (fiscal 2015 to fiscal 2024)



#### Phase 2 of business growth (fiscal 2025 and beyond)



In December 2024, we held a briefing on the theme of "Modernization" 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/241203\\_1.pdf](https://www.tis.com/documents/en/ir/finance/meeting/241203_1.pdf)

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

Identifying Asia, with its enormous market potential, as a long-term target, the TIS INTEC Group aims to expand its business in the ASEAN region by developing global partnerships and driving investment strategies, with the aim of generating consolidated sales of ¥100 billion in FY2026.

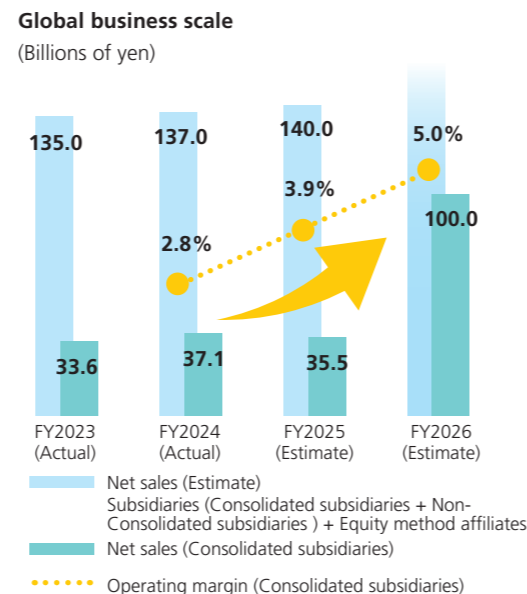
The TIS INTEC Group is pursuing alliances with leading global companies along four axes: Channel for expanding local markets, X-Tech for creating new businesses and services, Emerging Tech for pioneering next-generation technologies, and Consulting for expanding the value chain from upstream. We will develop our businesses with a sense of urgency by promoting the development of businesses with high added value through a fusion of consulting and IT, and by enhancing our technology investment functions.



\*1 Total FY2024 sales (estimates) of TIS overseas subsidiaries (consolidated and non-consolidated) and equity method affiliates are converted at FY2024-end rate  
\*2 As of June 30, 2025

## Priority Measures

- Raising channel value** → Drive the selection and concentration of businesses and shift to consulting and high-value-added services
- Enriching the value chain** → Develop cross-border services and businesses utilizing the operating foundations of NTQ
- Diversifying investment targets** → Promote global sourcing from bases in North America and Singapore combined with the promotion of local investments in each country
- Attracting and developing business creation talent** → Secure young entrepreneurial talent through partnerships with Asia's top universities



## TOPICS | Capital and business alliance with NTQ Solution Joint Stock Company, a leading IT service provider based in Vietnam

Vietnam-based NTQ Solution Joint Stock Company (NTQ) is an IT company that has achieved rapid growth since its founding through its high-level technological capabilities and ability to propose advanced solutions in the European and Asian markets. In December 2024, the Company entered into a capital and business alliance with NTQ, making NTQ an equity-method affiliate.

Company name	NTQ Solution Joint Stock Company
Establishment	2011
Head office	Vietnam (Hanoi)
Capital	138,380,000,000 Vietnamese dong
Representative	Pham Thai Son
Business activities	IT consulting, system development services, provision of in-house solutions, etc.
Locations	Vietnam (Hanoi), Japan (Tokyo, Osaka), South Korea, Hong Kong, United States, Netherlands, Germany
Number of employees	1,300 (as of January 2025)

- Through the alliance with NTQ, in addition to creating new businesses in both Vietnam and Japan, we will work to develop joint businesses in overseas markets and strengthen IT support for the global sites of our clients.
- In addition to the joint development of advanced IT services based on software-driven solutions, we are working to create new value through collaboration and investment with startup companies.



## TOPICS | I AM Consulting wins awards at SEA SAP Partner Success Summit 2025\*

I AM Consulting, which provides SAP consulting services in Thailand, won the following two awards.  
\* SEA SAP Partner Success Summit 2025 is an annual award presentation and networking event held by SAP for local partners in Southeast Asia (SEA). In July 2025, it was held in Phuket, Thailand.

### Best Partner of the Year (Indochina)

I AM Consulting was selected as the Best Partner of the Year in the Indochina region, which includes Thailand, Cambodia and Laos. The company was highly rated for building trusting relationships with clients, along with its implementation track record and sustainable growth initiatives.

### Best BTP Partner Southeast Asia

The company was also recognized as a partner achieving especially strong results in the Business Technology Platform (BTP) domain that represents SAP's cloud infrastructure, where I AM Consulting's advanced initiatives demonstrated technical expertise, the ability to propose solutions, and the creation of client value.

I AM Consulting contributes to the growth of Southeast Asia focused on Thailand, supporting evolution of client's business through SAP solutions.



As well as creating synergies with partners in various countries, primarily in the ASEAN region, we will boost competitiveness through cutting-edge technologies and enhanced consulting functions, aiming to become one of the leading IT corporate alliances in ASEAN.

**Kensaku Furusho**  
TIS Managing Executive Officer, Division Manager of Global Division

### Q1. Looking back over the past year, how would you rate the state of initiatives in the global business?

Since 2014 we have been pursuing a strategy of alliances and M&A with local companies. That strategy continued to evolve this year, greatly contributing to the revitalization of our global business.

More specifically, as part of our Channel strategy, we entered into an alliance with the major Vietnam-based IT service provider NTQ Solution, following on from similar developments in Thailand and Indonesia. We have been working to create new business opportunities in both the Japanese and Vietnamese markets.

In addition, under our Emerging Technology strategy, our quantum technology partners have increased to six companies after establishing alliances with the Australia-based quantum technology-focused Q-Ctrl and France-based Alice & Bob. This marks ongoing progress establishing systems that cover the entire quantum technology stack.

We have also pursued alliances with US-based health tech companies, and I see it as a year in which efforts to shift from an Asia-centric approach to global network expansion went into full gear.

### Q2. What is the outlook for the global business environment, and what medium- to long-term strategies have you laid out to achieve sustained growth in that climate?

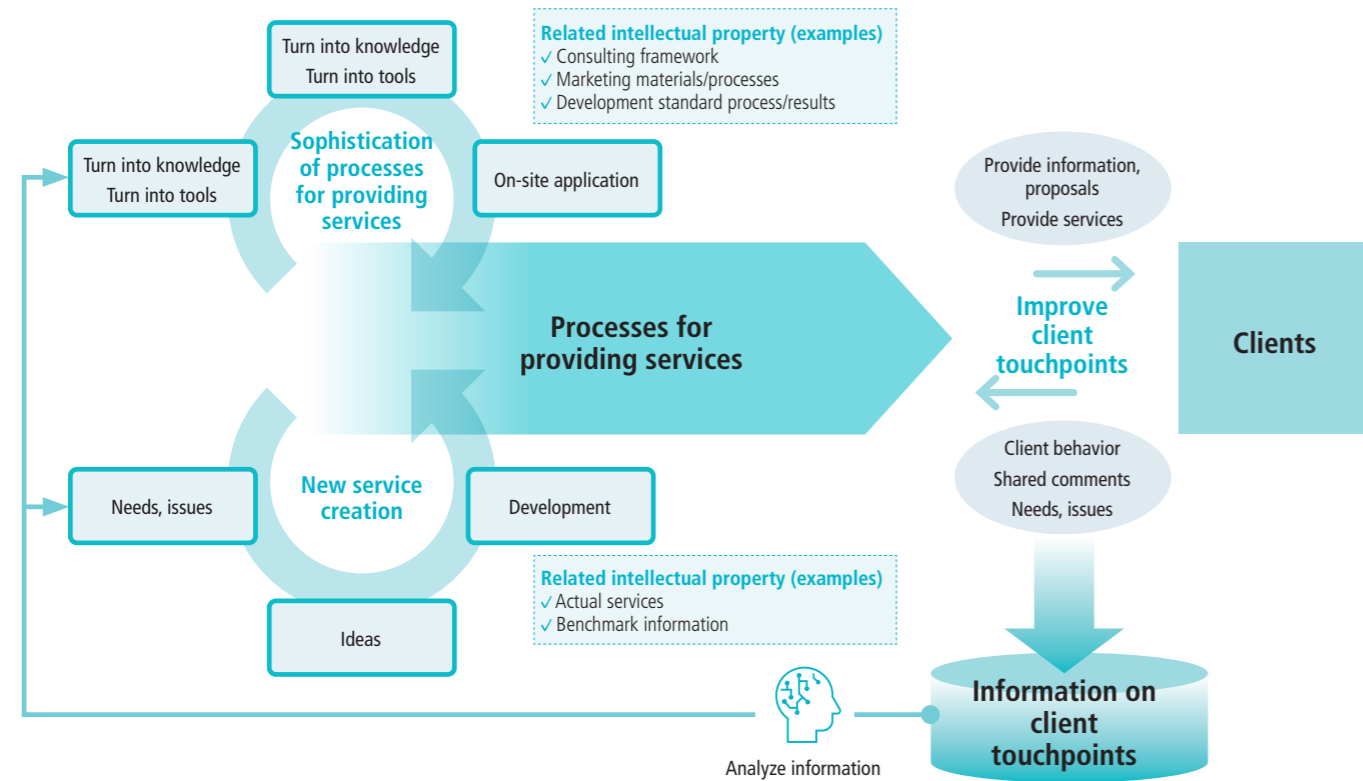
With the evolution of AI, a series of groundbreaking innovations are being made over the short term by small teams, making the business environment increasingly complex. IT companies are working to restructure and generate added value from their human resources, and TIS is also adapting to this trend.

One of our core strategies has been to boost competitiveness by acquiring cutting-edge technologies and services, and we have driven the acquisition of new added value in a number of ways, such as strengthening our US subsidiary structure, forming alliances with global partners, and collaborating with National University of Singapore, one of Asia's top-tier universities.

We want to transition into a business that transcends conventional system development. To that end, we will flexibly adapt to change in rebuilding our portfolio, achieving sustainable growth while enhancing global competitiveness.

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

We leverage client touchpoints internally to drive the creation of new services and enhance the sophistication of service delivery processes. By using these processes, we aim to provide high-value services that deliver strong customer satisfaction, improving client communication and creating a virtuous cycle. This cycle generates valuable insights from client interactions, which can then be transformed into future intellectual property assets.



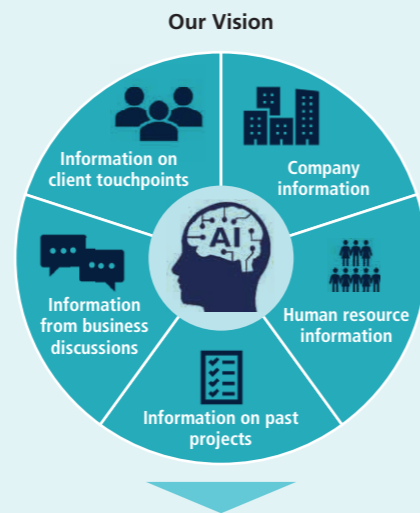
### Efforts to develop more sophisticated client proposals driven by intellectual property and digital technologies

To help solve client challenges and achieve business growth, the Company is strategically enhancing its ability to create and utilize intellectual property (IP). By driving the digitalization of client touchpoints and swiftly analyzing the information obtained through dialogue and transaction history, we combine the problem-solving expertise and track record we have cultivated in-house, putting in place a system to deliver proposals in a more accurate and timely fashion. This leads to the provision of high-quality services catering to client needs, leading to greater satisfaction.

We also make use of generative AI to quickly and accurately identify the necessary information from our vast knowledge, and support decision making. Further, to enhance our proposal capabilities at the organizational level by fully utilizing these mechanisms, we also run training programs on management methods to deftly ascertain client needs and formulate valuable proposals.

Going forward, we will further drive the utilization of digital technologies, including integration with human resource information and the automated creation function for the first draft proposal, aiming for improved business efficiency and provision of services with high added value while also leading to collaboration within the Group and synergy creation.

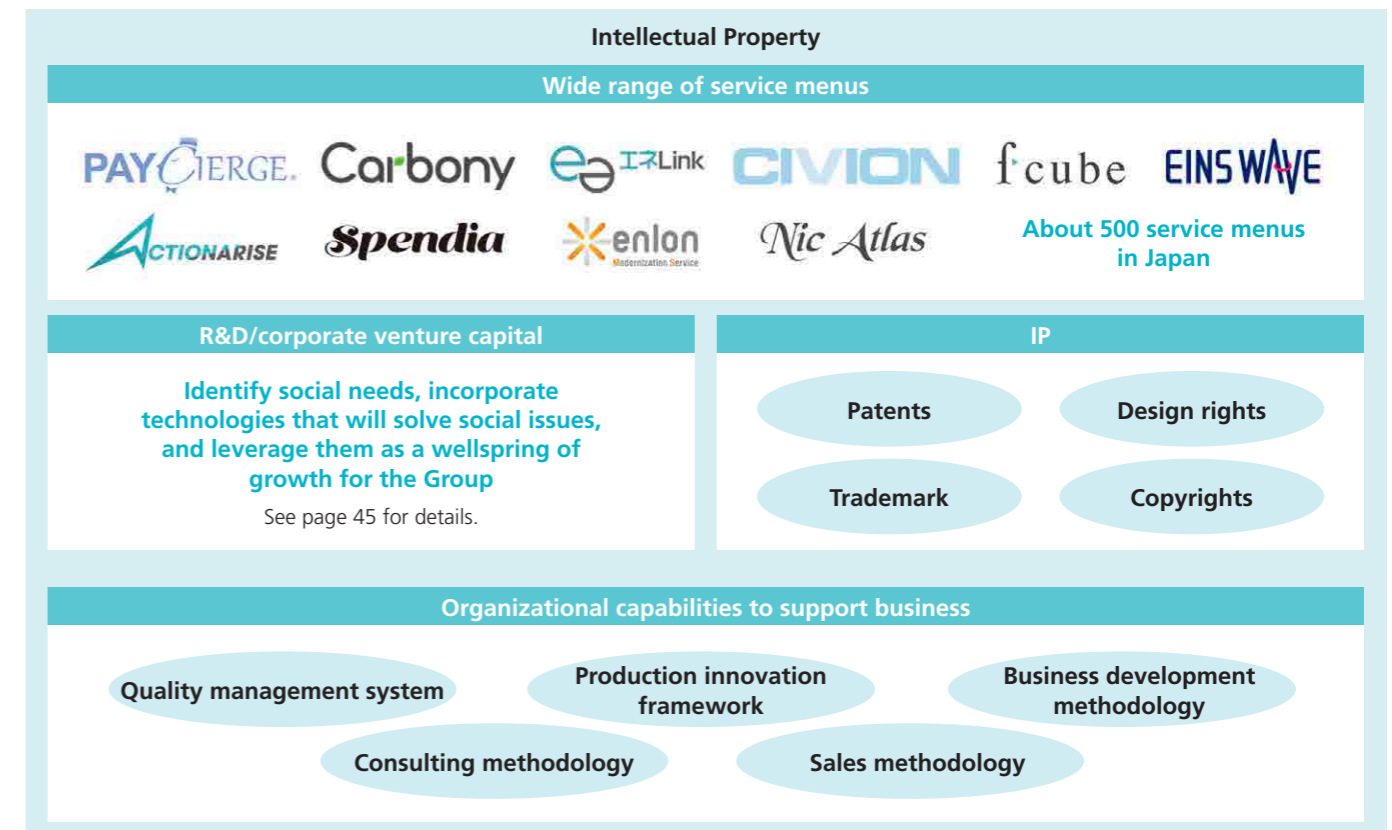
Through these efforts, the Company aims to become a beneficial and highly reliable partner for our clients.



- Qualitative improvement of sales activities
- Provision of high-quality, high-value-added services
- Predictive analysis and support for decision making
- Improved business efficiency

## Aiming to Enhance Corporate Value by 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.



### IP utilization and co-creation with overseas partners in transportation payments

TIS has jointly planned and developed the Acasia digital payment solution for public transportation in Indonesia together with PT.AINO Indonesia, an equity method affiliate. Rather than applying a high performance system based on Japanese specifications without localization, we planned and developed an architecture adapted to local social challenges and economic conditions from the ground up, transferring our quality control expertise to AINO in a phased manner to ensure the quality of the solution. We have also obtained patents for some of the planned features.

AINO is using the solution jointly developed with TIS to support JakLingko, the transportation payment infrastructure in place in Jakarta, Indonesia's capital. The solution has also been rolled out to 28 regional cities, becoming established as social infrastructure in Indonesia's mobility sector. In the future, we will utilize the expertise cultivated through these systems in efforts to improve the convenience of payments in the Japanese transportation sector.

These initiatives are part of TIS' goal to solve social issues at a global scale, and represent a partnership






designed to co-create value with overseas portfolio companies while leveraging the Company's IP to achieve mutual growth.

Going forward, we will continue efforts to create sustainable value in Japan and overseas through digital technologies, including the promotion of financial inclusion, low-carbon and decarbonization initiatives, and the revitalization of regional cities.



## Key Strategy of the Medium-Term Management Plan | Technology Strategies

Based on a technology portfolio featuring key technologies identified from a global perspective by the TIS INTEC Group, we implement comprehensive initiatives to promote proactive research and accelerate the practical application of these technologies.

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 the business over medium to long term
 <p><b>Framework for knowledge distribution</b></p> <p>Framework for knowledge distribution attuned to technology readiness level</p> <ul style="list-style-type: none"> <li>✓ Knowledge distribution platform (components, rules, guidelines, etc.)</li> <li>✓ Mutual technical support platform</li> <li>✓ On-site deployment of highly skilled engineers</li> </ul>	 <p><b>Human resources development</b></p> <p>Create programs and environment to train high-level engineers, and strategic rotation</p> <ul style="list-style-type: none"> <li>✓ Enhance level-specific technical training</li> <li>✓ Implement job rotation for highly skilled engineers</li> <li>✓ Create and expand generative AI training curriculum</li> </ul>	 <p><b>Early implementation</b></p> <p>Early implementation of advanced technology through in-house application</p> <p>Candidate areas/themes:</p> <ul style="list-style-type: none"> <li>✓ Acquiring insight from client/market information</li> <li>✓ Internal audit DX</li> <li>✓ Legal tech</li> <li>✓ Training materials, test generation, etc.</li> </ul>	 <p><b>Priority research themes</b></p> <p>Research aimed at practical use, hinging on AI</p> <ul style="list-style-type: none"> <li>✓ AI utilization (for data-labeling, fraud detection, etc.)</li> <li>✓ Generative AI utilization (for system development processes, automated document production)</li> </ul>	 <p><b>Priority research themes</b></p> <p>Applied research on mass data transfer technology and algorithms required to fuse digital and real worlds</p> <ul style="list-style-type: none"> <li>✓ XR research</li> <li>✓ Multi-Level Edge Computing research</li> <li>✓ Research on high-performance computing using quantum and classical computers</li> </ul>

### 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.

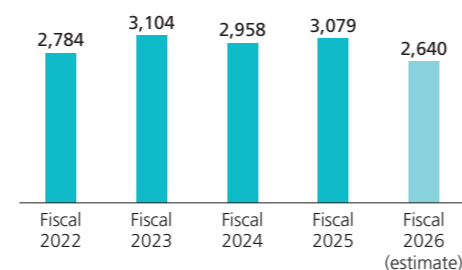
- (1) R&D focusing on fundamental technologies that will form the core of businesses in the future
- (2) New business creation that contribute to the realization of a sustainable society and contribute to solving social issues\*
- (3) Medium to long-term business growth acquiring core technology of the future

\*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 an 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 workspaces and IT resources through 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)



Number of CVC Investments  
(Accumulated)  
(From April 2016 to March 2025)

54 companies / 57 cases

## Special Feature | Technology Strategy

### Evolving together with generative AI

The emergence of generative AI is rapidly transforming the way society and businesses operate. The Group views this change not as a passing trend but as a fundamental structural shift. Building on decades of technological research and implementation experience, we are advancing initiatives aimed at corporate transformation and the resolution of social challenges.

In this section, we present the Group's initiatives in leveraging generative AI, along with our outlook for the future.

#### History of our AI initiatives

**Q. Can you tell us about TIS's journey in generative AI and how it developed into a company-wide initiative?**

We recognized the potential of AI technology at an early stage in the Group, and since around 2015 we have been conducting R&D on such areas as machine learning and natural language processing. In 2017, we launched DialogPlay, an AI-powered chatbot creation service that has since supported companies and municipalities in streamlining inquiry and help-desk operations. Since the release of ChatGPT in March 2023, we have been evaluating a variety of AI services while carefully examining the characteristics of generative AI, particularly from the perspectives of safety, ethics, and accuracy of its outputs. In our business units as well, employees have independently begun experimenting with generative AI, and we are gradually hearing feedback from the field that it is improving operational efficiency.

Building on our years of technical expertise and in-house trials, since April 2025 we have been creating a framework for the full-scale adoption of generative AI in both business activities and internal operations. As a company-wide initiative, we are now accelerating the use of generative AI even further.

#### Business development: Supporting our clients' business transformation as a partner

**Q. Can you share some examples of how you're using generative AI in business and the services you provide?**

As business needs for generative AI grow rapidly, we have been receiving a wide range of inquiries from clients related to exploring how to apply generative AI, establishing rules for adoption, and consulting support to expand usage after implementation. Against this backdrop, we partnered with Group company Miotsukushi Analytics Inc., which specializes in data analytics and AI consulting, to launch a generative AI implementation support service for companies considering adoption. This service provides end-to-end support from planning and development to operation.

In recent years, there has been growing demand for enhanced efficiency in such areas as knowledge search. To address this, we introduced our Generative AI Platform in 2024. This platform is equipped with standard features that enable generative AI to be used in business operations quickly, safely, and easily. It is offered in both SaaS and custom-developed models, and is designed with security in mind, ensuring that input information does not leave the company. With the SaaS model, moreover, integration with the AI chatbot DialogPlay makes it possible to implement the system in as little as one day.

To date, we have provided this service to a wide range of clients, including enterprise companies, where it has been highly valued for its strong applicability to business operations and its reliability.

We are also integrating generative AI to enhance the functionality of our own services. In addition, we are helping our clients improve operational efficiency and enhance added value across a wide range of front- and back-office services, including sales and client support, business management, expense settlement, and human resources.

#### Future of system development: Challenge of improving productivity

**Q. Could you tell us about the current use of generative AI in system development and your outlook for the future?**

As a system integrator (Sier), using generative AI in system development, which accounts for roughly half of our revenue, is a critical theme in terms of both improving internal efficiency and strengthening competitiveness. Since many stages of the development process, such as design, coding, and testing, still rely heavily on human effort, we believe that leveraging generative AI can dramatically enhance overall development productivity. We have taken the lead by first implementing initiatives within core Group companies and in fiscal 2025 we utilized generative AI in approximately 33% of all our system development projects.

At present, we are working to improve efficiency, mainly in the manufacturing and testing phases, where generative AI can be more readily applied. For example, we are using it to automatically generate test specifications from design documents. We have also begun applying GitHub Copilot, a generative AI service specialized in coding, to large-scale offshore development for coding and testing, and the number of resulting productivity gains is steadily increasing.

Looking ahead, we envision a two-stage evolution with the goal of drastically raising system development productivity. In the initial stage, we will expand the scope of generative AI application to cover the entire system development process. Here, we will integrate functions that support all phases of development, from requirements definition through testing, into our internal development environment. In doing so, we will expand the use of generative AI in both development support and management support. This will allow us to establish an environment in which all of our development projects can benefit from generative AI.

In the second stage, we aim to leverage AI agents and fundamentally restructure the development process itself. An AI agent is an AI system that understands user intent and autonomously carries out tasks, such as gathering necessary information and executing actions. Given these capabilities, we anticipate a shift from the traditional model, where humans operate AI, to a new model in which AI autonomously executes tasks while humans oversee its activities. As the relationship evolves into one where humans and AI work together, it will become difficult to apply the traditional development framework, driven primarily by people, in its current form. This will require a significant redefinition of processes in both the development and quality assurance phases.



**Shunsuke Masaki**  
TIS Deputy General Manager, Business Innovation Division

### From internal adoption to high-value talent development

**Q. Could you tell us about TIS' efforts to promote the internal adoption of generative AI and the results achieved so far?**

To maximize the benefits of generative AI, all employees must understand its value and have an environment where they can naturally incorporate it into their daily work. In fiscal 2025, we launched our Generative AI Literacy Training Program, with participation by 83% of all employees. By helping employees understand the strengths and limitations of generative AI and learn through hands-on practice, we encourage its practical application in their daily work.

When it comes to everyday use, our in-house AI chat system has seen rapid growth over the past year and is now used by about 70% of employees each week. In addition, our internal community for sharing information and exchanging ideas on generative AI has become increasingly active, with about half of our employees taking part. Through this kind of self-directed learning and interaction, we expect generative AI to foster both individual work improvements and the creation of new ideas.

Anticipating major efficiency gains in development processes through the use of AI agents, we will also focus on fostering multi skilled talent going forward. In system development, we assemble teams with diverse skill sets and experiences required to deliver results in short timeframes. However, the time required for coordination and collaboration can sometimes hinder the rapid progress of projects. With AI support, individual employees will be able to handle multiple processes and roles, reducing communication costs and improving overall project productivity. We believe this will lead to greater value delivered to our clients.

### Risk management for responsible AI utilization

**Q. How do you view the risks associated with using generative AI, and how are you managing and controlling its deployment?**

Generative AI also carries various risks, including "hallucinations" (outputs not based on facts) and information leaks. With this in mind, we clearly distinguish between the areas where generative AI should and should not be used, depending on application or project, to ensure its safe and effective utilization.

In our proprietary Xenlon Migrator, for instance, we deliberately avoid using generative AI for the process of converting (rewriting) legacy languages into modern ones. This is because generative AI carries an inherent risk of hallucinations leading to incorrect conversions that would require painstaking verification of the entire converted code. Xenlon has long achieved a 100% conversion rate through its proprietary logic, and in areas where certainty and accuracy are paramount, we have made the deliberate decision not to use generative AI.

Within modernization projects, however, we actively leverage generative AI in processes where its strengths can be maximized. These include creating documentation and generating test code for the maintenance and operation phase after system modernization, which helps improve productivity. We believe that correctly understanding the technical characteristics and adopting an approach that utilizes AI appropriately for the right tasks are essential for responsible AI deployment. Addressing security risks is also critical. Therefore, we use generative AI only after ensuring safety.

### Deploying generative AI across the Group

**Q. How are the different Group companies applying generative AI to business operations?**

Each Group member, including core companies like TIS and INTEC, is introducing generative AI in ways tailored to its business characteristics.

For example, TIS System Service Inc., which is responsible for operational services, is developing an integrated operations platform incorporating AI and automation technologies. This platform enhances and streamlines operations through such functions as early detection of potential failures, automated execution of routine tasks, and visualization to support faster decision-making. In addition, the use of generative AI for knowledge sharing and application is progressing, and its adoption is steadily expanding in the workplace.

Also, TIS Business Service Inc., which provides shared services for groupwide operations, is using generative AI in help-desk support for core functions, such as sales, procurement, and accounting. This is helping to streamline routine tasks by speeding up responses to inquiries and optimizing FAQs.

In addition, we are focusing on creating synergies by sharing knowledge across the Group, disseminating case studies, and best practices.

In addition to simply improving operational efficiency, these initiatives drive various changes, such as reducing dependence on individual expertise, accelerating decision-making, and raising AI literacy. As a result, they enhance service quality and decision-making speed, ultimately contributing to greater value for clients and stronger business competitiveness.

### Evolving with AI as Siers/consultants

**Q. How do you view the use of AI agents and the future roles of Siers and consultants?**

**Masaki:** The evolution of generative AI has been remarkable, with the trend rapidly shifting from retrieval-augmented generation (RAG) to AI agents capable of dialogue, decision-making, and execution. In addition to improving operational efficiency, this technological evolution is bringing transformation to corporate business models and even the very nature of organizational structures. Accordingly, we regard generative AI as an effective means of enabling innovation in our clients' businesses.

TIS has released its own generative AI platform equipped with AI agents and is promoting its adoption in the market. In line with this, we also established a framework to provide end-to-end support, from consulting to implementation and operation. Maximizing the value of generative AI requires a holistic approach tailored to each client's business characteristics and challenges. This includes implementation support and adoption, as well as long-term integration and the establishment of governance frameworks. Through practical consulting that goes beyond simple implementation, we aim to be a leading player in generative AI deployment.

**Yutani:** At our company, we position the full-scale use of generative AI, including AI agents, as a core element of our future technology strategy. We are currently engaged in a knowledge reconstruction project aimed at enabling AI to make full use of extensive expertise and know-how accumulated in the field. Human systems engineers will continue playing a vital role in building mission-critical systems that support social infrastructure. By also leveraging AI, we expect to achieve higher product quality and a fundamental streamlining of development processes. This will also enable us to address client needs with greater flexibility and speed. At the same time, we also need to address legal and contractual issues, such as copyright of AI-generated content and confidentiality. From the standpoint of governance and risk, we are therefore reviewing and revising our processes.

We view these transformations not merely as challenges but as opportunities to create new value. In addition to improving development efficiency through AI, the role and mission of the next generation of Siers and consultants is to drive innovation in user experience and create new value for both clients and society.



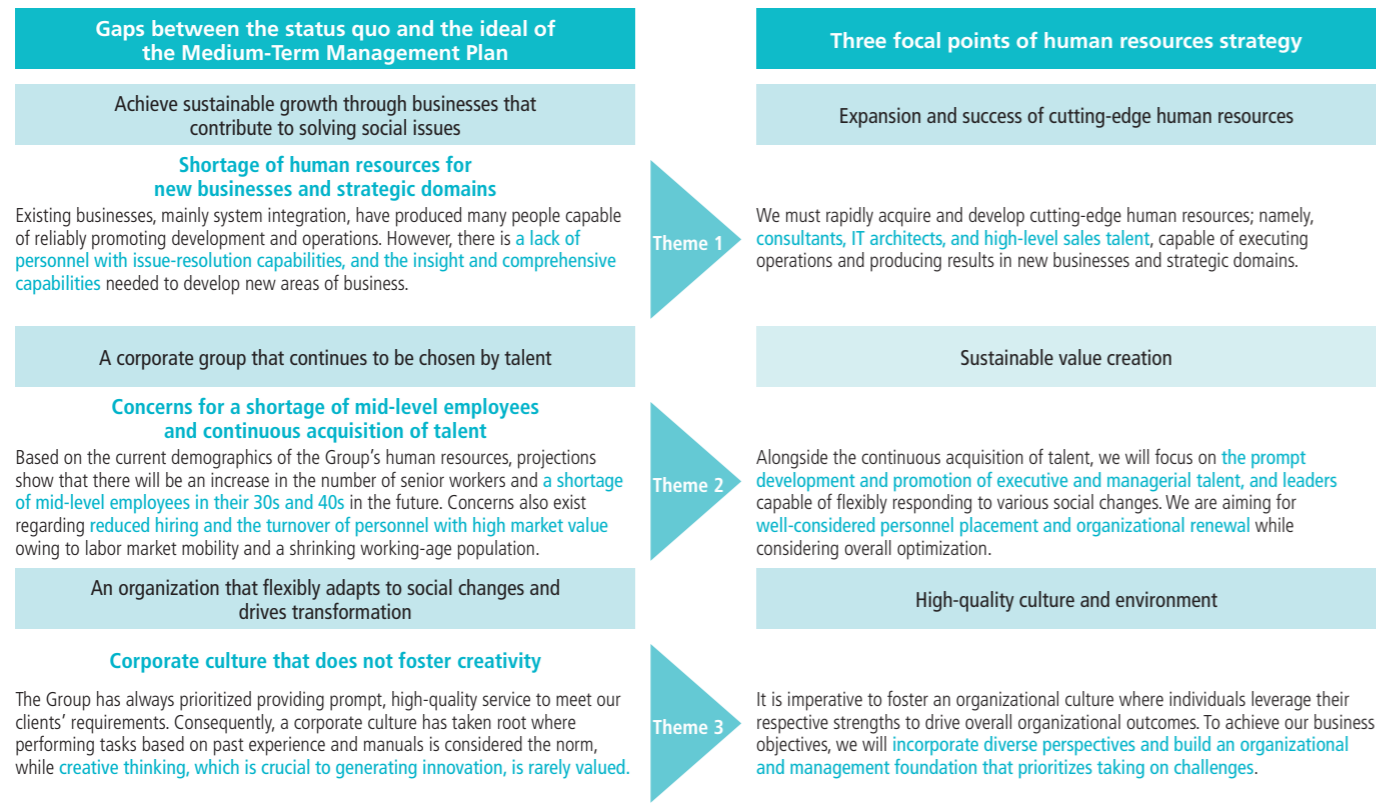
**Miki Yutani**  
TIS Executive Fellow, Social Innovation Division and Technology & Innovation SBU

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

## ■ Issues to Be Solved to Realize the Group Vision

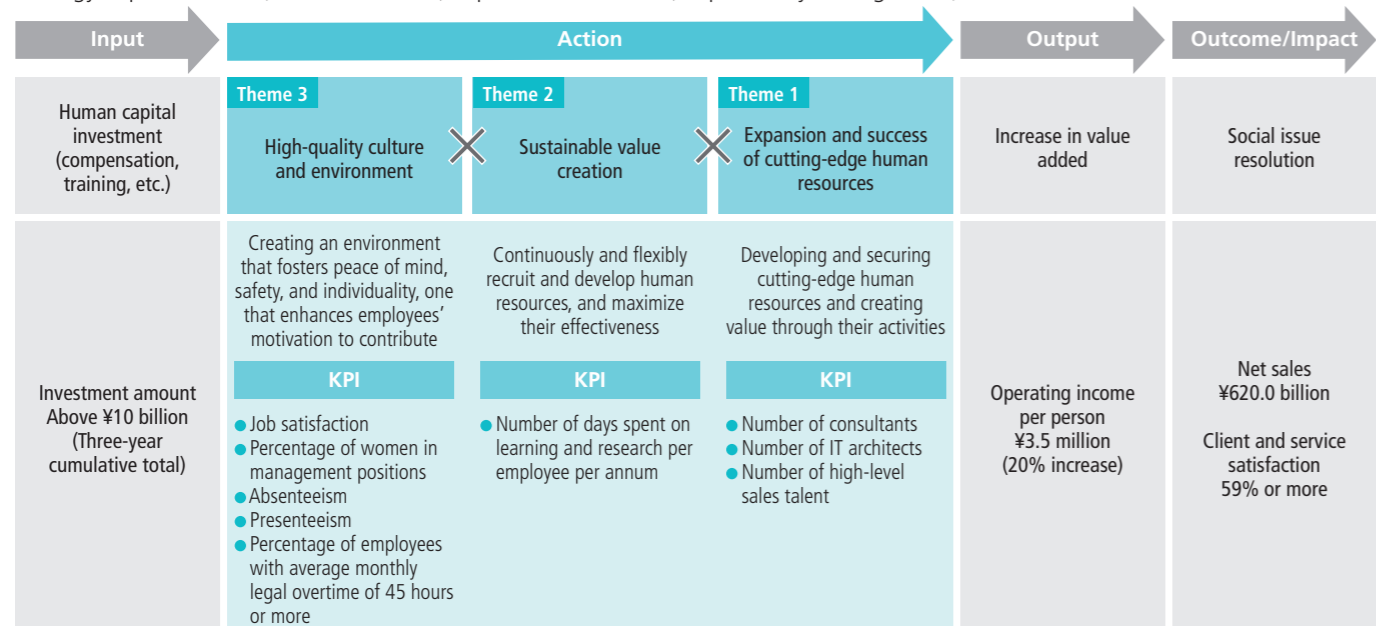
The TIS INTEC Group's existing businesses, centered on system integration, are performing well, with many talented individuals driving them forward. Meanwhile, our long-term management policy, Group Vision 2032, sets a goal of becoming a progressive, global IT group combining social responsibility with the spirit of innovation. It's crucial that we become a corporate group that continuously reinvents itself, incorporates social change, and resolves issues—transforming the people and organizations that support this—rather than merely extending our current business lines.

As the first step to realize the Group Vision 2032, Medium-Term Management Plan (2024–2026) identifies three focal points relating to human resources.



## ■ TIS INTEC Group Human Capital Scenario

To evolve our human capital strategy in tandem with our business strategy, we have defined our investment plans, key initiatives, and expected outcomes as a **Human Capital Scenario**. We enumerate the key performance indicators (KPIs) that serve to evaluate strategy implementation, and the results (outputs and outcomes) expected by management, and monitor their effectiveness.



The Human Capital Scenario will be reviewed based on actual performance and feedback from stakeholders. We have also begun monitoring indicators linked to Theme 2 measures, including hiring and turnover, as well as appointment and reassignment.

## ■ Investment in Human Resources and Management Outcomes (Return)

Through the implementation of the Human Capital Scenario, we aim to create personnel and organizations that continuously generate high added value by proactively investing in talent. This will contribute to enhancing profitability, as well as expanding the strategic domains outlined in our Group Vision.

### Expected return on investment ① Productivity improvement in individual businesses

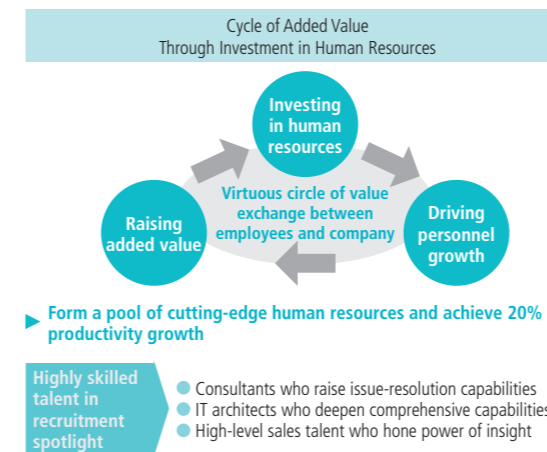
Improving the productivity of individual businesses through the activities of cutting-edge human resources and the provision of high added value by every individual

### Expected return on investment ② Enhancing groupwide profitability through portfolio optimization

Expansion of strategic domains in high-value-added focus areas capable of driving long-term earnings growth

Medium-term Management Plan (2024–2026) earmarks investment of ¥10 billion in human resources over a three-year period, with the target of achieving operating income per person of ¥3.5 million (a 20% increase in productivity over fiscal 2024) as a return on this investment.

In the first year, fiscal 2025, we invested about ¥3.6 billion in human resources, primarily in compensation and training, resulting in an operating income per employee of ¥3.1 million. Net sales and client and service satisfaction have also been steadily improving, resulting in an increase in the strategic domain ratio to 51%.



Results for fiscal 2025 (investments and their return indicators)

Indicators		Fiscal 2025 Results	Fiscal 2027 Targets
Input Human capital investment	Training expenses, compensation, etc.	¥3.6 billion	Three-year cumulative total ¥10.0 billion
Output Increase in value added	Operating income per person	¥3.1 million	¥3.5 million
Outcome/ Impact Social issue resolution	Net sales	¥571.6 billion	¥620.0 billion
	Client and service satisfaction	58%	59%

## ■ Human Resources Strategy Performance Indicator Results

Of the seven performance indicators for which targets were set in the Human Capital Scenario for fiscal 2027, four have exceeded planned values, indicating overall steady progress. The number of consultants fell short of plan by 25 because the effects of the internal training measures that we are focusing on have not yet been fully realized. We are improving our training processes in short bursts to achieve our stated goal of training 700 employees. Presenteeism was primarily affected by a worsening general malaise, but underlying factors include an aging workforce and anxiety about adapting to change. We will promote organizational improvements centered on health management, and will implement physical and mental health initiatives, continuously monitoring the state of the entire organization as well as each individual employee.

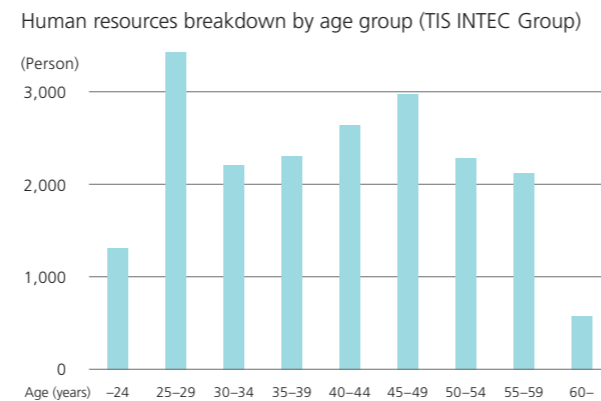
Results of Key Performance Indicators (KPI) for fiscal 2025

Theme	Indicator	Fiscal 2025			Fiscal 2027
		Plan	Actual	Achievement level	Target
Expansion and success of cutting-edge human resources	Number of consultants	570 or more	545	25 short	700 or more
	Number of IT architects	—	270	—	370 or more
	Number of high-level sales talent	—	262	—	360 or more
Sustainable value creation	Number of days spent on learning and research per employee per annum	12 or more	12	○	12 or more
High-quality culture and environment	Job satisfaction	54% or more	56%	○	58% or more
	Percentage of women in management positions	13.0% or more	12.9%	0.1pt short	15% or more
	Absenteeism	1% or less	0.9%	○	1% or less
	Presenteeism	19% or less	22.1%	3.1pt short	18% or less
	Percentage of employees with average monthly legal overtime of 45 hours or more	3.7% or less	2.6%	○	1.5% or less

**Theme 1: Expansion and Success of Cutting-Edge Human Resource**    **Theme 2: Sustainable Value Creation**

Amid the rapid decline in the working-age population and increasing mobility in the labor market, we are advancing efforts to secure and develop talent—including cutting-edge human resources—who will drive business strategies forward, thereby sustaining continuous growth. The most important targets for personnel expansion are the next generation of **executive and managerial talent, core talent** who will advance the business of individual Group companies, and **cutting-edge human resources** who will be responsible for expanding the Group's strategic domains.

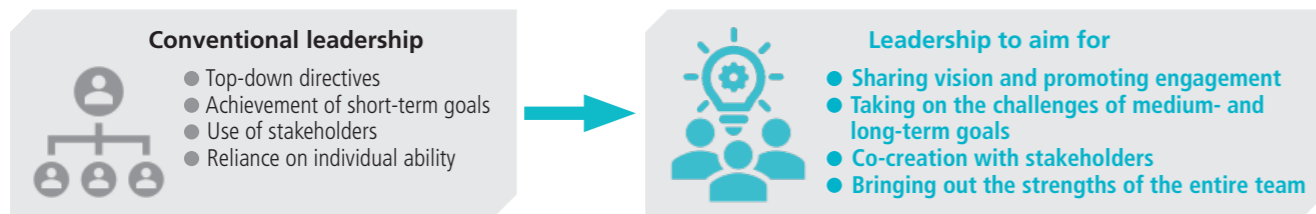
The Group's workforce contains few people in their 30s, and there is a risk of being unable to secure a stable pool of mid-level talent to sustain the Group over the medium to long term. In addition, acquiring and retaining talent with advanced expertise and high market value is expected to become increasingly challenging. Therefore, alongside strengthening recruitment efforts, we are accelerating the development and promotion of existing young talent, focusing on appropriate placement aligned with business priorities and support for their success.



**Executive and Managerial Talent**

Future executive and managerial talent personnel must possess the ability to respond flexibly to changes in the business environment and lead discontinuous growth. It is essential not only to reliably execute assigned missions and secure short-term profits, but also to understand the significance of the sustainable growth that the Group is pursuing. This involves collaborating with various stakeholders to create new value and generate societal impact with a medium- to long-term perspective. Our team members are becoming increasingly diverse in their attributes, careers, work styles, and ways of thinking. Leadership that takes responsibility for the growth and success of each individual, demonstrates integrity and fairness in its actions, and moves steadily toward its goals contributes to the sustainable improvement of corporate value.

From conventional command-and-control leadership to leadership that values empathy, flexibility, and diversity



**Cutting-Edge Human Resources**

The strategic domains outlined in our Group Vision represent high-value-added business areas where we focus our efforts to expand profitability over the long term. Cutting-edge human resources will not only accelerate the increase in strategic domain ratios but also—by being involved in business and service planning and development, sales and proposal activities, and duty and service provision—drive the uptake of projects with higher margins and project completion. These all contribute to enhancing the added value of the entire TIS INTEC Group.

- Consultants: Create new value through business co-creation with stakeholders not confined to IT
- IT architects: Contribute to the enhancement of product appeal and issue resolution through the use of digital technology and service integration
- High-level sales talent: Identify client issues accurately, enhance the value of IT assets, and improve proposal capabilities and the profitability of orders

**Core Talent**

The Group's operating companies consider the personnel who are indispensable to the business strategy of each individual company as core talent, and have a clear vision for their personnel image, mission and roles, linkage to the business strategy, and skill requirements. For core talent, we discern the current status at each level and establish expansion targets based on the gap between current headcount and the required talent pool three years ahead.

**Talent Acquisition**

To achieve the sustainable growth of the Group, we are enhancing the quality of our hires and improving retention, while also strengthening our efforts to acquire work-ready talent through mid-career recruitment.

**New Graduate Recruitment**

In our new graduate recruitment program, we emphasize mutual understanding between the Company and students. By increasing opportunities for internships and dialogue with employees, we provide diverse students with chances to experience our Group's operations and corporate culture. This enables us to attract talent who resonate with OUR PHILOSOPHY and culture and can thrive within the Group. This helps prevent mismatches after joining and contributes to reducing turnover. We are also focusing on acquiring personnel with advanced expertise in cutting-edge technologies and data science, aiming to expand the talent base that will lead the next generation.

**Mid-Career Recruitment**

In our mid-career recruitment, we aim to acquire cutting-edge human resources who will drive our business strategies and core talent that drives continuous development in each business domain.

TIS and INTEC are spearheading initiatives to strengthen groupwide branding, broaden the applicant pool through diversifying recruitment channels, and optimize the entire process from hiring to retention.

**Selection Phase**

We employ optimal recruitment methods tailored to personnel requirements, job type, years of experience, and position level, using external recruitment agents and selecting appropriate screening processes to ensure precise targeting of desired candidates.

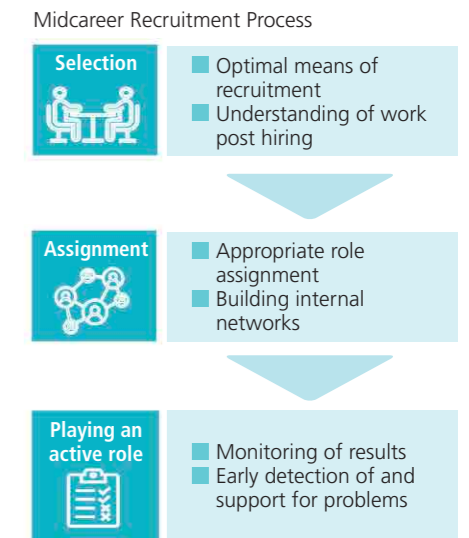
Given the high market value of cutting-edge human resources and intensifying competition to hire them, the business organizations and human resource business partners (HRBPs) are working closely together to find human resources that match their needs, and then offer compensation commensurate with their market value and attractive conditions. These efforts have produced noteworthy results.

**Assignment Phase**

Employees are assigned to positions whose selection criteria match their skills, then facilitate the formation of employee resource groups where mid-career hires can exchange information and support each other, providing venues for new colleagues to interact. This promotes rapid integration into the organization and enhances engagement.

**Active Phase**

We regularly monitor employees' progress to ensure they are fulfilling their expected roles and achieving results, while also checking for workplace rapport, job mismatches, or mental fatigue. We provide support to help our employees thrive and stay with the Company long-term.



**Human Resource Development**

Faced with increasingly rapid changes in the business environment, we are building a foundation to continuously cultivate future core talent by supporting the early acquisition of broad business experience and diverse perspectives as well as their smooth advancement into managerial and specialized roles. Going forward, we believe it is vital to actively promote talent mobility and enhance a groupwide optimization mindset to accelerate the development of personnel with broad cross-organizational experience and diverse skills, thereby driving growth across the entire Group. We aim to tackle risks such as workforce stagnation, dependency on specific individuals, and diminished ability to innovate, while fostering self-directed career development by employees and organizational revitalization.

**Executive and Managerial Talent Development**

To secure executive and managerial talent, we have been working on systematic development through strategic selection of candidates and mentoring. In addition to such measures, we are advancing initiatives to strengthen leadership that will drive discontinuous growth.

- Establishment of a training system with a view to promotion to executive positions
- Clarification of human resource definitions and appointment criteria, formation of a talent pool
- Providing opportunities to take on more challenging management experiences

**Cutting-Edge Human Resource Development**

Consultants and IT architects are trained primarily by their respective specialist organizations, which provide opportunities to hone practical skills through hands-on experience. High-level sales talent are developing their capabilities through community building in partnership with the sales organization and structured training programs with the aim of improving the skills of sales personnel.

- Providing skills improvement programs tailored to the level of personnel
- Strengthening practical skills through work experience
- Networking with cutting-edge human resources and their candidates

**Development and Promotion of Younger Employees**

To promote the career development of younger employees, starting in fiscal 2026, we have begun monitoring the percentage of managers aged 35 or younger as a groupwide indicator. We are implementing various measures, including early promotion of young talent and appointment of the right person to the right position. To unlock the potential of young talent early on, we prioritize initiatives that help them identify and hone their own strengths.

- Early promotion measures for young employees (biannual salary increases and accelerated grade promotions)
- Talent reviews to formulate development and placement strategies
- Rotations for development purposes, utilization of internal and external work experience opportunities

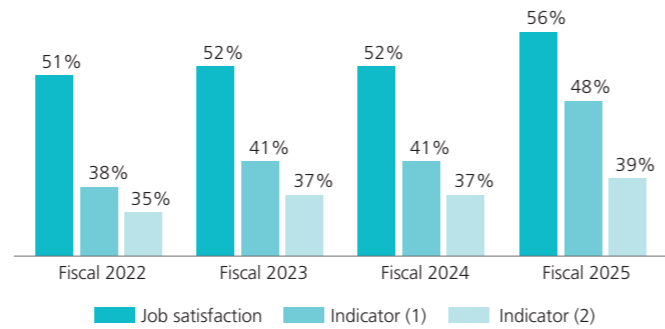
### Theme 3: High-Quality Culture and Environment

We believe that the fundamental drivers of business transformation—such as transforming our portfolio and expanding services that address social issues—are the autonomy, creativity, and strong commitment to contribute demonstrated by each and every employee. To foster a corporate culture where diverse talent with different values and backgrounds respect each other, openly exchange opinions, and embrace challenges without fear of failure, we will focus on three themes: **Diverse human resources playing an active role**, **Enhancement of well-being**, and **Flexible and diverse work styles**. This will drive each employee's self-motivation and job satisfaction, while increasing added value.

#### Trends in Job Satisfaction

To enhance self-motivation, it is necessary to cultivate a greater sense of pride and purpose in their work among employees. TIS has introduced a personnel system based on the Must/Will/Can framework, establishing a structure that enables each employee to leverage their strengths and contribute to the Company. The entire Group measures job satisfaction and degree of conviction about work (Indicators (1) and (2)), and these indicators are steadily improving.

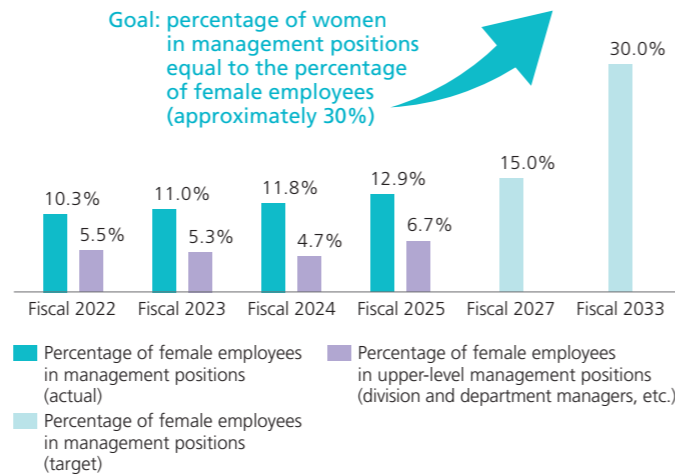
- (1) I feel my own work is aligned with the Company's direction
- (2) I feel that my work is not just a job but has special meaning



#### Diverse Human Resources Playing an Active Role

To promote women's participation, we are strengthening initiatives that expand opportunities for women to demonstrate their abilities and grow. These include guidelines for evaluation and promotion, selection and development mentoring, and early career development, aiming for a balanced percentage of female employees in total and at each grade level. Although the percentage of female employees in management positions is steadily increasing, we are now considering effective measures to take a further step toward greater fairness, with an eye to promoting women to senior management and executive positions.

The Group is committed to fostering a workplace free of discrimination and prejudice for employees of all backgrounds, and to cultivate a culture where everyone can grow and thrive. We conduct regular programs and employee training that accommodate senior employees, employees with disabilities, employees hired through mid-career recruitment, and LGBTQ+ employees.



#### Enhancement of Well-Being

For employees to enhance their well-being and fully demonstrate their individuality and strengths, it is essential that each leads a rich and fulfilling life. The Group promotes health management with the aim of improving the quality of life of employees and their families. Building on a foundation of occupational health and safety, we are committed to enhancing psychological safety, organizational development, and improving quality of life.

##### Social and Physical Well-Being

We will continue our initiatives to enhance the vitality and productivity of each individual through fundamental occupational safety and health measures and workplace improvements achieved through comprehensive organizational development.

- Reduction of undesirably long working hours, elimination of discrimination and harassment
- Implementation of workplace improvements using assessments
- Promotion of organizational activities that boost psychological safety
- Provision of programs focusing on resolution of general malaise, lifestyle improvement, and mental health
- Conducting specific health guidance and seminars targeting specific age groups
- Introduction of FEMTEC services for women, etc.

##### Financial Well-Being

We are advancing initiatives to enhance employees' quality of life, including asset formation and benefit programs, so that employees and their families can lead prosperous and happy lives both during their tenure and after retirement.

- Provision of non-statutory employee benefit services
- Employee stock ownership plan, incentive plan (e-Ship)
- Property accumulation savings program, group insurance program
- Long-term disability (LTD) income compensation insurance program
- Defined contribution (DC) pension plan and DC matching contribution plan
- Providing opportunities for continuing investment education and free financial planner consultations, etc.

#### Flexible Work Reforms

We are establishing programs to enable employees to work in line with their differing values, family situation, and life stage. We provide various consultation services tailored to individual circumstances to support work-life balance.

##### Programs Available According to Working Values

We encourage flexible and diverse work arrangements to empower employees to work autonomously, exercise discretion in their duties, and demonstrate their capabilities as professionals to the maximum.

- No limits on telework and telework from remote areas
- Flexible working hours, without core hours
- Staggered work hours for personal reasons; temporary breaks during work
- Paid leave in hourly increments
- Initiatives to reduce unwanted transfers and working away from family
- Once a year, employees are granted paid recuperation leave for taking 10 or more consecutive days off
- Selective retirement age program (from 60, 63 and 65)

##### Programs Available According to Life Stage

Taking into account the diverse needs of employees at different life stages, we have established programs to enhance work-life balance, reducing work-related stress issues.

- Programs supporting those trying to conceive, childbirth, returning to work after childcare, and continuation of career regardless of gender
- A program aimed at preventing resignations due to caregiving responsibilities, adaptable to individual circumstances
- Expanding the scope of programs to accommodate diverse family structures (such as same-sex partners and cohabiting family members)
- Support for balancing work with life, including living with disability and receiving treatment for illness, gender reassignment, family relocation, and similar employee needs
- Awareness-raising to promote mutual understanding and cooperation in the use of the programs

#### Major Evaluations and Accreditations from External Parties

Nikkei Smart Work



"Great Place to Work" certification



Certified Health & Productivity Management Outstanding Organizations



DC Excellent Company



Eruboshi (L-Star)



PRIDE Index



Platinum Kurumin Plus



Career Ownership Management Award



**Positioning human resources as key drivers for realizing Group Vision 2032, we are strengthening the linkage between management strategy and human resources strategy. Through key initiatives based on our Human Capital Scenario, we will achieve sustainable growth with added value through the self-directed growth of each employee.**

**Masakazu Kawamura**

TIS Managing Executive Officer and Division Manager of Human Resources SBU, Human resources strategy promotion officer

#### Q1. What themes do you prioritize in linking management and human resource strategies?

Amid rising uncertainty in the business environment, I believe it is crucial to have a dynamic linkage between management and human resources strategies that is mutually complementary, with each reinforcing the other. Management strategy sets the ideal human capital value and portfolio, while at the same time the quality and performance of personnel significantly impact the feasibility of executing that strategy. The Group has developed a Human Capital Scenario, which is reflected in its business plans and performance indicators, thereby strengthening the dynamic linkage between the two. With limited management resources, we will prioritize human capital investments and target actions to enhance the effectiveness of our human resource strategy to boost corporate value.

#### Q2: As competition for human resources intensifies, how do you plan to attract and retain the best talent?

Our Group conducts recruitment activities that attract talent through business activities with high social significance and growth potential. Furthermore, aiming to be a company regarded consistently favorably by potential employees, we are strengthening our organizational foundation to enable diverse talent to thrive as their authentic selves. This includes offering compensation commensurate with the true value of human resources, creating an environment where flexible work styles can be chosen, fostering self-directed career development, and providing growth opportunities to take on new challenges. In fiscal 2025, mid-career hiring is progressing according to plan, and results are steadily improving in terms of post-employment retention rates and job satisfaction. We will continue to strategically recruit and develop employees, establishing an infrastructure that facilitates their active participation.

## We will maximize corporate value through an integrated approach leveraging capital strategies and business strategies.

### Financial Policy: Basic capital policies

**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**

1. Take robust approach to growth investments and, as part of this process, constantly review and restructure business portfolio to reinforce ability to generate cash through sustainable increase in business profits and improved profitability.
2. Through stronger balance sheet management, build optimal capital structure aligned to progress in structural transformation to maintain financial health and constantly deliver returns that exceed cost of capital.
3. Strive to enrich shareholder returns commensurate with business growth.



#### Masakazu Kawamura

Managing Executive Officer,  
Division Manager of Corporate Planning SBU



### Q. Remind us of the key financial policy indicators in Medium-Term Management Plan (2024–2026).

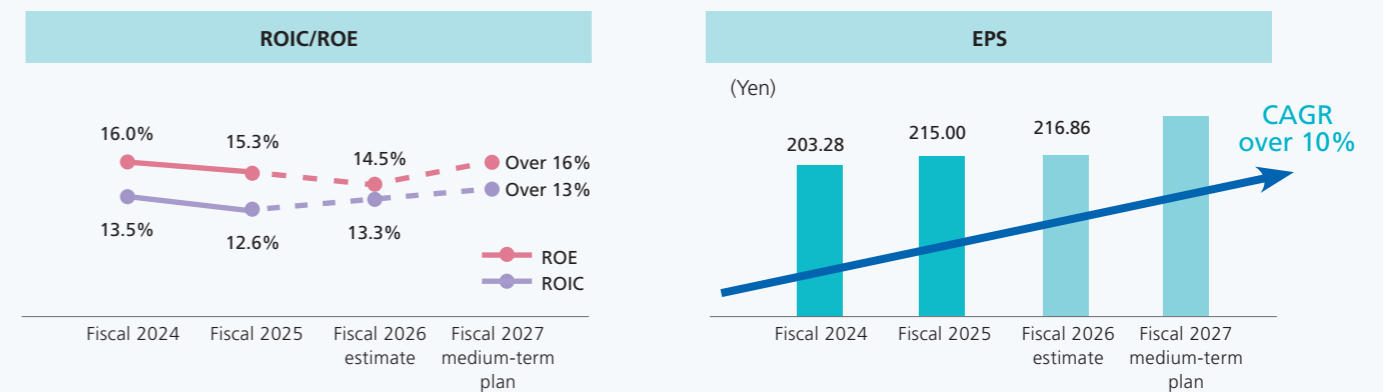
TIS has long promoted management conscious of capital efficiency. With this in mind, we are working toward ROE above 16% by fiscal 2027, higher than the level recorded in fiscal 2024, excluding one-time factors. But in the long term, we are aiming for ROE above 20%, which is considered high for the IT industry.

ROIC (return on invested capital), like ROE, reflects an emphasis on value creation from assets, which equates to intellectual property, and was introduced as a new management metric. Over the three years of the current medium-term

management plan, we are aiming for ROIC above 13%, assuming a slight decrease due to robust growth investment activity. We feel that efforts to derive benefits from growth investment will lead to higher ROIC over the long term.

For EPS (earnings per share), we will stick to the same 10% Compound Annual Growth Rate target set under the previous medium-term management plan, based on a “valuable growth” perspective, and work toward 10% by leveraging financial strategies aligned with business strategies.

#### Key Performance Indicators



### Q. How would you evaluate fiscal 2025, the first year of Medium-Term Management Plan (2024–2026)?

On a performance basis, we struggled somewhat as activity on two large finance-related development projects—key drivers of growth up to and including fiscal 2024, the last year of the previous medium-term management plan—fell from peak service status at the same time, with significant impact on performance. But we were able to maintain business growth overall by promoting high-value-added services and capitalizing on strong IT investment demand in a favorable business environment. We exceeded our initial estimate and moved into the second year of the current medium-term management plan on a solid footing. That said, we have to accelerate profit growth if we are to achieve our operating income target of ¥81 billion by fiscal 2027, the last year of Medium-Term Management Plan (2024–2026). We will continue to engage in robust business development and leverage growth investments to support this process.

In regard to counterpart financial measures, we began fiscal 2025 knowing full well that growth investments are essential to the significant profit growth we seek, and that such investments should be prioritized in the allocation of capital. With regard to shareholder returns, we have raised

dividends for 13 consecutive years and implemented treasury stock buybacks worth about ¥6.4 billion to underpin progress toward a 50% total return ratio, up from the previous benchmark of 45%. On the strategic shareholdings front, we successfully pushed the ratio of total strategic shareholdings to net assets below 10%, but continued to seek reduction, squeezing the ratio to 6.5%, down 1.7 points year on year. Growth investments settled at ¥19.5 billion. We maintained steady investment—to the tune of ¥11.3 billion—to strengthen in-house capabilities and, although we actively considered M&A opportunities and other business-building pursuits, we only applied ¥8.2 billion to expand our presence, reflecting a disciplined approach to investment that puts large investments on a back burner. Over the three years of Medium-Term Management Plan (2024–2026), there will be no change in our stance on robust growth investment, supported by a framework of ¥100 billion—¥30 billion to reinforce in-house capabilities and ¥70 billion for M&A and other activities to establish a wider presence—but the end of the first year of the plan highlighted issues with a growing cash position and increased equity capital that we must address.

**Q. You say the ¥100 billion framework for growth investment will not change, but might you revisit the approach to cash allocation?**

Our basic approach to cash allocation is to distribute funds in a timely and appropriate manner to business pursuits that will drive corporate value higher. An underlying priority in decisions on allocation is to strike a balance among promoting growth investments aimed at sustainably increasing corporate value, ensuring financial soundness, and enhancing shareholder returns, as stipulated in basic financial and capital policies.

The information services industry, to which the TIS INTEC Group belongs, has seen remarkable growth, with a noted increase in recent years toward business expansion, including large-scale M&As. Against this backdrop, we will continue on a groupwide basis to actively explore investment aimed at M&As and capital contributions that lead to discontinuous growth. As I mentioned earlier, we earmarked ¥70 billion over

three years, and used only ¥8.2 billion of the allocated amount in the first year. But in the execution of investments, timing and scale vary depending on the target or type of investment, and the conservative use of capital for investments in the first year should not be construed as slow progress toward application of earmarked funds.

We have to be flexible, not only in executing growth investments but also in implementing capital policies to maximize opportunities. Therefore, we will take an open approach, focusing on optimal distribution of capital for initiatives that contribute to enhanced corporate value, tempered by the state of our balance sheet and cash position at the time of cash allocation. Actual results will validate the rationality of this approach.

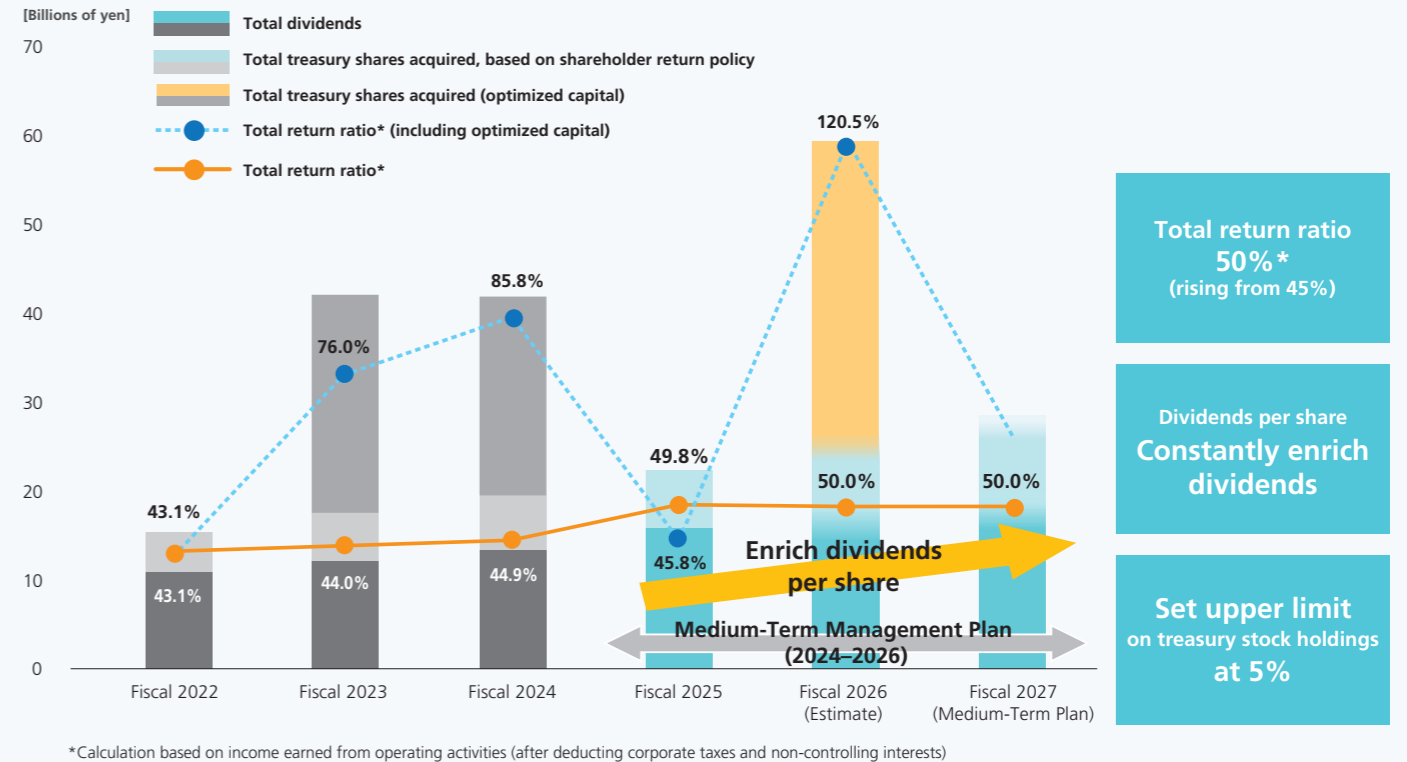
**Cash Allocation**

Progress	Medium-Term Management Plan (2024–2026) Updated Three-Year Cumulative Outlook		Progress	
	Cash in	Cash out	Fiscal 2025 actual	Fiscal 2026 estimate
<b>Steady Progress toward Medium-Term Management Plan (2024–2026) Targets</b>  <ul style="list-style-type: none"> <li>• <b>Operating Income</b> Fiscal 2025 ¥69.0 billion Fiscal 2026 ¥73.0 billion Fiscal 2027 ¥81.0 billion</li> <li>• <b>Operating Income per person</b> Fiscal 2025 ¥3.1 million</li> <li>• <b>Ratio of Strategic Domains</b> Fiscal 2025 51%</li> </ul>	Cash generation from business operations	Growth investment ¥100 billion M&A investment ¥70 billion	¥8.2 billion	Not yet determined (Under active consideration)
		HR R&D SW ¥30 billion	¥11.3 billion	¥11 billion
		Capital expenditures ¥65 billion	¥20.2 billion	¥20 billion
		Dividends and share buyback ¥110 billion (+¥35 billion compared with initial estimate)	¥22.7 billion	¥59 billion
<ul style="list-style-type: none"> <li>• <b>Reduction in strategic shareholdings</b></li> </ul>	Asset optimization /Financing Use of Cash in Hand			

**Return to Shareholders**

The fiscal 2025 year-end dividend was ¥2 per share higher than initially planned for, bringing the annual dividend to ¥70 per share. This marked the 13th consecutive year of increase.

In line with our basic policy on return to shareholders and our stated yardstick of 50% for the total return ratio, we plan to pay an annual dividend of ¥76 per share in fiscal 2026, up ¥6 from fiscal 2025, and have already repurchased treasury stock worth ¥7 billion. We will also repurchase an additional ¥35 billion worth of treasury stock to optimize capital structure, bringing the aggregate buyback amount to ¥42 billion in fiscal 2026.



**Q. TIS views acquisition of treasury stock as a strategic tool to optimize its capital structure. What led to the recent buyback decision?**

Our intention was to improve capital efficiency, and our financial strategy states that measures to optimize capital structure will be implemented flexibly, taking into account prevailing circumstances. We set a target of at least 16% for ROE as an indicator of capital efficiency, but the market raised concerns that the target was unattainable based on profit estimates and proposed allocation of cash as described in Medium-Term Management Plan (2024–2026). We had to respond.

In addition, when we looked at the state of our balance sheet at fiscal 2025 year-end, on March 31, 2025, we realized that we would have to optimize capital structure, given that our equity ratio had expanded to 61.5% and our cash position was also trending upward due to a stronger earnings base

paralleling business growth. These factors were behind the Board's decision to acquire an additional ¥35 billion equivalent in treasury stock on top of the ¥7 billion equivalent buyback executed in line with our basic policy on shareholder returns, for an aggregate acquisition amount of ¥42 billion. Consequently, we were able to demonstrate a clear path toward achieving ROE above 16% and also set the stage for similar progress toward our EPS target.

This awareness of capital efficiency and a commitment to take the steps necessary to reach stated targets were favorably received by shareholders and investors, indicating that management met their expectations. A commendable result, indeed.

**Q. What prompted TIS to enhance disclosure of measures aimed at achieving management conscious of capital cost and stock price?**

As presented in Analysis and Evaluation of Current Status, we sustainably generated returns above the cost of capital and, accordingly, raised market assessment by achieving steady business growth and maintaining successful capital policies. However, in recent years, the number of large-scale projects that had been driving business results fell from its peak, and we haven't been able to present a clear growth strategy or progress in service-oriented activities that would enable us to neutralize the impact and achieve strong growth. The market is increasingly of the view that we have reached a growth plateau, so to speak, and PER obviously isn't charting a stable upward trajectory. Sluggish improvement in PER means we lack a powerful contributing factor to higher PBR, which is an important indicator of corporate value.

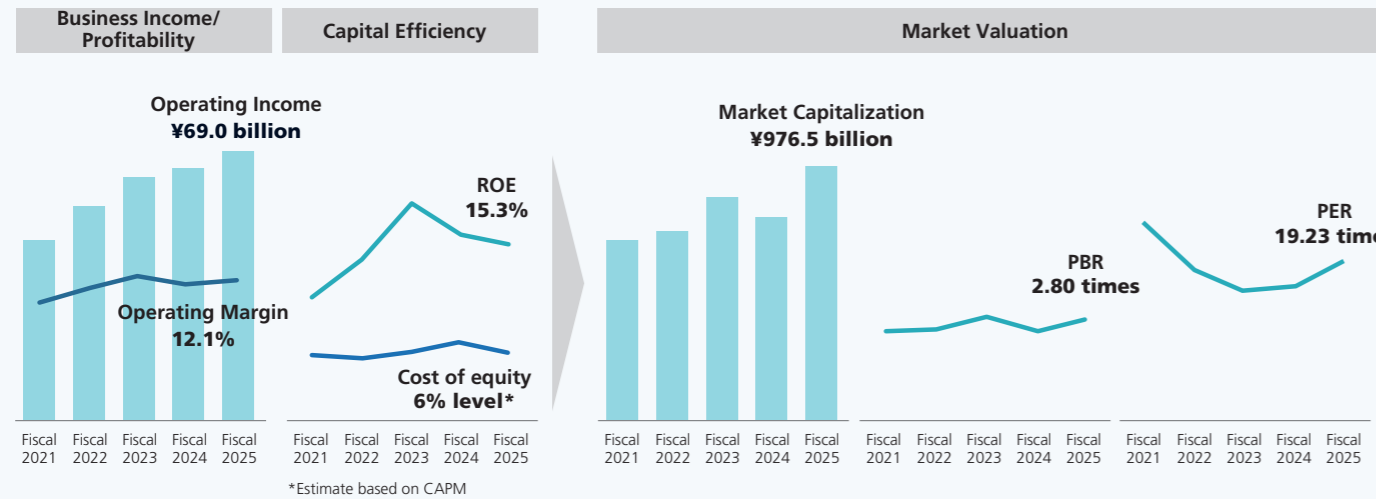
Of course, we discussed the situation internally to understand and remedy underlying causes. But we felt it was vitally important to delve deeper into perceived issues, clearly articulate our perspective on and approach to further growth, and foster higher expectations for growth through enhanced engagement with shareholders and investors. This required an expanded level of disclosure. Of note, as shown in the PBR logic tree in Overview of Plans and Efforts, we identified issues and initiatives to facilitate responses with a sense of urgency and speed, as well as to more easily share content with shareholders and investors. We also hope to convey the idea that corporate growth and value improvement depend on the intrinsic value of TIS being reflected in market valuation.

**Measures to Realize Management Conscious of Cost of Capital and Stock Price**

(Source: Financial Results for the Fiscal Year Ended March 31, 2025)

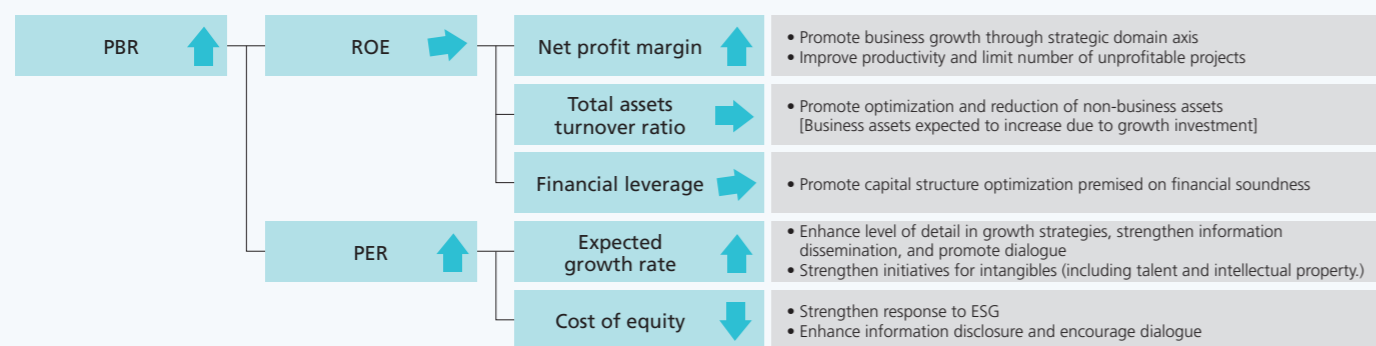
**Analysis and Evaluation of Current Status**

- Implement initiatives from both business and financial perspectives to sustainably generate returns exceeding the cost of capital and enhance market evaluations.
- However, we recognize that to ensure our corporate value is accurately reflected in market valuations, it is essential to raise growth expectations from a medium- to long-term perspective.



**Overview of Plans and Efforts**

**Overview of Corporate Value Improvement Targets under Medium-Term Management Plan (2024–2026) and Key Initiatives**



**Q. What issues were identified from the PBR logic tree, and what solutions have been implemented?**

As I mentioned before, our PER isn't rising, and our expected growth rate is particularly low and that, unfortunately, erodes our position in the market, specifically in terms of comparison with our competitors in the IT industry. This is most obvious in the prevailing market perception that the performance targets we set for fiscal 2027, the last year of the current medium-term management plan, are unrealistic. Our first course of action must therefore be to increase the likelihood that we can achieve stated targets, which is, of course, incumbent upon solid business results.

We also recognized the need to prioritize efforts to very clearly present our narrative of strong growth driven by a favorable business environment, highlighting progress in service-based businesses, which we have emphasized for some time, and initiatives and investments in human capital, our most valuable corporate asset, which fuels business success. Underpinned by our growth narrative and a track record of results, we will give shareholders and the investor community a better understanding of TIS and the TIS INTEC Group and raise expectations of success. We believe that intrinsic value will push PBR higher, and this is an important theme for us right now.

**Q. Do you have a message for shareholders and investors?**

To reiterate, through management practices guided by OUR PHILOSOPHY—the Group's basic philosophy—TIS and the rest of the TIS INTEC Group strive to create social and economic value, contribute to a sustainable society, and achieve lasting improvement in corporate value. TIS will continue to promote measures from both financial and business perspectives and endeavor to become a company brimming with promise for the future and a premier choice for the market and for shareholders. To this end, in allocating capital, we will emphasize proactive investments for growth, including investment in our most precious asset—our people—which will create a virtuous cycle that reinforces cash generating capabilities. At the same time, we remain committed to enriching shareholder returns.

Engagement opportunities with shareholders and investors tend to produce all sorts of comments and opinions, some of which are critical of management decisions or corporate direction. However, every comment—whether positive or negative—is extremely valuable because it has been extended as advice and insight from a stakeholder's perspective. Each is a form of support from a long-term perspective with the underlying expectation that TIS will grow in a business sense and improve corporate value.

In fact, management has drawn on input from shareholders and investors when considering and implementing steps necessary to achieve growth. In other words, I think it's fair to say that you, our shareholders and investors, have been integral in enabling us to enhance management practices, maintain management discipline and increase corporate value. Nothing will change this sentiment. We will continue to actively engage in dialogue with you and all stakeholders to further reinforce management practices and corporate value, and strive to meet your expectations.



## Business Strategies by Segment

The TIS INTEC Group operates across five segments: Offering Services, Business Process Management, Financial IT Business, Industrial IT Business, and Regional IT Solutions. TIS defines clear authority and responsibility for segment leaders and pursues growth strategies that leverage the strengths of each Group company to drive ongoing structural transformation.

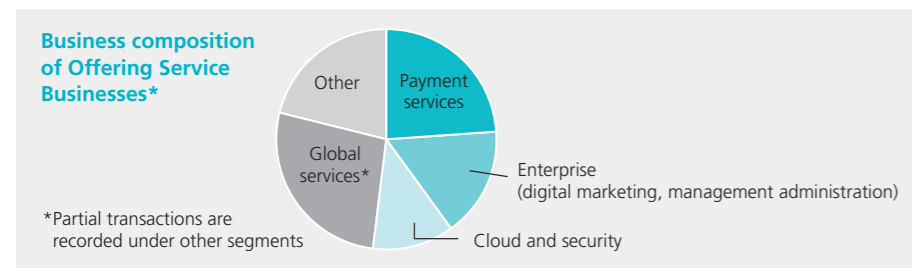
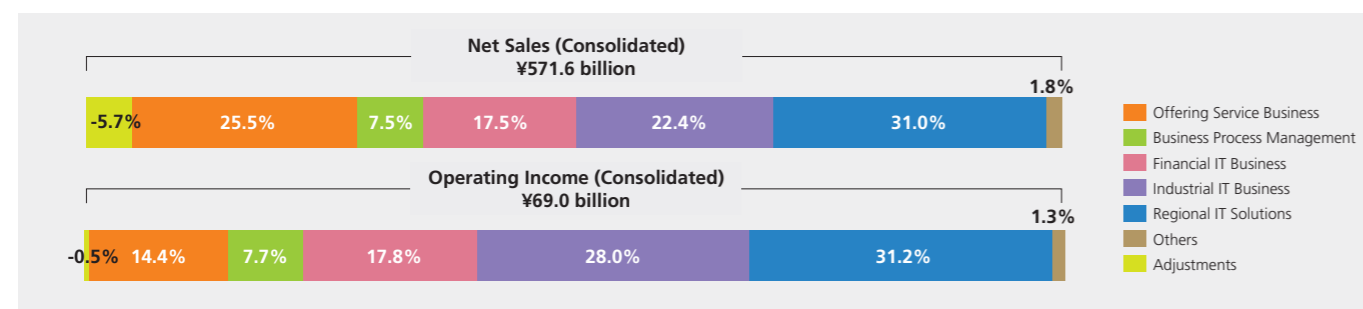
### Fiscal 2025 Segment Review

Segments		Offering Service Business	Business Process Management	Financial IT Business	Industrial IT Business	Regional IT Solutions	Other	Adjustments	Total (Consolidated basis)
Net sales (Millions of yen)		145,515	42,646	100,252	128,120	177,425	10,123	-32,396	571,687
Operating income (Millions of yen) (Operating margin)		9,937 (6.8%)	5,326 (12.5%)	12,321 (12.3%)	19,330 (15.1%)	21,576 (12.2%)	877 (8.7%)	-322	69,047 (12.1%)
Segment assets (Millions of yen)		208,876	13,785	90,636	87,254	127,108	19,090	11,299	558,051
Number of employees at year-end		5,706	2,361	1,964	3,817	7,264	653	—	21,765
Per person	Net sales (Millions of yen)	25.5	18.0	51.0	33.5	24.4	15.5	—	26.2
	Operating income (Millions of yen)	1.7	2.2	6.2	5.0	2.9	1.3	—	3.1
Net sales by business category							—	—	

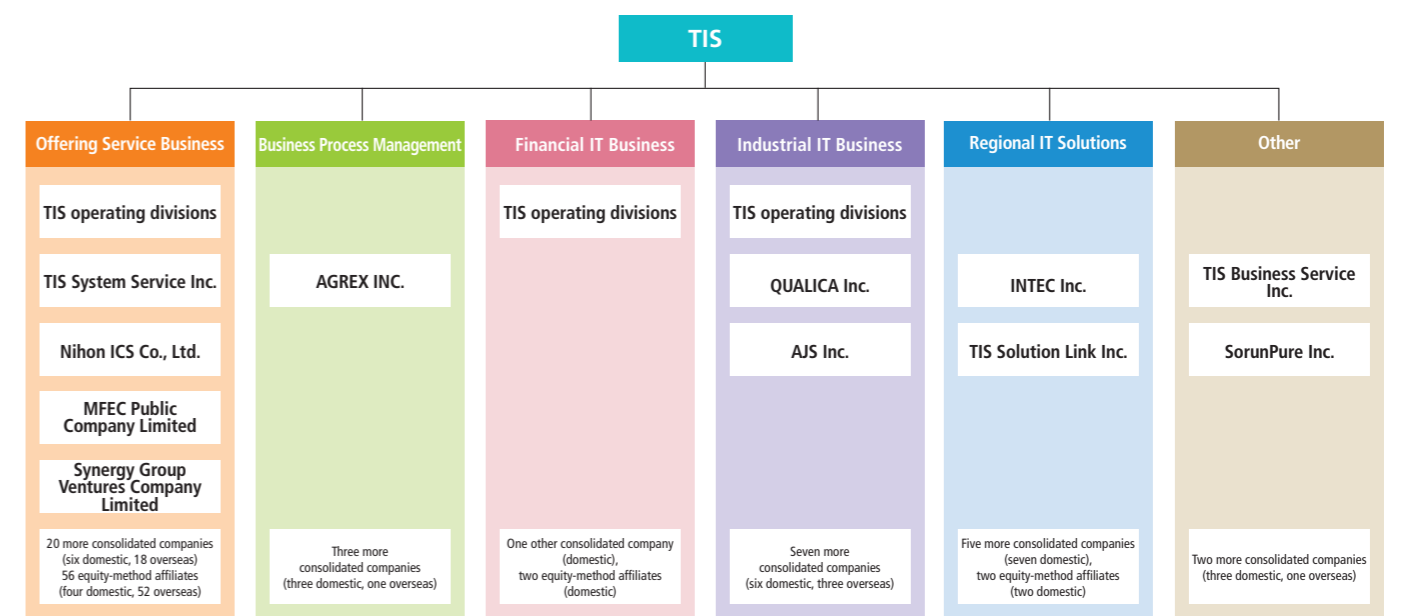
■ Software development ■ Operation and cloud services ■ Product and software sales ■ Other

### Fiscal 2025 Business Results by Segment

\*Segment sales include intersegment sales.



### Group Formation



## Offering Service Business

Develops services through proprietary investments, leveraging best practices accumulated across the Group, while delivering knowledge-intensive IT solutions.

### Message

By accelerating our service-based business and improving the profitability of existing services, we aim to achieve both high growth and strong profitability.



**Kiyotaka Nakamura**  
TIS Director, Senior Managing Executive Officer

### 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 the 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.
- There is much room for growth in ASEAN despite the uncertain global situation.

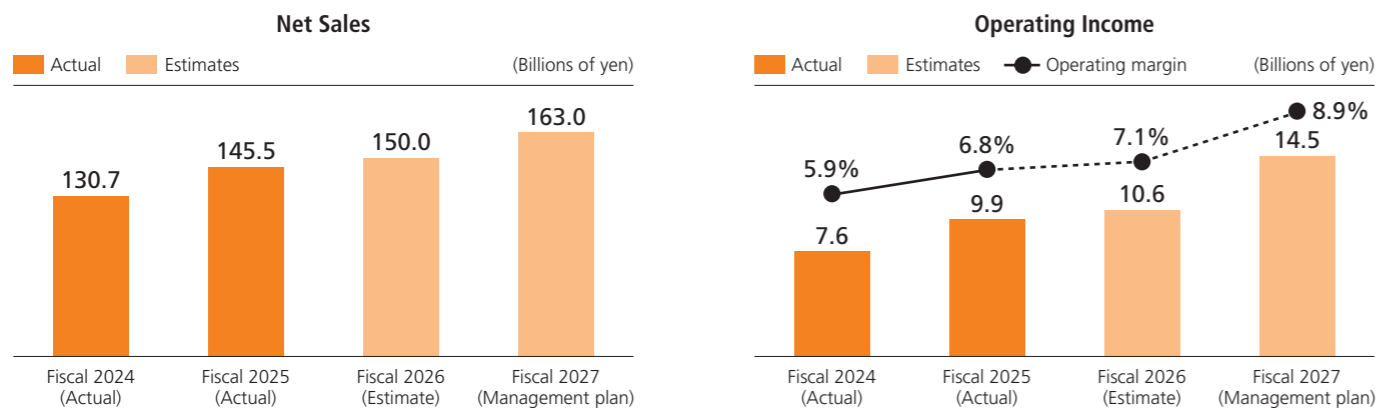
### Strengths

- 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

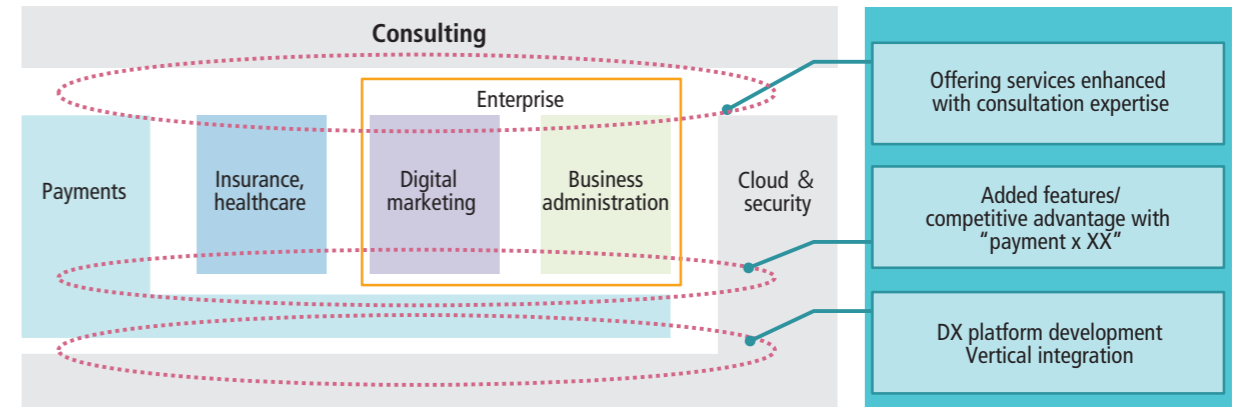
- Need to maintain high growth rate and improve profitability.
- Must accelerate shift toward recurring business, driven by payment services.
- Need to provide comprehensive lineup of offering services, from consultations to IT delivery, to achieve higher added value.

### 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"> <li>● Reinforce consultation expertise</li> <li>● Provide even more comprehensive lineup of offering services, from consultations to IT delivery</li> </ul>
Competitive advantage with "payment x XX"	<ul style="list-style-type: none"> <li>● Enhance the value of payment services by integrating additional features with our core payment settlement capabilities, and strengthen competitiveness in high-demand areas such as healthcare and digital marketing</li> </ul>
DX platform development Vertical integration	<ul style="list-style-type: none"> <li>● Develop platforms that deliver services, accelerate time-to-market, and enhance responsiveness to change</li> <li>● Promote integration between business/function layer and infrastructure layer to increase added value</li> </ul>

### Key points of Medium-Term Management Plan (2024–2026), 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.

### Q&A

#### Q1: How do you evaluate your performance in fiscal 2025?

We captured IT investment demand, particularly in the enterprise and payment sectors, and accurately addressed clients' digital transformation needs. As a result, we posted year-on-year increases in revenue and earnings. Because demand exceeded expectations, we were able to meet our targets for both sales and operating income.

Although the burden of upfront investment costs left some challenges in terms of profitability, we achieved significant growth in sales over the past year. We are happy with our steady progress in expanding our business scale and believe we made a solid start in the first year of our medium-term management plan.

#### Q2: What do you see as the reasons behind the slower-than-expected profit contribution from your services business, and what is your outlook going forward?

The main factor was that we took longer than expected to launch our IT Offering Service (IOS) business and improve profitability. In particular, delays in rolling out our credit SaaS platform and an increase in amortization costs associated with upfront investments have put pressure on profit margins.

On the other hand, market demand for service-based businesses, such as cloud migration and digital transformation, remains strong, presenting significant growth opportunities. We will continue working to improve profitability by accelerating our payment business and moving multiple services into the recovery phase.

In addition, we aim to further differentiate ourselves and achieve sustainable profitability by expanding services that help address social issues, such as healthcare, while strengthening collaboration with consulting and solution-oriented value-added services.

## 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.

### Message

By demonstrating our ability to execute the Group's strategy, we will drive growth and create value through the transition to the BPM business and the expansion of high value-added services.



### Business environment

- The CX domain remains strong as AI drives continued market expansion.
- 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.

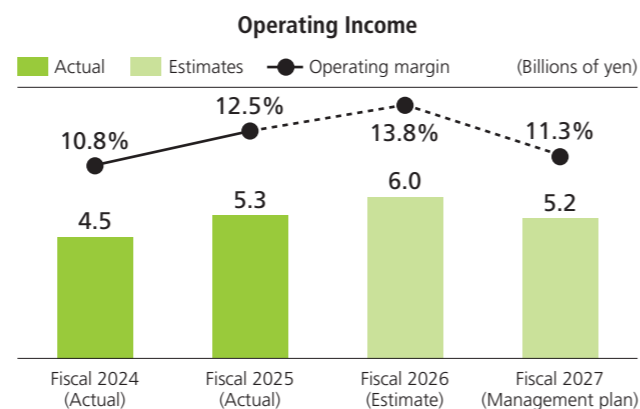
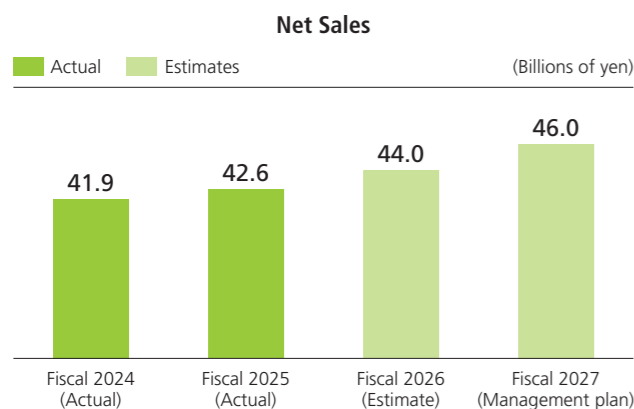
### Strengths

- Ability to deliver BPM that optimizes entire business processes through the combined deployment of BPO and SI.
- Proprietary methodology that systematizes BPO expertise accumulated over half a century of practical experience.
- In-house system development capabilities with particular strength in the CX domain.
- Business expertise grounded in extensive outsourcing experience in the insurance industry.

### Issues in focus

- Need to shift business portfolio from simple BPO services to advanced BPM services by addressing progression of paperless operations and growing use of AI.

### Changes in Net Sales and Operating Income

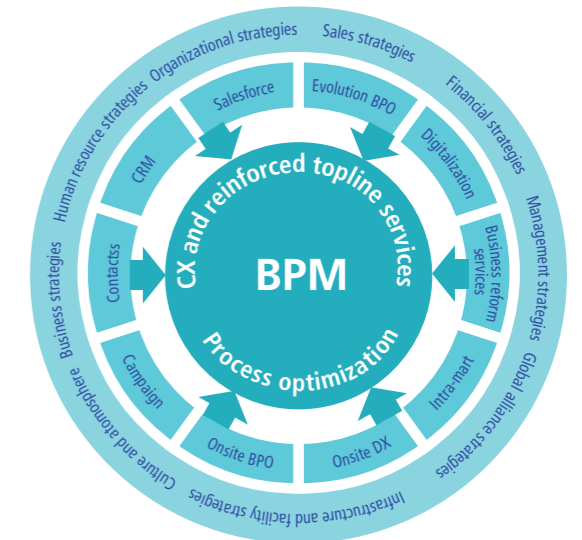


### Growth strategies designed to expand business even further

#### 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.

<b>Field</b>	✓ Provide BPM services that enhance business processes
<b>Style</b>	<ul style="list-style-type: none"> <li>✓ Offer hybrid human-IT solutions</li> <li>✓ Build enduring partnerships that share management challenges while transforming outsourced operations themselves (SPB model)</li> </ul>
<b>Services</b>	<ul style="list-style-type: none"> <li>✓ Provide comprehensive services that integrate operations and IT by tailoring solutions to client challenges through consultations (such as BPMN and process mining) and by conducting modeling and strategy formulation</li> </ul>



### Key points of Medium-Term Management Plan (2024–2026), 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.

### Q&A

#### Q1: How do you evaluate your performance in fiscal 2025?

Thanks to the contribution of high-profit services in our DX business, as well as cost control efforts, we achieved year-on-year growth in both revenue and profit. In our DX business, positioned as a future growth driver, we performed well with various solutions, such as data cleansing and record matching, along with services that improve business process efficiency. As a result, we achieved record-high sales.

In our Salesforce business\*, pillar of our DX operations, we launched a groupwide project team to further strengthen our capabilities. In the BPO business as well, our contact center services and on-site operations remained steady and contributed to performance, although we scaled back simple labor-intensive outsourcing in response to declining market demand. While sales fell slightly short of our target, we posted much better-than-expected operating income. In short, we are making steady progress toward achieving the goals of our medium-term management plan.

#### Q2: Could you tell us about the progress made in shifting toward the BPM and DX businesses?

To strengthen our Group strategy execution capability, in April 2025 the Vice President of TIS personally assumed the role of head of the BPM business. Through co-creation activities with clients and efforts to strengthen alliances with partner companies that provide BPM solutions, we have earned high evaluation\* for client satisfaction. We are beginning to see tangible results in our efforts to transform our business structure.

Furthermore, to strengthen our CX capabilities, we are advancing a proof-of-concept initiatives for deploying autonomous AI agents in our contact centers, aiming to further enhance our services. We are also working to build strategic partnerships in collaboration with other segments while actively investing to create new BPM services.

\*For details, see page 16.

## Financial IT Business

Considers and leverages business and IT strategies and supports business progress using specialized business and operational know-how specific to the finance industry.

### Message

Starting with modernization, we forge new client relationships aimed at expanding our client base and driving sustainable growth.



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

### 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.
- With the full-scale emergence of a “world of interest rates,” there is a growing need for initiatives to attract deposits and new accounts, as well as the creation of new services.
- Migration from host legacy systems to open, cloud-based systems in full-swing as companies seek to cut costs and improve serviceability.

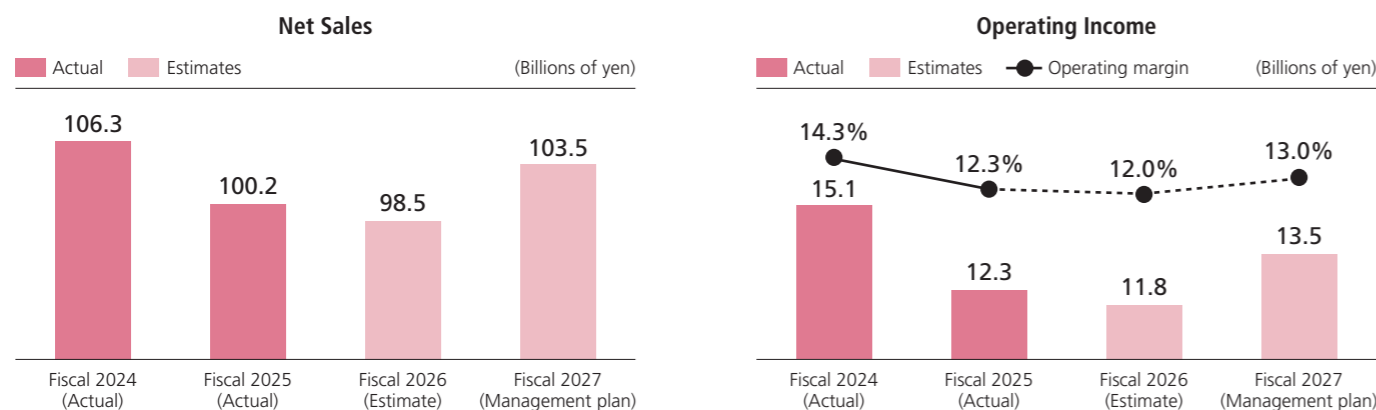
### Strengths

- 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.
- Modernization of legacy system utilizing Xenlon.

### 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 (2024–2026), 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.
- Acquire new clients and strengthen organizational structures for business expansion.

### Q&A

#### Q1: How do you evaluate your performance in fiscal 2025?

We posted year-on-year declines in revenue and earnings as large-scale development projects for core credit card clients and public financial institutions peaked out. Because the impact was less than anticipated, however, we achieved our targets for both sales and operating income.

For existing clients, we are steadily advancing development projects while simultaneously making new proposals. We are also acquiring new customers through modernization initiatives. As a result, we feel we have taken a solid step toward growth following the completion of large-scale projects.

#### Q2: You mentioned that operating income declined due to the peak-out effect of large-scale projects. How do you plan to restore profit growth?

We will maximize the use of our accumulated assets, such as human capital and advanced technological foundations, to deepen our existing businesses. We will step up efforts to capture growing demand for modernization, including by renewing of legacy systems to enhance corporate competitiveness and optimizing business processes. In particular, we will leverage our Xenlon-Shinryu Modernization Service to acquire new clients, mainly in financial sectors like leasing and insurance. By driving continuous IT optimization and improvement, we aim to expand our Strategic Partnership Business (SPB).

Building on the trust we have established with existing clients, we will also focus on co-creation initiatives to expand business relationships, as well as on improving efficiency and productivity through the use of generative AI and automation technologies.

Through these initiatives, we aim to steadily restore profitability and achieve sustainable, stable earnings growth.

## Industrial IT Business

Considers and leverages business and IT strategies and supports business progress using specialized business and operational know-how specific to industries other than finance.

### Message

By building on the solid trust we have established with our clients, along with the knowledge and track record gained from our broad client base, we will achieve steady business growth and improved profitability.



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

### 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.
- Continued steady investment in the digitalization of operations and client touchpoints amid a shrinking labor force.
- Impacts of geopolitical risks, resource price fluctuations, and protectionism require close monitoring, particularly in the manufacturing sector.

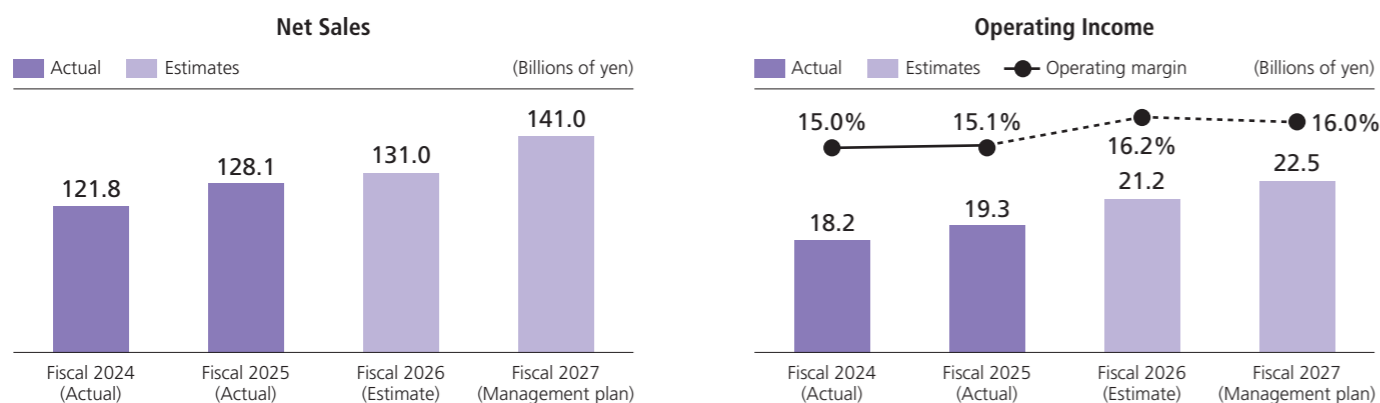
### Strengths

- 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)

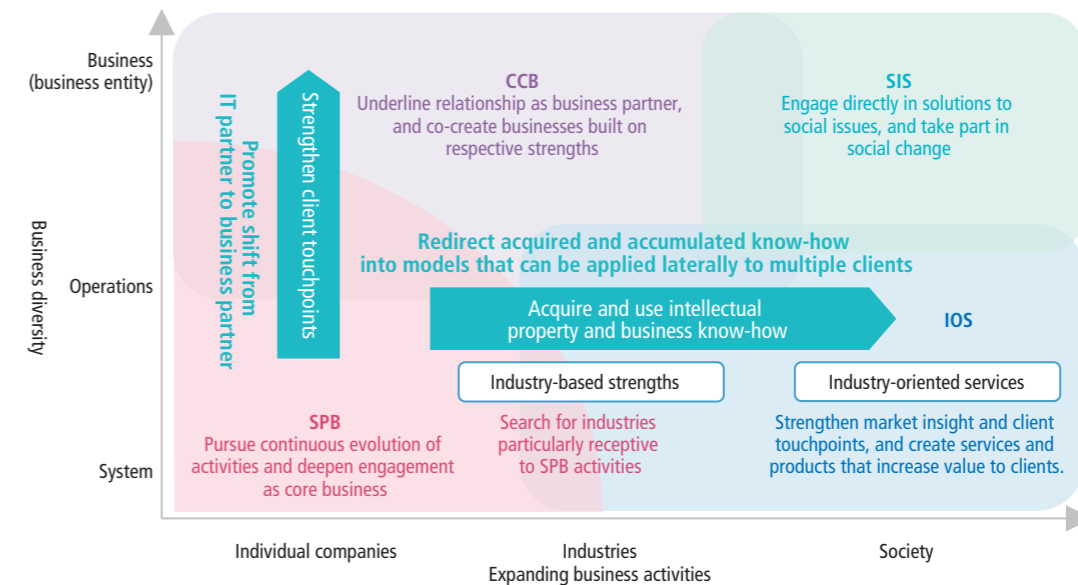
### Changes in Net Sales and Operating Income



### 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 touchpoints to create and develop new co-creation businesses, based on strategic partnerships



### Key points of Medium-Term Management Plan (2024–2026), 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.

### Q&A

#### Q1: How do you evaluate your performance in fiscal 2025?

By steadily responding to IT investment demand across a wide range of industries, including manufacturing, distribution, energy, and services, we achieved year-on-year growth in both sales and profit. Operating income fell slightly short of our target due to difficulties faced by some projects. Nevertheless, we continued to deepen client relationships and advance large-scale projects, including ERP and modernization, to keep our business on a growth trajectory. On the industry front, we are making steady progress in developing co-creation businesses that leverage the collective strengths of our Group. These include establishing joint ventures in the decarbonization and consumer goods distribution sectors and collaborating on modernization initiatives.

#### Q2: You have achieved continuous improvements in profit margins. What factors are driving this profitability, and do you expect further improvement?

Across the entire segment, we continue to pursue quality and productivity in the planning, development, implementation, and operation of clients' core business systems, thereby enhancing the value we deliver to them. We are also actively working to strengthen our talent base and expand partnerships, which form the foundation of these initiatives. I believe each of these efforts is steadily contributing to our results. We will continue strengthening our focus and activities on contributing to clients, while building deeper and more advanced relationships that include business co-creation. We also aim to leverage our business knowledge and intellectual property, grounded in experience and proven results, as strengths to further enhance client value. We believe that driving these initiatives forward and making steady progress will lead to further business growth and improved profitability.

## Regional IT Solutions

Provide extensive IT professional services, including at regional and client sites, while accumulating and deploying that expertise as solutions to support problem-solving and business advancement.

### Message

Leveraging our long-standing IT professional services and our solutions as dual strengths, we create new value for our clients.



### 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.
- Continued steady demand for migration to standard-compliant systems across municipalities nationwide.
- 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.

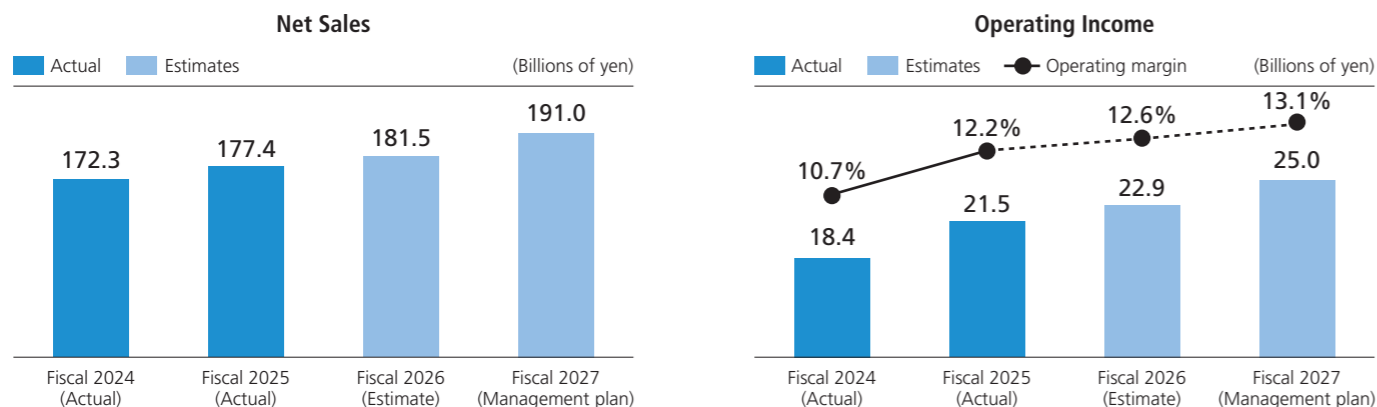
### Strengths

- 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 expand 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

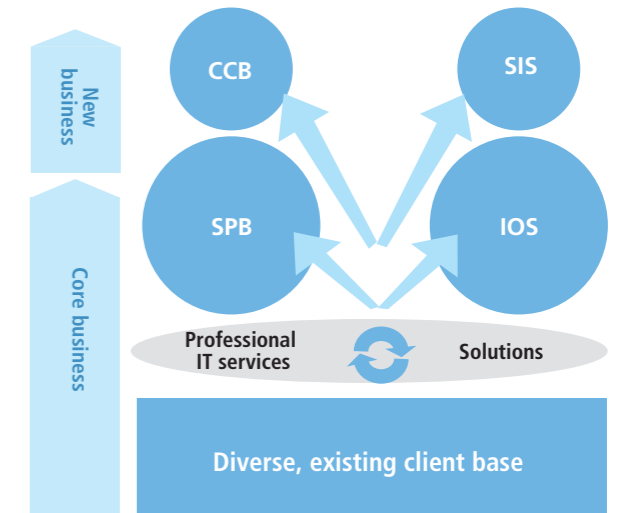
#### Basic direction

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 (2024–2026), and goals to achieve

- Establish a solid business foundation by further strengthening quality management to prevent projects from becoming unprofitable; review and improve quality management processes while implementing training programs aimed at enhancing employee skills; establish a system that actively incorporates feedback from clients; and raise profile as a trusted top brand known for quality through company-wide initiatives to improve quality.
- 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.

### Q&A

#### Q1: How do you evaluate your performance in fiscal 2025?

By steadily capturing the expanding IT investment demand across a wide range of areas, particularly municipal projects and life and non-life insurance, while curbing unprofitable projects that cause issues, we achieved year-on-year growth in both revenue and profit. Demand also exceeded expectations, enabling us to achieve our targets for sales and operating income. Furthermore, initiatives such as deepening relationships with strategic partners and strengthening the rollout of priority services are driving qualitative improvements in our earnings base. To further drive this growth, we will continue expanding new businesses in our core operations and in areas that address social issues while advancing quality management to higher levels.

#### Q2: Could you tell us about the distinctive strength of your regional IT solutions and the IT investment demand that will drive future growth?

The strength of our regional IT solutions lies in our broad client base spanning diverse industries and regions, as well as our large pool of engineers with the expertise to meet clients' needs. This enables us to respond flexibly and accurately to growing cross-industry demand for IT investment, achieving both the stability (being less affected by economic fluctuations) and the agility to expand into growth areas. Our dual strengths of IT professional services and solutions, built on years of experience, are the source of our competitiveness. By leveraging our business expertise, cultivated across a wide range of industries, while expanding solutions that incorporate advanced technologies like AI and automation—where demand has been rising in recent years—we aim to drive further growth in this segment.

## Corporate Governance Roundtable

TIS aims to achieve sustainable improvement in corporate value and is constantly working to enhance corporate governance. In this roundtable, the Chairman of the Board and two external directors delve into the status of measures to reinforce management capabilities through effective discussion and decision-making.



**Shoichi Tsumuraya**

Professor, Hitotsubashi University  
(Facilitator)

**Toru Kuwano**

Chairman and Director  
(Chairman of the Board of Directors)

**Naoko Mizukoshi**

External Director

**Junko Sunaga**

External Director

### Board of Directors' Mission and Current Status

**Q.** In your opinion, what is the mission of the Board of Directors, and what is the current status of the Board?

**Tsumuraya:** Let's start off with the current status of the Board of Directors. If the ideal destination of corporate governance—that is, the establishment of effective governance to increase corporate value—was the top of Mount Fuji, how far do you feel you have climbed?



**Kuwano:** The role of the Board of Directors is to improve corporate value from a whole group perspective. I am proud to say that corporate governance has evolved, at least to a certain degree, exemplified by steps to separate oversight and execution and by greater transparency in the decision-making process through the appointment of external directors to chair the Nomination Committee and the Compensation Committee, which are advisory bodies to the Board of Directors. I would have to say, though, that we've only just reached the fifth station, which is halfway up the mountain but the starting point of trails to the summit. Our focus so far has been on responding to the demands of society—predominantly through the Corporate Governance Code—and while there are many issues to address going forward, we have a pretty good idea what they are. It's like following a trail—still uphill—with signposts. That said, it's still up to us to travel that path all the way to the top. Continued growth in the rapidly changing IT industry requires an ability to identify and solve problems independently, and I believe circumstances will make it more difficult than ever to do exactly that.

**Mizukoshi:** When I was appointed as the first female external director on the TIS Board of Directors in 2018, the chairman also served as president. I think this created the heightened risk of discussions dominated by internal rationale. At the time, TIS probably wasn't even close to the fifth station. But reforms implemented since then have brought a dramatic

change in awareness, internally speaking, and I feel that TIS is probably somewhere around the sixth or seventh station now. There's still room for improvement, of course, in terms of the external director ratio and skills diversity, and some distance left to climb before TIS reaches peak Board of Director performance, no pun intended.

**Sunaga:** I would have to agree with Mr. Kuwano that TIS is only at the fifth station. When I assumed my position in 2024, the framework for Group Vision 2032 and Medium-Term Management Plan (2024–2026) were already set. But I wondered, could TIS really achieve its stated goals? The path forward is murky in places, and more discussion is necessary with the executive side at Board meetings. So yes, I'd say TIS is at the fifth station—halfway to the summit but only just getting into the real climb to the top.

### Atmosphere at Board Meetings and Effectiveness of the Board

**Q.** Describe the atmosphere at Board meetings. And what issues must be addressed to improve Board effectiveness?

**Tsumuraya:** How would you describe the atmosphere at TIS Board meetings?

**Mizukoshi:** Open. External directors can speak freely and in fact do. Our opinions are taken seriously, and I get the feeling that internal directors have become increasingly aware that ignoring the opinions of external directors, who reflect the perspectives of shareholders and other stakeholders, is itself a governance issue. That said, as noted in the evaluation of the effectiveness of the Board of Directors, I would like to see internal directors be more vocal.

**Kuwano:** One of the reasons internal directors may be reticent to speak up is that those who also hold an executive position don't fully appreciate the scope of their responsibilities and tend to comment as the head of their respective department instead of participating actively as a member of the team responsible for management of the entire TIS INTEC Group. It's somewhat inevitable, I guess, that internal directors will have a perspective that leans more toward the executive position, and we'll have to accept that. And so I'm wondering, to ensure suitably in-depth discussions, would it be better to increase the number of external directors or encourage internal directors to acquire a groupwide perspective?

**Sunaga:** I, too, get the impression that the Board of Directors welcomes comments and is serious about responding to issues. I feel the Board is extremely sound. I believe the Board as a whole listens with all sincerity to the opinions of external directors. Indeed, there were times when the executive team actually withdrew a proposal from the agenda after meetings where external directors voiced opposing views. Directors who also hold an executive position have the task of growing the businesses they are responsible for, and there may be times when such directors find it difficult to present their opinions for groupwide review. For this reason, I think it's all the more important to formulate and oversee a succession plan whereby the management team is selected by the Nomination Committee or some other structure.

**Tsumuraya:** I completely understand your point about the need to make internal directors more aware of their duties, as that would provide a more groupwide perspective to discussions, and I also agree that the appointment of directors conscious of their broader role is vital to this purpose.

### Capital Policy and Market Evaluation

**Q.** Does the Board of Directors discuss capital efficiency or only profit/loss issues? And how does the Board view the market's evaluation of TIS?

**Tsumuraya:** Enhanced capital efficiency is an inescapable theme because of heightened pressure on TIS to improve corporate value. Capital efficiency is important from a shareholder perspective, and so I wonder, is capital efficiency a frequent topic of discussion by the Board of Directors?

**Mizukoshi:** Of course it is. The Board used to focus on indicators of profit and loss, such as operating margin, but in the last two or three years, conversations have increasingly leaned toward capital efficiency as a key component of balance sheet management. Consequently, discussions that involve capital policy are common.

**Sunaga:** In dialogue with institutional investors, a great many questions target management indicators, such as ROE, and I feel the Board is giving a lot more attention to ROE as a key indicator of corporate performance.

**Mizukoshi:** The evolution of discussions can be broken down into three stages. Initially, the focus was on improving businesses with low operating margins and implementing structural reform. Then the focus expanded to include steps to boost return on assets (ROA), mainly by reducing strategic shareholdings and selling off unnecessary assets. Currently, discussions revolve around the content of dialogue with investors and reflect a deeper awareness of balance sheet management and capital costs.

**Kuwano:** I believe our capital policy is starting to gain a certain degree of market recognition. The problem, as I see it, is that we haven't described our growth strategy clearly enough and we haven't been able to sufficiently demonstrate to the outside world that progress toward stated goals is on track. Our recent PER is slightly lower than the industry average, which the market might interpret as indicative of a growth strategy that lacks a necessary element. PER lower than that of our competitors might also indicate that the path we are traveling is not as clear from an external perspective as it is to us. This is of course concerning to the Board of Directors, so we are preparing meeting agendas that allocate more time to discussions about growth strategy.



**Mizukoshi:** In an industry undergoing rapid change, the market is trying to determine whether TIS has a future, whether it can remain a company of choice. Enhanced governance is vital to corporate permanence amid industry evolution, but real growth is also essential. TIS still has difficulty getting the market to understand the corporate narrative on M&A activity, overseas strategy and building the business portfolio, but perhaps the content itself needs to be better defined.

**Kuwano:** We need to improve employee value because employees are the source that feeds corporate value. To boost profits while maintaining staffing levels, it's exceedingly important from a management efficiency perspective to grow our service-based businesses, invest in human resources, and build stronger relationships with partners. These are areas best addressed not by the executive team alone but rather through a wider effort that involves the Board of Directors in deciding what policies or approaches to adopt.

**Q. How is the issue of human capital management addressed?**

**Tsumuraya:** What kind of conversations do you have on human capital management to raise productivity and profitability per person?

**Sunaga:** The Medium-Term Management Plan (2024–2026) calls for robust investment to strengthen human capital. In Japan, more so than overseas, the emphasis is placed on hiring new graduates, and my impression is that there is sufficient discussion about human capital and that an appropriate amount is earmarked for investment, such as for education and better employee benefits, to boost the added value of human resources.

**Mizukoshi:** All companies struggle with placing the right people in the right positions, but TIS believes that developing leaders through its human resource strategy—and demonstrating this internally and externally—will also help retain excellent talent.

**Shareholder Dialogue and Assessment of Corporate Value**

**Q. What did you learn from your dialogue with institutional investors?**

**Tsumuraya:** I know you've been involved in conversations with institutional investors. What questions were you asked and were any particularly memorable?

**Mizukoshi:** A lot of questions targeted capital efficiency, which is a KPI that TIS has tapped in the Medium-Term Management Plan (2024–2026), but there were also questions about incentives as executive compensation and measures for monitoring the status of growth strategies. A comment that stayed with me was that TIS should increase its external director ratio, given the important role that external directors play in good corporate governance.



**Sunaga:** There was a lot of interest in TIS' approach to reaching its long-term target of 20% for ROE and some suggestions regarding better control of excess capital. The excess capital

there is one that the Group understands. Some companies overseas are able to increase their return on capital just by reducing equity capital, which is the ROE denominator, but business growth to increase profits, which is the ROE numerator, shouldn't be discounted. In addition, I believe being asset-light means disposing of unnecessary assets. However, in regard to core facilities, it was pointed out that TIS shifted from leasing, mainly for system operations, to ownership. I think it's best for the Company to hold on to these facilities right now out of its social responsibility to protect clients' information assets. This was communicated to institutional investors so that they would understand why TIS doesn't sell off the properties. The most important thing is to improve corporate capabilities, and on that basis, the Board must supervise the implementation of capital policies in a fair and flexible manner.

**Q. How do you think corporate value should be measured?**

**Tsumuraya:** In recent years, activist-driven takeovers and shareholder proposals have intensified in Japan. Against this backdrop, has the Board discussed target market capitalization that represents fair corporate value and market valuation?

**Mizukoshi:** It's only natural, from a shareholder's perspective, to expect the stock price to rise and market capitalization to increase. We understand that. We monitor market capitalization, but setting market capitalization as a direct target could trap the Company in short-term measures to boost stock price. Any such measure would require careful discussion. However, the most important aspect to maintain and then improve management stability while running a company conscious of stock price is, without a doubt, the ability to increase stock price along with healthy growth.

**Tsumuraya:** One of the conditions for preventing unforeseen situations would be for internal directors to understand the thinking that drives institutional investors, notably activists, to fixate on market capitalization, and to enhance financial literacy.

**Sunaga:** Financial literacy can be acquired through experience, and understanding the perspective of activists and other control-seeking investors can lead to enhanced governance. That said, external proposals are often crafted from a short-term perspective, so TIS must always remember that the fundamental principle of business is to achieve sustainable improvement in corporate value, in line with OUR PHILOSOPHY, the TIS INTEC Group's basic philosophy.

**Initiatives by Nomination and Compensation Committees, and Efforts to Reinforce Governance Going Forward**

**Q. Describe the initiatives undertaken by the Nomination and Compensation Committees and efforts to reinforce governance going forward.**

**Tsumuraya:** The Nomination and Compensation Committees fulfill a major role in shaping the Board of Directors. Ms. Mizukoshi, as an external director and recent chair of these committees up to fiscal 2025, what did you emphasize in running these committees?

**Mizukoshi:** One of the Nomination Committee's core missions is to formulate a succession plan. When considering who to recommend as the next person to fill the top management position, we look for candidates with leadership qualities and abilities conducive to success in this rapidly changing environment, and we emphasize selection through a transparent process. For external directors, we focus on diversity, and for internal directors, we assess candidates' capacity to contribute to development of the Group. The scope of our discussions goes beyond members of the Board of Directors to directors at Group companies and, in the case of core companies, executive officers as well. Most recently, the Compensation Committee revised the director compensation system, after a good year and a half thoroughly discussing the system, and increased the ratio for performance-linked compensation.

**Tsumuraya:** In terms of meeting frequency, the Nomination Committee met eight times and the Compensation Committee met six times in fiscal 2024, which was more often than at other companies.

**Mizukoshi:** That's right. When we're discussing important issues, such as changes to compensation and measures to fine-tune succession planning, we're bound to meet more often. We give important issues the amount of time and effort required to ensure an appropriate outcome.

**Sunaga:** At the same time, the agenda put forward to the Board of Directors underwent a review, and we allocate more time to discussions on key items pertaining to medium- to long-term growth. I think these efforts have helped enhance the Board's efficiency and the quality of discussions and eventual decision-making.



**Kuwano:** As chairman of the Board, I play a significant role, not only in running the meeting on the day but also in deciding which topics to discuss and ensuring that we don't fail to bring up important points that require input from the executive side. Points of particular importance to enhanced governance would include increasing the number of external directors, determining the number of internal directors who also hold executive positions and their respective scope of duties, and the positioning of non-executive internal directors like myself. The nomination and compensation committees address succession planning not only for top management but also for the executive ranks, and the process might present a few challenges since the conversations involve specific individuals. There are still many topics to discuss, which is one of the reasons why I said we are only at the halfway point to our corporate governance destination.

**Board of Directors' Role Going Forward, and Dialogue-Inspired Vision for the Future**

**Tsumuraya:** From what you have all said, I sense that governance at TIS is steadily evolving and that management has a strong desire to achieve sustainable improvement in corporate value. At the same time, I think you all accept the fact that governance practices could be enhanced further. Could you each offer your thoughts on how TIS should do that?

**Mizukoshi:** In the years since I became an external director, TIS has significantly strengthened the systems and mechanisms that support the Board of Directors. However, some aspects of the business portfolio and the vision for growth in each service domain remain unclear, and I feel the Board could do more to promote clarity. For about two years, I've been engaged in extensive discussions to take governance to the next level, and I'd like to see Board effectiveness improve along with enhanced governance.

**Sunaga:** First of all, achieving the KPIs in the Medium-Term Management Plan (2024–2026) is fundamental to fulfilling the expectations of shareholders. I'd like to apply insights gained through real dialogue with institutional investors to reinforce management capabilities and closely monitor the implementation status of growth strategies to increase TIS' practical value. Accordingly, the market's evaluation of TIS will improve along with expectations for growth into the future, and I'll have contributed to the underlying reasons for an increase in TIS' stock price.

**Kuwano:** When TIS and two other Group companies merged in 2011, with TIS as the surviving company, I was president and busy building the organization. Immediately after the merger, the issues before me were clear, and I worked diligently every day to address those issues. But a few years later, when everything had settled down, I remember thinking about what had to be done next and how to go about executing those next steps. That was where things got more challenging. As I mentioned at the beginning of this discussion, the same is true for improving corporate governance. Until now, what needed to be done was pretty obvious, but going forward, the path ahead isn't so clear-cut. Our journey will require us to think for ourselves about what we should do—essentially, carving our own path—and as Chairman, steering the Board of Directors through corporate seas, it's my duty to facilitate effective and constructive discussions that contribute to the sustainable growth and increased corporate value of TIS and, by extension, the whole TIS INTEC Group. Now is the time to take corporate governance to new heights.

**Tsumuraya:** I hope that today's discussion will fuel further progress in your corporate governance journey and in sustainable improvement in corporate value.



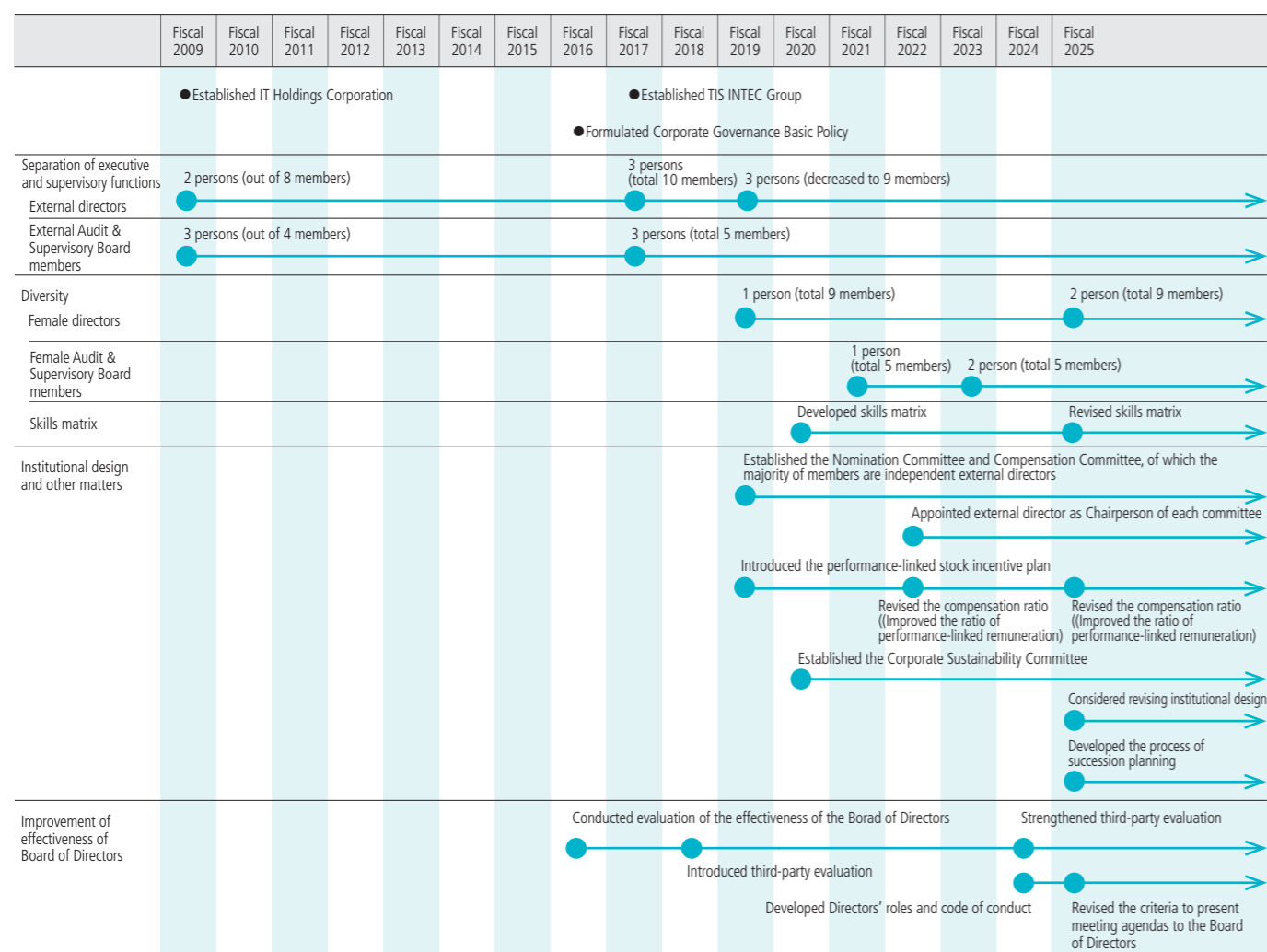
The Group seeks to enhance corporate governance and internal controls, which are its core areas of focus. The focus is also on promoting quality control and production innovations, essential for the business of information systems—a key social infrastructure—to function and steadily evolve, as well as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

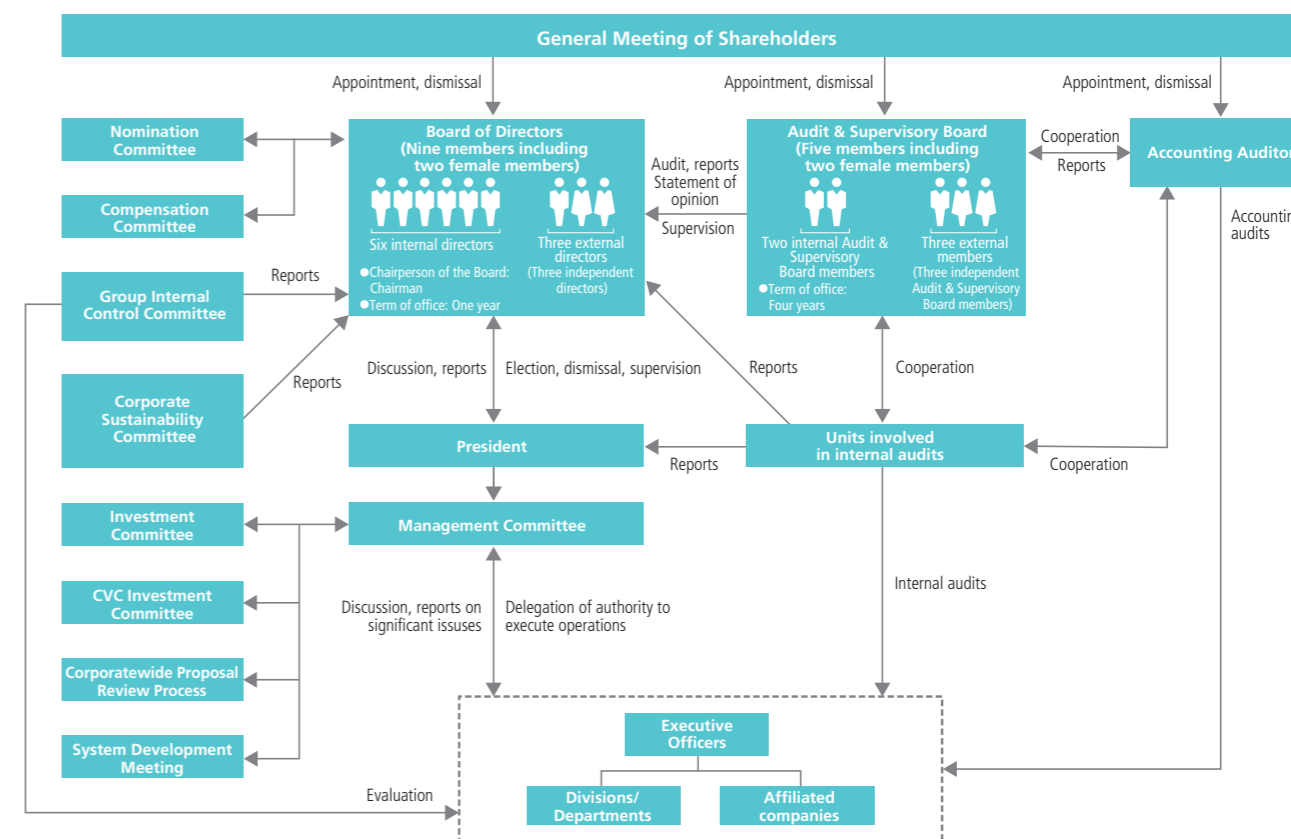
**Change of Initiatives to Strengthen Corporate Governance**



**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>

**Corporate Governance Structure**

















Board of Directors	Aims to foster a common understanding among members and to discuss and decide on major directions, such as our management vision, management strategy, and sustainability policy, in order to achieve sustainable enhancement of the Group's value, mindful of the responsibility that has been entrusted to it by shareholders.
Nomination Committee	An advisory body to the Board of Directors voluntarily established to ensure objectivity and transparency in the process nominating Directors and to further strengthen corporate governance.
Compensation Committee	An advisory body to the Board of Directors voluntarily established to ensure objectivity and transparency in the process of determining the remuneration of Directors and to further strengthen corporate governance.
Management Committee	A deliberation body with authority within the scope delegated by the Board of Directors aiming for sustainable growth and medium- to long-term improvement of corporate value through deliberation of important matters related to the execution of business activities by TIS and Group companies under delegation by the Board of Directors.
Group Internal Control Committee	A deliberation body for important matters related to internal controls of the entire Group, which reports its results to the Board of Directors through the Risk Management Dept.
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.

■ Board of Directors and Audit & Supervisory Board Members (As of June 24, 2025)

	Directors						Audit & Supervisory Board Members								
															
	Chairman	Representative Director, President	Representative Director, Executive Vice President	Director, Senior Managing Executive Officer	Director	Director		External Director Independent	External Director Independent	External Director Independent	Standing Audit & Supervisory Board Member	Standing Audit & Supervisory Board Member	Audit & Supervisory Board Member External/Independent	Audit & Supervisory Board Member External/Independent	Audit & Supervisory Board Member External/Independent
	Toru Kuwano	Yasushi Okamoto	Shinichi Horiguchi	Kiyotaka Nakamura	Shuzo Hikida	Akira Makado		Naoko Mizukoshi	Junko Sunaga	Mitsuhiro Furusawa	Makoto Tsujimoto	Hideki Kishimoto	Yukio Ono	Akiko Yamakawa	Hiroko Kudo
Date of birth	May 3, 1952	March 3, 1962	June 23, 1962	August 29, 1968	October 24, 1964	April 15, 1965		September 23, 1967	September 25, 1960	February 20, 1956	December 7, 1960	November 27, 1964	January 1, 1950	April 5, 1973	February 28, 1968
Cumulative term of office	12 years	7 years	2 years	—	2 years	—		7 years	1 year	—	2 years	1 year	5 years	5 years	3 years
Number of shares owned (thousand shares)	177	62	27	29	7	21		1	0	—	61	0	3	—	0
Attendance at meetings (●Chairperson)															
Board of Directors	●	○	○	○	○	○		○	○	○	○	○	○	○	○
Audit & Supervisory Board											●	○	○	○	○
Nomination Committee		○						○	●	○				○	
Compensation Committee		○						○	●	○				○	
Attendance/Number of meeting (Attendance rate) (fiscal 2025)															
Board of Directors (17)	17 (100%)	17 (100%)	17 (100%)	—	17 (100%)	—		16 (94.1%)	11 (100%)*	—	17 (100%)	11 (100%)*	16 (94.1%)	17 (100%)	17 (100%)
Audit & Supervisory Board (13)	—	—	—	—	—	—		—	—	—	13 (100%)	11 (100%)*	13 (100%)	13 (100%)	12 (92.3%)
Nomination Committee (8)	—	8 (100%)	—	—	—	—		8 (100%)	6 (100%)*	—	—	—	—	8 (100%)	—
Compensation Committee (4)	—	4 (100%)	—	—	—	—		4 (100%)	2 (100%)*	—	—	—	—	4 (100%)	—
Skills															
Corporate Management	●	●	●		●	●			●						
Industry Knowledge	●	●		●	●	●		●			●				●
Globalization				●					●	●		●	●	●	●
Intellectual Property, Technology and Innovation				●				●	●		●				●
Human Resources	●		●			●				●		●	●	●	
Finance/Accounting			●			●				●		●	●	●	
Legal Affairs/Risk Management		●			●			●		●	●	●	●	●	

\* Reflects attendance at meetings held after appointment on June 25, 2024.

■ Executive Officers (As of June 24, 2025)

Executive Vice President	Josaku Yanai	THANAWAT LERTWATTANARAK
Managing Executive Officer	Akira Ogane	Yoshiyuki Hayashi
	Satoru Tayasu	Reiko Oka
	Hidehiko Shimoyama	Tetsuya Yuzuri
	Tsuneyoshi Ito	Hiroyuki Kawai
	Kyoko Takayanagi	Yukino Fuchigami
	Isao Otokita	Kazuto Nakamura
	Ikuo Shimizu	Takashi Fujii
	Masakazu Kawamura	Kiichiro Sasaki
	Hidenori Yano	Sachio Yamada
	Kensaku Furusho	Ken Nakamura
	Masahiro Masumoto	
	Hidetoshi Tamakoshi	

Criteria that Ensures the Independence of External Officers

To strengthen the supervisory function of the Board of Directors, the Company established criteria that ensures the independence of external directors and external members of the Audit & Supervisory Board, in accordance with the requirements of the Companies Act and with reference to the rules of the Tokyo Stock Exchange. For details, please visit the following website.

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

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

## ■ Messages from Newly Appointed Directors

To ensure an effective corporate governance framework, our Board of Directors is composed of members with extensive management experience, deep insight, and a wide range of advanced expertise and capabilities. In this section, we introduce our newly appointed directors, highlighting how they intend to draw on their knowledge and experience to help enhance corporate value, along with their aspirations for the future.



**Kiyotaka Nakamura**  
Director, Senior Managing Executive Officer

April 1995	Joined Toyo Information Systems Co., Ltd. (now TIS Inc.)
April 2013	Executive Officer, Division Manager of the Enterprise Solutions & Services Division and General Manager of IT Solution Services SBU of the IT Strategic Consulting Service Dept.
April 2014	Executive Officer and General Manager of Planning Department, Corporate Division
July 2016	Executive Officer, Deputy Division Manager of Corporate Planning SBU, Department Manager of Corporate Planning Dept. and Section Manager of Executive Secretaries Office
April 2017	Executive Officer, Division Manager of the Financial & Payments Business SBU and Division Manager of the Solution of Payments Division
April 2018	Managing Executive Officer in charge of the Payment Services Division and the Financial Solutions & Services Division of the Service Strategy Sector, and Division Manager of the Payment Services Division
April 2021	Senior Managing Executive Officer, Division Director of the Digital Transformation Business Unit
April 2024	Senior Managing Executive Officer, General Manager of the Digital Innovation SBU
April 2025	Senior Managing Executive Officer in charge of Digital Innovation SBU, Business Innovation Div., Social Innovation Division, IT Platform SBU, Global Division, Technology & Innovation SBU, and General Manager of Business Innovation Division, Social Innovation Division, and Global Division
June 2025	Director, Senior Managing Executive Officer (to present)

### ■ We will transform challenges into growth by creating new value.

Amid rapidly changing conditions surrounding IT services and accelerating technological innovation, the Group must demonstrate an even greater capacity for embracing transformative challenges and creating value to achieve sustainable growth and enhance corporate value.

Up to now, I have worked to enhance customer-centric value through IT consulting services, the planning and development of industry-specific services, collaboration with business partners, and the operation of service platforms. Going forward, I will draw on my experience to fulfill my responsibilities for business growth as a segment owner while carrying out my duties as a director. From a company-wide and long-term perspective, I will monitor the evolution of our business portfolio and service framework. I am also committed to overseeing and supporting challenges that break away from conventional approaches. On key themes like developing talent, capturing growth in global markets, and creating services that address social issues, I will work to maximize the Group's synergies to drive sustainable growth.

As a director, I will remain mindful of the Group's overall direction and the soundness of its decision-making while ensuring effective governance grounded in frontline realities. In the process, I will help further enhance corporate value.



**Akira Makado**  
Director

April 1988	Joined INTEC Inc.
October 2005	Department Manager of Finance Department, INTEC Inc.
April 2012	Department Manager of Corporate Management Department, INTEC Inc.
April 2017	Executive Officer, Deputy General Manager of Corporate Planning Division and Department Manager of Corporate Management Department, INTEC Inc.
April 2018	Managing Executive Officer in charge of Corporate Planning Division, General Manager of Corporate Planning Division, INTEC Inc.
April 2019	Managing Executive Officer in charge of Corporate Planning Division and Group Company Management, General Manager of Corporate Planning Division, INTEC Inc.
April 2021	Senior Managing Executive Officer in charge of Corporate Planning Division and Group Company Management, General Manager of Corporate Planning Division, INTEC Inc.
April 2023	Director, Executive Vice President in charge of Corporate Planning Division, Group Company Management and Quality Management Innovation Division, INTEC Inc.
April 2024	Executive Vice President in charge of Overall Corporate Business, Corporate Management Division and Business Support Division, INTEC Inc. (to present)
June 2025	Director, TIS Inc. (to present)

### ■ We will build a corporate foundation that supports sustainable growth through upfront investments and strengthened governance.

The social environment surrounding the Group and its competitive landscape are changing every day. In this context, we are working to advance our Medium-Term Management Plan (2024–2026) with the aim of delivering sustainability management and realizing Group Vision 2032. To steadily achieve this plan, we need to proactively address technological innovations, including AI. We also must expand our system integration and platform services and make active investments to grow our service-based business. Drawing on my experience in the finance and corporate planning divisions, I will continue to advance growth investments with a focus on capital cost. This includes pursuing business investments through disciplined investment management and risk control. At the same time, I will strongly emphasize investments in our people, the driving force of our businesses. In addition to strengthening internal controls and promoting compliance management, I will work actively to reinforce Group governance from a medium- to long-term perspective.

Through these initiatives, I hope to foster the sustainable enhancement of corporate value across the entire Group.



**Mitsuhiro Furusawa**  
External Director

April 1979	Joined Ministry of Finance
July 1990	Deputy Director for Budget, Budget Bureau, Ministry of Finance
June 1991	Deputy Director of Division, International Bureau, Ministry of Finance
December 1997	Counsellor, Embassy of Japan in France
July 2002	Director for Budget, Budget Bureau, Ministry of Finance
July 2007	Minister, Embassy of Japan in the United States of America
July 2009	Senior Deputy Director-General of the International Bureau, Ministry of Finance
August 2010	Alternate Executive Director for Japan of the International Monetary Fund (IMF)
August 2012	Director-General of the Financial Bureau, Ministry of Finance
March 2013	Vice-Minister of Finance for International Affairs, Ministry of Finance
July 2014	Special Advisor to the Cabinet, Special Advisor to the Minister of Finance
March 2015	Deputy Managing Director, the International Monetary Fund (IMF)
December 2021	President, Institute for Global Financial Affairs, Sumitomo Mitsui Banking Corporation (to present)
June 2025	Director, TIS Inc. (to present)

### ■ In this time of new growth, I will contribute to the further enhancement of corporate value.

Uncertainty in the global economy is increasing, while advances in AI and other digital technologies are accelerating rapid social change. To achieve further growth in this environment, we must strengthen our business foundation more than ever. We also must establish a management structure that can quickly adapt to sudden shifts in market conditions.

Based on this recognition, the Group has taken a new step forward through the merger of core companies and the transition to a company with an Audit and Supervisory Committee. To further enhance corporate governance, we are strengthening the Board of Directors' audit function with the aim of increasing management transparency and objectivity.

At this juncture, I am truly honored to take on the important role of external director, and I do so with a strong sense of responsibility. I will draw on my experience in government and international organization management, as well as my insights as a member of Japan's APEC Business Advisory Council. From a global perspective, I will work to meet the expectations of stakeholders in Japan and abroad to help drive further enhancement of corporate value.

### Reasons for appointment of external directors

All directors and auditors are appointed in accordance with our company's policy. The reasons for appointing external directors, an area of particular interest to stakeholders, are outlined below.

<b>Naoko Mizukoshi</b>	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. Therefore, she was appointed as an External Director.
<b>Junko Sunaga</b>	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.
<b>Mitsuhiro Furusawa</b>	Having served as Vice-Minister of Finance for International Affairs and Deputy Managing Director of the International Monetary Fund (IMF), Mr. Furusawa has broad insight into fiscal and monetary policy as a government official and a global perspective gained as a senior executive at an international organization. He was appointed as an External Director based on the expectation that he will contribute to the enhancement of the corporate governance of the Company by giving advice and suggestions from an independent perspective to ensure that the decisions made by the Company's Board of Directors will be reasonable and appropriate.
<b>Yukio Ono</b>	Mr. Ono is a certified public accountant with specialized knowledge in finance and accounting, as well as extensive experience in corporate auditing, making him well-suited to strengthen our Group's audit framework. We believe he can leverage this expertise to appropriately perform the duties of an auditor, and he has therefore been appointed to the position of External Audit & Supervisory Board Member.
<b>Akiko Yamakawa</b>	After registering as an attorney, Ms. Yamakawa worked at a foreign-affiliated law firm, handling litigation for global companies. Accordingly, she is expected to provide effective oversight of the execution of our Group's global operations. We believe she can leverage this expertise to appropriately perform the duties of an auditor, and she has therefore been appointed to the position of External Audit & Supervisory Board Member.
<b>Hiroko Kudo</b>	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. She has been appointed as an External Audit & Supervisory Board Member with the expectation that she will provide effective oversight in enhancing the value of DX offerings to address social issues through our medium-term management plan, as well as in deepening and expanding global management.

## Overview of the Board of Directors and Its Activities

The Board of Directors, mindful of the responsibility that has been entrusted to it by shareholders, aims to foster a common understanding among members and to discuss and decide on major directions, such as our management vision, management strategy, and sustainability policy, in order to achieve sustainable enhancement of the Group's value.

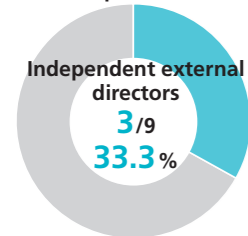
### Main Activities of the Board of Directors

In principle, the Board of Directors meets once a month, with additional extraordinary meetings and meetings to exchange opinions held as necessary to enable Directors to make swift and flexible decisions. TIS holds an information meeting once a year to present management direction as well as meetings ahead of Board of Directors' meetings—in principle, once a month—to give external directors and outside 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 provides support to ensure smooth and proactive discussions at Board of Directors meetings, including by holding informal meetings between external directors and the President, and between external directors and outside members of the Audit & Supervisory Board.

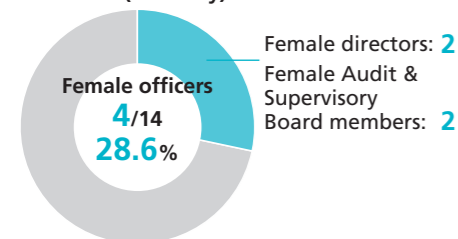
Main activities for the year ended March 31, 2025, were as follows.

Number of meetings held	Board of Directors' meetings	17	Meetings ahead of Board of Directors' meetings	20
	Information meetings to present business direction	1	Opinion exchange sessions/study sessions	9
Main topics (Year ended March 31, 2025)	Management strategy-related	<ul style="list-style-type: none"> <li>Progress of the Medium-Term Management Plan (2024–2026) and future policies</li> <li>Measures to improve the effectiveness of the Board of Directors</li> <li>Status of IR activities and future policies</li> <li>Progress of measures to improve engagement with stakeholders and future policies</li> <li>Progress of the Group's human resources strategies and future policies</li> <li>Progress of corporate sustainability and future policies</li> </ul>		
	Internal control, financial results, performance management	<ul style="list-style-type: none"> <li>Main findings of Group audit report and status of corrective actions, and future audit plan</li> <li>Current recognition of major risks and response status, and evaluation of the effectiveness of internal controls and measures for improvement</li> <li>Consideration of unprofitable large-scale projects and future policy to strengthen quality</li> <li>Report on results and prospects, variance analysis between budget and actual results for the previous year, and future policies</li> </ul>		
	Long-term strategic themes	<ul style="list-style-type: none"> <li>Status of sale/acquisition of shares and background information, and future policies</li> <li>Status of overseas businesses and future policies</li> <li>Current evaluation of financing and future policies</li> </ul>		

### Board of directors (Independence)

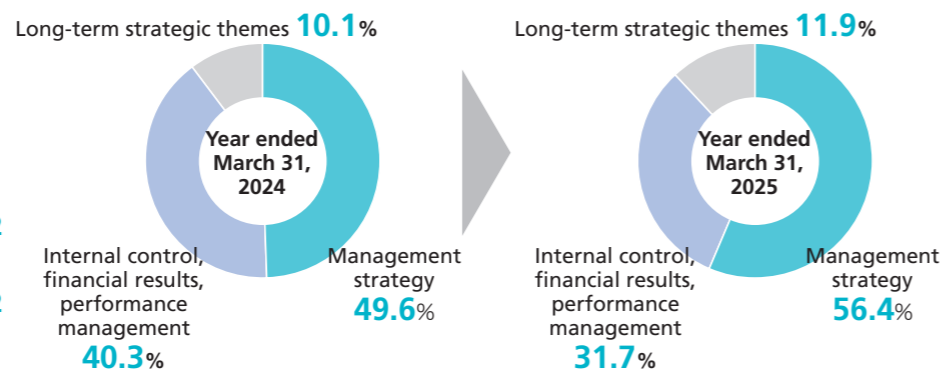


### Board of directors and Audit & Supervisory Board (Diversity)



### Breakdown of Contents of Meeting Agendas of the Board of Directors (for Resolution/Report), and Opinion Exchange Sessions

Discussions are held centered on major directions for the medium to long term, such as those concerning management strategy and sustainability policy. As a result of the review of the criteria to present meeting agendas to the Board of Directors, more discussions are held from a medium- to long-term perspective.



Discussions driven by medium- to long-term perspective (long-term strategic themes and management strategies) increased 8.6% year on year

### Holding of Opinion Exchange Sessions, Leading to Swift and Effective Decision-Making

The Company holds opinion exchange sessions where executive management shares information and consults with members of the Board on important matters related to management themes under consideration. Holding these sessions facilitates the airing of a wide range of viewpoints and effectively taps the knowledge of directors and Audit & Supervisory Board members when matters are still under consideration, thereby improving the quality of business decisions.

## Initiatives for Enhanced Corporate Governance

The Company proactively works on further enhancing corporate governance for sustainable creation of corporate value. Recent initiatives are listed below.

### Enhancement of Deliberations by the Board of Directors

In order to improve the monitoring function of the Board of Directors, TIS has worked on devising the best ways to (1) set meeting agendas and (2) conduct and enhance deliberations at Board of Directors meetings.

#### (1) Set meeting agendas

The criteria to present items for meeting agendas to the Board of Directors and the content of meeting agendas were reviewed to allow for more time to be spent on discussions of items important for medium- to long-term growth. These initiatives have improved the efficiency and sophistication of the Board of Directors meetings, resulting in more than half of meeting agendas being related to management strategy.

#### (2) Conduct deliberations

For enhanced effectiveness of discussions by the Board of Directors, the Company defined expected roles and a code of conduct for directors, and unified the recognition among directors, as well as clarified important themes and perspectives to be discussed by them.

### Initiatives to Deepen the Monitoring Function of the Board of Directors

#### (1) Monitoring the medium-term management plan

The Company's Board of Directors considers monitoring of the progress of Medium-Term Management Plan (2024–2026) Frontiers 2026 as greatly important. At quarterly meetings, the Board of Directors considers the plan at policy level, including whether there are any changes in assumptions of the plan policy due to either internal or external environmental changes, and identifies and discusses the progress of the plan, together with related issues and potential countermeasures.

#### (2) Conducting evaluation of reasoning behind measures for enhancement of management

Evaluation of management decision-making is conducted annually, in which the executive carries out self-assessment for key management indicators, including PBR and PER, and examines important themes, such as the composition of the business portfolio, financial strategies, and corporate governance under the supervision of the Board of Directors. Multifaceted and objective analysis of management soundness and the efficiency of management resource utilization leads to enhanced management capabilities.

## TOPICS

### Transition to a Company with an Audit and Supervisory Committee

#### 1. Initiatives to date

TIS, as a company with an Audit & Supervisory Board, has been working to enhance its corporate governance in order to achieve the sustainable growth of the Group and enhance its corporate value over the medium to long term by ensuring transparency and fairness in decision-making, fully and effectively utilizing management capital, enhancing the vitality of management through swift and accurate decision-making, and taking other appropriate measures.

#### 2. Objective and details of the transition

Its initiatives to date are evidence that the Company has determined that transitioning to a company with an Audit and Supervisory Committee is appropriate to further enhance corporate governance from a global perspective and to meet the expectations of stakeholders both in Japan and overseas.

By transitioning to a company with an Audit and Supervisory Committee, the Company aims to further clarify the separation of roles between oversight and execution, and to clarify the respective responsibilities of the Board of Directors and executive functions. This will enable greater delegation of authority to executive management and more agile decision-making. At the Board level, TIS is also promoting diversity in the qualifications, skills, and experience of directors, and strengthening the Board's oversight function by granting voting rights to directors who serve as Audit and Supervisory Committee Members. Through these efforts, the Company is improving the transparency and objectivity of its management structure. In terms of business execution, we will work to strengthen our management foundation in order to achieve more sophisticated group-wide management, growth in each business segment, and an enhanced global governance system.

## Evaluation of the Effectiveness of the Board of Directors

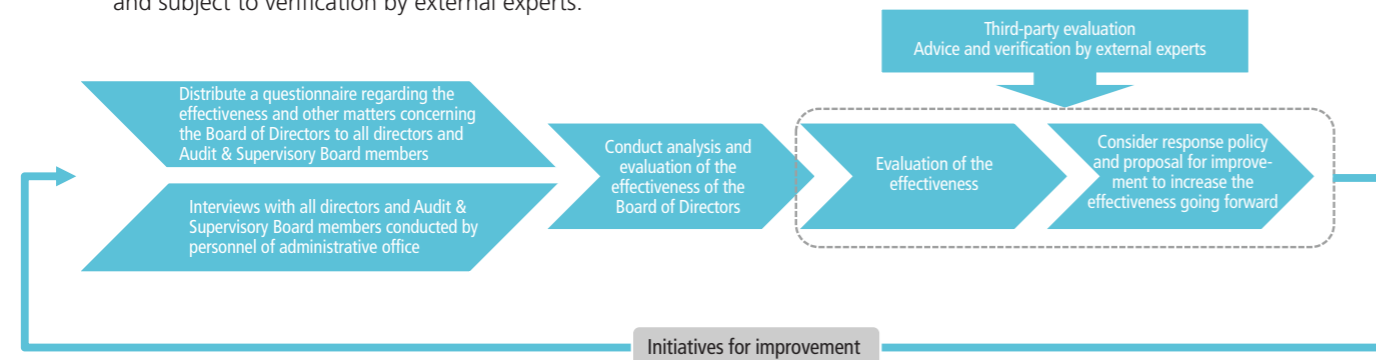
### Overview of Analysis and Evaluation of the Effectiveness of the Board of Directors

Since fiscal 2016, the Company has evaluated the effectiveness of the Board of Directors each fiscal year with the aim of leading it to initiatives to improve the Board's effectiveness. For the year ended March 31, 2025, evaluation was conducted on priority themes for enhanced corporate governance, in addition to the operations of the Board of Directors. An overview and the results of the evaluation, and the Company's response based on results are as follows.

#### ● Overview of Evaluation

People subject to evaluation: All directors and Audit & Supervisory Board members

Method: The Board of Directors carried out analysis and evaluation based on responses to questionnaires and in interviews, and considered policies and corrective actions for evaluation and future improvement of their effectiveness in light of advice from and subject to verification by external experts.



#### ● Evaluation Themes

Operation of the Board of Directors	Confirmed the appropriateness of following matters with a view to further enhancing its monitoring function. <ul style="list-style-type: none"> <li>• Agenda selection, perspectives for and frequency of monitoring</li> <li>• Frequency of/time required for meetings</li> <li>• Explanation of meeting agendas, materials provided and amount of information contained, and other matters.</li> </ul>
Priority Themes for Further Enhancing Corporate Governance	Confirmed both appropriateness and adequacy under the following themes: <ul style="list-style-type: none"> <li>• Board of Directors' supervisory functions</li> <li>• Expected roles for directors</li> <li>• Delegation of authority to the executive</li> <li>• Composition of the Board of Directors</li> <li>• Ideal state and effectiveness of advisory committees (Nomination/Compensation)</li> <li>• Coordination between the Board of Directors and auditing bodies</li> <li>• Dialogue with shareholders, and other matters.</li> </ul>

#### ● Results of Analysis and Evaluation of the Effectiveness of the Board of Directors

In the year ended March 31, 2025, the Board of Directors formulated an annual schedule and reviewed delegation of authority based on the issues, "developing meeting agendas as a monitoring model" and "defining the criteria for delegation of authority and expected roles for Directors," as areas of focus identified in the previous fiscal year. Results from questionnaires and interviews indicated that there was nothing lacking from initiatives for the appropriate operation of the Board of Directors and heightened corporate governance. On the other hand, the following points were identified as areas of focus to advance the evolution of the monitoring model for the Company's sustainable growth and medium- to long-term improvement of corporate value.

Operation of the Board of Directors	<ul style="list-style-type: none"> <li>• There is room for improvement in the regular monitoring of key strategies (business portfolio, M&amp;A, ERM, human resources, finances, etc.) based on the medium-term management plan, which is the basic policy that steers the Company.</li> <li>• External directors should be provided with more opportunities to receive information about the competitive environment and the latest technologies, both of which are necessary for them to deepen their understanding of the Company.</li> </ul>
Priority Themes for Further Enhanced Corporate Governance	<ul style="list-style-type: none"> <li>• Continue to further strengthen governance across the Group with regard to human capital, financial capital, and other capital related to management; and consider revising the composition of the Board of Directors (in terms of the balance of internal and external members and their diversity) to be more suitable for monitoring them.</li> <li>• Continue to verify and improve governance in terms of nomination.</li> </ul>

#### ● Responses Based on Analysis and Evaluation

In light of the results of evaluation for the year ended March 31, 2025, TIS will work on improving the effectiveness of the Board of Directors on an ongoing basis, by working systematically on the following initiatives.

Short-term initiatives	<ul style="list-style-type: none"> <li>• When considering the agenda for the Board of Directors meeting, clarify the targets of monitoring, review the items to be reported from the executive functions, and request and establish initiatives for business execution</li> <li>• Enhance the provision of information (changes in the business environment, technology trends, etc.) to external directors</li> </ul>
Medium- to long-term initiatives	<ul style="list-style-type: none"> <li>• Strengthening monitoring of key strategies based on the medium-term management plan</li> <li>• Review Board of Directors composition and skills matrix</li> <li>• Enhancement of nomination and remuneration governance (verification and enhancement of processes)</li> <li>• Strengthening business execution structure (further strengthening of governance across the Group)</li> </ul>

## Nomination Committee and Compensation Committee

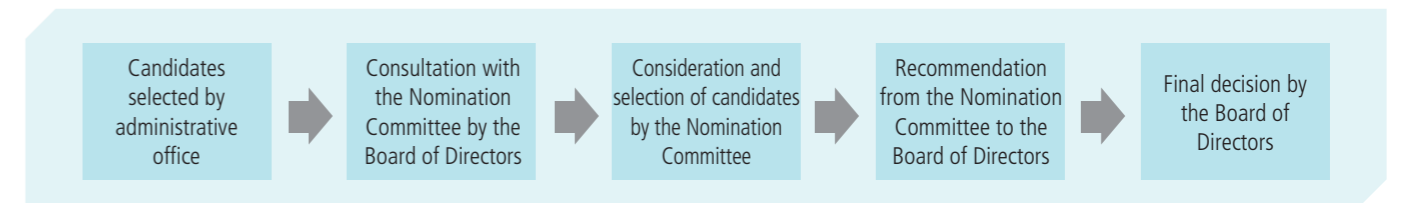
The Company has voluntarily established the Nomination Committee and the Compensation Committee as advisory bodies to the Board of Directors to ensure objectivity and transparency in the process of nominating directors and determining their remuneration, and to further strengthen corporate governance.

	Nomination Committee	Compensation Committee
Number of members	Five (three external directors, one Audit & Supervisory Board member, 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	
Main agenda items (Fiscal 2025)	<ul style="list-style-type: none"> <li>• Appointment and retirement of directors and important employees of the Company and Group companies</li> <li>• Successor nomination plan and process review</li> <li>• Review of the Nomination Committee's operating policy and tasks</li> </ul>	<ul style="list-style-type: none"> <li>• Performance evaluation related to remuneration for directors and executive officers</li> <li>• Verification of the appropriateness of the remuneration of the Company's directors and other officers by a research firm</li> <li>• Review of the Compensation Committee's operating policy and tasks</li> </ul>
Meetings held (Fiscal 2025)	Eight	Four

#### ● Policy and Procedures for Election, Dismissal, and Nomination of Directors (Board Succession)

In nominating candidates for directors, Audit & Supervisory Board members and executive officers, the Board of Directors will nominate persons with significant experience, a high level of insight and advanced specialization based on the Company's selection criteria that make them suitable as directors or Audit & Supervisory Board members. The aims are to realize effective corporate governance, contribute to the sustainable growth of the Group, enhance its medium- to long-term corporate value, all while also considering issues related to diversity, including gender, internationality, career stage 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 an appropriate 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 appropriate training opportunities. The training objectives are to provide an opportunity to acquire the requisite 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.

#### ● Process for Selection of the Next President (Succession Plan)

The Nomination Committee is largely responsible for the process of selecting the next President—evaluating candidates and reporting to the Board of Directors. TIS believes that transparency and objectivity in selecting the President is reasonably assured because the selection process is built around the active involvement of independent external directors, ensuring the Nomination Committee fulfils its supervisory functions appropriately. In addition, the Company selects and evaluates the candidates for the next President, not only by using multifaceted evaluation indicators, such as 360-degree feedback and business performance, but also by increasing exposure of these candidates to independent external directors, creating opportunities to better understand the qualifications and personal attributes of the candidates.

#### ● Activities of External Officers outside the Board of Directors and Committees

External directors and Audit & Supervisory Board members also conduct various activities outside the Board of Directors and committees using their wide range of skills and experiences. In the year ended March 31, 2025, external Director Naoko Mizukoshi participated in the quality forum for the Group's employees and business partners and gave a message for initiatives under Medium-Term Management Plan (2024–2026) by sharing her experience of "frontier development" in the process of building her career.



## Outline of Directors' Remuneration Policy

### Remuneration Policy

The basic policy on executive remuneration is to strengthen incentives for improving business performance through a remuneration system linked to corporate performance indicators. Remuneration is determined by a Board of Directors resolution based on consultation and recommendations from the Remuneration Committee, a voluntary advisory body to the Board of Directors comprising a majority of independent external directors.

### Remuneration System for Directors

The Company's director remuneration system consists of basic remuneration, performance-linked remuneration (short-term incentive) and a performance-linked stock incentive (long-term incentive). The type, calculation method and payment method are described below.

Name	Type	Calculation method	Payment method
Basic remuneration	Fixed remuneration	Based on responsibilities assigned to each position	Monthly payment
Performance-linked remuneration (Short-term incentive)	Monetary remuneration	<ul style="list-style-type: none"> <li>Companywide performance based on degree of success in achieving financial and non-financial indicators in previous fiscal year.</li> <li>If standard set at 100%, payment rate will vary between 0% and 150%.</li> <li>Individual performance-linked remuneration is based on standard remuneration framework for each position and contribution to business results</li> </ul>	Paid once a year based on evaluation of results achieved in previous fiscal year
Performance-linked stock incentive (Long-term incentive)	Variable remuneration (performance-linked) Non-monetary remuneration	<ul style="list-style-type: none"> <li>Company stock granted as performance-linked stock incentive, based on degree of success in achieving targets</li> <li>Relative total shareholder return (TSR) is set as indicator and calculated using performance-based coefficient determined three fiscal years after the applicable period begins (50% paid in cash equivalent to market value)</li> <li>Performance-linked coefficient will vary within range of 0% to 200%.</li> <li>Company stock calculated according to position and granted as performance-linked stock incentive</li> <li>Paid three fiscal years after the applicable period begins (50% paid in cash equivalent to the market value)</li> <li>Payment rate calculated as 50% of the 100% performance-linked stock incentive for each position</li> </ul>	Paid every three years *Payment rate is between 50% and 150%

### Remuneration Ratio by Position

Title		Basic remuneration	Performance-linked remuneration	Performance-linked stock incentive
Directors	President	50.0%	25.0%	25.0%
	Executive Vice President, Senior Managing Executive Officer	55.0%	22.5%	22.5%
	Managing Executive Officer, Executive Officer	60.0%	20.0%	20.0%
	Director (excluding Executive Officer)	100.0%	-	-
	External Director	100.0%	-	-
Audit & Supervisory Board Members		100.0%	-	-

Note: No performance-linked remuneration is paid to non-executive directors, external directors or members of the Audit & Supervisory Board because their role is to supervise and monitor the executive side, and as such, they receive only basic remuneration. Remuneration for auditors is decided through discussion among corporate auditors.

### 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.

### Calculating Remuneration Amount

#### 1) Basic remuneration

Basic remuneration is paid based on the importance of each role and the scope of responsibility delegated to each position.

#### 2) Performance-linked remuneration

Performance evaluation weighting according to position, corporate performance, organizational performance and individual performance are evaluated independently of each other, with the amount of remuneration determined according to the following formula.

$$\text{Individual performance-linked remuneration} = \text{Performance-linked remuneration by position} \times \left( \text{Corporate performance} \times \text{Corporate performance ratio by position} + \text{Department/team performance} \times \text{Evaluation ratio of performance department/team that position is responsible for} + \text{Individual evaluation} \times \text{Individual performance evaluation ratio by position} \right)$$

← Fluctuate within a range of 0% to 150% →
← Fluctuate within a range of 0% to 150% →
← Fluctuate within a range of 0% to 150% →

#### Corporate performance indicators and evaluation ratios

Evaluation of corporate performance looks at the Company's progress toward annual targets to encourage directors to reach intermediary short-term objectives. Corporate performance indicators are linked to key management indicators to motivate directors to reach stated targets in the medium-term management plan.

Notes: 1. TIS sets an internal target for each indicator above the amount disclosed, respectively, in the medium-term management plan and operates accordingly.

2. TIS sets targets and evaluates stakeholder satisfaction and governance based on internal evaluation standards.

Type	Indicators	Evaluation weighting	
Financial indicators	Consolidated net sales	25%	
	Consolidated operating income	25%	
	Consolidated EPS	25%	
Non-financial indicators	Dow Jones Sustainability Index score	5%	
	Stakeholder satisfaction	Job satisfaction among employees	5%
		Client satisfaction with services	5%
		Business partner satisfaction	5%
	Governance	5%	

#### 3) Performance-linked stock incentive

As remuneration for the execution of duties during the applicable period, TIS established an incentive plan that covers evaluation over three consecutive fiscal years. Of base points allocated to each position, 50% are performance-linked, awarded as Performance Stock Units (PSUs), and the remaining 50% are fixed, awarded as Restricted Stock Units (RSUs), with the amount of remuneration determined according to stock price increase and total shareholder return (TSR) over that three-year period.

### Remuneration for Directors and Audit & Supervisory Board Members (Year Ended March 31, 2025)

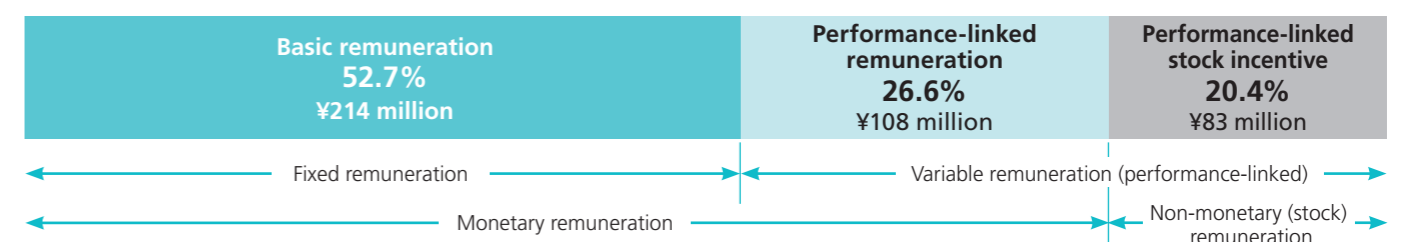
(Millions of yen)	Remuneration	Remuneration by type			Recipients (Number of people)
		Basic remuneration	Performance-linked remuneration	Performance-linked stock incentive	
Directors (excluding External Directors)	406	214	108	83	6
Audit & Supervisory Board Members (excluding External Auditors)	28	28	-	-	3
External Directors and External Auditors	61	61	-	-	7

Notes: 1. Basic remuneration and performance-linked remuneration are capped at ¥800 million per year for directors and ¥150 million per year for members of the Audit & Supervisory Board.

2. With regard to the performance-linked stock incentive, a maximum of ¥1,810 million (of which the Company will contribute ¥1,630 million) will be allocated to a trust set up for this purpose for each applicable period (three fiscal years), and the maximum number of Company shares to be delivered through the trust will be 230,000 shares (of which the Company will contribute 200,000 shares) per fiscal year.

3. There was no employee portion of salaries for directors who concurrently serve as employees in fiscal 2025. Also, there were no bonuses paid because the Company has not yet implemented a retirement benefit system for directors.

Reference: Composition of directors' remuneration (excludes external directors)



## Cross-Shareholdings

### 1. Criteria for and Approach to Categorizing Investment Shares

TIS classifies investment shares by purpose: pure investment shares acquired mainly for financial return; and cross-shareholdings mainly to strengthen strategic cooperation and enhance business relationships. The Company holds no shares for pure investment.

TIS will not, in principle, acquire domestically listed shares and has prioritized steps to reduce holdings of such shares as much as possible 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 such equity stakes 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, urban concentration and regional decline, low-carbon/decarbonization, and health concerns, 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 shares held because management deems such shareholdings to be beneficial to sustainable growth and higher medium- to long-term corporate value of the Group, the Board of Directors looks into the rationale behind each strategic shareholding every year. It is corporate policy that TIS reduce any

strategic shareholding with diminished significance, as identified through this annual review.

In verifying relevance, TIS categorizes shareholdings into two groups—capital alliance partners, and others (not included in the aforementioned category)—and applies a verification method appropriate to each category.

Please visit the following page for the details on the Company's verification methods.

[https://www.tis.com/group/sustainability/governance/governance/#anchor\\_06](https://www.tis.com/group/sustainability/governance/governance/#anchor_06)

TIS pursues reduction of strategic shareholdings in line with the aforementioned policy and corporate stance, and management seeks to push the ratio of strategic shareholdings to consolidated net assets below 10%.

### 2. Criteria for Exercising Voting Rights for Strategically Held Shares

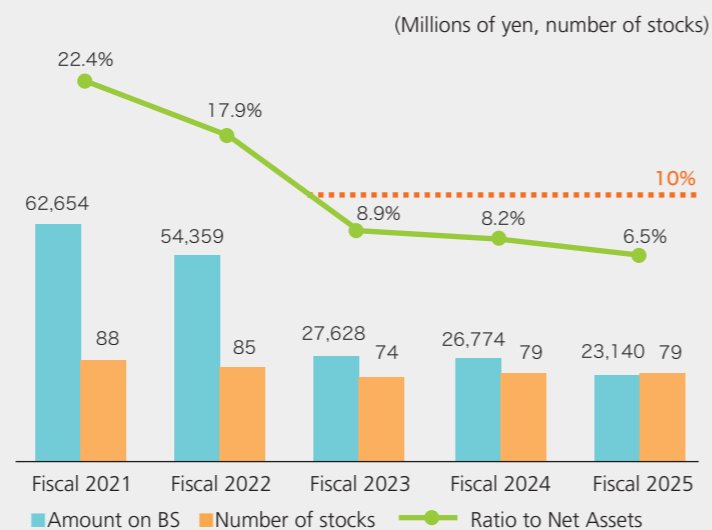
TIS appropriately exercises voting rights for the listed shares in its possession after comprehensively determining whether such action will contribute to the sustainable corporate growth and higher medium- to long-term corporate value of the TIS INTEC Group and the investment targets, taking into consideration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

### 3. Relationships with Strategic Shareholders

If strategic shareholders of TIS indicate an intention to sell their TIS shares, management will respond appropriately and without preventing such a sale. Moreover, management will not conduct transactions with strategic shareholders that lack economic rationale.

## Status of Cross-Shareholdings

TIS reduced 13 issues of shares held as strategic shareholdings, including nine issues sold in full. Due to fluctuations in market value in addition to the above-mentioned reduction, the amount recorded on the balance sheet as of March 31, 2025, decreased by ¥3.6 billion, to ¥23.1 billion. As a result, the above-mentioned percentage settled at 6.5%, as of March 31, 2025, down 1.7 percentage points year on year. The percentage excluding strategically held shares was 2.3%.



## Status of Audits

### 1. Audits Conducted by Audit & Supervisory Board Members

TIS is a company with an Audit & Supervisory Board. The Company's basic policy on audits is to ensure sound and sustainable growth of the Company and help maintain a good corporate governance system worthy of society's trust by auditing the execution of duties by directors as an independent body entrusted by shareholders.

The Company's Audit & Supervisory Board comprises five members (two full-time and three external). In addition, one person is assigned to assist Audit & Supervisory Board members and thus improve the effectiveness of audits and facilitate the auditing process. The person in this position receives instructions and orders from Audit & Supervisory Board members, and any personnel decisions related to the position are made with the consent of Audit & Supervisory Board members.

The Audit & Supervisory Board meets once a month, in principle, and may meet on an ad hoc basis whenever necessary.

An evaluation of the Audit & Supervisory Board's effectiveness has been carried out since the fiscal year ended March 31, 2023, to improve the effectiveness of audits by members of this board. Each Audit & Supervisory Board member evaluates effectiveness based on criteria determined by the Board and then the results are discussed at the board level. The Board confirmed that effectiveness was maintained at a set level in fiscal 2025 and that step to improve effectiveness are ongoing.

#### ● Status of Regular Audit Activities

The Audit & Supervisory Board regularly audits the execution of operations by directors, internal control systems, the execution of duties by the accounting auditor, and the status of compliance and risk management in accordance with policies and plans determined by the Board.

In addition, the Auditing Department reports on the results of its internal audits and shares opinions, as necessary.

#### ● Audit Priorities

Based on its audit plan, the Audit & Supervisory Board prioritized the following in fiscal 2025:

- Implementation status of strategies and measures under the medium-term management plan "Frontiers 2026," the first stage of the journey toward realization of Group Vision 2032 and a blueprint for improving quality across all value chains, starting with forward-looking market development and business domain expansion, based on a fundamental strategy of frontier development.
- Operational status of Group's risk management and compliance system.

### 2. Internal Audits

TIS conducts internal audits from an independent and objective standpoint to add value and improve operations from an organizational perspective. Basic matters regarding such aspects as internal audit definition, implementation standards and placement within the corporate structure are set out in Internal Audit Regulations.

The department responsible for internal audits (the Auditing Department) at TIS is staffed by 30 people. The department plans out internal audits for the entire TIS INTEC Group, monitors the status of internal auditing practices at subsidiaries and, for subsidiaries that do not have their own internal audit department, undertakes internal audits and provides vital advice and supervision. Each principal subsidiary has an internal audit department that performs internal audits of the company and any subsidiaries under that company and also supervises auditing processes.

In addition, the Auditing Department regularly holds meetings with the Audit & Supervisory Board and members of this board and with the accounting auditor to exchange opinions and share information on audit policies and results, as necessary. The department also coordinates activities with the Internal Control Supervision Department.

### 3. Accounting Audits

TIS engaged 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 Instruments and Exchange Act.

#### ● Key Audit Matters

##### Calculating estimated total cost associated with custom software development contracts

Estimated total cost is a key component in calculating revenues and provision for loss on orders in response to progress on software development, and the primary assumptions in estimated total cost are the labor hours and outsourcing costs likely to be incurred in the course of software development work. In software development, it is important to calculate estimated total cost because the labor hours and outsourcing costs required to complete a project may exceed the level initially anticipated. The primary assumptions used in this calculation involve management judgment and are subject to a high degree of uncertainty.

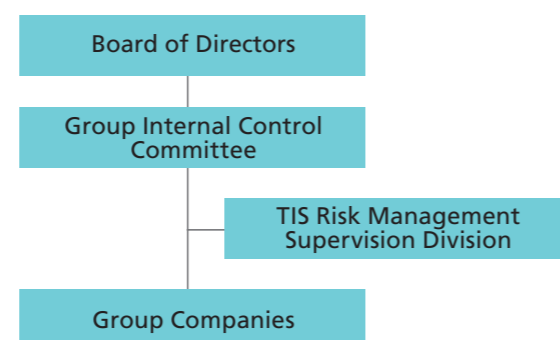
Accordingly, this factor was identified as a key audit issue.

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.

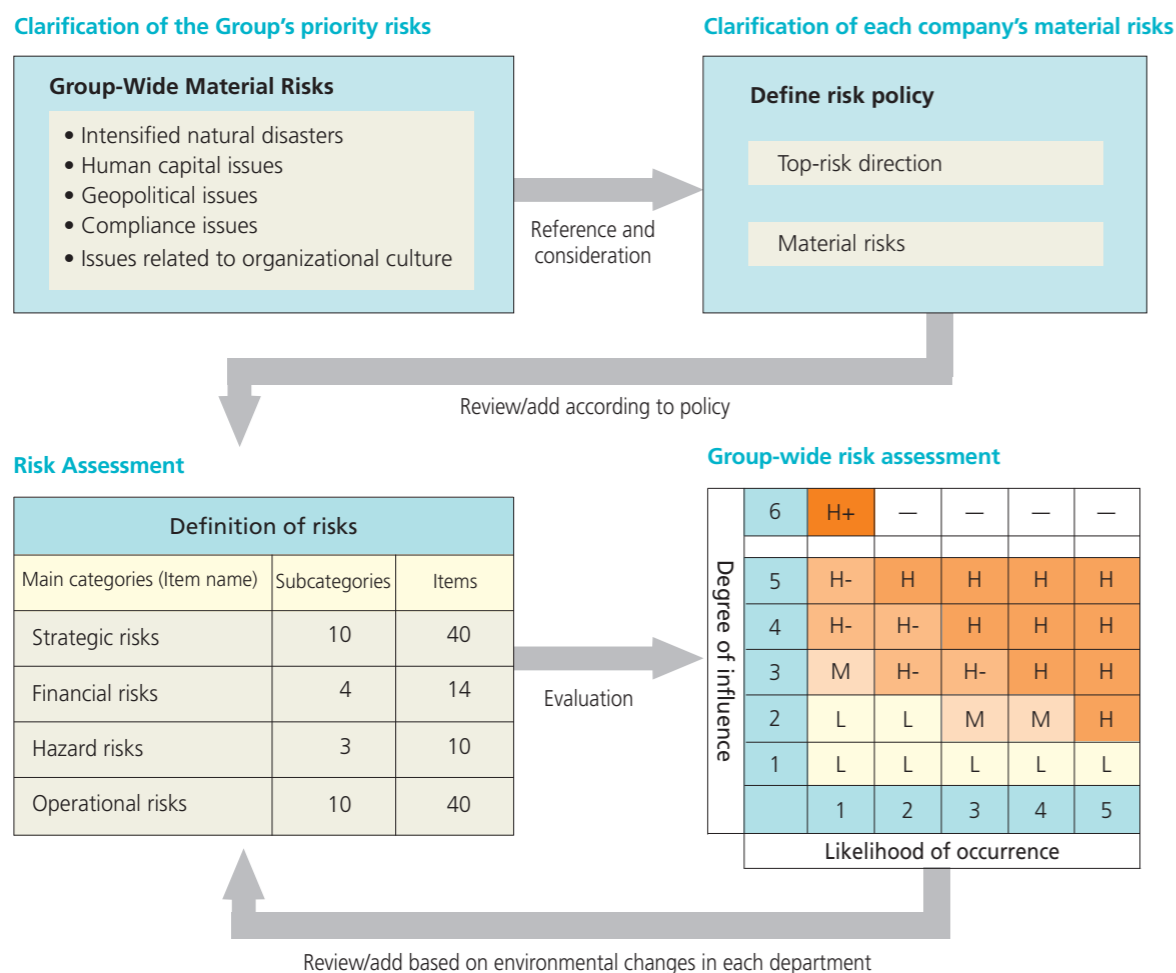
Risk Management Structure



**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>



**Understanding Group Risk**

TIS defines "risk" as "any factor that may hinder realization 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." Groupwide risks are classified into four categories. For details, including responses to individual risks, please refer to Risk Management\* on the Company website.

**Strategic risk**

Risk items	Overview of risk	Related page
Human resources	<ul style="list-style-type: none"> <li>High-quality human resources are not secured and developed according to plan.</li> <li>Productivity reduces, costs increase and employee engagement lowers.</li> </ul>	▶P49 Key Strategy of the Medium-Term Management Plan: Human Resources Strategies
Market and economic changes	<ul style="list-style-type: none"> <li>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.</li> <li>Foreign exchange loss due to rapid depreciation of the yen with economic changes</li> </ul>	▶P5 Top Message ▶P33 Medium-Term Management Plan (2024–2026) Overview
Investment	<ul style="list-style-type: none"> <li>The expected result or return cannot be obtained.</li> <li>Assets become obsolete.</li> <li>Misconduct or system failures by a corporate counterparty following an investment or M&amp;A transaction may result in a loss of credibility, brand damage and potentially lawsuits.</li> </ul>	▶P55 Financial Investment Strategy—Message from the Director in Charge of Finance
Overseas business	<ul style="list-style-type: none"> <li>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.</li> </ul>	▶P41 Key Strategy of the Medium-Term Management Plan: Global Strategies
Human rights	<ul style="list-style-type: none"> <li>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.</li> </ul>	▶P93 Risk Management—Dealing with Risks
Geopolitical risks	<ul style="list-style-type: none"> <li>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.</li> </ul>	▶P93 Risk Management—Dealing with Risks
Reputational risk	<ul style="list-style-type: none"> <li>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 clients or business partners.</li> </ul>	▶P91 Risk Management
Technological innovation	<ul style="list-style-type: none"> <li>Delayed response to technological innovation, especially in technologies related to generative AI, could significantly erode competitiveness.</li> </ul>	▶P45 Key Strategy of the Medium-Term Management Plan: Technology Strategies

**Financial risk**

Risk items	Overview of risk	Related page
Securities held	<ul style="list-style-type: none"> <li>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.</li> </ul>	▶P55 Financial Investment Strategy—Message from the Director in Charge of Finance ▶P89 Corporate Governance—Cross-Shareholdings

**Hazard risk**

Risk items	Overview of risk	Related page
Pandemics	<ul style="list-style-type: none"> <li>A sharp constriction of the productive activities of our employees and those of our business partners</li> </ul>	▶P93 Risk Management—Dealing with Risks
Natural disasters	<ul style="list-style-type: none"> <li>A large natural disaster results in an extended power outage that interrupts the smooth operation of data centers.</li> </ul>	▶P93 Risk Management—Dealing with Risks

**Operational risk**

Risk items	Overview of risk	Related page
System development	<ul style="list-style-type: none"> <li>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 client claims for damages.</li> <li>Tasks outsourced to business partners do not meet expectations for productivity or quality and smooth project management is not realized.</li> </ul>	▶P95 Quality Control ▶P101-102 Social and Related Capital
System operation	<ul style="list-style-type: none"> <li>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.</li> </ul>	▶P95 Quality Control
Information security	<ul style="list-style-type: none"> <li>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.</li> </ul>	▶P93 Risk Management—Dealing with Risks
Legal systems, compliance	<ul style="list-style-type: none"> <li>A law or regulation is contravened, or a new law or regulation is introduced.</li> </ul>	▶P93 Risk Management—Dealing with Risks
Intellectual property rights	<ul style="list-style-type: none"> <li>The Group is accused of infringing another company's intellectual property rights and presented with an injunction and a claim for damages.</li> </ul>	▶P43 Key Strategy of the Medium-Term Management Plan: Intellectual Property Strategies
Climate change	<ul style="list-style-type: none"> <li>The Group's energy costs are significantly impacted by fluctuations in demand for renewable energy.</li> <li>The Group's transition to renewable energy is delayed.</li> </ul>	▶P97 Natural Capital—For the Global Environment

**Compliance**

**Accountability Structure**

The President serves as the ultimate authority for the Group's compliance system, while the director responsible for compliance oversees confirmation, evaluation and promotion of improvement measures for compliance-related matters at TIS and across the Group.

**Initiatives to Reduce Risks**

● Message from the President about compliance

Every six months, TIS distributes a video message from the President to all officers and employees to raise compliance awareness throughout the Group and enhance recognition and trust in the whistleblower system.

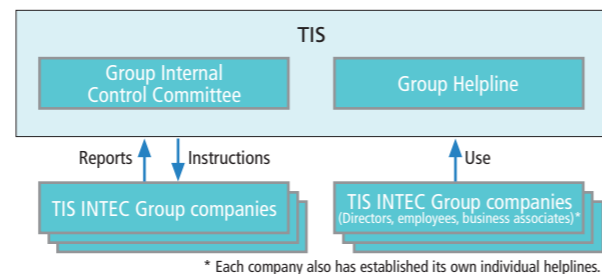
● Compliance Education

Once a year, TIS provides an e-learning opportunity for all officers and employees on compliance to deepen understanding of the Group Code of Conduct and remind everyone of the content.

● Helplines

In addition to individual helplines at each Group company, TIS maintains an internal helpline for use by the TIS INTEC Group as a whole and strives to prevent, detect and correct any misconduct at an early stage.

When a compliance-related issue arises within the Group, TIS sets up an investigation committee to identify the cause, implements counter-measures, and promotes resolution through measures to prevent recurrence.



For details on compliance promotion, please visit the following website.  
<https://www.tis.com/group/sustainability/governance/compliance/>

**Information Security and Personal Information Protection**

**Accountability Structure**

The President serves as the ultimate authority for information security management. The director responsible for information security management, is responsible for checking the status of information security management across the Group, evaluating its effectiveness and promoting improvement measures.

**Initiatives to Reduce Risk and Capitalize on Opportunities**

● Information Security Management System (ISMS) promotion structure

TIS established and operates a management system designed to address all information security risks on a groupwide basis.

● Ensuring Safe and Secure Systems for Business Use

TIS put in place mechanisms whereby the latest security technology trends and vulnerability information are promptly shared within the Group, and processes that deliver the necessary level of security are embedded in system building and operation to ensure that the completed systems meet stated needs.

● Personal Information Protection Initiatives

Based on the Group Personal Information Protection Policy, TIS established a management system to address the risk of compliance violations and formulated rules to handle personal information in accordance with the shared standards groupwide. In addition, TIS conducts risk response exercises, carries out education and training programs, and implements security measures based on common information security standards groupwide.

Furthermore, before TIS and other companies under the TIS INTEC Group umbrella collects personal information from clients, suppliers, business partners, shareholders and other stakeholders, the purpose of use is clearly stated, and the data is handled appropriately within the scope of the agreed purpose.



For details on information security and personal information protection, please visit the following website.  
<https://www.tis.com/group/sustainability/governance/security/>

**Business Continuity Plan (BCP)**

**Development of Initial Response**

To prepare for emergencies, including pandemics and natural disasters, each company under the TIS INTEC Group umbrella formulates a BCP initial response plan based on the following principles.

Ensuring safety	<ul style="list-style-type: none"> <li>Give top priority to ensuring and confirming the safety of officers and employees as well as their families, and visitors to corporate facilities.</li> <li>Understand the extent of casualties and damage to property at own company and prevent further casualties.</li> </ul>
Business continuity	<ul style="list-style-type: none"> <li>Maintain business management functions and thereby contribute to continuity of clients' businesses and keep client systems and services running as long as possible.</li> <li>Work to restore systems as soon as possible should an emergency cause system disruption.</li> </ul>
Intra-Group cooperation	<ul style="list-style-type: none"> <li>Build a framework to enable Group companies to cooperate and provide mutual support in the event of an emergency.</li> </ul>
Information disclosure/local contribution	<ul style="list-style-type: none"> <li>Disclose appropriate information to stakeholders.</li> <li>Fulfill responsibilities as a member of society through cooperation with and contribution to the local community.</li> <li>Make every effort to comply with laws and regulations even in times of emergency.</li> </ul>

**Establishing a BCP Disaster Response Headquarters**

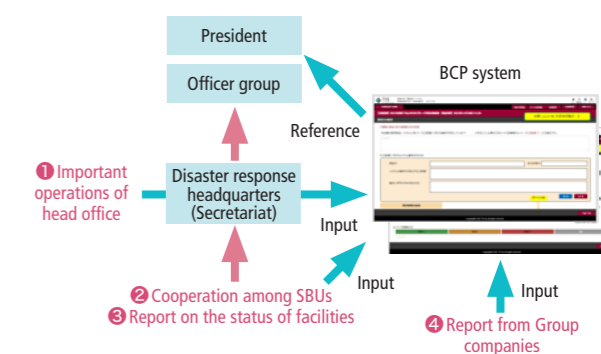
In the event of an emergency, the General Administration Dept., a division within the Corporate Management SBU, and the Human Resource SBU act as secretariat, set up a disaster response headquarters, and compile information on the entire Group in accordance with TIS' BCP initial response plan.

**Utilizing BCP Information Integration System**

TIS utilizes Bousaiz, a BCP information integration tool developed in-house, to centrally manage information-sharing groupwide.

For details on Bousaiz, please visit the following website.  
[https://www.tis.jp/special/platform\\_knowledge/bousaiz01/](https://www.tis.jp/special/platform_knowledge/bousaiz01/) (Japanese only)

Bousaiz Flowchart



**Human Rights**

**Promotion Structure**

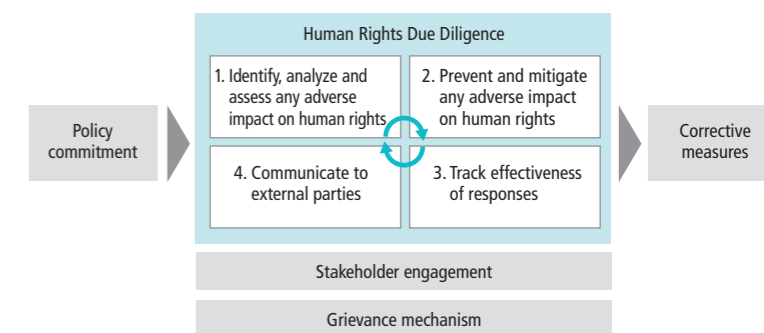
TIS recognizes that its own business activities as well as those of the Group may directly or indirectly have a negative impact on human rights. To underpin human rights management, the Company established a structure under which a human rights officer is appointed for each stakeholder group and for human rights due diligence, and the executive officer in charge of human rights has responsibility for human rights as a whole. Important matters related to human rights are decided on and resolved by the Board of Directors as necessary.

**Activities to Reduce Risk and Seize Opportunities**

● Implementing human rights due diligence

To address human rights issues affecting stakeholders throughout the value chain, TIS established a human rights due diligence system in line with the TIS INTEC Group Human Rights Policy, which is based on the United Nations Guiding Principles on Business and Human Rights.

Through human rights due diligence, TIS identifies potential human rights risks, develops and implements appropriate measures to address them, and regularly discloses progress and results. This approach underscores our commitment to preventing and mitigating adverse impacts on stakeholders' human rights arising from Company or Group business activities.



For details on human rights, please visit the following website.:  
[https://www.tis.com/group/sustainability/social/human\\_rights/](https://www.tis.com/group/sustainability/social/human_rights/)  
<https://www.tis.com/group/sustainability/social/hrdd/>

## Seek to Cement Status as "Top Brand Trusted for Quality"

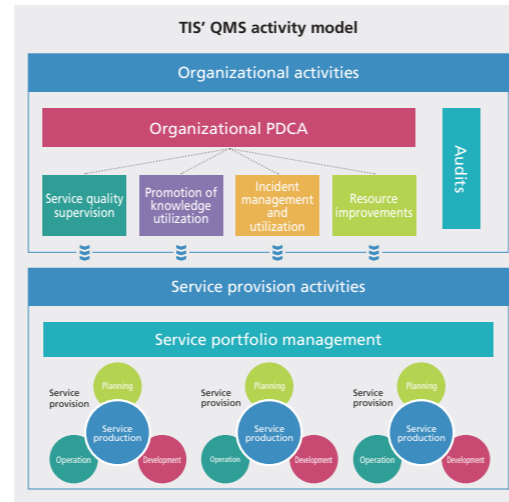
The TIS INTEC Group recognizes its social responsibility in managing information systems as a key part of social infrastructure. To deliver safe, reliable, and high-quality services, we remain flexible in adapting to evolving business models, solutions, development methods, and technologies, while continually striving for improved quality and ongoing innovation.

### Quality Management Framework

The TIS INTEC Group has developed a proprietary quality management system based on ISO 9001/IEC 20000-1 standards. Using the project management, service management and engineering processes, techniques and tools defined within the system, we adapt our approaches to suit each business model to ensure the delivery of optimal services to clients.

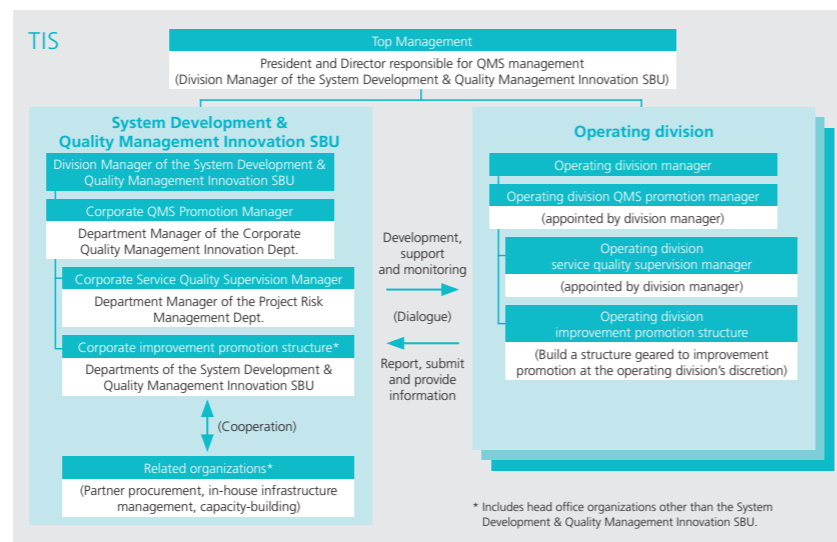
#### Organizational activities

- Organizational PDCA: Ongoing organizational improvement activities to improve the value of services
  - Service quality supervision: Activities to mitigate risks and support quality as an organization
  - Promotion of knowledge utilization: Activities to promote the use of knowledge at the organizational level
  - Incident management and utilization: Activities to prevent adverse incidents from happening and utilize the lessons learned for service improvements
  - Resource improvements: Activities to improve resources that support quality and lead to optimum quality
- #### Service provision activities
- Activities spanning the entire service lifecycle including ongoing improvement activities to meet client requests and ensure satisfaction



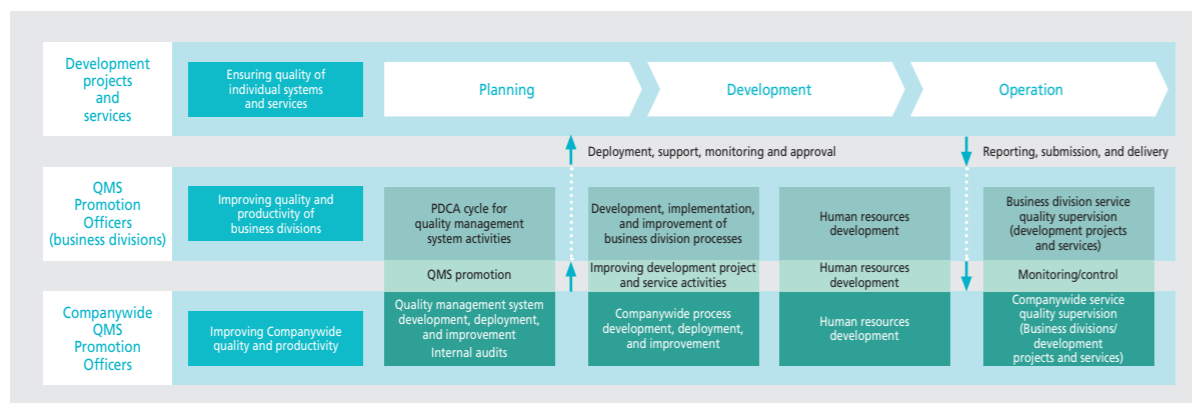
### Quality Management System (Groupwide)

Under the Company's Quality Management System (QMS), at the Company level we have appointed a corporate QMS Promotion Manager and corporate Service Quality Supervision Manager, while at the divisional level we appoint operating division QMS Promotion Managers and Service Quality Supervision Managers. The Company's System Development & Quality Management Innovation SBU takes the lead in close collaboration with each Group company to reduce risks and secure opportunities across the Group.



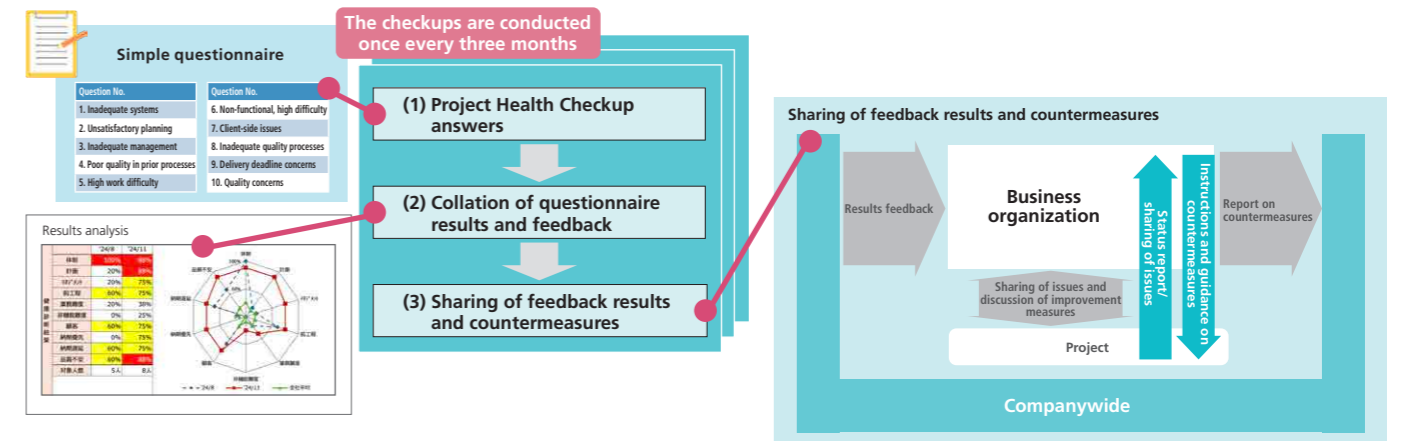
### Implementation System

Across the entire lifecycle—from planning through development to operation—the System Development & Quality Management Innovation SBU and operating divisions work together to enhance quality and productivity through a dual-layered approach. By conducting third-party evaluations of service delivery, identifying risks and issues, and driving corrective actions, we continuously strive to ensure and improve service quality.

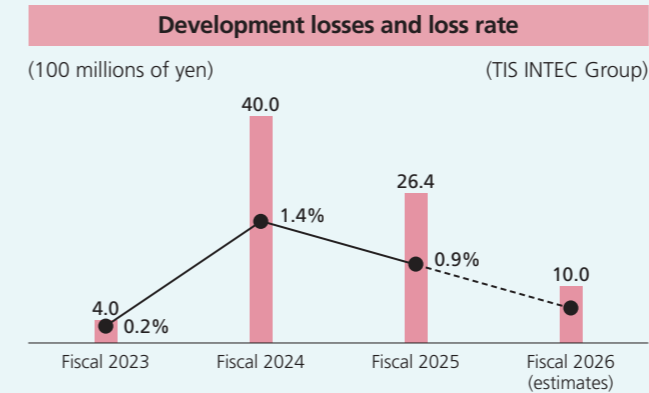


### "Project Health Checkups" visualizing risks based on frontline feedback

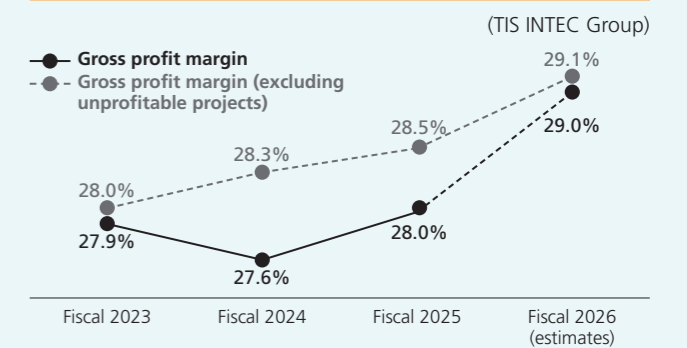
The TIS INTEC Group has implemented a Project Health Checkup system to strengthen project management practices. This initiative identifies potential risks that may not surface through standard quality control activities by gathering feedback from frontline project members. Using a simple questionnaire, concerns and issues raised in the field are collected, analyzed, and shared with the relevant divisions to enable early detection of problems and prevent unprofitable projects or other complications.



### Reduction of Development Losses



### Gross profit margin



We work to continually improve system development and service quality while avoiding major incidents and unprofitable projects, aiming to be a trusted leading brand whose quality speaks for itself across the Group.

#### Kyoko Takayanagi

TIS Managing Executive Officer, Division Manager of System Development & Quality Management Innovation SBU, QMS administration officer

### Q1. A number of underperforming projects have emerged. What steps are being taken to prevent those occurrences in the future?

Due to the increasingly diverse and complex needs of society and clients, the factors that lead to unprofitable projects have also become a complex interplay of various elements, but most unprofitable projects are impacted by activities during planning and upstream processes, such as overly optimistic projections at the time of planning, or inadequate definition of requirements. Many development projects span multiple years, and with the aim of eliminating unprofitable projects in the future, we are strengthening practices for the third-party evaluation of project plans and expert review of requirement definitions.

The capabilities of project managers who formulate and execute plans is another key factor. We are laying the groundwork for future quality improvements with measures to cultivate personnel, including the assignment of mentors for managers dealing with highly difficult projects, and the setup of communities enabling managers to exchange information with one another. Through these initiatives, we aim to further instill a quality management mindset, prevent unprofitable projects from developing, and make ongoing quality improvements.

### Q2. Tell us about the future direction of quality control.

Looking ahead, we anticipate significant progress in automating and streamlining processes from design through testing using generative AI. This will require us to re-examine our development processes and redesign quality assessment criteria and metrics. We must shift from traditional human-led checks to quality control approaches that account for the unique characteristics of AI output, paving the way for new AI-driven quality assurance systems enhanced by human oversight.

At the same time, we have begun applying AI to project management as well as engineering. Beyond automating tasks such as progress and budget management, we expect AI to play an increasingly predictive role, leveraging the Group's extensive development experience and expertise to drive greater efficiency and accuracy in the future.

### 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 clients' 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



As a significant measure to combat climate change, the TIS INTEC Group has switched to renewable energy at its data centers, which account for roughly 80% of its electricity usage, and also reduced and consolidated its facilities. As a result, Scope 1+2 emissions in the fiscal year ended March 31, 2025, were reduced by around 65% compared with the base year. We have also stepped up engagement to reduce Scope 3 emissions through briefing sessions for business partners. In recognition of these efforts, we were selected as an A List company, the highest rating, in the CDP's climate change category.

#### Main Activities and Achievements on Climate Change

年度	Fiscal 2022	Fiscal 2023	Fiscal 2024	Fiscal 2025
Main activities and achievements	<ul style="list-style-type: none"> <li>Aug. 2021 SBT certification at 2°C level</li> <li>Dec. 2021 Start of renewable energy introduction</li> <li>Jan. 2022 Disclosure in accordance with TCFD</li> </ul>	<ul style="list-style-type: none"> <li>Dec. 2022 Carbon neutrality declaration</li> </ul>	<ul style="list-style-type: none"> <li>April 2023 Renewable energy usage rate of 100% at four main data centers</li> <li>Jun. 2023 Obtained SBT certification at 1.5°C level</li> </ul>	<ul style="list-style-type: none"> <li>Feb. 2025 Received CDP A rating</li> </ul>

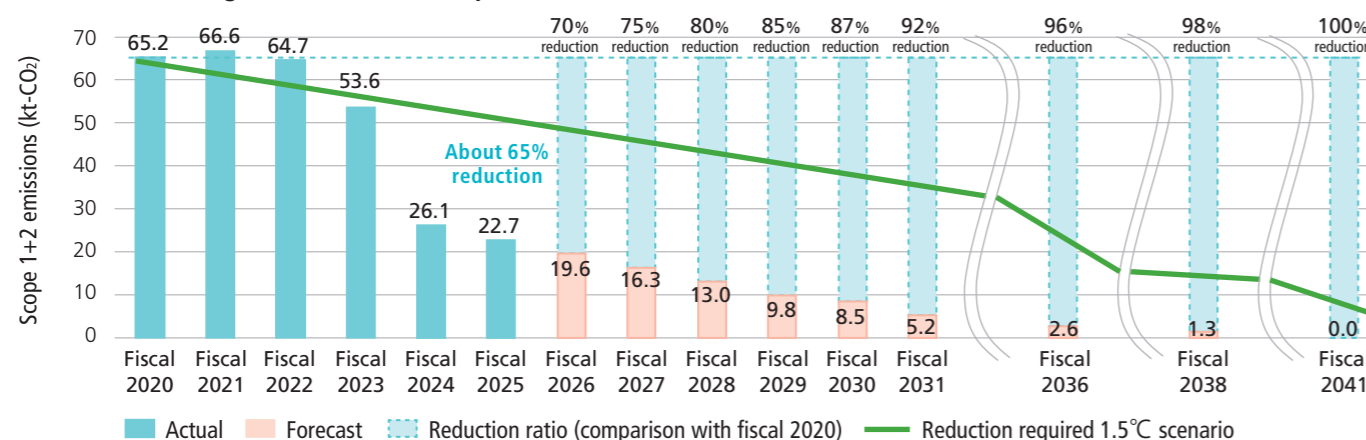
#### Evaluations from External Parties

CDP score	B (Management level)	A- (Leadership level)	A- (Leadership level)	A (Leadership level)

As a specific transition plan to achieve our targets, we have formulated a transition plan for Scope 1 and 2 GHG reduction targets and performance trends, and aim to make steady progress toward achieving the plan.

#### GHG reduction targets and results in Scopes 1 and 2

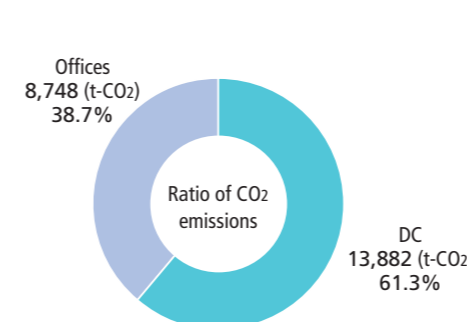
Scope: TIS and all consolidated companies as of March 31, 2025



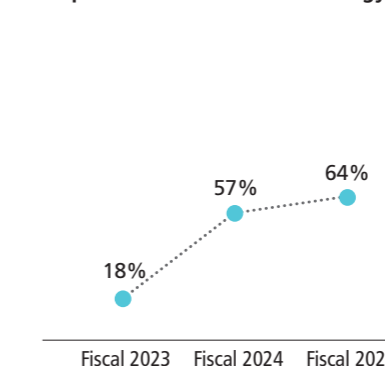
#### Initiatives to achieve the Group's GHG reduction targets

As of the fiscal year ended March 31, 2025, roughly 60% of the Group's GHG emissions are attributable to the use of electricity at data centers. Given this, we have stepped up initiatives focused on electricity usage at data centers to achieve carbon neutrality. In particular, through progressive use of renewable energy and improve energy efficiency, with a focus on air conditioning equipment, we have driven reductions in Scope 1 and Scope 2 emissions.

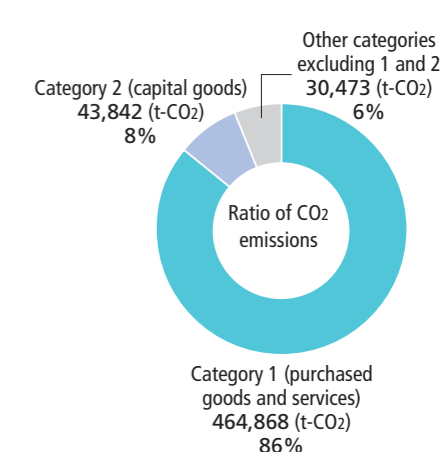
#### Percentage of Scopes 1 and 2 at datacenters (Fiscal 2025)



#### Adoption rate of renewable energy



#### Percentage in Scope 3 by category (Fiscal 2025)



#### Promoting the introduction of renewable energy at data centers and offices

At the four main data centers maintained by the Group (Tokyo No. 4 Data Center and Osaka Data Centers Nos. 2 through 4), we have switched to 100% renewable electric energy usage, expanding the overall renewable energy adoption rate in the fiscal year ended March 31, 2025, to about 64%. In addition, in January 2024 we began purchasing electricity through an off-site corporate PPA\* utilizing a newly constructed solar power plant, mainly supplying the INTEC Toyama area. Going forward, we will continue to implement measures, including PPAs, while continuing to increase the use of renewable energy, with the aim of achieving 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.

#### Other initiatives

At our data centers and offices, we are promoting other initiatives such as the use of natural light, installation of small-scale solar power generation, and rooftop greening. We are committed to achieving carbon neutrality by prioritizing procurement practices that minimize environmental impact while maintaining stable and cost-effective pricing. These efforts will take into account evolving market conditions, including changes in social expectations, government policies, and energy industry trends. Additionally, we aim to develop environmentally sustainable data centers and office environments to further reduce our carbon footprint.



**As part of our commitment to carbon neutrality, we aim to help create a net-zero emissions society. We will continue to support the development of a sustainable future through initiatives addressing global environmental challenges, including climate change and biodiversity loss.**

#### Tsuneyoshi Ito

TIS Managing Executive Officer, Division Manager of Corporate Management SBU, Environmental Promotion Officer

#### Q1. What is the status of efforts to reduce Scope 3 emissions?

Reducing Scope 3 emissions requires close collaboration across the entire supply chain, including our business partners. While some areas are still in the early stages, our first step has been to survey partners on their GHG emissions to better understand the current situation. We have also begun fostering awareness of net-zero emissions by organizing workshops to deepen understanding of the issue. Going forward, we will continue strengthening engagement and dialogue to build momentum for emissions reductions across the supply chain and turn this into concrete action.

#### Q2. What is the status of initiatives to address natural capital (biodiversity)?

While the Group's business activities have limited direct impact on natural capital (or biodiversity), we recognize that our operations are interconnected with it in various ways. To better understand these relationships, we have conducted analyses and assessments of both our dependence on and impact on nature, following the framework of the Task Force on Nature-Related Financial Disclosures (TNFD). At present, we have not identified any significant risks to our business model arising from these factors. However, we will continue to monitor potential risks and maintain a close watch on our relationship with natural capital.

For information about TNFD, please visit the following webpage.  
<https://www.tis.com/group/sustainability/environment/tnfd/>

## Information Disclosure in Line with TCFD Recommendations

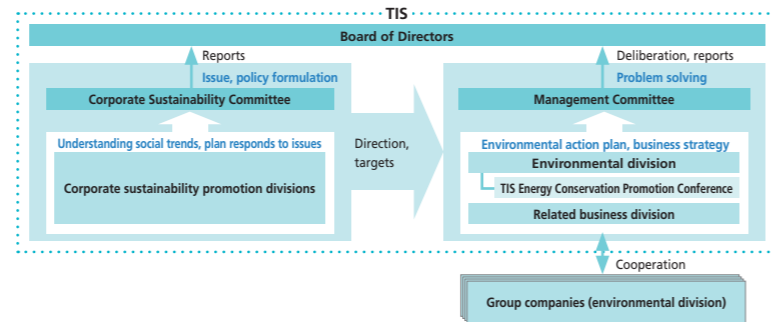
Among the global environmental challenges we face, action on climate change is of increasing importance, and the TIS INTEC Group has positioned this as a key management issue. This section describes the status of initiatives being pursued by the Group in line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).



### Governance

Our policy on climate change is evaluated under our corporate sustainability management system as one of our sustainability-related challenges.

Please refer to page 27 for details about our corporate sustainability management system.



### Strategy

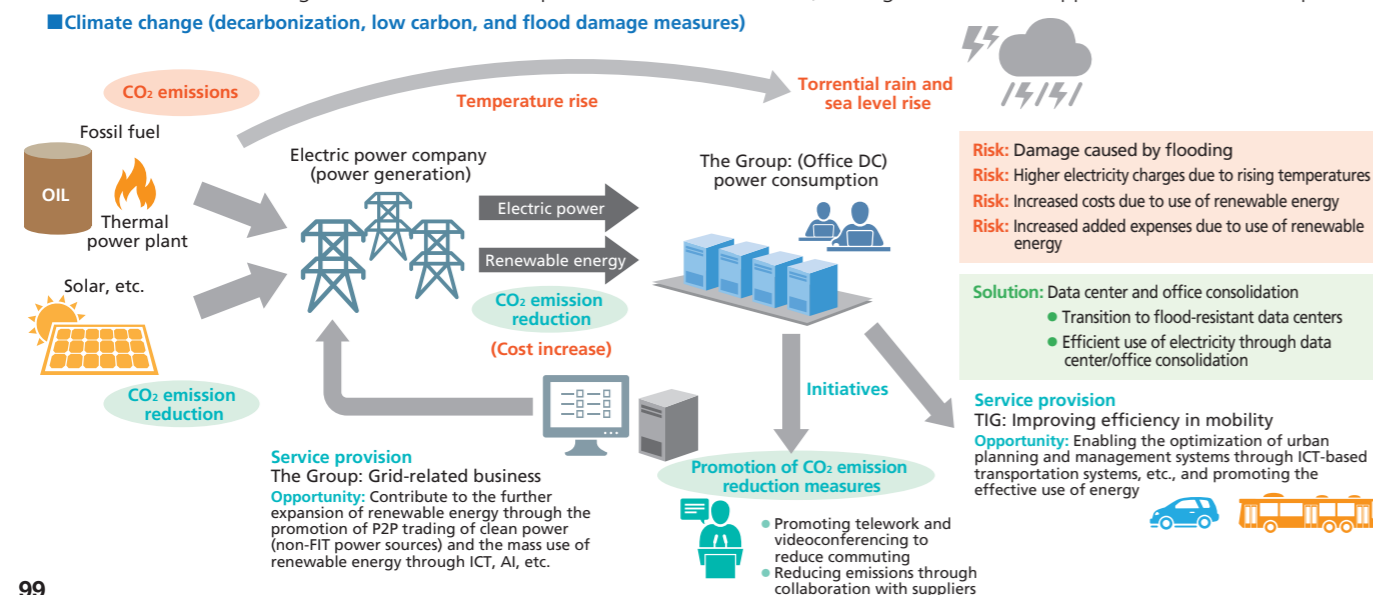
#### Scenario analysis

Using scientific evidence, including Representative Concentration Pathways (RCPs) for climate change, we developed scenarios based on both the 1.5°C and 4°C pathways and identified the associated risk factors for each.

Scenario (reference scenario)	1.5°C Scenario (SSP1-1.9 + IEA NZE2050)	4°C Scenario (SSP5-8.5)
Worldview	<ul style="list-style-type: none"> <li>Assuming a future where Japanese and overseas organizations coordinate efficiently to create a sustainable society in which environmental protection and economic growth work in harmony, limiting global warming to 1.5°C</li> </ul>	<ul style="list-style-type: none"> <li>Assuming a future where fossil fuel-based energy supply remains abundant, but environmental impacts and the depletion of natural resources become serious issues, and temperature increases surpass 4°C</li> <li>A world in which the impacts of climate change pose significant risks to people's daily lives</li> </ul>
Policy and regulations	<ul style="list-style-type: none"> <li>Each country cooperates in accordance with the Paris Agreement, setting strict emission reduction targets</li> <li>GHG emissions are reduced approx. 40% compared with the 2019 levels by 2030, and achieve net-zero by 2050</li> <li>Carbon taxes of \$140 in 2030 and \$250 in 2050 are set in developed nations to encourage emission reductions</li> </ul>	(With insufficient international efforts to reduce GHG emissions,) <ul style="list-style-type: none"> <li>GHG emissions continue to increase, and may reach three times their current levels by 2100</li> </ul>
Society	<ul style="list-style-type: none"> <li>Renewable energy as a percentage of total energy supply sources surpasses 90% by 2050</li> <li>The global average temperature is very likely to be 1.0–1.8°C higher 2081–2100 compared with 1850–1900</li> <li>By 2100, the global average sea level is very likely to rise by 0.28–0.5m compared with 1995–2014</li> </ul>	<ul style="list-style-type: none"> <li>Reliance on fossil fuels will continue.</li> <li>The global average temperature is very likely to be 3.3–5.7°C higher 2081–2100 compared with 1850–1900</li> <li>By 2100, the global average sea level is very likely to rise by 0.63–1.01m compared with 1995–2014</li> <li>Compared with the 1.5°C scenario, it is predicted that tropical and extratropical cyclones will intensify, and that river flooding will increase in frequency</li> </ul>
Economy/Technology	<ul style="list-style-type: none"> <li>Due to a major shift in sources of electricity supply, investment in clean energy technologies is expected to reach \$4 trillion annually by 2050</li> <li>With the electrification of energy advancing, investment in the expansion and modernization of power generating facilities and electrical grids is expected to increase considerably, reaching \$800 billion a year by 2030</li> </ul>	<ul style="list-style-type: none"> <li>Much energy demand will continue to rely on fossil fuels, and investment in alternative energy technologies will remain low</li> </ul>

### 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

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.

Scenario	Category	Risk factors	Risk category	Data centers	Offices	Anticipated risks	Period (Note 1)			Measures implemented (Note 2)	
							Short term	Medium term	Long term	Financial impact (¥ millions)	Impacts (Note 3)
1.5°C	Risk	Progress in GHG emissions pricing Strengthening of reporting obligations Enhancement of energy efficiency policies	Regulations	○	○	Increases in adoption costs of carbon tax	—	○	○	470	Moderate
			Policies	○	○	Increases costs due to the tightening of local ordinances related to GHG emissions	—	○	○	4	Negligible
		Changes in consumer behavior toward decarbonization (Changes in stakeholder evaluations)	Reputation	○	○	Migration to other data centers perceived to have a lower environmental impact	—	○	○	2,810	Major
		Changes in the energy mix	Markets	○	○	Increases costs due to renewable energy surcharges	○	○	○	66	Minor
4°C	Risk	Increase in average temperatures Increased severity and frequency of extreme weather events, such as cyclones and floods	Physical Acute	○	○	Client attrition and revenue decline due to operational shutdowns	—	○	○	88	Minor
			Physical Acute/chronic	○	○	Increases cooling costs for data centers due to extreme weather (rising temperatures)	—	○	○	54	Minor

Notes: 1. Anticipated period for risk materialization  
 Short term: 1–3 years; Medium-term: Up to March 2031; Long term: Up to March 2051  
 2. Financial impact in fiscal year ending March 2031 assuming measures equivalent to those implemented by fiscal year ended March 2025 are maintained and no additional mitigation measures are taken  
 3. Maximum annual financial impact of anticipated countermeasure costs or damages in event of risk materialization  
 Negligible: Up to ¥10 million; Minor: ¥10–100 million; Moderate: ¥100 million–¥1 billion; Major: ¥1–10 billion; Extreme: ¥10 billion or higher

### Climate-related opportunities

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

Scenario	Category	Opportunities	Period (Note 1)			Responses of the Company and the TIS INTEC Group
			Short term	Medium term	Long term	
1.5°C	Opportunities	Increased opportunities to provide data centers and cloud services compatible with low- and zero-carbon initiatives	○	○	○	By increasing the share of renewable energy and improving energy efficiency at our data centers, we aim to expand opportunities to provide data center services. Our current target is to achieve a 100% renewable energy ratio at our data centers by March 31, 2031. (At TIS, we are also working to consolidate operations into environmentally friendly data centers, with a goal of achieving a 100% renewable energy adoption rate by March 31, 2026.)
		Growing demand for system upgrades driven by power companies' environmental improvements and redesign of power infrastructure	○	○	○	Leveraging our operational expertise, gained through over 30 years of business with energy companies, we are contributing indirectly to the decarbonization of power infrastructure and energy providers by supporting the DX of their power generation, transmission, and distribution operations, as well as system upgrades in response to regulatory changes.
		Growing opportunities to provide IT services and solutions that address emerging climate-related needs	○	○	○	To establish this as a future strength, we are developing and planning a range of IT services that leverage digital technologies through forward-looking investments and collaboration/co-creation with stakeholders. We are also rolling out solutions, such as VPP services and non-financial information reference and verification services for corporations, while actively pursuing business opportunities related to new technologies, such as environmental value trading and transfer demonstration projects.

Note: Anticipated period for opportunity materialization  
 Short term: 1–3 years; Medium-term: Up to March 2031; Long term: Up to March 2051

### Resilience

Under the 4°C scenario, natural disaster risks are expected to increase, but the financial impact on the Group would be minimal, and we determine that business continuity (resilience) would be ensured. However, under the 1.5°C scenario, we envision risks of reduced social credibility and clients defections due to delayed action, resulting in a large financial impact, making it necessary to implement risk mitigation measures based on metrics and targets. We have confirmed that implementing risk countermeasures can vastly reduce the financial impact, and will advance our resilience by continuing to implement such countermeasures going forward.

### Risk Management

The TIS INTEC Group conducted simulations for its data center business—closely linked to climate change—using the projected scale of operations for the fiscal year ending March 31, 2031. Based on these results, the TIS Energy Conservation Promotion Conference evaluates the financial impact of each identified risk. Moving forward, we will continue to strengthen risk management through regular reviews of both risk items and their associated financial impacts.

### Metrics and Targets

TIS uses groupwide GHG 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.

—With Clients For details, go to <https://www.tis.com/group/sustainability/social/customer/>

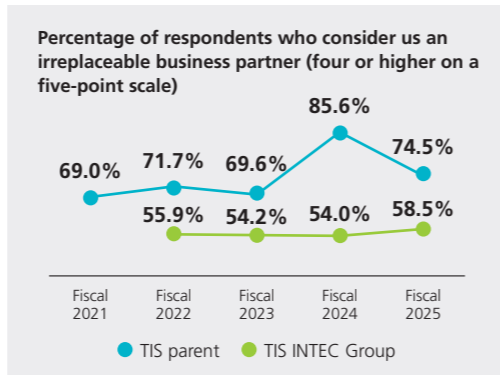
■ TIS INTEC Group Business Summit

Each year, we hold the TIS INTEC Group Business Summit as a forum for introducing services and initiatives leveraging advanced technologies and expertise for the realization of a sustainable digital society. The most recent event, in July 2025, featured a keynote speech by Shinji Koshikawa, the president and representative director of Cross-River Co., Ltd. TIS curated a five-session program of 30 presentations and showcased 38 solutions by Group companies. We will continue to facilitate communication with clients so that we can provide support with a view to solving the issues they face and, beyond this, issues that society is facing.



■ Client Satisfaction Survey

We constantly monitor client satisfaction and strive to improve it further, underpinned by continuous efforts to create value based on the relationships of trust we have with our clients. As part of these efforts, we conduct an annual Client Satisfaction Survey of clients with whom we have an ongoing business relationship. It helps us understand their views on the quality of our services and the value we provide in an objective manner and gives us insight for further improvements. Going forward, we will continue to closely analyze client feedback and requests and implement effective initiatives across the Group to improve client satisfaction and create value tailored to client needs.



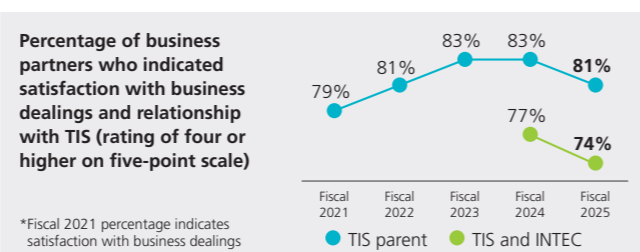
—With Business Partners For details, go to [https://www.tis.com/group/sustainability/social/business\\_partners/](https://www.tis.com/group/sustainability/social/business_partners/)

■ TIS Business Partner Forum

Collaboration with business partners is essential for growing operations in our business portfolio, and we hold an annual networking event for business partners to improve value exchange and deepen co-creation relationships. Going forward, we will maintain our approach to business development and improve client satisfaction by encouraging opportunities for collaboration with Group companies through interaction with business partners that builds closer relationships of trust.

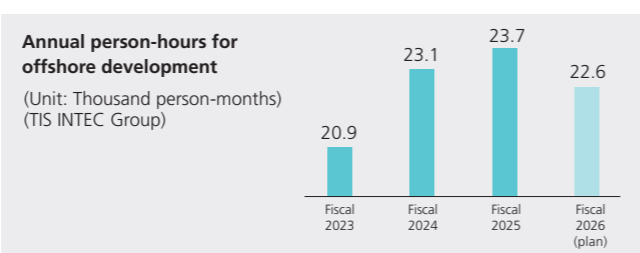
■ Business Partner Satisfaction Survey

We conduct an annual Business Partner Satisfaction Survey to gather feedback about changes in the operating environment, trends in guidelines and pricing structures, as well as the degree to which our business partners are satisfied with us. Responses to this survey enable us to understand our business partners' expectations and the issues they face. We use this feedback to enhance our operations and thereby improve business partner satisfaction.



■ Collaboration with Overseas Partners

For many years, we have worked with overseas partner companies to help grow our businesses. We are reinforcing our relationships with several leading local IT companies in Asia, and maintain regular communication with overseas partners at the management level. In recent years, we have diversified our network of offshore development contractors as we emphasize efforts to increase outsourcing in ASEAN countries.



■ Partnership-Building Declaration

We have identified priority areas for building new partnerships by fostering cooperation, mutual growth, and shared value with partners across our supply chain and business ecosystem.

For details, go to <https://www.tis.com/group/sustainability/policies/multi-stakeholder/>

■ Promoting a Sustainable Procurement Policy

As a corporate group, we acknowledge the importance of working together with stakeholders throughout the supply chain. We are working to communicate procurement guidelines based on a sustainable procurement policy to all our stakeholders.

For details, go to <https://www.tis.com/group/sustainability/policies/procurement/>

—With Shareholders and Investors

■ Constructive Dialogue with Shareholders For details, go to [https://www.tis.com/ir/policy/governance/index.html#anchor\\_05](https://www.tis.com/ir/policy/governance/index.html#anchor_05)

In accordance with our IR Policy, we actively engage in constructive dialogue with shareholders to support sustainable growth and enhance corporate value over the medium to long term. We also aim to strengthen the framework for such dialogue. During these interactions, we ensure fairness in information disclosure and properly manage insider information in line with the Rules for the Prevention of Insider Trading.

For details on our IR policy, go to <https://www.tis.com/ir/other/policy/index.html>

Engaging with Shareholders

Led by the TIS President and CEO, in fiscal 2025 we actively engaged in constructive dialogue with shareholders involved in active investment management in Japan and overseas, primarily in the United States, Europe, and Asia. These active investors have diverse approaches, typically focusing on growth and value trading. Most shareholder interactions were with analysts and fund managers, though we also met with individuals responsible for exercising voting rights.

Key topics and areas of shareholder interest (outlined below) were shared and discussed internally through quarterly reports to the Board of Directors and other meetings. This feedback was incorporated into the review of management strategies, the development of management plans, and other corporate initiatives.

Main themes of discussions with shareholders and matters of interest to them

- Progress and future outlook of structural transformation initiatives aimed at business growth and profitability
- The importance of investing in human resources, our most critical management capital, and corresponding policies
- Status of ESG initiatives, with a focus on human resources
- Approach to allocating cash to increase corporate value (investments in growth and shareholder return)
- Financial strategy and KPIs with an awareness of capital efficiency, and other themes
- Policies for responding to changes in the business environment such as the utilization of AI and the reorganization of industries

IR events in fiscal 2025

Event	Frequency	Details
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	264 times	Including 129 meetings that overseas investors participated in; a total of 498 investors participated in the meetings.
Small meetings with President	3 times	One with sell-side analysts, and two with buy-side analysts
Overseas roadshows	2 times	In North America and Europe
Participation in conferences	4 times	Three conferences in Japan and one overseas (Asia)
IR conferences for individual investors	Once	

For our initiatives to revitalize General Meetings of Shareholders and facilitate the exercise of voting rights, refer to page 17 (III. Implementation of Measures for Shareholders and Other Stakeholders) of the Corporate Governance Report.

<https://www.tis.com/documents/en/ir/policy/governance/governance.pdf>

—With Local Communities and Society

We see the existence of digitally disadvantaged people—those for whom the convenience of digital technology is out of reach—as a social issue, and we are working with non-profit organizations (NPOs) to help resolve this issue. We support NPOs' activities and develop infrastructure to realize a society where everyone can benefit from digital technologies.

■ Example Activities

Grant Program

Fiscal 2025  
Grants provided to nine organizations

Helping improve the quality of NPOs' aid activities and their ability to implement these activities  
Providing grants for upgrading the digital tools currently used by the NPOs that we assist to enhance the quality of their aid activities and their ability to implement these activities  
→ Effective program implementation to help improve the quality of NPO's activities and expand the scope of support they provide

Digital Infrastructure Enhancement Program

Fiscal 2025  
Support provided to 11 organizations

Strengthen ability of NPOs to utilize digital technology and enhance operating capabilities  
Send specialists to assess digital environments at NPO offices and resolve issues of concern.  
→ Develop digital infrastructure to improve operating capabilities and contribute to realization of continuous, high-quality support to address prevailing social issues

■ Example activities in fiscal 2025

WakuWaku-no-ie (a specified non profit activity corporation)

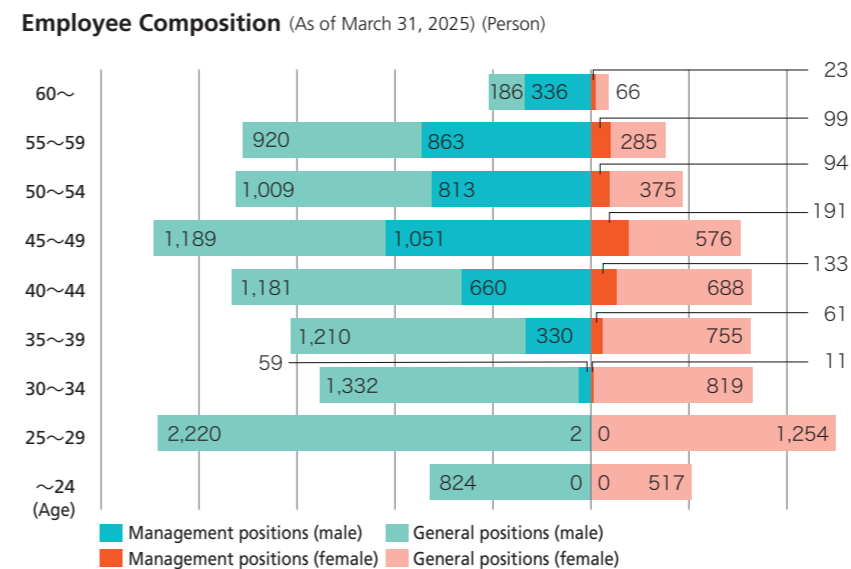
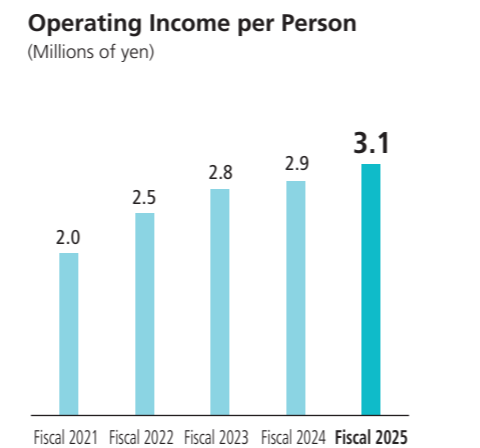
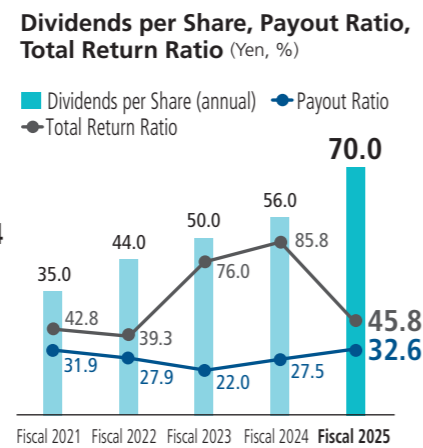
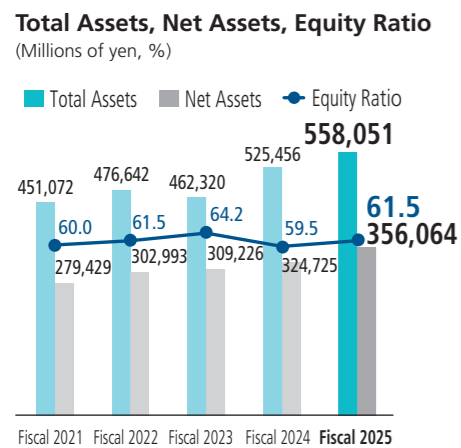
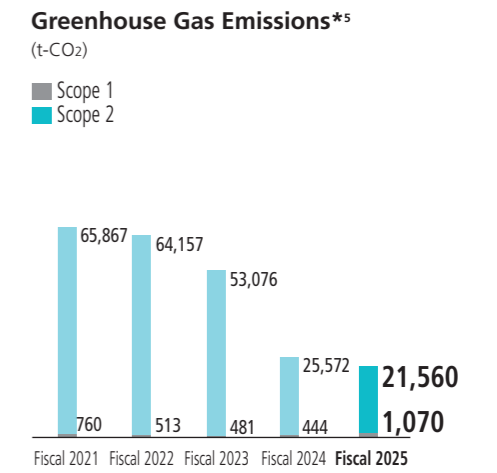
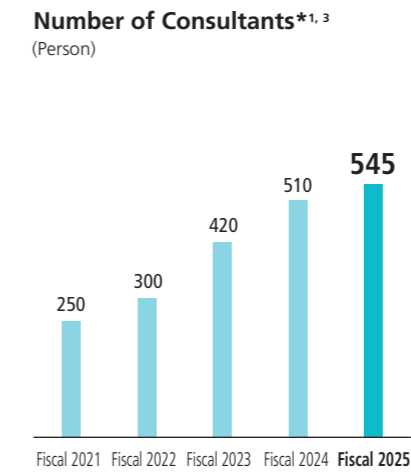
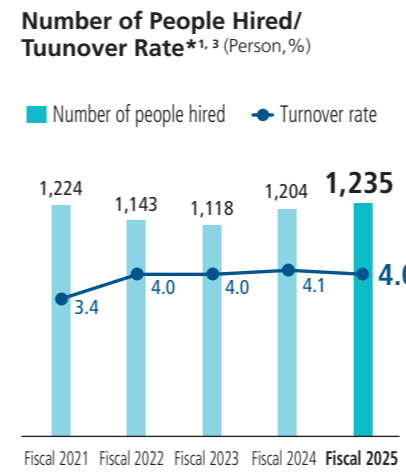
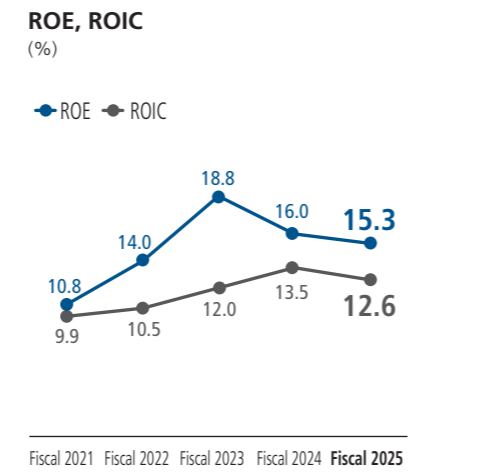
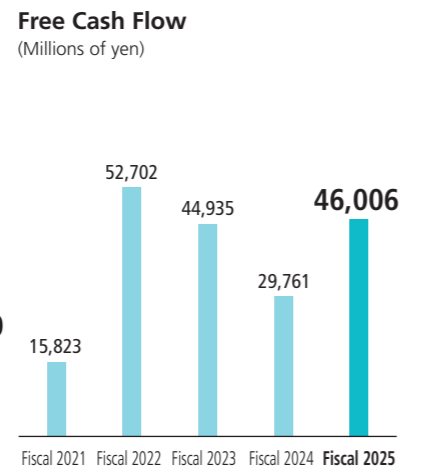
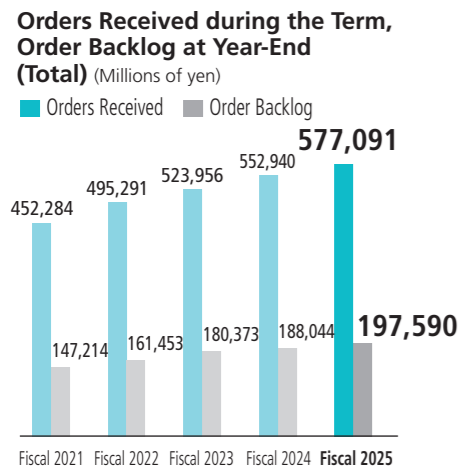
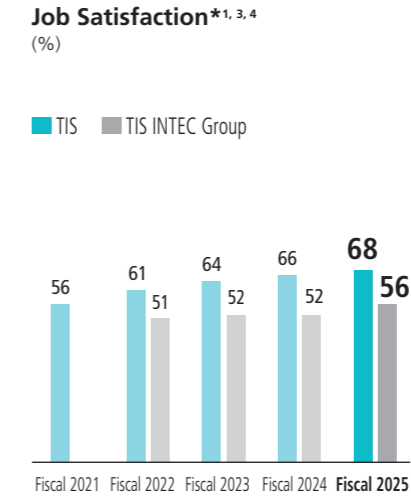
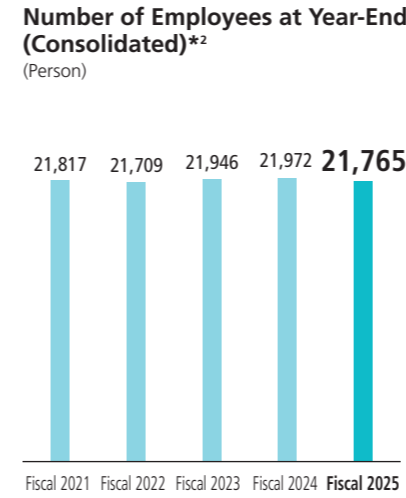
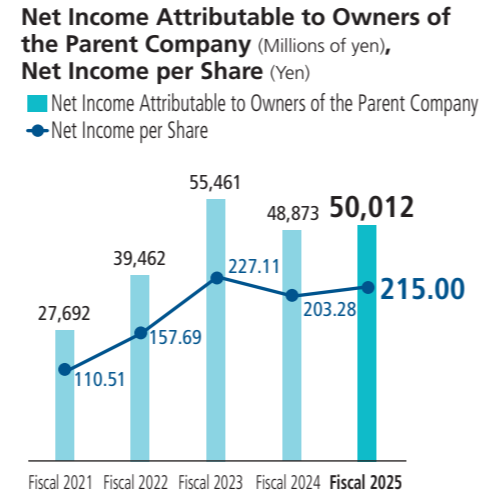
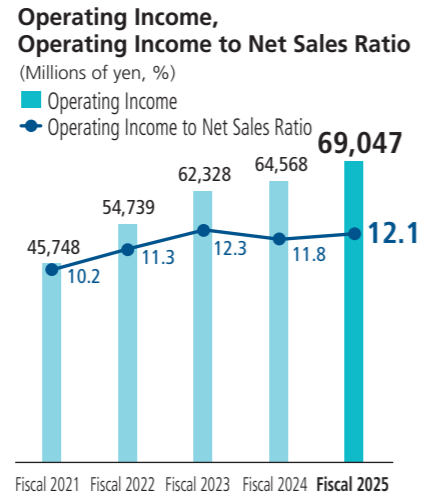
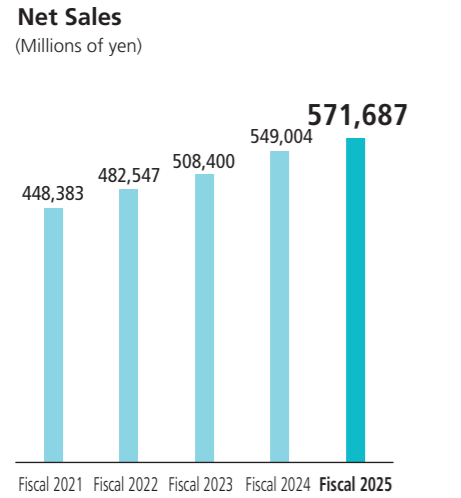
A system was developed to connect children's transportation schedules, staff shift schedules, other schedules and attendance records at alternative schools providing after-school childcare support. This improved service accuracy, reduced administrative burdens, and strengthened operational stability. Additionally, a wage calculation system was implemented, enabling the distribution of wage slips to all staff members and enhancing both employee convenience and their sense of security.

For other activities, please visit the following webpage.

<https://www.tis.com/group/sustainability/social/community/>

# 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.



\*1 The calculation base dates used for the fiscal years ended March 31 in 2021, 2022, 2023, 2024 and 2025 are, respectively, April 1, 2021, March 31, 2022, March 31, 2023, March 31, 2024 and March 31, 2025. 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.

\*2 The number of employees conforms to the definition set by Japan's Financial Services Agency for Japanese-language annual securities reports.

\*3 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.

\*4 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.

\*5 (Fiscal 2025) Scope covers TIS INTEC Group, consolidated, (From fiscal 2021 to fiscal 2024) 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

(Millions of yen)

	Fiscal 2015	Fiscal 2016	Fiscal 2017	Fiscal 2018		Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2023	Fiscal 2024	Fiscal 2025
<b>Performance Status</b>												
Net sales	361,025	382,689	393,398	405,648		420,769	443,717	448,383	482,547	508,400	549,004	<b>571,687</b>
Cost of sales	294,927	312,153	317,440	321,286		325,985	337,820	334,671	353,699	366,668	397,365	<b>411,480</b>
Gross profit	66,097	70,535	75,958	84,362		94,784	105,896	113,712	128,848	141,732	151,639	<b>160,206</b>
Gross profit ratio (%)	18.3%	18.4%	19.3%	20.8%		22.5%	23.9%	25.4%	26.7%	27.9%	27.6%	<b>28.0%</b>
Selling, general and administrative expenses	44,976	46,099	48,938	51,618		56,740	61,057	67,963	74,108	79,403	87,070	<b>91,158</b>
Selling, general and administrative expenses ratio (%)	12.5%	12.0%	12.4%	12.7%		13.5%	13.8%	15.2%	15.4%	15.6%	15.9%	<b>15.9%</b>
Operating income	21,121	24,436	27,019	32,743		38,043	44,839	45,748	54,739	62,328	64,568	<b>69,047</b>
Operating margin (%)	5.9%	6.4%	6.9%	8.1%		9.0%	10.1%	10.2%	11.3%	12.3%	11.8%	<b>12.1%</b>
Recurring profit	21,251	24,521	27,092	32,795		38,603	46,070	39,257	55,710	63,204	68,553	<b>70,503</b>
Recurring profit ratio (%)	5.9%	6.4%	6.9%	8.1%		9.2%	10.4%	8.8%	11.5%	12.4%	12.5%	<b>12.3%</b>
Net income attributable to owners of the parent company	10,275	12,678	16,306	20,620		26,034	29,411	27,692	39,462	55,461	48,873	<b>50,012</b>
Net income ratio (%)	2.8%	3.3%	4.1%	5.1%		6.2%	6.6%	6.2%	8.2%	10.9%	8.9%	<b>8.7%</b>
<b>Financial Position</b>												
Current assets	140,450	166,666	152,162	162,064		176,231	181,543	229,965	259,261	268,682	291,556	<b>319,080</b>
Fixed assets	205,401	169,828	185,459	204,889		194,426	201,356	221,106	217,381	193,637	233,899	<b>238,970</b>
Software assets	13,252	15,428	16,056	16,866		19,177	22,887	27,797	26,486	25,648	23,575	<b>20,269</b>
Total assets	345,851	336,495	337,622	366,954		370,657	382,899	451,072	476,642	462,320	525,456	<b>558,051</b>
Current liabilities	77,666	91,508	78,676	81,310		91,126	88,479	100,915	139,236	117,179	140,277	<b>153,210</b>
Non-current liabilities	79,395	64,447	59,743	59,344		45,121	46,462	70,726	34,412	35,914	60,453	<b>48,775</b>
Total liabilities	157,062	155,955	138,420	140,655		136,248	134,942	171,642	173,649	153,094	200,730	<b>201,986</b>
Net assets	188,789	180,539	199,202	226,298		234,408	247,957	279,429	302,993	309,226	324,725	<b>356,064</b>
Total liabilities and net assets	345,851	336,495	337,622	366,954		370,657	382,899	451,072	476,642	462,320	525,456	<b>558,051</b>
Total interest-bearing debt	52,114	46,158	35,144	32,876		26,893	22,294	43,629	37,517	16,043	37,972	<b>37,012</b>
<b>Cash Flow Status</b>												
Cash flow from operating activities	22,938	25,496	18,952	36,386		37,558	38,569	33,345	56,126	33,634	62,578	<b>63,748</b>
Cash flow from investing activities	(17,744)	8,688	(23,488)	(14,202)		(1,213)	(26,437)	(17,522)	(3,424)	11,300	(32,817)	<b>(17,741)</b>
Cash flow from financing activities	(19,067)	(14,979)	(18,327)	(10,543)		(16,773)	(14,544)	12,484	(21,948)	(64,573)	(21,889)	<b>(27,791)</b>
Cash and cash equivalents at the end of the term	29,485	48,651	25,730	37,545		57,083	54,684	82,924	113,820	94,306	102,722	<b>121,288</b>
Free cash flow	5,194	34,184	△4,536	22,184		36,345	12,132	15,823	52,702	44,935	29,761	<b>46,006</b>
<b>Others</b>												
Capital expenditures	16,873	14,210	15,159	16,907		13,334	16,702	25,085	13,783	11,230	19,193	<b>25,961</b>
Depreciation	12,809	11,952	11,801	12,572		12,783	12,020	13,318	15,083	15,700	17,340	<b>18,748</b>
Research and development expenses	1,097	1,086	1,178	996		1,003	1,702	1,789	2,784	3,104	2,958	<b>3,079</b>
Amortization of goodwill	1,052	339	326	289		289	171	312	497	336	1,574	<b>2,028</b>
Goodwill balance at the end of the term	2,021	1,393	1,332	1,118		503	355	2,550	1,556	1,370	31,610	<b>27,814</b>
<b>Order Status</b>												
Orders received during the term (total)	—	—	—	—		427,210	439,748	452,284	495,291	523,956	522,940	<b>577,091</b>
Order backlog at year-end (total)	—	—	—	122,067		132,935	133,121	147,214	161,453	180,373	188,044	<b>197,590</b>
Orders received during the term (software development)	199,842	207,345	208,307	219,225		238,298	246,330	237,323	271,350	282,739	278,508	<b>295,838</b>
Order backlog at year-end (software development)	71,095	69,961	64,751	67,716		75,549	79,277	83,797	94,016	103,282	101,386	<b>107,993</b>

\* 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

(Millions of yen)

	Fiscal 2015	Fiscal 2016	Fiscal 2017	Fiscal 2018		Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2023	Fiscal 2024	Fiscal 2025
<b>Financial Indicators</b>												
Equity ratio (%)	53.3%	52.5%	57.8%	60.4%		62.0%	63.3%	60.0%	61.5%	64.2%	59.5%	<b>61.5%</b>
Net income to equity capital ratio (ROE) (%)	6.0%	7.0%	8.8%	9.9%		11.5%	12.5%	10.8%	14.0%	18.8%	16.0%	<b>15.3%</b>
Total asset turnover ratio	1.09	1.12	1.17	1.15		1.14	1.16	1.08	1.04	1.08	1.11	<b>1.06</b>
Financial leverage	1.93	1.89	1.81	1.69		1.63	1.58	1.63	1.65	1.59	1.62	<b>1.65</b>
Recurring profit to total assets ratio (ROA) (%)	6.4%	7.2%	8.0%	9.3%		10.5%	12.2%	9.4%	12.0%	13.5%	13.9%	<b>13.0%</b>
Operating income per person	1.1	1.2	1.3	1.6		1.9	2.2	2.0	2.5	2.8	2.9	<b>3.1</b>
Net operating profit after tax (NOPAT)	13,838	15,725	18,921	22,542		26,014	30,569	29,184	34,450	39,406	45,626	<b>46,915</b>
Invested capital (average)	234,931	238,595	235,194	249,619		261,317	265,257	294,870	328,614	327,733	338,395	<b>372,237</b>
Return on Invested capital (ROIC) (%)	5.9%	6.6%	8.0%	9.0%		10.0%	11.5%	9.9%	10.5%	12.0%	13.5%	<b>12.6%</b>
Interest-bearing debt ratio (%)	15.1%	13.7%	10.4%	9.0%		7.3%	5.8%	9.7%	7.9%	3.5%	7.2%	<b>6.6%</b>
Payout ratio (%)	25.6%	22.7%	19.0%	16.6%		22.8%	25.7%	31.9%	27.9%	22.0%	27.5%	<b>32.6%</b>
Total return ratio (%)	30.4%	35.3%	31.9%	30.5%		39.0%	39.8%	42.8%	39.3%	76.0%	85.8%	<b>45.8%</b>
<b>Per Share Data</b>												
Net income per share—basic (yen)*	117.40	145.22	189.02	241.44		307.83	350.35	110.51	157.69	227.11	203.28	<b>215.00</b>
Net income per share—diluted (yen)*	30.00	33.00	36.00	40.00		70.00	90.00	35.00	44.00	50.00	56.00	<b>70.00</b>
Net assets per share (yen)*	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	<b>1,477.61</b>
<b>Stock Information</b>												
Stock price at fiscal year-end (yen)	2,193	2,664	2,832	4,210		5,240	5,361	2,641	2,877	3,490	3,289	<b>4,134</b>
Highest stock price during the term	2,257	3,085	2,959	4,410		6,040	7,320	2,670	3,630	4,320	4,095	<b>4,335</b>
Lowest stock price during the term	1,524	2,156	2,180	2,742		4,060	4,045	1,723	2,466	2,693	2,908	<b>2,799</b>
Price-earning ratio (PER) (times)	18.7	18.3	15.0	17.4		17.0	15.3	23.9	18.2	15.4	16.2	<b>19.2</b>
Price book-value ratio (PBR) (times)	1.04	1.31	1.25	1.62		1.93	1.85	2.45	2.45	2.84	2.47	<b>2.80</b>
Market value at term-end (millions of yen)	192,521	233,870	248,618	369,592		460,014	470,637	695,553	722,589	853,114	776,971	<b>976,589</b>
Number of outstanding shares at fiscal year-end (thousands)	87,789	87,789	87,789	87,789		87,789	87,789	263,367	251,160	244,445	236,233	<b>236,233</b>
Number of treasury stock at fiscal year-end (thousands)	320	864	1,701	2,613		3,358	3,952	12,595	1,394	2,446	1,924	<b>3,865</b>
Average number of shares during the term (thousands)	87,522	87,305	86,268	85,406		84,574	83,948	250,574	250,246	244,212	240,427	<b>232,621</b>
<b>Sales by Client Sector</b>												
<b>Net sales</b>	<b>361,025</b>	<b>382,689</b>	<b>393,398</b>	<b>405,648</b>		<b>420,769</b>	<b>443,717</b>	<b>448,383</b>	<b>482,547</b>	<b>508,400</b>	<b>549,004</b>	<b>571,687</b>
Credit card	53,743	59,274	65,006	73,314		73,648	75,118	79,265	90,314	97,494	98,813	<b>97,291</b>
Banking	25,444	27,867	28,233	27,452		26,583	30,100	30,648	36,394	39,313	46,984	<b>49,905</b>
Insurance	24,972	26,339	25,356	26,262		27,279	29,274	30,140	31,520	31,258	32,012	<b>32,257</b>
Other finance	23,312	20,406	20,857	22,127		19,502	24,289	17,863	16,000	15,075	18,474	<b>19,486</b>
Assembly-based manufacturing	45,785	49,455	42,723	43,777		46,028	45,739	45,103	44,345	45,002	45,843	<b>50,034</b>
Processing-based manufacturing	34,960	35,061	36,953	38,366		38,081	38,998	42,424	53,368	51,706	54,216	<b>55,843</b>
Distribution	31,775	32,702	31,773	28,872		32,908	33,976	31,679	32,904	33,951	35,741	<b>38,754</b>
Services	77,535	79,601	89,607	93,258		103,531	112,722	118,517	132,094	142,276	155,308	<b>168,880</b>
Public institutions	29,891	36,603	37,002	35,923		34,863	36,286	33,649	32,075	37,447	45,552	<b>42,071</b>
Others	13,604	15,376	15,882	16,292		18,343	17,209	19,090	13,527	14,874	16,057	<b>17,162</b>

\* The Company executed a 3-for-1 stock split of common stock, effective April 1, 2020.

# Non-Financial Summary

Compilation period: April 1 to March 31 of each year or the base date

	Scope of data collection	Fiscal 2021	Fiscal 2022	Fiscal 2023	Fiscal 2024	Fiscal 2025
<b>Employee-Related Data</b> (Note 1)						
* Averages are calculated as simple combined averages or weighted averages.						
Number of employees (Note 2)	A	21,817	21,709	21,946	21,972	<b>21,765</b>
Number of employees by nationality	A	—	21,796	21,916	22,062	<b>21,951</b>
Number of Japanese employees	A	—	19,319	19,399	19,823	<b>19,913</b>
Number of Thai employees	A	—	2,038	2,085	1,805	<b>1,607</b>
Number of Chinese employees	A	—	252	250	260	<b>276</b>
Number of other employees	A	—	187	182	174	<b>155</b>
Number of employees	B	—	19,498	19,573	20,010	<b>20,132</b>
Percentage of female employees	B	—	28.1%	28.7%	29.0%	<b>29.5%</b>
Percentage of mid-career hires (%)	B	—	24.0%	23.2%	24.2%	<b>24.4%</b>
Average age	B	—	40.1	40.3	40.4	<b>40.5</b>
Average age of male employees	B	—	41.3	41.5	41.6	<b>41.7</b>
Average age of female employees	B	—	37.1	37.3	37.5	<b>37.8</b>
Average length of service (years)	B	—	14.2	14.0	14.2	<b>14.4</b>
Difference in average length of service between men and women (years)	B	—	3.2	3.7	3.6	<b>3.5</b>
Number of employees in management positions (Note 3)	B	—	4,454	4,570	4,470	<b>4,726</b>
Percentage of female employees in management positions	B	—	10.3%	11.0%	11.8%	<b>12.9%</b>
Percentage of employees with a disability (Note 4)	F	2.35%	2.40%	2.30%	2.18%	<b>2.43%</b>
Number of new graduate recruits	B	861	821	806	836	<b>851</b>
Percentage of new female graduate recruits	B	36.0%	38.7%	35.2%	35.5%	<b>35.5%</b>
Number of mid-career hires	B	363	322	312	368	<b>384</b>
Percentage of female mid-career hires	B	29.2%	31.7%	30.1%	33.2%	<b>33.9%</b>
Turnover rate (Note 5)	B	3.4%	4.0%	4.0%	4.1%	<b>4.0%</b>
Retention rate of new graduates after three years of employment (%)	B	—	85.4%	85.2%	84.3%	<b>86.8%</b>
Number of consultants	B	250	300	420	510	<b>545</b>
Number of IT architects	B	—	—	—	—	<b>270</b>
Number of high-level sales talent	B	—	—	—	—	<b>262</b>
Annual education expenditure per person (yen)	B	—	105,254	115,401	118,835	<b>119,228</b>
Number of days spent on learning and research per person per annum	B	—	11.7	12.5	12.1	<b>12.4</b>
Job satisfaction (Note 6)	B	—	51%	52%	52%	<b>56%</b>
Absenteeism (Note 7)	B	—	1.0%	1.0%	1.0%	<b>0.9%</b>
Presenteeism (Note 8)	B	—	—	—	—	<b>22.1%</b>
Average total working hours per month	B	—	156.2	162.7	165.8	<b>163.9</b>
Percentage of employees with average monthly legal overtime of 45 hours or more	B	—	3.6%	4.1%	2.9%	<b>2.6%</b>
Percentage of annual paid leave taken	B	—	63.2%	68.2%	68.5%	<b>66.0%</b>
Percentage of male employees taking short- or long-term childcare leave	B	—	—	75.9%	80.1%	<b>83.0%</b>

## 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. (Fiscal 2025) TIS INTEC Group, consolidated, (From fiscal 2021 to fiscal 2024) TIS, INTEC, AGREX, QUALICA, AJS, TIS Solution Link, TIS System Service, TIS Tohoku, 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, AJS, TIS Solution Link and TIS System Service
- F. TIS, QUALICA (from fiscal 2025), TIS Solution Link, and TIS System Service, TIS Business Service, SorunPure and Miotsukushi Analytics (from fiscal 2025)
- G. TIS, INTEC, AGREX, QUALICA, AJS, and TIS Solution Link
- H. TIS and INTEC
- I. TIS, parent

	Scope of data collection	Fiscal 2021	Fiscal 2022	Fiscal 2023	Fiscal 2024	Fiscal 2025
<b>Environmental Data</b>						
Scope 1 emissions (t-CO <sub>2</sub> )	D	760	513	481	444	<b>1,070</b>
Scope 2 emissions (t-CO <sub>2</sub> )	D	65,867	64,157	53,076	25,572	<b>21,560</b>
Scope 3 emissions (t-CO <sub>2</sub> )	C	441,687	418,761	465,226	511,036	<b>539,183</b>
Category 1 (purchased goods and services)	C	323,087	333,379	386,392	444,540	<b>464,868</b>
Category 2 (capital goods)	C	90,068	57,694	48,317	38,135	<b>43,842</b>
Category 3 (fuel-and energy-related activities)	C	10,106	10,269	9,026	4,624	<b>3,313</b>
Category 4 (upstream transport and delivery)	C	7,433	8,215	11,392	12,523	<b>16,032</b>
Category 5 (waste generated in operations)	C	361	703	580	805	<b>772</b>
Category 6 (business travel)	C	2,549	2,449	2,752	2,751	<b>2,762</b>
Category 7 (employee commuting)	C	8,083	6,052	6,766	7,658	<b>7,595</b>
Energy consumption (Electricity MWh)	D	141,620	139,560	143,909	138,511	<b>130,482</b>
Renewable energy consumption (MWh)	D	—	—	—	78,544	<b>83,614</b>
Renewable energy utilization rate (%)	D	—	—	—	56.7%	<b>64.1%</b>
Industrial waste (tonnes)	E	290	472	188	291	<b>914</b>
<b>Other Non-Financial Data</b>						
Social contribution expenses (millions of yen)	A	—	—	89	139	<b>139</b>
Political contributions (10,000 of yen)	B	0	27	32	26	<b>61</b>
Number of serious information security incidents	B	—	0	0	0	<b>0</b>
Number of employees receiving regular training on information security	B	—	18,542	25,369	27,188	<b>25,254</b>
Number of reports of leaks, etc. to supervisory authorities of the Personal Information Protection Law	B	—	0	4	2	<b>0</b>
Number of requests for disclosure of information related to personal information	B	—	1	3	1	<b>0</b>
Number of helpline calls: Calls received	I	8	13	4	9	<b>10</b>
Number of helpline calls: Cases investigated	I	8	12	4	9	<b>10</b>
Number of helpline calls: Case involving corrective action	I	4	8	3	6	<b>5</b>
Development loss (millions of yen)	A	1,938	1,845	404	4,002	<b>2,644</b>
Development loss rate	A	0.8%	0.7%	0.1%	1.4%	<b>0.9%</b>
Results of client and service satisfaction surveys	G	—	55.9%	54.2%	54.0%	<b>58.5%</b>
Results of business partner satisfaction surveys	I	—	—	—	77%	<b>74%</b>
Number of directors (Note 9)	I	9	9	9	9	<b>9</b>
Number of female directors (Note 9)	I	1	1	1	1	<b>2</b>
Percentage of female directors (Note 9)	I	11.1%	11.1%	11.1%	11.1%	<b>22.2%</b>
Number of external directors (Note 9)	I	3	3	3	3	<b>3</b>
Percentage of external directors (Note 9)	I	33.3%	33.3%	33.3%	33.3%	<b>33.3%</b>

- \*1 The base dates for the fiscal years ended March 31 in 2021, 2022, 2023, 2024 and 2025 are, respectively, April 1, 2021, March 31, 2022, March 31, 2023, March 31, 2024 and March 31, 2025. 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 2021, 2022, 2023, 2024 and 2025 are, respectively, June 1, 2020, 2021, 2022, 2023, and 2024.
- \*5 Excludes employees who left TIS at the Company's convenience.
- \*6 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.
- \*7 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.
- \*8 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.
- \*9 The calculation base dates used for the fiscal years ended March 31 in 2021, 2022, 2023, 2024, and 2025 are, respectively, July 1, 2020, 2021, 2022, 2023, and 2024.

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](https://www.tis.com/group/sustainability/esg_databook/index.html)

## Group Data

### Group Summary (As of March 31, 2025)

Group Name | TIS INTEC Group

#### Coporate Information (Non-Consolidated)

TIS Inc.  
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)

Head office | 17-1, Nishi-Shinjuku 8-chome,  
Shinjuku-ku, Tokyo, 160-0023,  
Japan

### TIS Inc., and 49 Consolidated Subsidiaries (Domestic 26, Overseas 23)

#### Main Consolidated Subsidiaries

TIS and main group companies	Shareholding ratio	Description of business	Fiscal 2025, ended March 31, 2025 (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)	259,155	31,927 (12.3%)
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)	124,765	14,344 (11.5%)
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)	37,692	4,472 (11.9%)
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)	27,323	3,345 (12.2%)
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)	18,404	1,815 (9.9%)
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 government. Eight subsidiaries under the company. (Established March 1997)	31,815	1,736 (5.5%)

For other group companies, please visit the following webpage.

<https://www.tis.com/company/list/>

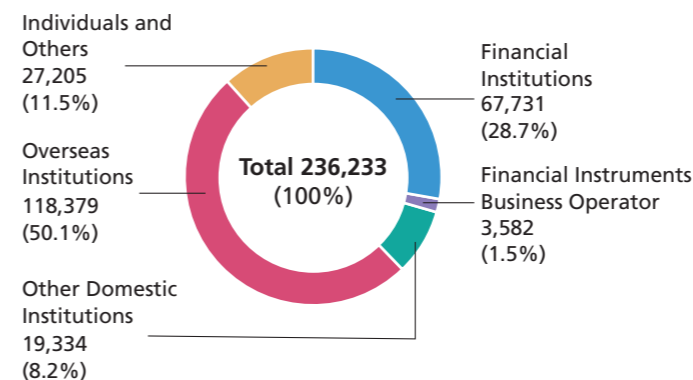
### Stock and Shareholders Information (As of March 31, 2025)

#### 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 an 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	13,051

#### Share Composition by Shareholder

(Thousands of Shares)



#### Major Shareholders

Shareholder Name	Number of shares (Thousands)	Shareholding ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	32,059	13.70
ICHIGO TRUST PTE. LTD.	23,171	9.90
Custody Bank of Japan, Ltd.(Trust Account)	11,849	5.06
STATE STREET BANK AND TRUST COMPANY 505001	7,716	3.30
Nippon Life Insurance Company	7,333	3.13
Employees' Shareholding Association of TIS INTEC Group	6,671	2.85
STATE STREET BANK WEST CLIENT - TREATY 505234	5,239	2.24
The Master Trust Bank of Japan, Ltd. (Retirement Benefit Trust Account, Mitsubishi Electric Corporation Account)	4,796	2.05
JCB Co., Ltd.	3,484	1.49
JP MORGAN CHASE BANK 385781	3,183	1.36

Notes: 1. Shareholding ratios are calculated after deducting treasury stock (2,218,758 shares). The treasury stock does not include 1,147 thousand shares of Company stock held by TIS INTEC Group Employees' Shareholding Association Exclusive Trust, and 499 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.

#### Rating

(At November 18, 2024)

Japan Credit Rating Agency, Ltd. Long-term A+/Stable

## 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 S&P/JPX Carbon Efficient Index



FTSE4Good



FTSE Blossom Japan Index



FTSE Blossom Japan Sector Relative Index



MSCI Japan ESG Select Leaders

2025 CONSTITUENT MSCI JAPAN ESG SELECT LEADERS INDEX

MSCI Japan Empowering Women Index (WIN)

2025 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN)

SOMPO Sustainability Index



Sompo Sustainability Index

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### IR-Related Activities

TIS is included in the following indexes and has also been recognized for its robust IR activities.

JPX Prime 150 Index



JPX-Nikkei Index 400



2024 Internet IR Commendation Award (Daiwa Investor Relations Co., Ltd.)



Fiscal 2024 Homepage Quality Ranking Survey of All Listed Companies (Nikkei Investor Relations Co., Ltd.)



Gomez IR Site Comprehensive Ranking 2024 (BroadBand Security, Inc.)

## Endorsed Initiatives

TIS INTEC Group collaborates with initiatives to promote sustainability issues. Please refer to the ESG Data Book for details.

[https://www.tis.com/group/sustainability/esg\\_databook/index.html](https://www.tis.com/group/sustainability/esg_databook/index.html)